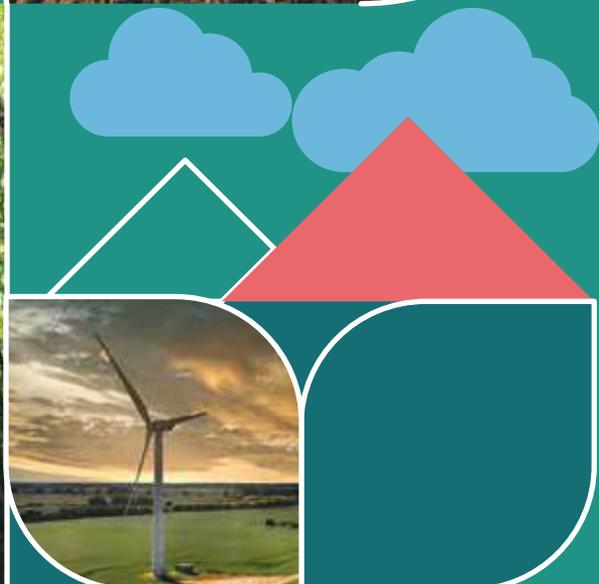
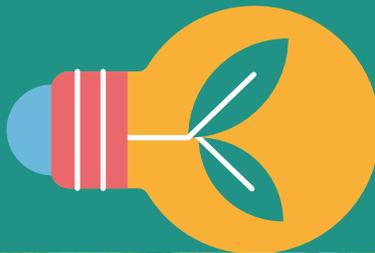
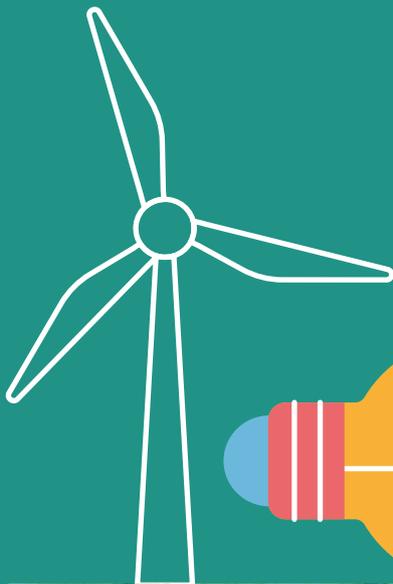


Sustainability Report

FY 2023-24



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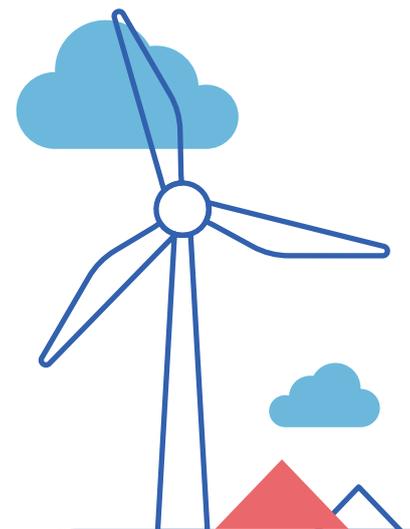
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About the Report

Tata AutoComp Systems Ltd.'s (referred henceforth as "TACO"/ "we" or "our" or "us" / "Company") Sustainability Report for FY 2023-24 highlights our Environmental, Social and Governance (ESG) Performance. Throughout this report, we aim to deepen the understanding of our stakeholders about our dedication to creating sustainable corporate value.

Reporting Period, Scope and Boundary

Sustainability Report covers our ESG performance from 1st April, 2023, till 31st March, 2024, for the following entities:

01

Tata AutoComp Systems
Interiors & Plastic Division
(IPD)

02

Tata AutoComp Gotion
Green Energy Solutions

03

Tata AutoComp Systems
Composites Division

04

Tata AutoComp Systems
Supply Chain Solutions
(TSS)

05

Tata AutoComp Systems
Technical Centre (TTC)

06

Independent Aftermarket
(IAM)

Reporting Frameworks

The Report is in alignment with reference to the Global Reporting Initiative (GRI) Standards 2021 and United Nations Sustainable Development Goals (UN SDGs).

Responsibility Statement

The Board of Directors acknowledges its responsibility for the accuracy and thoroughness of this Report and its contents. At TACO, we have cultivated a culture of shared responsibility, ensuring that every aspect of the preparation and presentation aligns with the GRI Standards. This commitment highlights our dedication to transparency and adherence to the highest reporting standards, reaffirming our promise to stakeholders and the broader community.

As we advance our sustainability initiatives, we are committed to reducing our carbon footprint, enhancing resource efficiency, and promoting circular economy principles. We invest in clean technologies and sustainable manufacturing to develop greener products. Through partnerships and innovation, we aim to exceed industry standards and contribute to a low-carbon economy. Additionally, we foster the growth of inclusive workplaces, support community development, and ensure employee well-being for long term value creation. We strive to maintain transparency, ethical practices, and robust oversight on our business practices to ensure accountability and integrity in all our operations.

Any queries regarding this report, kindly reach out to:
Mr. Raju Gupta on 9632676898 / Ms. Aishwarya Jaju 8668824125.

Leadership Messages

Chairman's Message

Dear Stakeholders,

I hope this letter finds you all well. It is my privilege to present to you the second Sustainability Report for FY 2023-24.

The global economy showcases a promising outlook, maintaining a stable growth rate of approximately 3.0%. This stability is achieved despite challenges, given the resilient strategies and adaptive policies. The world continues to navigate geopolitical tensions and tighter monetary policies in advanced economies with a positive spirit, focusing on innovation and collaboration. Inflationary pressures, particularly in the energy and food sectors, are beginning to ease, supported by improved supply chain dynamics. This relief brings renewed optimism for businesses and consumers alike, fostering a more favorable economic environment.

Meanwhile, the Indian economy is experiencing robust growth, with GDP projected to rise by approximately 6.5% for the FY 2024-2025, according to the IMF's Asia-Pacific Regional Economic Outlook. Key drivers of this growth include strong domestic demand, strategic reforms, and technological advancements.





The auto component industry is experiencing a significant resurgence, driven by the growing demand for electric vehicles (EVs) and the integration of advanced technologies in autonomous vehicles. The industry is projected to grow at a CAGR of 6.2% to 10% from 2023 to 2028. This expansion is fueled by rising investments and innovation in sustainable and smart vehicle components. Asia-Pacific, particularly India, is leading the market due to robust manufacturing capabilities, increasing automotive production, and government incentives for electric mobility. These incentives are attracting investments in battery technology and power electronics, positioning the region as a vital player in the global EV supply chain.

As a USD 2 billion enterprise, Tata AutoComp is presently leading a transformative shift in the auto component industry, leveraging advancements in green technology, supply chain resilience, and digital innovation. We are strategically positioned to capitalize on these opportunities, aligned with the Tata Group's vision of Net Zero emissions by 2045. Our sustainability achievements reflect our dedication to being a responsible organization. We will continue to focus on innovation, customer experiences, and operational excellence, with numerous initiatives to build capability and resilience.

Despite all the challenges, we see opportunities for innovation and leadership in sustainability. Your steadfast commitment and continued partnership will always be invaluable to our journey, and we extend our heartfelt gratitude and look further ahead for your unwavering dedication. I extend my gratitude to our employees, customers, and partners for their support as we build a sustainable future together.

Regards,

Mr. Arvind Goel

Chairman,
Tata Autocomp Systems Ltd.



Message from the CEO

Dear Stakeholders,

It brings me immense pride to present to you Tata AutoComp Systems Limited's (TACO) second Sustainability Report for FY 2023-24. This report is a testament to our commitment to fostering a greener, more resilient enterprise that serves the dual purposes of advancing our planet's well-being and fulfilling the aspirations of our stakeholders.

Underpinned by trust and responsibility, TACO offers an extensive portfolio of products and services to leading Indian and global automotive OEMs and Tier 1 suppliers. With a robust Indian and global presence, TACO has transformed into a formidable USD 2 billion enterprise, achieving an impressive CAGR of 36% over the past three years.

"We are committed to our vision of becoming an ESG leader in the auto component segment and create long-term value through implementing the best sustainability practices."

In FY 2022-23, TACO participated in its inaugural assessment for the Dow Jones Sustainability Index (DJSI) ESG rating. In this first-ever evaluation, TACO achieved an impressive standing, ranking in the 93rd percentile among Auto Component companies, with only 16 companies scoring higher, globally. TACO's debut scores reflect a strong commitment to sustainability: 92nd percentile in Governance, 81st percentile in Environment, and 96th percentile in Social dimensions. This remarkable achievement highlights our dedication to sustainability and excellence, particularly as a first-time participant.





Our processes are deeply rooted in the integration of sustainable practices, ensuring long-term success that aligns with the Tata Group's Aalingana goals. During the year, we advanced our sustainability agenda with a plethora of initiatives. On the environmental front, we undertook Biodiversity Risk Assessments across our various locations, undertook a robust GHG accounting project while crafting a comprehensive Decarbonization Roadmap in alignment with the Science-Based Targets. We have also conducted Life Cycle Assessments on five products across our businesses, to assess the environmental impacts of our products throughout their lifecycle. Socially, our endeavors were equally robust. We conducted a thorough Human Rights Due Diligence assessment across various locations to cultivate a culture of inclusivity and foster an employee-friendly environment. Through our CSR initiatives, we have positively impacted over 60,000 lives through more than 40 projects centered on Inclusion, Well-being, Youth Development, and Sustainability. Moreover, during the year, we executed an ESG assessment of our supply chain partners, equipping them with detailed action plans designed to enhance their ESG performance. We have also significantly refined our ESG data management practices, ensuring our reporting is both accurate and transparent.

We are proud of our achievements and remain optimistic about the future. Transitioning to a more sustainable future demands continuous innovation and collaboration innovation and collaboration. While we encounter challenges such as supply chain disruptions and the need for significant investments in new technologies, these obstacles also present opportunities for us to innovate and lead the industry in

I extend my heartfelt gratitude to our dedicated employees, valued customers, strategic partners, and esteemed stakeholders for their constant support and trust. Together, we envision a more sustainable and prosperous future.

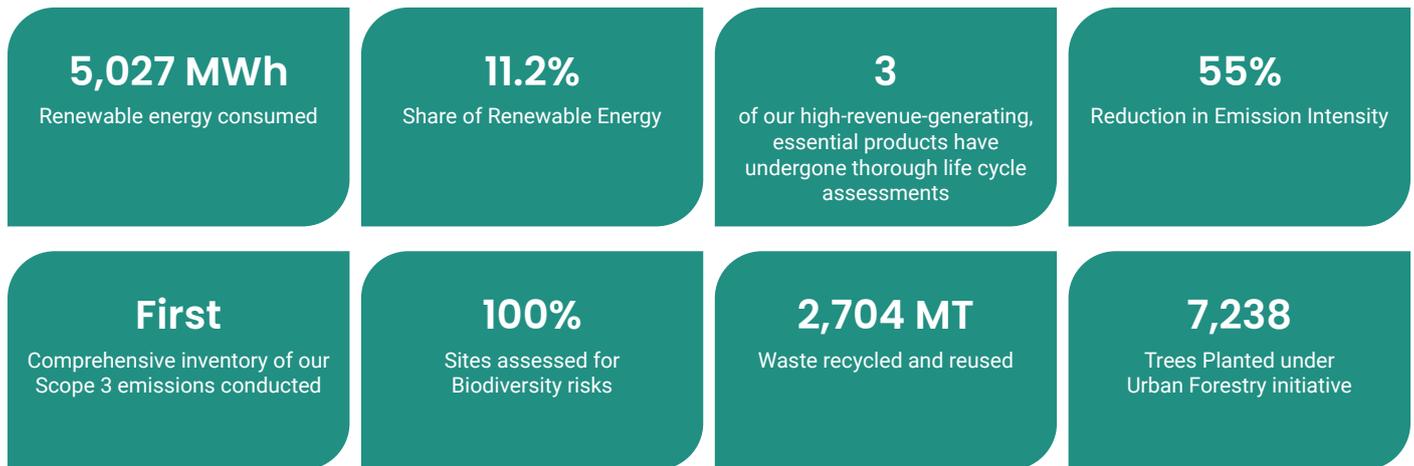


Mr. Ravi Chidambar

Chief Executive Officer,
Tata Autocomp Systems Ltd.

Key Highlights of FY 2023-24

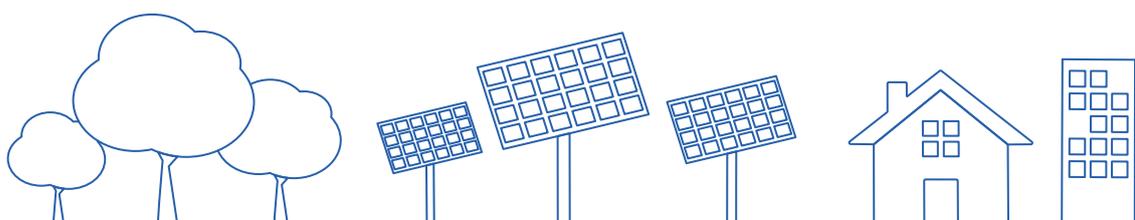
Environmental Highlights



Social Highlights



Governance Highlights





Our Achievements



Score 54

DJSI ESG Rating Debut

In FY 2023-24, we entered the S&P Global Dow Jones Sustainability Index, scoring 54 in ESG parameters, solidifying our commitment to sustainable practices. The Dow Jones Sustainability Index (DJSI), created by S&P Global, is a global benchmark that ranks the top 10% of the largest companies based on their sustainability practices. This rating is important as it highlights companies' commitment to ESG criteria, attracting socially conscious investors and enhancing corporate reputation.



GHG Inventorization

We have completed a comprehensive Greenhouse Gas (Scope 1, Scope 2 and Scope 3) inventory, showcasing our dedication to managing our carbon footprint and aligning with global sustainability standards. We have also undertaken SBTi Alignment through which we commit to reducing emissions in line with the Paris Agreement, aiming to limit global warming to 1.5°C.

Human Rights Due Diligence

We undertook a Human Rights Due Diligence assessment aimed at evaluating potential impacts and the severity of human rights risks. We focused on developing effective mitigation strategies to minimize the impact of these gaps within our management processes. Additionally, we have established a robust mechanism to continuously monitor and review these gaps, ensuring that our management system aligns with human rights standards and promotes accountability and improvement.

[Read more on Page 103](#)

Biodiversity Commitment

We have conducted Biodiversity Assessments to ensure our operations support local ecosystems, aligning growth with environmental stewardship.

[Read more on Page 83](#)

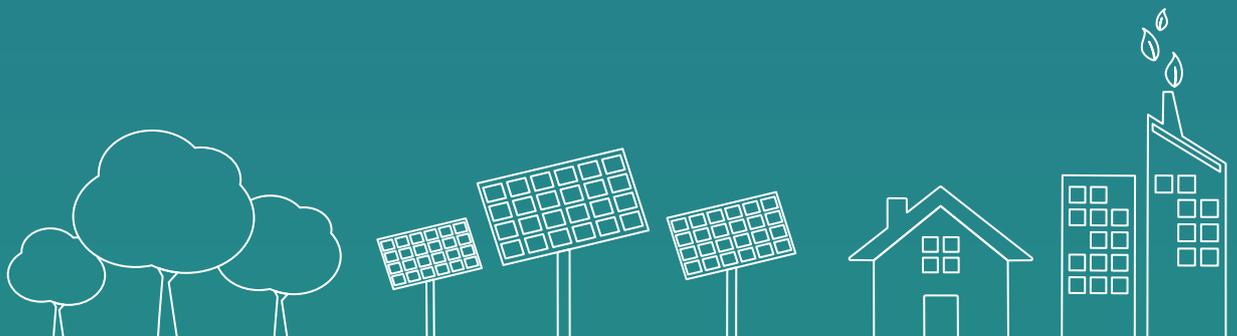
Supply Chain Excellence

We conducted a Supply Chain Assessment based on SAQ and DJSI standards, evaluating our top 75% critical suppliers. By providing action reports, we ensure our suppliers adhere to responsible sourcing and ethical practices. This approach strengthens our supply chain resilience and supports our broader goals of creating long-term value and reducing our ecological footprint.

[Read more on Page 54](#)



Corporate Overview



About Tata AutoComp Systems Ltd.

Founded in 1995, Tata AutoComp Systems was established with the goal of bringing advanced automotive component technologies to the rapidly growing Indian automotive industry. We focus on the design, development, manufacturing, and supply of a wide variety of auto-component products and services. These offerings serve automotive OEMs, including those in the passenger vehicle, commercial vehicle, two and three-wheeler, tractor, off-road vehicle, allied industrial sectors, and the aftermarket.

Vision:

To be the most trusted mobility components and systems partner.

Mission:

Deliver value to all stakeholders by differentiation through safety, quality and constant innovation.

Values:

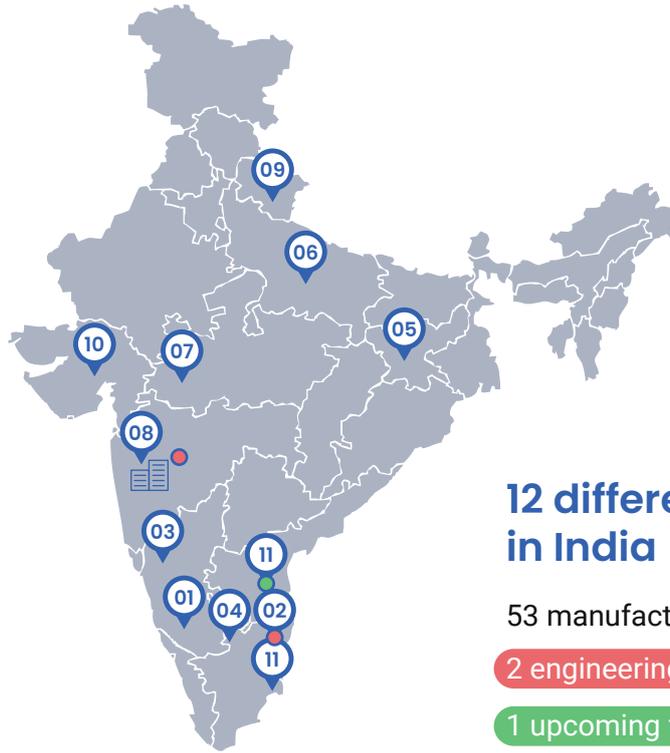
- Integrity
- Pioneering
- Excellence
- Unity
- Responsibility

We function through several divisions and business units, which include both subsidiaries and joint ventures. The company has 18 business units, 9 of which are joint ventures with prominent global auto component firms. With a strong international presence, TACO operates 61 manufacturing facilities strategically situated in India, North America, Latin America, Europe, and China. This extensive network highlights the company's dedication to providing high-quality automotive solutions globally.



Locations in India


Group Office



12 different locations
in India

53 manufacturing facilities

2 engineering centres

1 upcoming facility

01 Bangalore

- Plastics

02 Chennai

- Mirrors, GS, PBL & Washer
- Composites
- Seating
- **Engineering Centre**

03 Dharwad

- Seating

04 Hossur

- Radiators

05 Jamshedpur

- Radiators
- Composites
- Plastics
- Suspensions
- Seating
- Stampings

06 Lucknow

- Radiators
- Seating
- Stampings

07 Pithampur

- Radiators
- Composites

08 Pune

- Plastics
- Batteries
- Radiators Suspensions
- Stampings
- Mirrors, GS, PBL, Washer, ADAS
- Composites
- Seating
- HVAC
- Exhaust Systems
- battery Pack & BMS
- Motors, Controllers, Drivetrain
- EV components
- DCT
- **Engineering Centre**

09 Rudrapur

- Composites & Plastics
- Stampings
- Radiators
- Mirrors, GS, PBL, Washer
- Seating

10 Sanand

- Plastics
- Radiators
- Mirrors, GS, PBL
- Battery Pack
- Seating
- Stampings
- Plastics (2nd division)

11 Sri City

- Radiators
- **HVAC**

12 Orgadam

- Seating

*These locations encompass the entire business operations of Tata Autocomp, including its six divisions known as TLE (TACO legal entity), as defined by the reporting boundary

Global Footprint



01 Brazil
Jaguarina

- Engine Cooling Modules

02 Mexico
Satillo

- Engine Cooling Modules

03 USA
Jamestown

- Engine Cooling Modules

04 Sweden
Miallby & Linkoping

- Engine Cooling Modules
- Oil Cooler

05 Poland
Opole

- Engine Cooling Modules

06 India

- 12 different locations in India
- 53 manufacturing facilities
- 2 engineering centres
- 1 upcoming facility

07 China
Nanjing

- Interior & Exterior Plastics

Changshu

- Kinematic Plastics

*These locations encompass the entire business operations of Tata Autocomp, including its six divisions known as TLE (TACO legal entity), as defined by the reporting boundary

Awards & Accolades



Deming Prize for Total Quality Management (TQM) practices



Best Organization for Women FY 2024 by ET NOW



Group CHRO Mr. Sudipto Marjit honored for Strategic Leadership in HR Excellence at 2024 People Excellence Awards



JRD-QV Award Presented to Tata AutoComp Systems for Business Excellence



THSL honored with Prestigious Award for Innovative Product Development



"Best Organizations for Women" by The Economic Times for the Year 2023



Tata AutoComp Systems – Composites Division Chakan Plant: Won Gold Award in QCFI- TQM Convention 2023



Tata AutoComp Interiors and Plastics Division (IPD) Won Gold Award in CII National Maintenance Circle Competition 2023



TACO Composites Division received the Gold Award in Safety Case study from Quality Circle Forum of India



TACO Composites Division received the Best Innovation Award in the Sustainability Category at the Supplier Workshop 2023 for showcasing reduction of PNG consumption by using IoT4.0 in molding press machines



Our Sustainability Strategy and Aspirations

Tata Group's sustainability strategy, Project Aalingana embodies a vision for a greener, cleaner, more sustainable, and equitable future for the planet. The Group outlines its approach to nurturing planetary resilience, with a clear commitment to achieving net-zero emissions by 2045. Its vision focuses on securing the future through innovation today, embedding sustainability at the core of its business strategy.

Project Aalingana and its three interconnected pillars:

01

Advancing the decarbonization of its operations and value chain

02

Adopting a systemic circular economy model to minimize resource use and waste

03

Preserve and restore the natural environment

Being a part of the Tata Group, we are aligned with Project Aalingana, Tata Group's flagship sustainability strategy.



Stakeholder Engagement

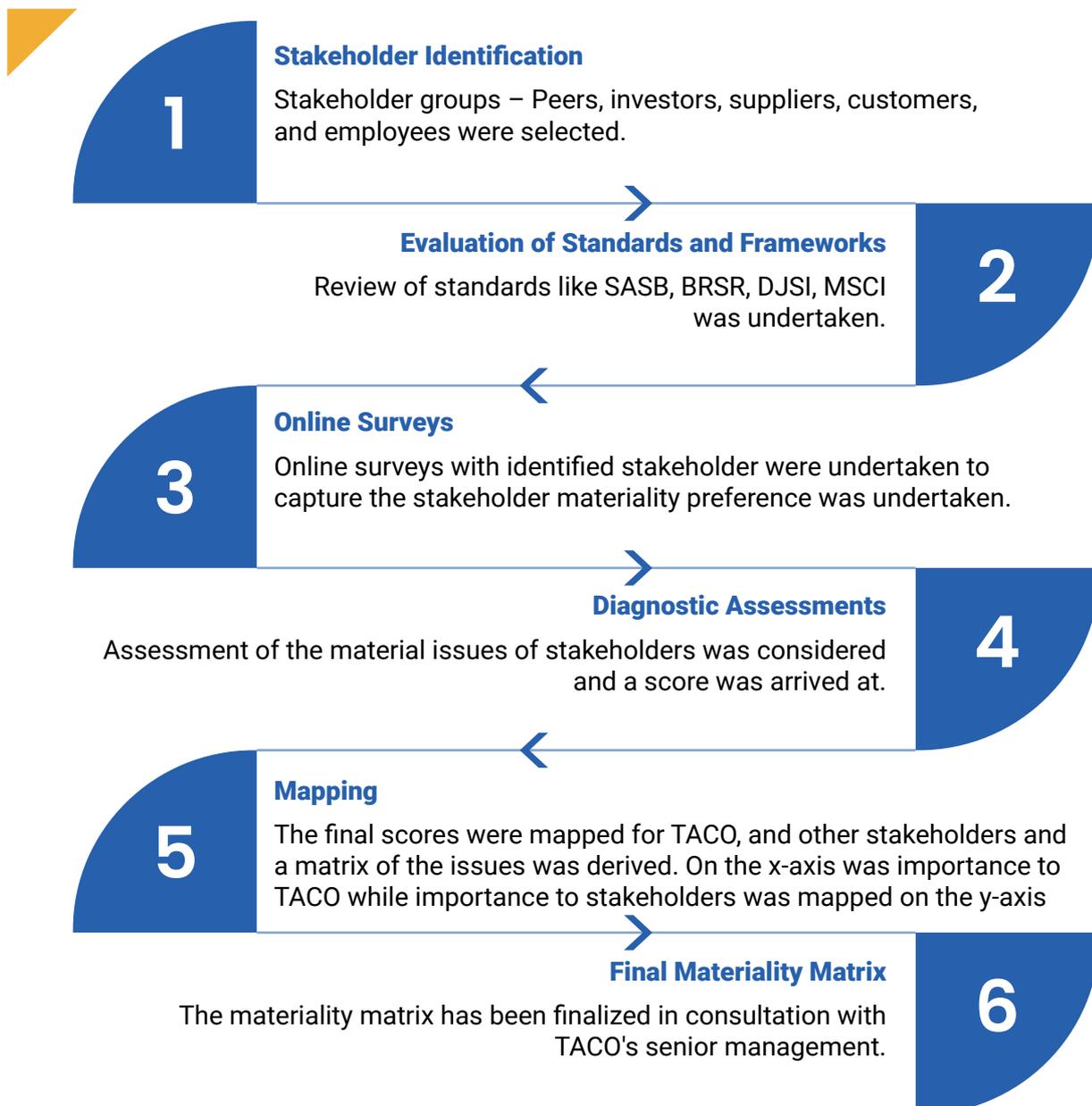
Cultivating healthy communication and strong relationships with our stakeholders is crucial to achieving our goals and ensuring the company's success. At TACO, we prioritize regular engagement and transparent disclosures to address stakeholder expectations and concerns, fostering long-term value creation and maintaining enduring partnerships.

Stakeholder Group	Mode of Engagement	Frequency	Agenda
Employees	Emails, Meetings, Notices, Intranet, Website, Review Meetings, Performance Appraisal Processes	Ongoing or Need Basis	Employee Health, Safety and Wellbeing, Employee Career Management, Learning Growth and Development, Policies, Processes and Performance
Board	Emails, Meetings, Notices, Intranet, Website, Review Meetings, Performance Appraisal Processes	Regular Board Meetings	Business Performance
Customers	Emails, Website, Interactions, Customer Satisfaction Survey	Ongoing or Need Basis	Customer Satisfaction and Opportunities for Improvement
Investors	Annual Reports, Quarterly Presentations, Investor Meets, Emails, One-on-One Interactions, Website	Ongoing or Need Basis	Customer Satisfaction and Opportunities for Improvement
Suppliers	Emails, Website, Interactions, Supplier Meets, Vendor Satisfaction Survey	Ongoing or Need Basis	Vendor Satisfaction and Opportunities for Improvements, Business Growth
Communities	In-Person Interactions, CSR Field Visits, Group Discussions	Continuous/ Frequently	Community Needs and Expectations, Opportunity for Improvement
Government and Regulatory Authorities	Interactions with State Authorities, Pollution Control boards, Tax Officials, Seminars, Media Reports	Ongoing or Need Basis	Statutory and Regulatory Compliance
Trade Associations	Trade Meets	Need Basis	Industry Growth

Materiality Assessment

At TACO, we understand that effective communication and strong relationships with our stakeholders are vital for achieving our goals and ensuring the company's success. We are committed to regular engagement and transparent disclosures to meet stakeholder expectations and address their concerns, fostering long-term value creation and sustaining lasting partnerships.

To ensure we are aligned with our stakeholders, we review our materiality analysis every two years or on need-basis. This involves collaborating with external stakeholders to identify key material issues, which we then prioritize using a materiality matrix or a similar approach. Our material issues are integrated into the company's Enterprise Risk Management process and is guided by the principle of impact materiality. This means we consider both the internal impact on our business and the external impact on society and the environment. The results of our materiality assessment are reviewed and approved by senior management and approved by our Board of Directors, ensuring a comprehensive and strategic approach to stakeholder engagement and corporate responsibility.



Materiality Matrix



Material Issues

1. Climate Action	6. Business Ethics	10. Environmental Protection
2. Employee Health Safety and Wellbeing	7. Human Rights and Labour Practices	11. Community Relations
3. Talent Management	8. Sustainable Innovations	12. Data Privacy
4. Circular Economy	9. Responsible supply chain	
5. Product Stewardship		

Climate Action

Category Very High-Risk Material Topic

Impact, Risk Opportunity and Effect **Risk:** Climate action can pose a risk to due to potential regulatory changes and increased costs for compliance and sustainable practices.
Opportunity: Offers an opportunity to innovate, develop eco-friendly products, and gain a competitive edge in a growing market for sustainable solutions.

Business Impact and Our Response TACO's operations are subject to significant influence from evolving climate conditions and the emerging climate regulations both within India and globally. We are committed to continuously building resilience and reducing our footprint to amplify our impact. For FY 2023-24, we conducted Scope Emission Calculations and developing a Decarbonisation Roadmap to minimize and reduce our footprint. Additionally, we reinforced our Net Zero Commitment announced in FY 2022-23 by integrating sustainability into all aspects of our operations through enhanced efficiency, resilience, technological advancements, innovation, and collaboration.

Mapping

GRI 302, 305
BRSR P6, P9



Circular Economy

Category Very High-Risk Material Topic

Impact, Risk Opportunity and Effect **Risk:** Transitioning to a circular economy can be challenging due to the need for redesigning products and processes, which may incur significant costs.
Opportunity: Embracing a circular economy will allow us to reduce waste, lower material costs, and create new revenue streams through recycling and re-manufacturing.

Business Impact and Our Response Operating in an industry where exceptional service delivery is paired with top-quality products, it is crucial for us to utilize the highest quality materials. This necessitates significant use of raw materials and resources, which consequently leads to substantial waste generation. TACO remains dedicated to delivering this service without compromising on quality, while also minimizing our environmental impact. As part of our Net Zero Commitment, we have incorporated actions and practices that adhere to the principles of resource efficiency, waste management, and reduction. We also undertook Life Cycle Assessment of five products and we will take steps to improve efficiency accordingly.

Mapping

GRI 101, 304
BRSR P6, P8



Product Stewardship

Category

Very High-Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Implementing product stewardship can increase the responsibility and costs to manage the entire lifecycle of our products.
Opportunity: Offers a chance to enhance brand reputation, meet regulatory requirements, and foster customer loyalty through sustainable practices.

Business Impact and Our Response

Product stewardship can significantly impact businesses in both positive and negative ways. A product that maintains high quality but a higher environmental footprint may face regulatory challenges and reduced consumer preference. Embracing product stewardship can lead to cost savings through more efficient use of resources and waste reduction. We conducted Life Cycle Assessments of five products to manage environmental impacts through entire life cycle of the components. This approach helped us promote the use of sustainable materials, reduce waste and enhance the overall efficiency and footprint of the product.

Mapping

GRI 301, 416, 417
 BRSR P2, P8



Environmental Protection

Category

Medium Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Environmental protection efforts can lead to increased operational costs and regulatory compliance challenges as well as damage reputation among consumers and communities.
Opportunity: Prioritizing environmental protection will enable us to contribute to biodiversity conservation, improve ecosystem services, and attract environmentally conscious consumers.

Business Impact and Our Response

Although biodiversity and environmental considerations are indirectly linked to business operations, they can significantly impact a company's reputation and its commitment to the greater good of the planet and its people. Operations that stress the environment, biodiversity, or natural resources risk higher market losses, customer rejection, and overall damage to the company's standing. TACO ensured that biodiversity, environment and the services it offers to the local communities around does not go unaddressed and therefore conducted a Biodiversity Risk Assessment of several areas of its operations and developed a comprehensive action plan to manage and mitigate any damage or loss our. This has however been a continuous practice, now backed by robust studies and dependable mitigation plans.

Mapping

GRI 101, 304
 BRSR P6, P8



Employee Health, Safety and Wellbeing

Category	Very High-Risk Material Topic
Impact, Risk Opportunity and Effect	<p>Risk: Neglecting employee health, safety, and wellbeing can increase operational costs and require significant investment in damage cure, infrastructure development and regulatory actions for our company.</p> <p>Opportunity: Prioritizing employee health, safety, and wellbeing will enhance productivity, reduce absenteeism, and foster a positive workplace culture, benefiting the company overall.</p>
Business Impact and Our Response	Workplace productivity and business efficiency are achieved through prioritizing employee health and well-being. Employees with better physical and mental health, who feel secure and valued by the company, exhibit greater dedication, loyalty, and efficiency in their work. To ensure holistic care and support for our employees, we undertook Human Rights Due Diligence within our operations to identify areas of improvement, if any, and also ensure that we stand up to industry best practices in providing our employees great working environment and opportunities.

Mapping
 GRI 401, 403, 404
 BRSR P3, P5

Talent Management

Category	Very High-Risk Material Topic
Impact, Risk Opportunity and Effect	<p>Risk: Ineffective talent management can lead to high turnover rates, skill gaps, and decreased productivity.</p> <p>Opportunity: Effective talent management will allow us to attract, develop, and retain top talent, fostering innovation, enhancing performance, and maintaining a competitive edge.</p>
Business Impact and Our Response	While certain skills are prerequisites for specific roles, continuous development of both technical and soft skills is essential for career advancement. Our Human Rights Due Diligence aimed to identify areas of strength and improvement, as well as gaps in the education and skill development of our employees and workers. This ensures that TACO not only provides employment opportunities but also foster growth and development.

Mapping
 GRI 401, 404
 BRSR P3, P8

Human Rights and Labor Practices

Category

High-Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Failing to uphold human rights and fair labor practices can lead to legal issues, reputational damage, and loss of trust.
Opportunity: Committing to human rights and fair labor practices can enhance our reputation, attract socially conscious customers and investors, and foster a loyal and motivated workforce.

Business Impact and Our Response

Human rights are non-negotiable and represent the most fundamental rights that everyone should enjoy. This principle extends to workplaces, where business pressures should never impede anyone's human rights. Our Human Rights Due Diligence conducted in FY 2023-24 aimed to ensure that our employees and workers receive what they rightfully deserve. This initiative also contributes to creating safer, healthier, and happier workplaces for everyone associated with us.

Mapping

GRI 401, 403, 404
 BRSR P3, P5



Community Relations

Category

Medium Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Neglecting corporate social responsibility (CSR) can result in reputational damage, loss of customer trust, and potential legal issues.
Opportunity: Embracing CSR will allow us to build a positive brand image, strengthen community relations, and attract customers and investors who value ethical and sustainable business practices.

Business Impact and Our Response

Community relations are crucial for a company's reputation, reflecting how it treats local populations in its operational areas. Providing job opportunities for locals, allowing them to enjoy ecosystem services without restrictions from the company's operations, and engaging in community development activities to improve the quality of life for everyone are essential for maintaining brand reputation and market standing. ABC has always prioritized involving and including the local community, not merely as a compliance requirement, but as a genuine commitment. The core of our operations, and those of our Group, is centered on developing and strengthening people and communities as a larger goal.

Mapping

GRI 102, 203, 413
 BRSR P8, P9



Business Ethics

Category

High-Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Poor business ethics can lead to legal issues, financial penalties, and significant reputational damage.
Opportunity: Upholding strong business ethics will enhance trust with stakeholders, foster a positive corporate culture, and ensure long-term sustainability and success.

Business Impact and Our Response

Business ethics, much like human rights, represent fundamental principles that must guide business operations. It entails conducting and expanding business activities without engaging in unethical practices. TACO is committed to upholding these standards through strict adherence to business ethics, regular training and awareness programs for all stakeholders, and the development of robust ideologies that support winning the market through legitimate and ethical means.

Mapping

GRI 102, 205, 206
 BRSR P1



Sustainable Innovations

Category

High Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Investing in sustainable innovations can be costly and may involve significant research and development efforts, posing financial risks.
Opportunity: Sustainable innovations will enable us to develop cutting-edge, eco-friendly products, reduce environmental impact, and meet the growing demand for sustainable solutions, thereby gaining a competitive advantage.

Business Impact and Our Response

A lack of innovation and investment in research and development (R&D) can significantly hinder a company's market position and weaken its ability to deliver high-quality, resilient, and sustainable products that meet customer demands while minimizing environmental impact. For such products to thrive, ongoing R&D investments are essential. TACO, however, has always prioritized a balance between delivering top-quality service and ensuring sustainability, regardless of compliance requirements. Substantial investments were made in FY 2022-23 and FY 2023-24 to enhance product quality, improve delivery and customer experience, and reduce environmental footprint, and shall continue in the future to ensure industry best experience for our customers.

Mapping

GRI 301, 302, 305
 BRSR P2, P6, 23



Responsible Supply Chain

Category

High-Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Ensuring a responsible supply chain can be challenging for an auto component company due to the need for rigorous monitoring, compliance with ethical standards, and potential increased costs.
Opportunity: A responsible supply chain can enhance our reputation, ensure long-term sustainability, and build trust with consumers and partners by promoting ethical sourcing and reducing environmental impact.

Business Impact and Our Response

Supply chains play a critical role in maintaining product quality, ensuring ethical practices, and minimizing environmental impact. Neglecting to prioritize sustainability and ethical sourcing within the supply chain can not only harm a company’s reputation but also limit its long-term growth potential. TACO has consistently focused on building a responsible supply chain by fostering transparency, ethical sourcing, and minimizing environmental footprint. We further developed a stronger understanding of our supply chain by conducting a Supply Chain Assessment and Management of our critical suppliers in FY 2023-24 to understand areas of strength and improvement for both us and our suppliers, strengthen relationships, improve sustainability practices through supplier action reports and plans, and ensure that every stage of the supply chain meets the highest ethical and environmental standards.

Mapping

BRSR P2, P5, P6
SDG 8, 12, 17



Data Privacy

Category

Medium Risk Material Topic

Impact, Risk Opportunity and Effect

Risk: Data privacy breaches can lead to legal issues, financial losses, and reputational damage.
Opportunity: Prioritizing data privacy can enhance customer trust, ensure regulatory compliance, and provide a competitive advantage.

Business Impact and Our Response

Data privacy is essential for maintaining customer trust, ensuring compliance with regulations, and safeguarding sensitive information about clients and internal stakeholders. Failure to prioritize data privacy can result in security breaches, legal consequences, and damage to a company’s reputation. TACO has always placed a strong emphasis on data privacy, recognizing its critical role in protecting both customer and business information. We are backed by strong IT teams and robust software systems to enhance data security measures, strengthen compliance with privacy regulations, and ensure that customer data is handled with the utmost care and confidentiality.

Mapping

GRI 103, 418
BRSR P1, P9

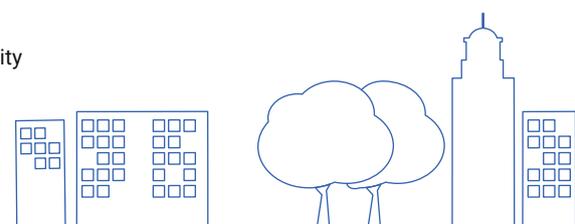


ESG Ambitions and Progress

Environment

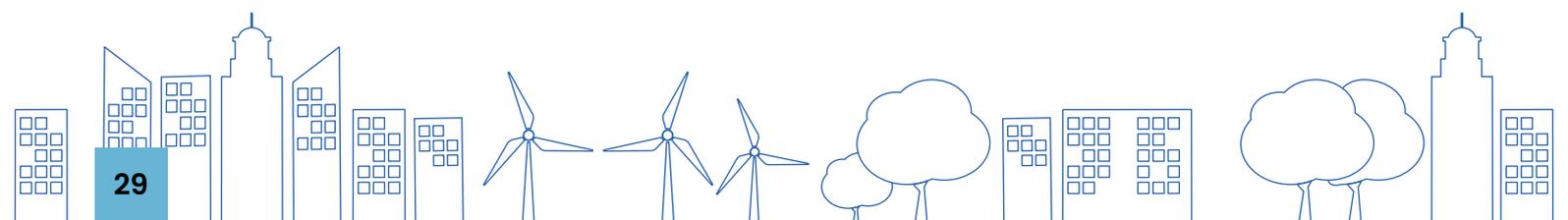
Material issue	Target	Year	Progress as of FY 2023-24
Climate action ¹	• Achieve Net Zero	2045	On track
	• Reduce Scope 1 + 2 emissions by 25% (2020 baseline)	2030	On track - 55% decrease in emissions intensity from 2020
	• Increase RE to 20%	2026	55% target achieved
	• Achieve 100% RE	2030	11% RE as on date
Circular ² economy	• Achieve Domestic water consumption of less than 30 Liters/person/day	2024	80% Achieved
	• Achieve water neutrality at all sites	2030	On track
	• Achieve Zero liquid discharge (ZLD) at all sites	2030	-
	• Become water positive	2040	-
	• Ensure 2x of recycled material in the total input material as compared to 2020	2025	On track
	• Ensure Zero waste to landfill	2030	99% achieved
Product ³ Stewardship	• Conduct LCA cradle-to-gate, for 100% critical products	2025	Achieved
Environmental ⁴ Protection	• 100% sites assessed for Biodiversity impact	2026	Achieved
	• 100% sites to have Biodiversity Management Plans	2027	Underway
	• Ensure Zero biodiversity related non-compliances YoY	YoY	Achieved

1. Climate Action – Net Zero commitment, GHG Reduction and Energy Management
 2. Circular Economy – Water and Waste Management
 3. Product Stewardship – Ensures Sustainable Product Development
 4. Environmental Protection – Initiatives to Protect Natural Ecosystems and Improve Biodiversity



Social

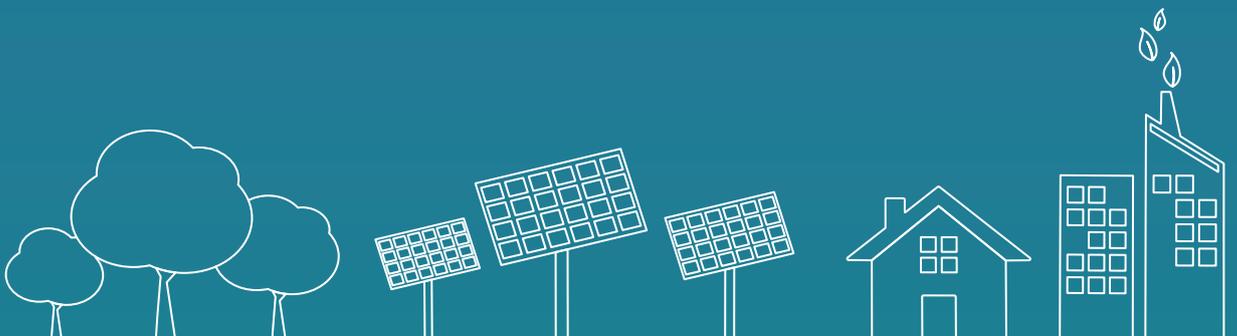
Material issue	Target	Year	Progress as of FY 2023-24
Employee health, safety and wellbeing	• Achieve Zero LTIFR	YoY	Achieved for FY 2023-24
	• Maintain Zero fatalities (YoY)	YoY	Achieved
	• Cover 100% of Employees for Health Check-up & Health Index (YoY)	YoY	On-track
Talent Management	• Achieve attrition of Hi-pot of 0%	YoY	On-track
	• Maintain voluntary attrition rate <10% (YoY)	YoY	-
	• Ensure 50% female employees in workforce	2030	40% target achieved, on track
	• Achieve 10+ hours of training for each employee (YoY)	2026	Achieved
	• Maintain employee satisfaction score of greater than 90% (YoY)	2024	On-track
	• Ensure 100% of employees receive regular performance and career development reviews (YoY)	YoY	Achieved
Human Rights & Labour Practices	• Ensure Zero Human rights violations	YoY	-
	• Ensure 100% employees receive human rights, Diversity & Inclusion training annually (YoY)	2024	Achieved
	• Reduce TAT to <60 days for POSH complaints	2024	No POSH complaint registered
Community Relations	• Accelerate annual volunteering hours for staff employee to 8 hours	2026	Annual volunteering hours of more than 4 hours achieved
	• Impact 5 Lakh lives (Direct beneficiaries) positively through CSR activities	2030	48,000+ people benefited during FY 2023-24



Governance

Material issue	Target	Year	Progress as of FY 2023-24
Business Ethics	• Ensure 100% employees receive code of conduct and ESG training annually	2024	Achieved
	• Reduce TAT to <45 days for TCoC complaints	YoY	-
	• Reduce TAT to <10 days for Customer complaints	2027	Achieved
	• Maintain Customer satisfaction score of greater than 85% (YoY)	2024	On-track
Sustainable Innovations	• Target 2% of R&D spend on improving environmental and social impacts of product	2025	Achieved
Responsible Supply Chain	• Assess 100% critical suppliers on ESG parameters	2025	81.3% of Critical Suppliers assessed, rest ongoing
Data Privacy	• Ensure Zero data breach incidents (IT, Privacy, cybersecurity, etc)	YoY	Achieved

Governance



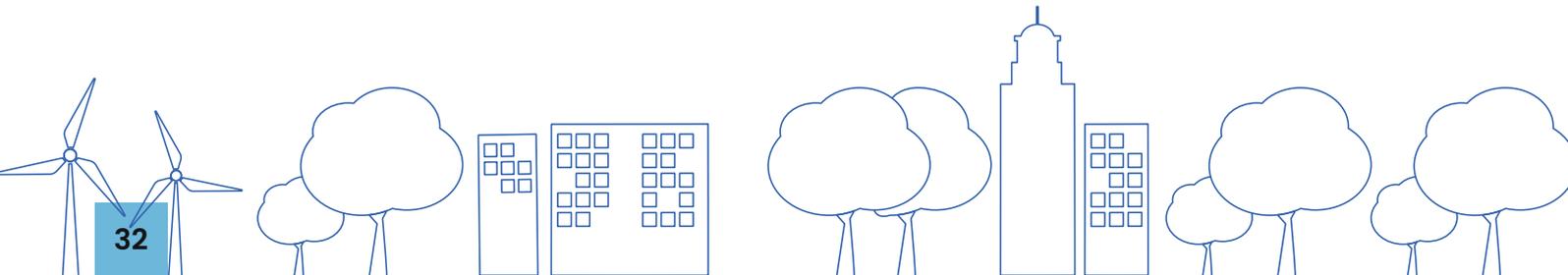
Corporate Governance

The Tata Group's corporate governance philosophy ensures financial responsibility, ethical behavior, and fairness to all stakeholders. This philosophy shapes executive decisions through core values and principles, fostering robust leadership and effective governance.

Keeping the Group's governance philosophy at the foundation, we at TACO prioritize transparency, accountability, and ethical conduct, adhering to the highest standards of governance across our operations. Our dedication to governance practices forms the foundation for strategic decision-making, ensuring we align with industry best practices and regulations.

Governance Structure

We have established a governance framework that is designed to support strategic decision-making underpinned by the highest standards of ethics and integrity.



Board Composition

TACO's Board of Directors comprise of a group of Non-executive, Non-independent and Independent experienced professionals who bring a wealth of knowledge and expertise to our Company. They are responsible for providing strategic guidance, ensuring robust governance, and overseeing the overall direction of the organization. Each member of the board plays a crucial role in driving our mission and values, fostering innovation, and ensuring that we meet our commitments to stakeholders.

Their leadership and vision are instrumental in steering the Company towards sustainable growth and success.

 <p>Mr. Arvind Goel Chairman and Non-Executive, Non-Independent Director</p> <p>M M</p>	 <p>Mr. Hari Mundra Non-Executive and Independent Director</p> <p>M C</p>	 <p>Ms. Rati Forbes Non-Executive, Independent Woman Director</p> <p>C C M</p>	 <p>Mr. Ankur Verma Non-Executive Non-Independent Director</p> <p>M M M</p>
 <p>Ms. Sonali Kulkarni* Non-Executive, Independent Woman Director</p>	 <p>Mr. Thomas Flack Non-Executive Non-Independent Director</p>	 <p>Mr. Milind Shahane Non-Executive Non-Independent Director</p> <p>M</p>	<ul style="list-style-type: none">  - audit committee membership  - NRC  - CSR M - Member C - Chairperson

28.5%
Board Gender Diversity

06 years
Average Board Tenure

31 Years
Average Industrial Experience of the Board

43%
Board Independence

*Ms. Sonali Kulkarni was appointed as Non-Executive Independent Women Director w.e.f. February 08, 2024. Please note that the Board Composition is as of 31 March 2024

Board Composition Details

Sr No.	Name of the Director	Designation	Number of Directorships held in companies other than TACO	Experience	No. of Board Meetings attended during FY 2023-24
1.	Mr. Arvind Goel	Chairman and Non-Executive, Non-Independent Director	13	More than 40 years of experience in the automotive industry	6
2.	Mr. Hari Mundra	Non-Executive and Independent Director	Data not available	More than 50 years of experience in the industrial and banking industry	6
3.	Ms. Rati Forbes	Non-Executive, Independent Woman Director	Data not available	More than 25 years of experience in Human Resources and Philanthropy	4
4.	Mr. Ankur Verma	Non-Executive Non-Independent Director	12	More than 25 years of experience in Investment Banking, Capital Markets and Corporate Strategy	6
5.	Ms. Sonali Kulkarni	Non-Executive, Independent Woman Director	0	More than 30 years of experience in various domains including finance, legal and management	2
6.	Mr. Thomas Flack	Non-Executive Non-Independent Director	1	More than 30 years of experience in the automotive industry	6
7.	Mr. Milind Shahane	Non-Executive Non-Independent Director	4	More than 30 years of experience in Sales, Marketing, Strategy, HR / IR, Administration and General Management.	6

Expertise of the Board of Directors

The Board is comprised of a balanced blend of knowledge, skills, experience, diversity, and independence suitable for steering the Company effectively. It plays a crucial role in providing leadership and strategic direction while offering an objective and independent perspective to the Company's management.

Name of Directors	Strategy	Finance	Leadership	Technical/ Manufacturing	HR	Governance
Mr. Arvind Goel	✓	-	✓	✓	-	✓
Mr. Hari Mundra	✓	✓	✓	-	-	✓
Ms. Rati Forbes	✓	-	✓	-	✓	✓
Mr. Ankur Verma	✓	✓	✓	-	-	✓
Ms. Sonali Kulkarni	✓	✓	✓	-	-	✓
Mr. Thomas Flack	✓	-	✓	✓	-	✓
Mr. Milind Shahane	✓	-	✓	-	✓	✓

Board Diversity Policy

Our Board Diversity Policy enables us in promoting a more inclusive and well-rounded decision-making process. Having a diverse board is crucial for us to ensure varied experiences, skills and backgrounds of individuals are brought to the table to enhance effectiveness.

Read our *Board Diversity Policy* [here](#).

Other Board related Policies:

- *Code of Conduct*
- *Nomination and Remuneration Policy*



Board Committees

Our Board actively contributes to setting goals, visions, business strategies, and targets for the Company. To ensure the Board can effectively delegate its duties and responsibilities, we have established various Committees in line with the provisions of the Companies Act, 2013. Our Board frequently conducts self- and independent assessments, enabling members to reflect on and enhance both their individual and collective contributions. This process promotes accountability, transparency, and a dedication to excellence.

Sustainability issues are a regular topic of discussion at the Board. Every Board meeting includes an ESG agenda, ensuring consistent focus on environmental, social, and governance matters. Additionally, the Board receives a monthly flash report detailing ESG initiatives and activities.

Our committees are composed of board members with specific expertise in diverse industries and subjects and are tasked with various responsibilities to ensure effective management and strategic direction.

01. Audit Committee

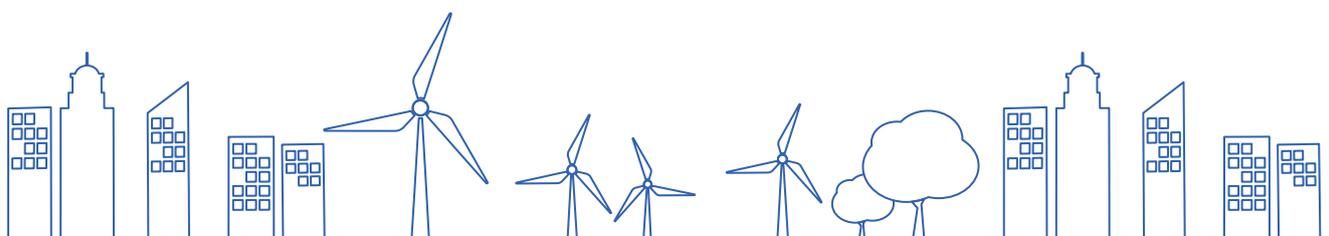
The Audit Committee ensures corporate governance is practiced by recommending auditor appointments and overseeing their performance. It analyzes financial statements, reviews related party transactions, inter-corporate loans, and evaluates internal controls and risk management. The Committee monitors the use of funds from public offers, oversees the CFO appointment, and ensures the Whistle Blower mechanism functions properly. It also reviews management discussions, internal control reports, and compliance with legal requirements, including the Tata Code of Conduct, extending its oversight to material subsidiaries.

02. Nomination and Remuneration Committee

The Nominations and Remuneration Committee (NRC) is crucial in recommending the setup and composition of the Board and its committees, formulating criteria for director qualifications, attributes, and independence. It periodically reviews the Board's composition to ensure an optimal balance of size, skills, independence, knowledge, age, gender, and experience. The NRC recommends director appointments and reappointments, devises Policy on Board diversity, and supports performance evaluations of the Board, committees, and individual directors.

It also recommends the Remuneration Policy for directors, the executive team, Key Managerial Personnel (KMP), and other employees, overseeing annual remuneration recommendations. Additionally, the NRC supervises director familiarization programs, HR philosophy, people strategy, and HR practices, and provides guidelines for director remuneration on material subsidiaries.

It advises on voting for resolutions related to director appointments and remuneration on the Boards of material subsidiaries and performs other duties as per the Committee charter.



03. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is responsible for creating and suggesting a detailed CSR Policy to the Board, outlining the Company's planned activities. It also proposes the budget for these activities and oversees the Policy's implementation. Additionally, the CSR Committee at TACO ensures the Company meets its corporate and societal responsibilities, promoting good corporate citizenship. It supervises initiatives that affect stakeholders' quality of life and monitors the CSR Policy and spending of significant subsidiaries, demonstrating a commitment to comprehensive social responsibility and ethical business practices.

04. ESG Committee

The ESG Committee is instrumental in aligning the group-level sustainability strategy with the ESG Ambition, overseeing the planning, implementation, and monitoring of sustainability initiatives in line with Project Aalingana objectives. With a keen focus on sustainability performance, the Committee reports to the Board and provides recommendations on ESG strategy.

Ensuring compliance with national and international standards, the Committee actively monitors entity-level ESG performance, conducts capacity-building initiatives, and fosters ESG sensitization across all entities. Additionally, the Committee engages with stakeholders and data owners periodically, conducts training programs, and formulates action plans to monitor progress, ultimately striving to achieve set targets in a comprehensive and sustainable manner.



Board Nomination and Appointment Process

The Board Nomination and Appointment Process is governed by the Companies Act, 2013 and other relevant regulations, ensuring a collaborative effort among the Nomination and Remuneration Committee (NRC), Board of Directors, and Shareholders. Initially, the NRC gathers resumes from potential candidates who possess the necessary competencies. These resumes are meticulously reviewed. For Independent Director roles, the NRC evaluates any financial relationships with TACO and related entities to confirm the candidate's independence in accordance with legal standards.

Upon verifying all necessary details, the NRC recommends a candidate to the Board of Directors. The Board then approves the appointment, subject to the subsequent ratification by Shareholders. Finally, the Shareholders give their approval during the Company's General Meetings. This process ensures that director appointments are conducted with thorough diligence and compliance with all applicable legal and regulatory requirements.

Board Performance Review

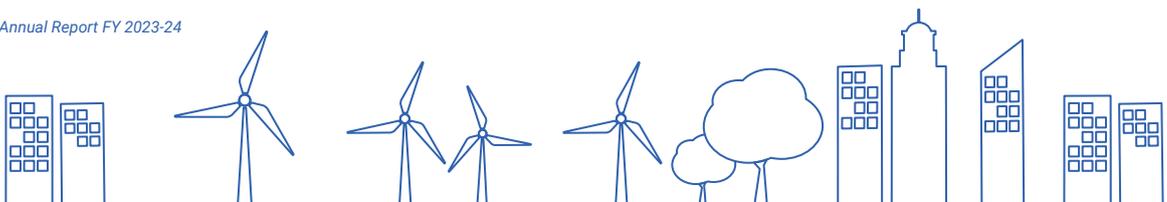
Board evaluation is carried out on an annual basis. Each Director is required to provide feedback for the Board as a whole on a defined questionnaire template. This template includes areas of degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning, Board Culture and Dynamics, quality of relationship between Board and the management and the efficacy of communication with various stakeholders.

The feedback is consolidated by the Company Secretary and Group Human Resources and presented to the NRC Chairman, who then convenes an annual meeting to review the Board's performance. Post the meeting, a collective feedback on Board performance is presented to the Chairman of the Board. Any significant insights/learnings basis the consolidated feedback are then considered for action planning/implementation.

Business Continuity Planning

To ensure resilience in the face of unforeseen events, TACO has implemented comprehensive business continuity plans. These plans are meticulously designed to maintain critical operations during disruptions and are communicated to employees, stakeholders, and customers. A key component of this initiative is the integration with the Enterprise Risk Management (ERM) framework, which is presented to the Board of Directors at least twice a year. This regular review ensures that the plans remain relevant and effective, adapting to any emerging risks or changes in the business environment.

Read more in our [Annual Report FY 2023-24](#)



Strategic ESG Initiatives

In FY 2023-24, the Board focused on several strategic initiatives to drive the Company's growth and diversification. Key areas of focus include mergers and acquisitions, ensuring financial compliance, and expanding into new sectors such as aviation, defense, energy, railways, and electronics. These strategic decisions are aimed at positioning the Company for long-term success while mitigating risks associated with over-reliance on a single market or sector.

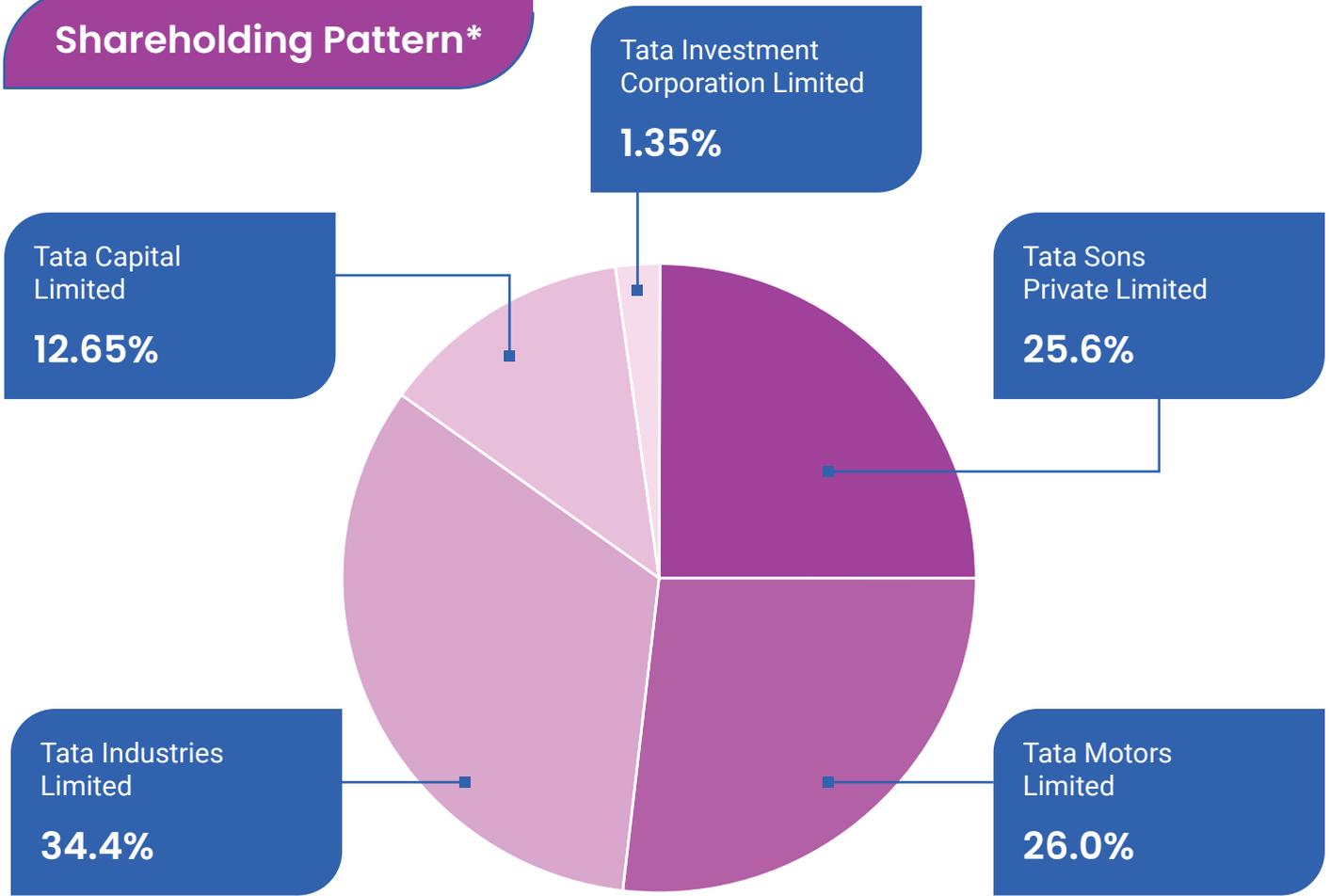
Our commitment to ESG is robust and actively monitored by the Board of Directors. ESG initiatives are discussed in depth during quarterly board meetings, where detailed reports are presented. An external third party conducts internal audits to provide an objective review of ESG activities, and these findings are also scrutinized by the Board. With two board members specifically trained in ESG matters, the Company ensures informed decision-making. Regular discussions on key ESG topics are bolstered by internal assessments, which are subsequently reported to the Audit Committee, ensuring transparency and accountability.

Training and Development

We are committed to enhancing the governance capabilities of our Board members through ongoing training and development. This commitment includes regular in-house training sessions that cover the latest governance practices and industry trends. Additionally, Board members receive updates via email to keep them informed of any new developments or changes in regulatory requirements. This continuous learning approach ensures that the Board is well-equipped to make informed decisions that align with the Company's strategic goals and governance standards.



Shareholding Pattern*



Sr no.	Shareholder	No. of shares	Shareholding %
01.	Tata Industries Limited	69,244,953	34.40
02.	Tata Motors Limited	52,333,170	26.00
03.	Tata Sons Private Limited	51,519,891	25.60
04.	Tata Capital Limited	25,463,040	12.65
05.	Tata Investment Corporation Limited	2,720,054	1.35
06.	Tata Industries Limited j/w Mr. Sriram Sethuraman	150	0
07.	Tata Industries Limited j/w Ms. Deepika Bhagwagar	50	0
08.	Tata Industries Limited j/w Ms. Meenakshi Kaundal	50	0
	Total	201,281,358	100%

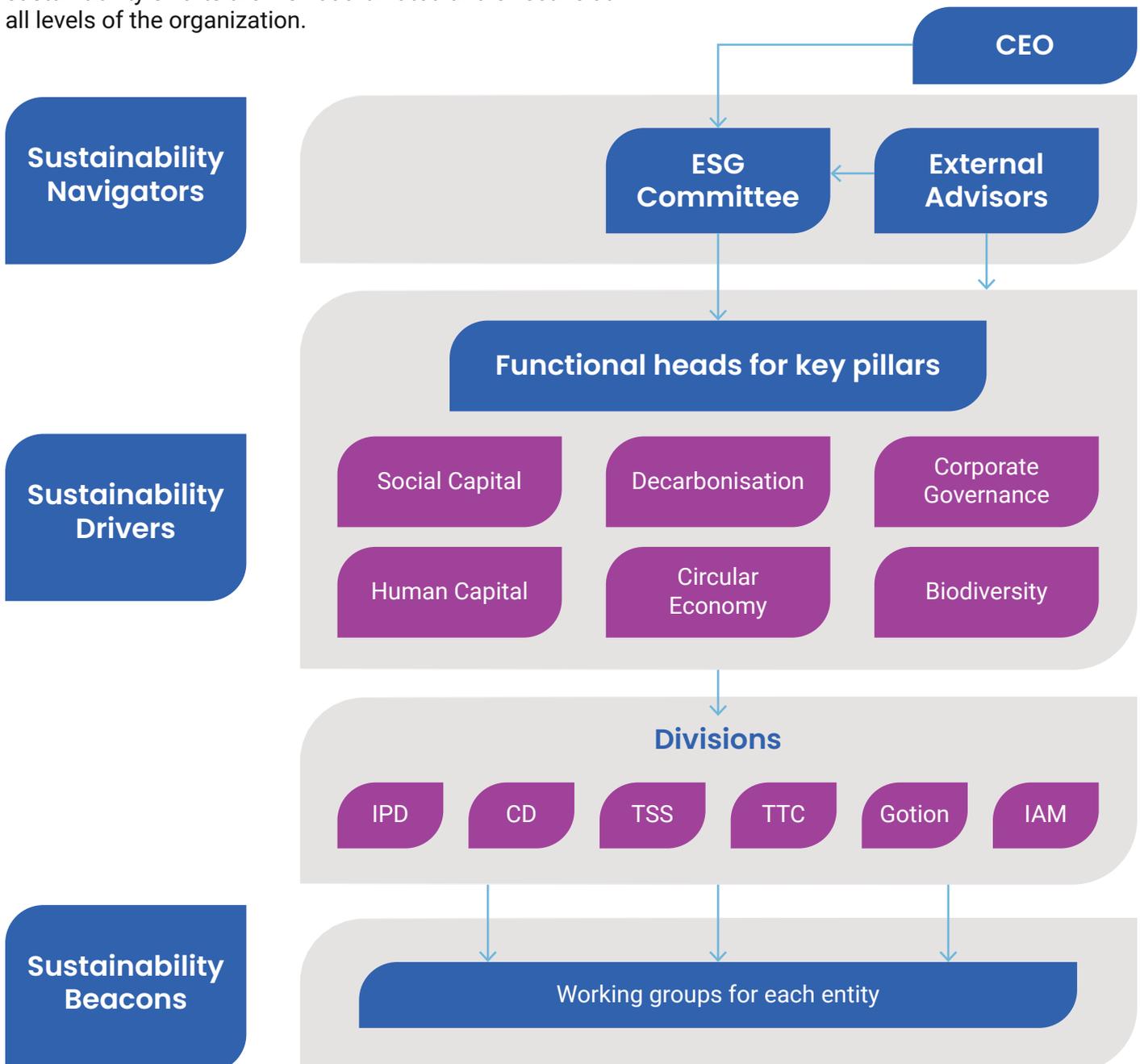
*Shareholding pattern is as of 31 March 2024

Sustainability Governance

TACO's sustainability governance strategy is structured in a three-tier system. At the highest level, **Sustainability Navigators** ensure alignment with the group's ESG Ambition, monitor sustainability performance, report findings to the Board of Directors, and provide recommendations for enhancing the ESG strategy.

The next tier, **Sustainability Drivers**, design, plan, and implement sustainability initiatives to meet Project Aalingana's objectives, monitor entity-level ESG performance and compliance, ensure adherence to national and international standards, and promote uniform capacity building and ESG awareness across all entities.

Finally, **Sustainability Beacons** develop and implement technical Standard Operating Procedures (SOPs), engage periodically with stakeholders and data owners, conduct training programs, and create action plans to monitor progress and achieve targets. This comprehensive structure ensures that sustainability efforts are well-coordinated and effective at all levels of the organization.



Risk Management

TACO acknowledges that effective risk management is crucial for achieving its strategic objectives and ensuring long-term, sustainable growth. We have a well-defined and robust risk management process that includes a comprehensive risk register regularly updated to ensure its accuracy and relevance.

Our risk register effectively captures, monitors and updates the strategic risks, market risks, operational risks, external risks and emerging risks faced by our business across geographies. Each risk event is meticulously documented, with its sources identified and assigned to the relevant department based on the type of risk and the level of involvement required. We evaluate both the probability and potential impact of each risk, developing comprehensive mitigation plans with clear implementation timelines. Progress on these plans is regularly tracked and reviewed to ensure effective management.

We are committed to a thorough and regular assessment of our risk exposure, conducting formal reviews at least twice a year. To ensure effective risk management, we have established dedicated functions within the organization, including an Audit Committee at the Board level, which looks after the risk related functions. Risk management issues are consistently addressed during Audit Committee meetings with the Board, ensuring that all concerns are discussed and resolved in a timely manner.

Importantly, the structure of our risk management function ensures its independence from our business lines, promoting objectivity and comprehensive oversight. Furthermore, we have also completed both internal and external audits of our risk management processes within the last two years. This strategy demonstrates our commitment to upholding a strong and well-structured system for identifying, assessing, and addressing risks throughout our operations.

TACO emphasizes continuous improvement in risk management by involving the Board and employees through workshops and training sessions. These sessions discuss new risk management processes and allow employees to contribute insights, supported by a structured feedback process that informs tailored training programs. This approach fosters a culture of vigilance and adaptability to evolving threats. Additionally, TACO integrates risk criteria into product development and approval processes, actively identifying and mitigating risks throughout the product lifecycle to ensure performance and reliability. Warranties are tied to risk assessment protocols, underscoring TACO's commitment to quality and customer satisfaction, thereby enhancing product value and reliability.

First Line of Defense

Operational risk management is handled by those on the front lines, including employees and specific roles such as risk managers and heads of business units, to ensure that risks are addressed at the operational level.

Second Line of Defense

Risk management and compliance oversight are the responsibilities of senior management, who are tasked with establishing control standards and ensuring adherence to them.

Third Line of Defense

The Audit Committee ensures the effectiveness of the risk management and compliance procedures.

Emerging Risks

Parameter	Risk 1 : ESG Regulatory compliances	Risk 2 : AI in business
<p>Description</p>	<p>ESG regulatory compliances and disclosures are evolving constantly and are getting more stringent with respect to international sustainability and ethical practices. With upcoming frameworks like the CSRD, EUDR, and EU Battery Regulations among others, TACO must comply with new environmental, social, and governance standards. These regulations require adherence to emissions standards, labor practices, and corporate governance norms. Global variability in ESG regulations adds complexity, necessitating continuous monitoring and adaptation. Despite current compliance with Indian ESG requirements and voluntary GRI disclosures, TACO faces challenges in aligning with international frameworks, posing regulatory risks as global laws evolve.</p>	<p>At TACO, AI is acknowledged as a transformative yet emerging risk that introduces both opportunities and challenges across multiple areas of the business. Strategically, AI has the potential to reshape competitive dynamics, requiring adjustments in business models and strategic investments. From a market perspective, AI influences consumer preferences, particularly increasing demand for AI-enhanced vehicle components. Operationally, the integration of AI into manufacturing processes presents challenges such as system integration, reliance on data quality, and the need for workforce transformation. Externally, AI poses regulatory and compliance challenges, alongside heightened cybersecurity threats.</p>
<p>Impact</p>	<p>Failure to comply with emerging ESG regulations could result in significant financial, legal, and reputational consequences for TACO. Non-compliance with environmental standards may lead to fines and legal challenges, while inadequate social practices could disrupt operations and damage brand reputation.</p>	<p>The impact of AI on TACO is multifaceted. Strategically, failing to effectively integrate AI could result in a loss of competitive edge. Marketwise, shifts in consumer demand towards AI-driven components necessitate innovation and adaptation to stay relevant. Operational disruptions may arise</p>

Parameter	Risk 1 : ESG Regulatory compliances	Risk 2 : AI in business
Impact	<p>Governance lapses might erode investor confidence and result in financial mismanagement. Additionally, global variability in ESG standards demands adaptive strategies, increasing operational complexity. Investor and consumer pressure for robust ESG commitments further heightens the risk. Addressing these challenges is crucial for TACO to maintain market position, investor trust, and customer loyalty while ensuring sustainable growth.</p>	<p>from technological failures or integration issues, while workforce reskilling or upskilling is essential to manage new AI technologies. Externally, compliance with evolving AI-related regulations could be complex and costly, and cybersecurity threats associated with AI adoption could compromise data security and operational continuity. To address these impacts, AI is a critical focus within TACO's comprehensive risk management strategy, requiring diligent risk identification, evaluation, and mitigation.</p>
Mitigation Action	<p>To mitigate ESG regulatory risks, TACO will strengthen its compliance, monitoring and reporting by:</p> <ul style="list-style-type: none"> • Adopting more frameworks and integrating international frameworks like the CSRD, EUDR, and EU Battery Regulations alongside existing GRI and BRSR compliance to align with global standards. • Improving ESG Data Management and monitoring our progress by developing systems for accurate and transparent data collection and reporting to meet diverse regulatory demands. • Provide training and capacity building programmes to ensure employees understand and support ESG initiatives. • Scenario Planning to conduct risk assessments and develop contingency plans to address potential ESG-related disruptions. 	<p>TACO plans to mitigate AI-related risks through a comprehensive strategy that includes forming strategic partnerships and investing in AI R&D to maintain competitiveness. Strategic plans will be updated to align with AI advancements. Market research will guide product diversification to meet demand for AI-driven features. Operationally, TACO will ensure smooth AI integration through phased implementation, robust data governance, and workforce training. To address regulatory and cybersecurity concerns, a compliance framework and enhanced cybersecurity measures alongside the existing measures will be established, along with ethical AI guidelines. Continuous risk monitoring, scenario analysis, and stress testing will further prepare TACO for potential disruptions, enabling the company to leverage AI benefits while minimizing risks.</p>

Business Ethics

At TACO, business ethics are not just a set of guidelines we follow; they are the foundation of our corporate identity. Our commitment to ethics goes beyond mere compliance with laws and regulations; it is deeply ingrained in our culture and influences every decision we make.

The Tata Code of Conduct

The Tata Code of Conduct (TCoC) is a detailed document that acts as an ethical guide for Tata employees and companies, outlining the guidelines for the Group's business operations. It highlights our commitment to all stakeholders, including the communities we serve, and serves as our guiding star when faced with ethical dilemmas.

Every employee signs the Tata CoC upon joining the Company, using it as a moral compass and framework for responsible corporate behavior. To maintain awareness, periodic refresher courses are held, and leadership communications emphasize the importance of our values and the Code of Conduct.

The principles of the Tata Code of Conduct are shared with customers and suppliers during contract discussions and are integrated into proposals, contracts, agreements, and codes of conduct through specific clauses.

Read the TATA code of conduct [here](#).

Codes of Conduct Processes

TACO has established robust systems and procedures to ensure the effective implementation of our codes of conduct across all divisions and group companies. Responsibilities, accountabilities, and reporting lines are systematically defined, providing a clear framework for adherence to ethical standards. To support this, we have set up dedicated help desks, focal points, hotlines, and an ombudsman to offer guidance and address any concerns. While compliance is not currently linked to employee remuneration, it is under progress and expected to be integrated within the next financial year. Employee performance evaluations encompass compliance and adherence to the established code of conduct. In the event of a violation of these codes, the employee in question becomes ineligible for promotion for a period ranging from one to two years. We maintain a zero-tolerance policy towards breaches, enforcing disciplinary actions such as warnings or dismissal to uphold our commitment to integrity.

03 Code of Conduct Breaches during FY 2023 - 24

Anti-Bribery and Anti-Corruption Policy

We always uphold the highest standards of ethical conduct, which has helped us build a reputation for trust and integrity while achieving global success. Our core values strictly prohibit any form of bribery or corruption, a commitment that is fundamental to all our actions. Our It also outlines the responsibilities of employees and third parties and emphasizes compliance with relevant laws. Regular training and awareness programs also form a part of our policy to ensure that all our stakeholders remain updated over changing statutory requirements.

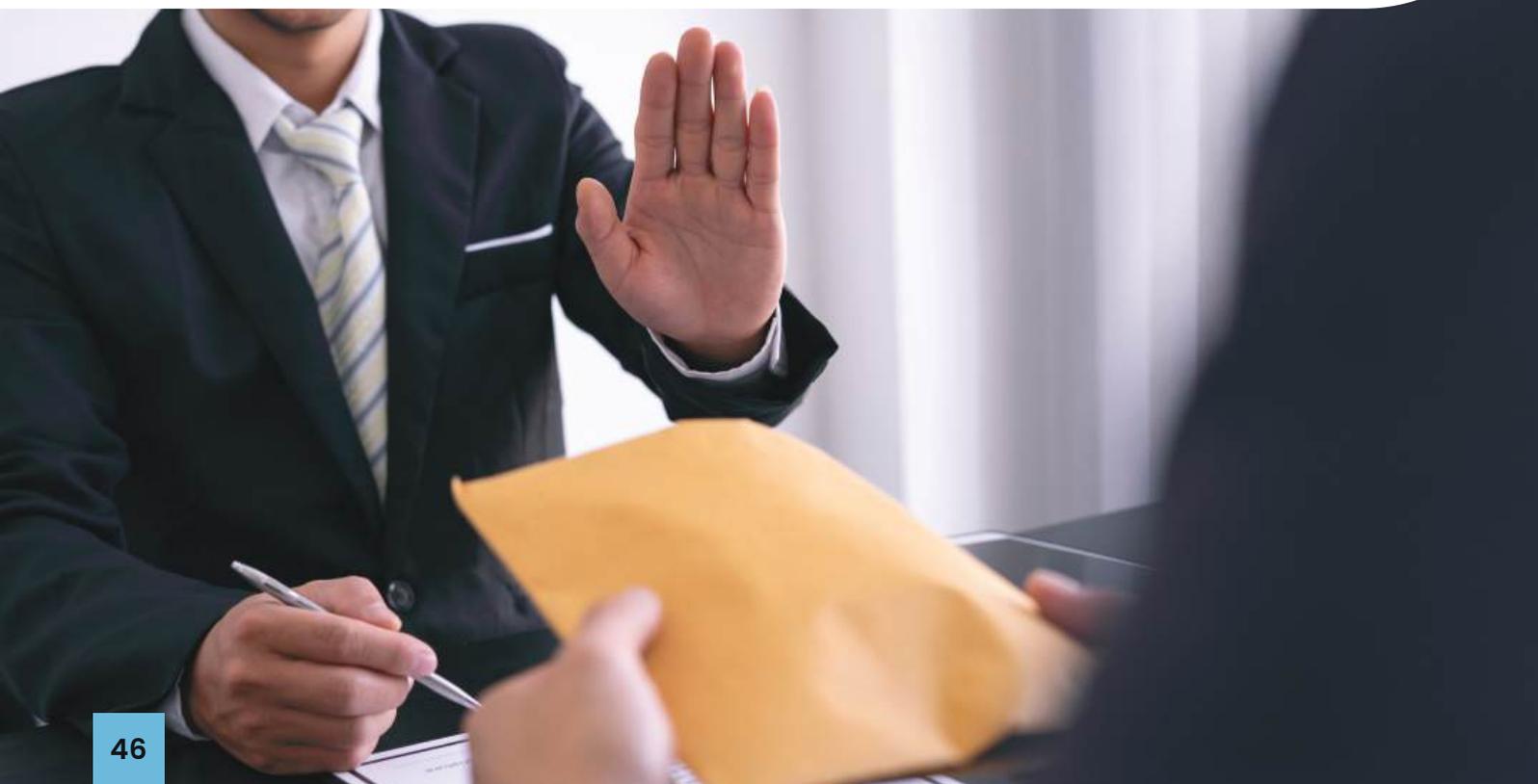
Read the Policy [here](#).

Whistleblower Policy

The Management urges every employee to promptly report any actual or potential violation of the Code of Conduct or any incident that could impact our business or reputation of our Company. This can be done by contacting the Ethics Counsellor, the Chairman of the Audit Committee, or by emailing at whistle.blower@tataautocomp.com.

All concerns or instances of non-compliance reported by employees and stakeholders are investigated and addressed according to established procedures.

Read the Policy [here](#).



Transparent Disclosures

At TACO, we have built a strong and dedicated governance structure that is responsible for overseeing our day-to-day operations and ensuring ethical and transparent conduct of business. Focusing on continual improvement, the Board engages in active and transparent discussions on strengthening the corporate governance framework and ensuring management transparency through various Committee meetings. We also strive to maintain maximum transparency with all our stakeholders and look forward to incorporating their suggestions and feedback on a regular basis.

Aligned to this endeavor, we ensure there are systematic engagements with all our stakeholders to disseminate relevant information effectively and accurately. In terms of transparent and ethical taxation, we ensure a timely response to all enquiries/ notices from tax authorities, timely tax payment and maintenance of complete transparency in representation of Company matters before tax authorities.

Tax strategy

The Tata management philosophy has always emphasized that corporate enterprises should be managed not only for the benefit of their owners but also for all stakeholders, including government and non-government entities, employees, consumers, local communities, and the nation. In our ongoing commitment to corporate citizenship, we consider social development activities that benefit the communities where we operate as essential components of our business strategy. We are dedicated to fostering an environment free from poverty and social exclusion. We believe a fair and transparent tax system is crucial in addressing these socioeconomic challenges. Our approach to taxation aims to align with our reputation for quality, integrity, and social responsibility.

TACO formally discloses key business, financial, and tax-related information for each tax jurisdiction in which it operates. This comprehensive disclosure includes the names of all resident entities, their primary activities, the number of employees, revenue, profit (or loss) before tax, income tax accrued for the current year, and income tax paid.

Read more about the Tax Policy [here](#).



Policy advocacy

TACO actively engages with industry associations and regulatory bodies to discuss upcoming policies, regulations, and implementation strategies in areas such as emissions, safety, and research and development. These advocacy efforts, in line with Tata's Code of Conduct and policies, aim to create a sustainable business environment while benefiting all stakeholders.

Regarding political contributions, TACO has not made any donations or expenditures for political campaigns, organizations, lobbyists, trade associations, or other tax-exempt groups. As a privately owned entity, lobbying is not included in our Code of Conduct.

TACO actively collaborates with industry associations and regulatory bodies to discuss and shape upcoming policies, regulations, and implementation strategies in areas like emissions, safety, and research and development. These advocacy efforts, aligned with our Code of Conduct and policies, aim to foster a sustainable business environment that benefits all stakeholders.

Regarding political contributions, TACO has not made any donations or expenditures towards political campaigns, organizations, lobbyists, trade associations, or other tax-exempt groups. As a privately owned entity, lobbying activities are not part of our Code of Conduct.

List of Policies:

- Tata Code of Conduct
- Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy
- Nomination and Remuneration Policy
- Board Diversity Policy
- Sustainability Guidelines for Suppliers
- Responsible Value Chain Partner Code of Conduct
- Policy on Cybersecurity
- Sustainability Policy
- CSR Policy
- Health and Safety Policy
- Human Rights Policy
- Leave Policy
- Environment Policy
- Biodiversity Policy
- Non Discrimination and Anti Harrasment Policy
- Tax Policy

Read our policies [here](#).



Data Privacy and Information Security

We have embraced industry-leading practices to establish a comprehensive, risk-based cybersecurity framework designed to proactively detect and respond to threats, safeguarding our critical assets. Under the guidance of our Chief Information Security Officer (CISO), we conduct regular cybersecurity training sessions to elevate employee awareness of data privacy. We ensure that all employees have access to our Policy on Cybersecurity, which outlines essential guidelines for data handling and management. We place a strong emphasis on continuous awareness and have implemented a straightforward process for reporting any suspicious activity.

To ensure resilience, we maintain rigorously tested business continuity plans and incident response procedures, conducting regular vulnerability assessments and penetration tests to identify and address system weaknesses, thus fortifying our defenses. Our dedication to maintaining high standards is evidenced by our 100% compliance to ISO 27001:2022 certification and the annual external audits of our IT infrastructure and information security management systems.

TACO extends its commitment to cybersecurity beyond internal operations by educating and training our staff while also requiring our suppliers to uphold equivalent standards of data privacy. We have developed a formalized Information Security, Cybersecurity, Privacy Protection and Information Security Management System (ISMS) Handbook for Suppliers, encompassing key topics such as anti-malware, cloud security, and cryptography, to ensure a unified approach to data security across our business operations.

0

Number of information security breaches

0

Number of clients, customers and employees affected by the breaches

0

Total breaches resolved

Sustainable Innovations

Innovation is the cornerstone of any successful business. As we aim to be industry leaders in creating sustainable, resilient, and impactful auto component, our primary focus remains on continuously enhancing efficiency. TACO is strategically focusing its resources on cutting-edge technologies to reduce its footprint. Our commitment extends from the earliest stages of product design to production, emphasizing innovation that transforms end-of-life products into valuable resources. This dedication is seamlessly integrated into our engineering capabilities, covering Concept Design, Rapid Prototyping, Product Development & Validation, and Tooling Design & Development.

In a stride toward sustainable innovations, TACO has established a factory dedicated to producing Battery Energy Storage Systems (BESS). Operating under the joint venture TACO Gotion Green Energy Solutions, this initiative involves the production of Li-Ion BESS, contributing to the manufacturing of Battery Energy Storage Systems for Tata Power.

Refer to the case study on Page 74 for more details.

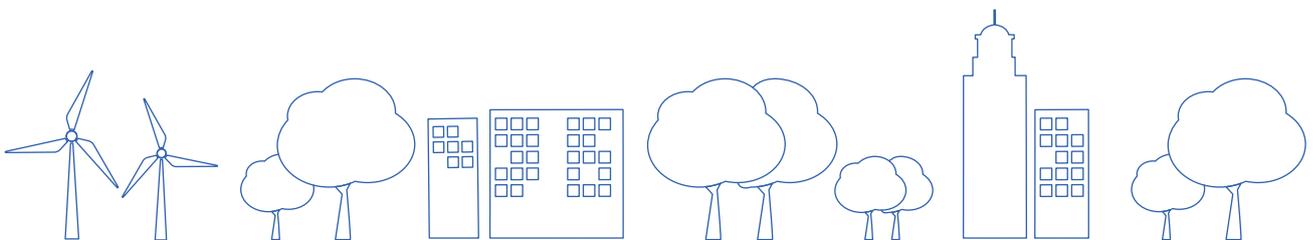
Furthermore, we have extended our efforts to integrate ESG topics into our core strategy of innovation management, reinforcing our commitment to responsible business practices. This integration involves addressing ESG topics in our innovation strategy and strengthening collaboration with stakeholders. In line with our commitments, we also target up to 2% of R&D spend on improving environmental and social impacts of our products.

TACO within its internal BUs has invested in many projects related to innovation and has also collaborated with many institutions like Automotive Research Association of India, International Center for Automotive Technology, SAP, Ahmedabad Textile Industry Research Association, Indian Institute of Technology, VIT among many others to leverage specialized expertise and advanced research facilities. TACO participates in many industry innovation events, internal and external, to stay at the forefront of industry advancements and trends. These events provide us opportunities for networking, collaboration, and knowledge sharing with other industry leaders and experts. They also help us showcase our latest innovations, attract potential investors, and gain valuable insights into market needs and customer preferences.

Some of these include:

Bharat Mobility:

A Global Expo supported by the Ministry of Commerce & Industry, showcasing India's potential in mobility, innovation, and sustainability.



ACMA Forums:

Hosted by the Automotive Component Manufacturers Association, these forums bring together industry leaders to discuss trends, innovations, and challenges in the Indian auto component sector. They serve as a platform for knowledge sharing and exploring new technologies.

Tata InnoVista:

A Tata Group-wide initiative that showcases innovations across Tata companies. It acts as a company-wide competition to recognize and celebrate the best innovations, promoting collaborative innovation within the group.



Tata InnoVista

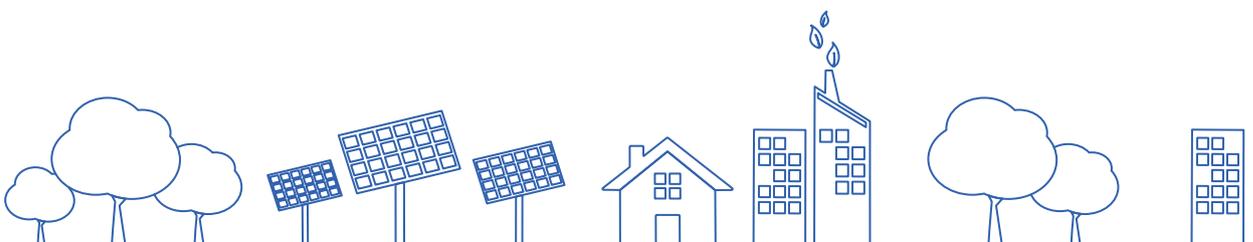
Tata InnoVista is a unique “One Tata” program for recognizing and celebrating innovations of Tata companies at the group level. It is a group-wide initiative that encourages and motivates the Tata companies and promotes a culture of collaborative innovation, learning and sharing. It demonstrates the ability of our Tata companies to solve real business problems with innovative solutions, their focus on creating visible impact and the intrapreneur culture. Over the years, Tata InnoVista has evolved into a central enabler for nurturing the enthusiasm of our teams towards innovation and building a sustainable innovation culture.

There are five categories Tata InnoVista celebrates innovation within the Tata Group which includes Implemented Innovations, Dare to Try, Patented Technology Innovations, Design Honour and Sustainability Impact Innovations.

TACO InnoVista constitutes a segment of the broader Tata InnoVista, conducted exclusively at the TACO Group level. This initiative offers all TACO Business Units the opportunity to partake in the event, thereby enabling them to exhibit their innovations within the TACO Group. The most outstanding innovations from TACO InnoVista are subsequently nominated for participation in Tata InnoVista, where they compete against innovations from other TATA Group companies. This competition serves as a catalyst for fostering innovation and collaboration among TACO Business Units.

TACO Technical Centre (TTC) is an emerging leader in providing niche engineering, R&D, and technology solutions across the complete product development lifecycle. Our expertise in product design & development, manufacturing & digital solutions ensure we stay at the forefront of innovation and add value to our customer’s business. We specialize in advanced technology to enhance the experience of NextGen mobility solutions.

TACO has received several patents including an assembly to provide protection against a work vehicle operator, a device for providing protection against a hot iron soleplate, and an integrated on-board charger and DC-DC converter for electric vehicle.



Case Study

Design Simplicity with Rivian 1

The original Tow Hook of the Rivian 1 was a 3.77kg, 16 bill of materials (BOM) components, that used hexavalent chrome plating which has been banned for international trading. It costed around USD 100 and had an Assembly turn-around time (TAT) of 6 minutes. The elements included 10 fasteners, 3 forging, 2 metal sheets and 1 dowel pin.

Our customer requested a simplified design with reduced weight and TAT, fewer components in the bill of materials (BOM), an alternative to hexavalent chrome, elimination of testing failures, and a 60% price reduction.

Our Approach and Impact

We assembled a five-member cross-functional team (CFT) specializing in forging and sheet metal. The team engaged in collaborative discussions and executed four design iterations to meet the customer's needs. This iterative process led to the development of three new Tow Hook variants, collectively valued at INR 70 Cr.

The redesign yielded significant improvements:

Issues	Solutions	Impact
16 parts	4 parts	400% reduction
USD 100	USD 28	72% reduction
6 min TAT	1 min TAT	86% reduction
3.77 kg	2.49 kg	34% reduction
Hexavalent Chrome	Trivalent Chrome	No trade restrictions

These enhancements not only met but exceeded customer expectations, eliminating testing failures and enabling unrestricted global trade. The project's success generated an additional INR 30 Cr in business



and unlocked new opportunities valued at INR 200 Cr. It also increased export potential and enhanced performance consistency in vehicle crash tests. Consistent with numerous other customer-specific projects, we demonstrated our ability to leverage advanced R&D technology and a skilled team to deliver innovative and effective solutions, exceeding expectations and setting new industry standards.

Responsible Supply Chain

Our Company boasts a dynamic and diverse supply chain designed to efficiently deliver a wide range of products and services to global markets. As industries worldwide experience ongoing transformations driven by digitalization, there is an increasing focus on integrating sustainability and responsible sourcing.

In this evolving landscape, we recognize that sustainable practices within our supply chain are crucial to securing long-term success. We are dedicated to collaborating with our suppliers to minimize our environmental footprint, manage natural resources responsibly, and uphold ethical and sustainable social practices. By embedding these principles into our supply chain, we aim to contribute positively to both the environment and communities while ensuring the continued growth and resilience of our operations.

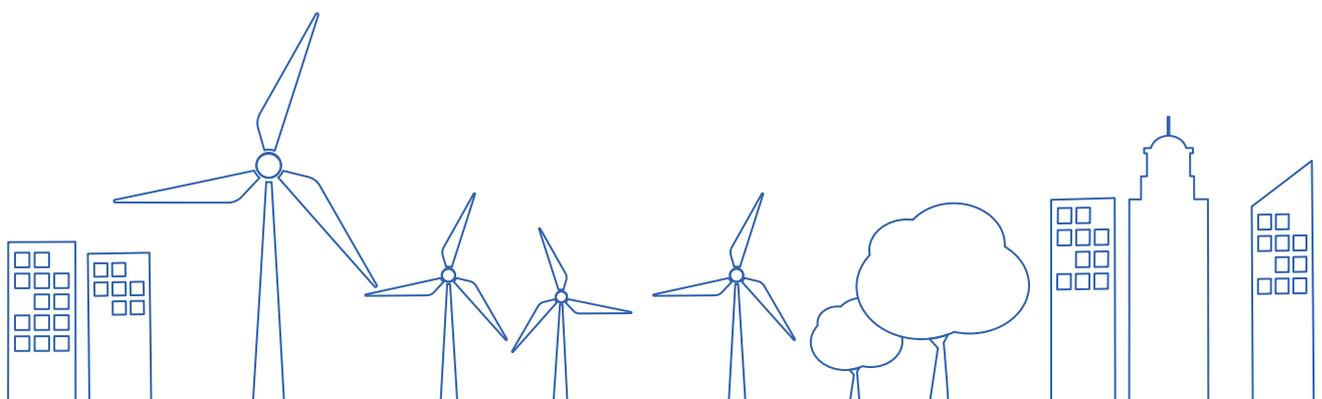
TACO's supply chain framework is focused on efficient procurement with a strong emphasis on ESG criteria. It includes Business Unit (BU) purchase teams and a Central Purchase team. The Central Team distributes ESG questionnaires, consolidates responses, leads supplier ESG training, sets targets, and ensures policy implementation. BU Purchase Heads, trained in ESG, coordinate with the Central Team for strategic matters and report to their BU Heads for operational issues. The Head of Central Purchase reports to the Group CEO, ensuring alignment of local execution with strategic objectives and integrating ESG considerations into the supply chain.

Business Unit Purchase Team

The BU purchase teams are tasked with managing day-to-day procurement activities within their respective units, executing strategies developed by the Central Purchase team, handling local supplier issues, and addressing inventory needs.

Central Purchase Team

The Central Purchase team is responsible for developing and enforcing procurement policies and guidelines, managing strategic supplier relationships and contracts, setting procurement standards and procedures, and conducting high-level negotiations and sourcing strategies.



Supplier Screening and Assessment

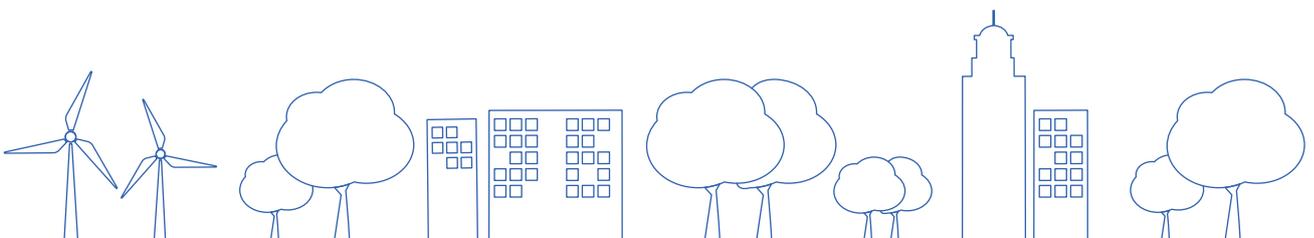
In our pursuit of a responsible supply chain, we recognize that effective supplier screening and assessment are crucial to maintaining quality and sustainability across our operations. Our supply chain is extensive, encompassing multiple internal manufacturing facilities, production sourcing, original equipment manufacturers (OEMs), and general procurement. This diversity drives us to constantly enhance the quality and efficiency of our operations through rigorous supplier management.

Supplier Identification and Onboarding

The procurement process begins with supplier identification. New suppliers undergo a comprehensive screening process for EHS (Environment, Health, and Safety), which assesses their adherence to these criteria. This initial onboarding initiative is crucial to ensure that the suppliers align with our commitment to responsible sourcing. Once a supplier passes the initial assessment, they move into the supplier onboarding phase. This includes integrating them into our systems and ensuring they understand our expectations and compliance requirements. A standard contract is established, containing mandatory terms and conditions for EHS compliance. Suppliers must adhere to these terms to conduct business with our company.

Supplier Performance Management

Supplier Performance Management is a continuous process in which we annually establish and monitor key performance indicators (KPIs) of our suppliers. These KPIs include metrics such as cost savings, inventory accuracy, lead time improvements, and the number of reportable accidents. To ensure ongoing compliance with our standards, we categorize our suppliers based on evaluation criteria like cost, quality, delivery timeliness, responsiveness, technology, geographical location, business development growth, and management effectiveness.



ESG Supply Chain Assessment

This year, TACO conducted a comprehensive Supply Chain Assessment focused on evaluating suppliers' ESG performance. This assessment involved mapping current supply chain practices, developing a criticality framework, and assessing ESG performance of suppliers. Suppliers were evaluated on ESG criteria through self-assessments and desk-based assessment. The Business Unit Purchase heads were responsible for monitoring and measuring the ESG performance of suppliers, ensuring the authenticity and completeness of the questionnaire submitted.

To effectively identify our critical/significant suppliers, we evaluate them based on several key criteria: highest procurement value, customer preference, supplier substitutability, and proximity to our TACO locations. This comprehensive assessment ensures we align with both operational priorities and customer needs.

For the first-year assessment, we prioritized tier 1 significant suppliers for ESG SAQ. We conducted detailed desk-assessments for publicly listed companies and self-assessments for non-listed suppliers. As per the process, once the supplier receives their ESG scores, we provide recommendations for improvement, along with a timeline for implementation. This collaborative effort aims to enhance ESG performance across the supply chain, maintain continuous engagement with suppliers, fulfill reporting requirements, and contribute to TATA Group's Aaligana goals.

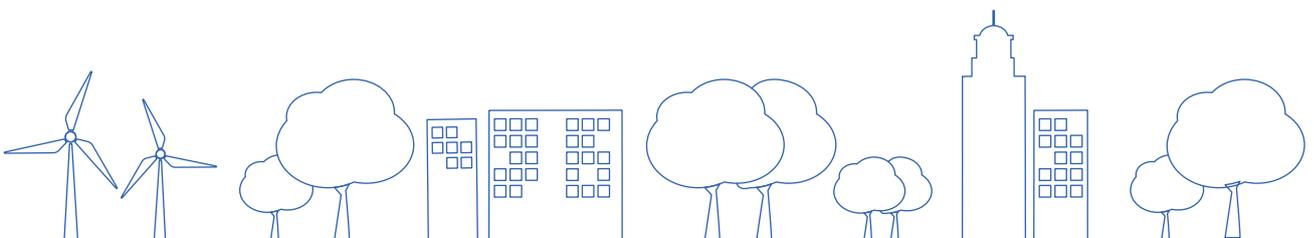
65

Number of suppliers assessed
via on deck/on-site assessment

81.25%

of the total significant
suppliers assessed

Engagement with suppliers is a key component of our strategy. Through Supplier Engagement, we work collaboratively to ensure continuous improvement in ESG performance. We provide action plans and support to help suppliers align with our goals for ethical sourcing and environmental stewardship. In instances where suppliers fail to meet our standards, we implement mitigation measures to address the issues.



Supplier Engagement

In our commitment to creating a responsible supply chain, we prioritize supplier engagement as a critical component of our strategy. Engaging with suppliers is not only necessary for ensuring compliance with our standards but also required for building long-term, mutually beneficial relationships. By actively engaging with our suppliers, we can drive improvements, encourage innovation, and promote sustainable practices that benefit both parties and contribute to our overall corporate responsibility goals.

Supplier Training

As a customer-focused business, we understand the importance of sourcing sustainable raw materials, products, and services. However, our role extends beyond procurement; we actively train our suppliers on E, S, and G parameters and compliance requirements. To achieve this, we conducted three ESG workshops that included training the suppliers on ESG parameters and criteria for ESG self-evaluation.

Regular engagement with our suppliers is essential to create awareness and educate them on ESG issues that could potentially disrupt their operations or impact their customers. We maintain continuous engagement with suppliers through emails and one-on-one discussions to address their ESG queries. We encourage our suppliers to continually improve and strengthen their ESG compliance.

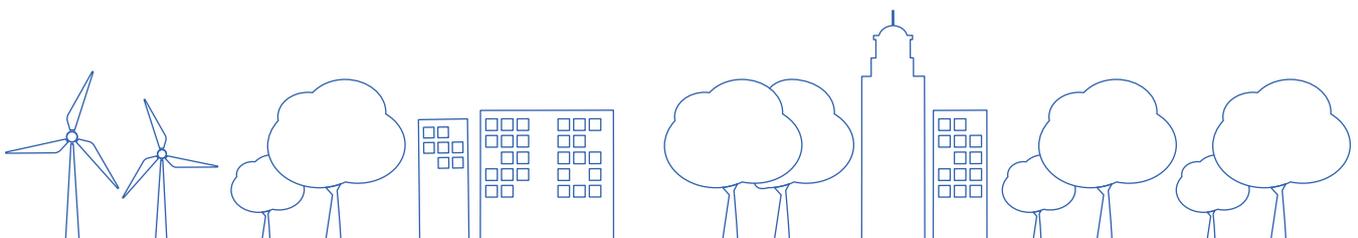
To facilitate this, our dedicated team, comprising internal members and executive leaders, curates specialized training modules. These modules are designed to build awareness of the importance of adopting sustainable practices and to communicate the larger goals associated with ESG initiatives. By equipping our suppliers with the knowledge and tools they need, we aim to foster a supply chain that is resilient, responsible, and aligned with our values.

39

Total number of suppliers in
capacity building programs

49%

of significant suppliers were a
part of capacity building
programs



Flagship Programs

Our supplier engagement efforts are further enhanced by targeted programs that aim to elevate the capabilities and performance of our suppliers.

Utkarsh Program

A year-long engagement program developed in collaboration with the Automotive Component Manufacturers Association (ACMA).

Kaushal Program

A strategic initiative aimed at enhancing operational competencies among suppliers. Conducted in collaboration with the Academy for Innovation and Quality Management (AIQM)

The Tata Affirmative Action Programme (TAAP)

The vision is to build an inclusive society through sustained affirmative actions to improve the quality of life for socially and economically disadvantaged sections of society. The Affirmative Action's Initiative focuses on supplier enhancement with the aim of creating an all-inclusive society. This initiative specifically targets four major groups:

- Scheduled Caste
- Scheduled Tribe
- Women, and Persons with Disabilities.

Through TAAP, Tata Autocomp exemplifies how targeted supplier engagement can lead to significant social impact and promote equity within the supply chain.

By prioritizing supplier engagement through initiatives like ESG training and affirmative action programs, we not only enhance our supply chain's resilience but also contribute to the broader goal of creating a sustainable and inclusive business environment.

Case Study

Microsign Products

Microsign Products, a manufacturer of injection-molded cable ties and fastening parts, has grown from working with Integrated Product Development (IPD) to supplying three additional businesses: CD, TTR, and TACO Prestolite. This expansion is fueled by a commitment to inclusivity and diversity.

Our Company employs a diverse workforce, with 65% being Persons with Disabilities (PwD) and 25% from Scheduled Castes and Scheduled Tribes (SC/ST). Among the staff, 47 are PwDs, 46 are from SC/ST communities, and 18 are women. Additionally, Microsign Products has adapted its infrastructure to support its workforce, featuring step-free bathrooms, lower-height water stations and handwashing facilities, and accessible windows. Transportation support is provided for employees with mobility impairments, including a vehicle drop-off service to the nearest plant location, with assistance from security personnel.

Our Company has implemented additional safety measures for PwD employees. Those with mobility challenges are paired with colleagues who assist them, ensuring a safer working environment. These efforts demonstrate Microsign Products' commitment to creating an inclusive and supportive workplace, enabling all employees to contribute effectively and thrive.

Case Study

Driving Sustainability Through Collaboration at the Aikyam Workshop 2024

The Aikyam Workshop, 2024, brought together over 150 participants, including 75 key suppliers, BU Heads, and ESG and Supply Chain Management leads from TACO enabling to create a common platform for our customers, suppliers and business units. This initiative has been adopted from our anchor customer Tata Motors. This event served as a dynamic collaborative platform dedicated to fostering a net-positive impact and promoting sustainability across the value chain, in alignment with Aalingana principles.

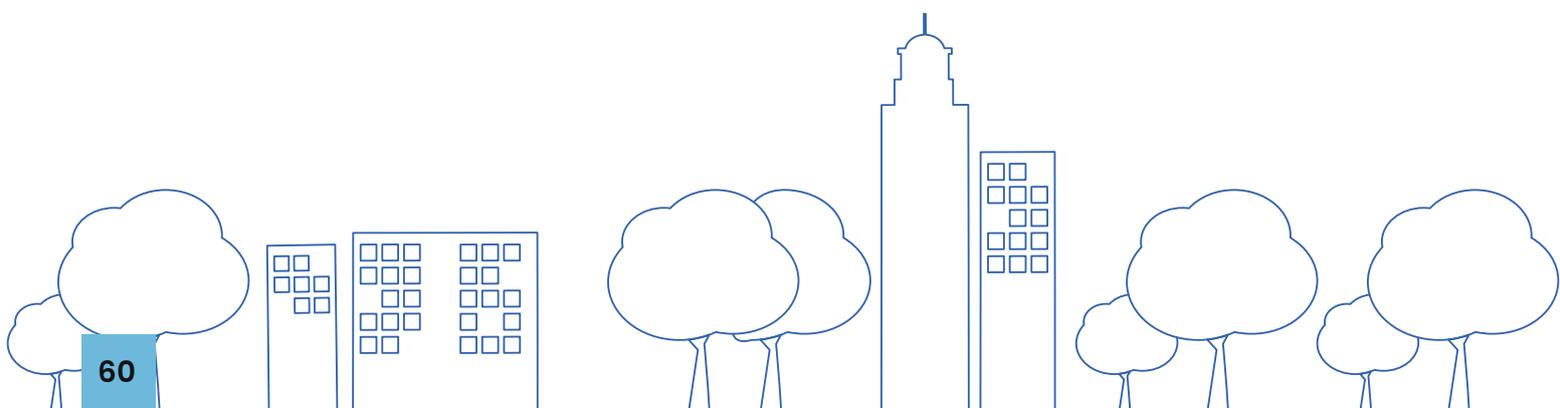
The workshop focused on pivotal areas such as renewable energy, circular economy, water neutrality, biodiversity, and sustainable sourcing. Participants engaged in discussions and activities designed to enhance their understanding and implementation of eco-friendly and resource-efficient practices. The workshop aimed to integrate these sustainable practices into their operations, ultimately driving a holistic approach to sustainability. As an outcome, the Aikyam Workshop strengthened the collective commitment to sustainability among participants, particularly within SCM.



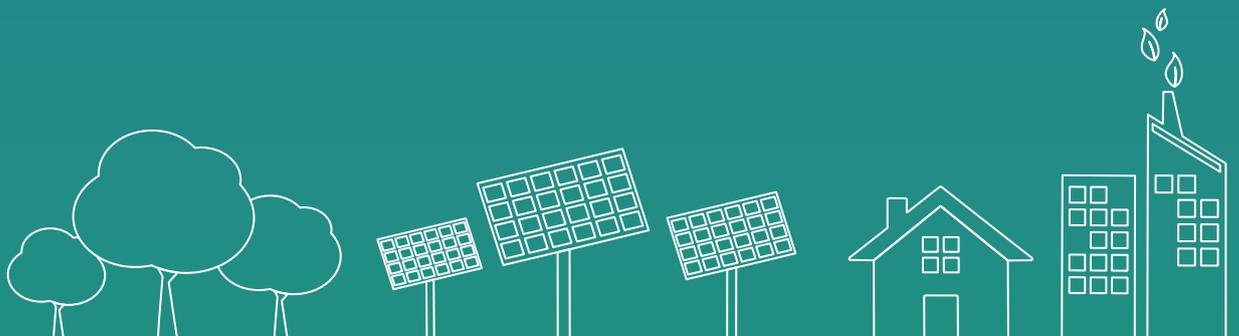
Grievance Redressal

In our commitment to a responsible supply chain, we have established a grievance redressal mechanism designed to support our suppliers. We have an Ethics Counsellor Team that serves as a crucial resource for suppliers facing ethics-related issues, providing a confidential and supportive platform for addressing their concerns. The suppliers can reach out to the team via emails. Each case is evaluated and handled individually, allowing for tailored solutions that respect the nuances of every situation. For matters specifically related to ESG issues, suppliers are directed to engage with the Business Unit (BU) Purchasing Team, which is equipped with the expertise to navigate complex ESG challenges, offering guidance that aligns with our commitment to sustainable and responsible business practices.

This system allows us to collaboratively address a range of issues, including those related to ESG, procurement, and operations. By allowing open communication and providing a structured platform for resolving concerns, we ensure that our suppliers have the support they need to navigate challenges effectively.



Environmental Stewardship



Environmental Stewardship

As a leading auto component conglomerate in India, TACO places environmental stewardship at the heart of its operations. We strive to minimize the environmental impact of our business activities by closely monitoring factors such as energy use, emissions, water consumption, waste generation and impact on biodiversity. We have set both short-term and long-term objectives that align with our broader sustainability vision. These goals are developed to create positive outcomes that meet stakeholder expectations while integrating seamlessly with our core business strategy. Our ambitious targets are not only future-focused but also designed to be realistic and measurable, demonstrating our commitment to tangible progress.

Environmental Policy

Our comprehensive Environmental Policy is designed to ensure the effective implementation of a reliable and robust Environmental Management System (EMS) and reduce our environmental footprint.. This policy underscores our dedication to complying with all relevant environmental laws and regulations, demonstrating our commitment to legal and ethical environmental stewardship. Furthermore, we are focused on the continuous improvement of our environmental performance, through setting clear targets and objectives aimed at minimizing our environmental impact, ensuring that our efforts align with the broader goals of sustainability and ecological responsibility.

Read our Environmental Policy [here](#).

To ensure continuous tracking of our environmental performance and to take corrective actions, when necessary, we have implemented ISO 14001:2015 (EMS) across all our plants in India. We duly comply with all applicable environmental laws and regulations.

During FY 2023-24, we did not have any environmental violations and have not paid any environment related fines. 100% Manufacturing sites' Environment Management Systems (EMS) are ISO 14001 certified



Project Aalingana and Sustainability at TACO

Project Aalingana spearheads the sustainability efforts across all Tata group companies, aiming to fulfill the Group's vision for a greener, cleaner, more sustainable, and equitable future for the planet. Aalingana defines the Tata approach to enhancing planetary resilience, with the Group's goal of achieving Net Zero by 2045 and a commitment to shaping a secure future through innovation today. In alignment with Project Aalingana, we are actively undertaking various initiatives aimed at contributing to broader sustainability goals.

At TACO, we track our performance through various Key Performance Indicators (KPIs) on quarterly basis to assess the progress made in line with our ESG targets.

Our approach to sustainability for the environmental material issues is aligned with the overarching strategy of the Tata group. All Tata companies are required to measure their carbon footprint and strive to:

- Lead the industry in minimizing carbon emissions across operations.
- Actively participate in climate change advocacy and influence business-related regulations.
- Incorporate a 'green' perspective into all major organizational processes.

The guiding principles of TACO for achieving environmental sustainability include:

- Integrating sustainability considerations into all business decisions and essential work processes to create value, reduce future risks, and maximize opportunities.
- Upholding product stewardship by improving the environmental impacts of products and services throughout their lifecycle.



Our sustainability strategy focuses on:

<p>01. Climate Change Mitigation Tracking GHG emissions and optimizing GHG footprint</p> 	<p>02. Climate Change Adaptation Identification of climate change vulnerabilities and developing risk mitigation plans</p> 
<p>03. Energy Focus on energy efficiency and use of renewable energy</p> 	<p>04. Solid Waste Embracing circular economy principles to significantly reduce landfill waste, increase the use of recycled materials, and minimize the reliance on virgin materials.</p> 
<p>05. Water Focus on water use efficiency and minimizing proportion of wastewater discharged</p> 	<p>06. Biodiversity Commitment to preserving natural habitats and enhancing ecosystem health.</p> 

Trainings

At TACO, we recognize that the key to achieving our sustainability goals lies in empowering our workforce with the right knowledge and skills. We have implemented comprehensive training programs focused on energy efficiency, waste reduction, water efficiency and management and broader sustainable practices. These programs are not just about compliance; they are about cultivating an informed and proactive culture within our organization.

Through certifications such as ISO 14001:2015 (Environmental Management) and ISO 45001:2018 (Occupational Health and Safety), our employees gain critical insights into environmentally responsible operations and workplace safety. These certifications provide our team with a structured framework to identify, manage, and improve our environmental performance and occupational health standards consistently. Additionally, training on TQM 7QC Tools equips our workforce with the methodologies and tools necessary to drive continuous improvement across all facets of our operations.

These training initiatives have been instrumental in achieving tangible results, such as reduced energy consumption, minimized waste, and enhanced operational efficiency. By investing in our team's growth and understanding of sustainability, we reinforce our commitment to a greener future and ensure that our employees are at the forefront of driving our environmental stewardship efforts.

Climate Action and Emissions Management

TACO is committed to addressing climate change risks by reducing carbon and other emissions and conserving energy across its operations. We have a strong oversight and management of climate-related issues. This responsibility is spearheaded by our ESG Committee, which convenes regularly throughout the year. Climate issues are consistently prioritized on the agenda of the Board of Directors, ensuring continuous focus and action.

GHG Emissions

At TACO, we strive to address climate change by actively reducing carbon emissions and conserving energy across our operations. Our comprehensive approach targets direct emissions, as well as emissions from upstream and downstream activities, to achieve Net Zero by 2045. To this end, we are developing a decarbonization roadmap that includes strategic planning, industry benchmarking, target setting, and the prioritization of decarbonization initiatives.

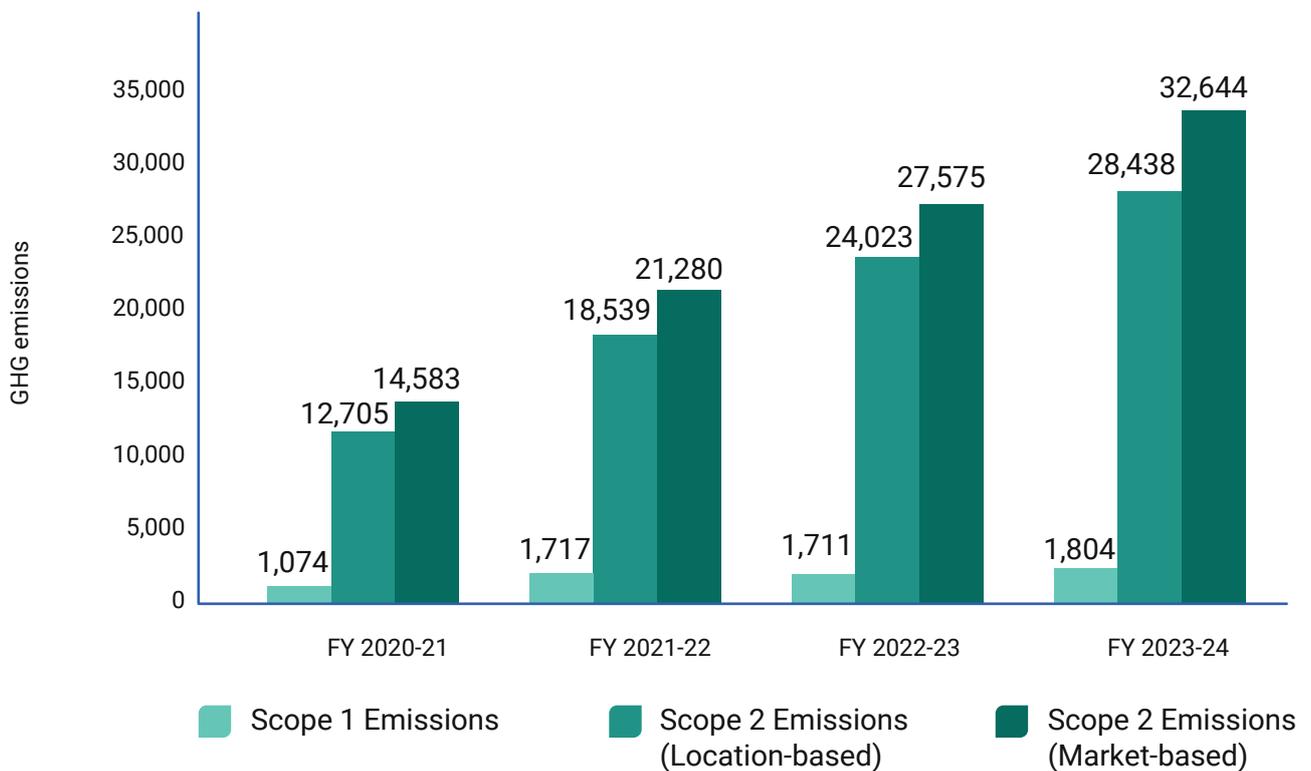
We are acutely aware of the significant risks identified in studies such as the 2023 IPCC report, which highlight the potential for increased heat waves, extended warm seasons, and their detrimental impacts on agriculture and human health, and are committed to actively contributing to broader climate goals through the implementation of a comprehensive range of measures.

We have set ambitious and robust targets for our climate initiatives. Our goal is to achieve a 25% reduction in Scope 1 and Scope 2 emissions by 2030, using 2020 as our baseline, and to reach Net Zero by 2045. In FY 2023-24, we initiated a comprehensive exercise to inventorize and assess the GHG emissions generated by our organization and its activities. This project laid the groundwork for developing a detailed decarbonization roadmap aimed at actively pursuing carbon reduction initiatives.



Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions
<p>We have accounted for all direct emissions resulting from TACO's activities under our control. This includes carbon emissions from sources such as fuel combustion in our operations, fuel use in fleet vehicles, and leaks from air conditioning systems, among others.</p>	<p>We have also taken into account the indirect emissions associated with TACO's purchase of non-renewable electricity, as these emissions are generated during the production of electricity from fossil fuels.</p>	<p>For reporting period, we have conducted first comprehensive inventory of our Scope 3 emissions and have already begun implementing programs and initiatives for several of these categories. Additionally, we are actively collaborating with our suppliers to gather emissions reduction disclosures and set targets.</p>

GHG emissions (MTCO2e)



Scope 3 Emissions

During the year, we embarked on an extensive Scope 3 emissions inventory program, incorporating peer benchmarking and aligning with global standards to ensure a thorough analysis, which helped us identify the relevant categories for TACO. We covered the relevant 10 out of the 15 recognized categories defined by the Greenhouse Gas Protocol. This comprehensive effort allowed us to gain deeper insights into the indirect emissions within our value chain and identify opportunities for emissions reduction. The categories applicable for TACO include:

Category 1: Purchased Goods and Services

Category 2: Capital Goods

Category 3: Fuel- and Energy-Related Activities (not included in Scope 1 or 2)

Category 4: Upstream Transportation and Distribution

Category 5: Waste Generated in Operations

Category 6: Business Travel

Category 7: Employee Commuting

Category 9: Downstream Transportation and Distribution

Category 11: Use of Sold Products

Category 12: End-of-Life Treatment of Sold Products

2,44,470 MTCO₂e

Scope 3 emissions in FY 2023-24

Case Study

Enhancing Resource Efficiency and Avoided Emissions

The availability of fossil fuels is limited, and their use is destroying our planet, with toxic emissions from petrol and diesel vehicles causing long-term adverse effects on public health. In contrast, electric vehicles (EVs) offer significantly lower emissions. TACO's Battery Packs for EVs are pivotal in this transition, qualifying as both low carbon and avoided emission products. Approximately 37% of our offerings enhance resource efficiency by reducing energy use and GHG emissions. With their high energy density, our battery packs enable EVs to travel longer distances on a single charge, reducing raw material use and pollution over the vehicle's lifespan.

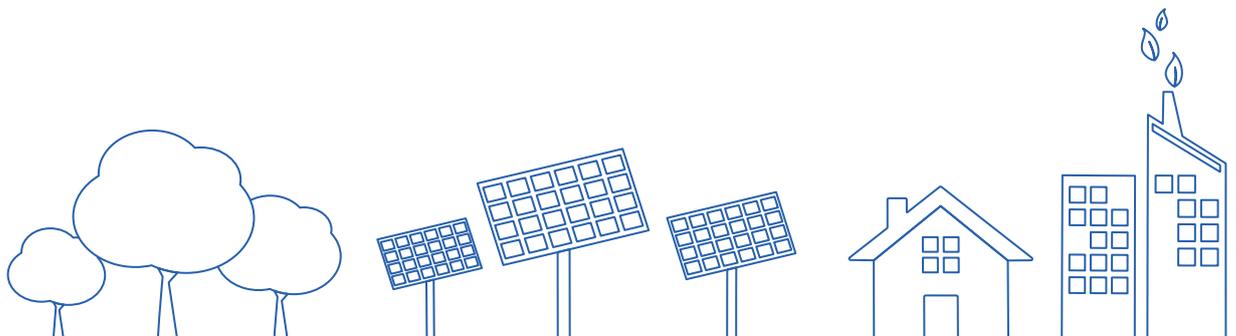
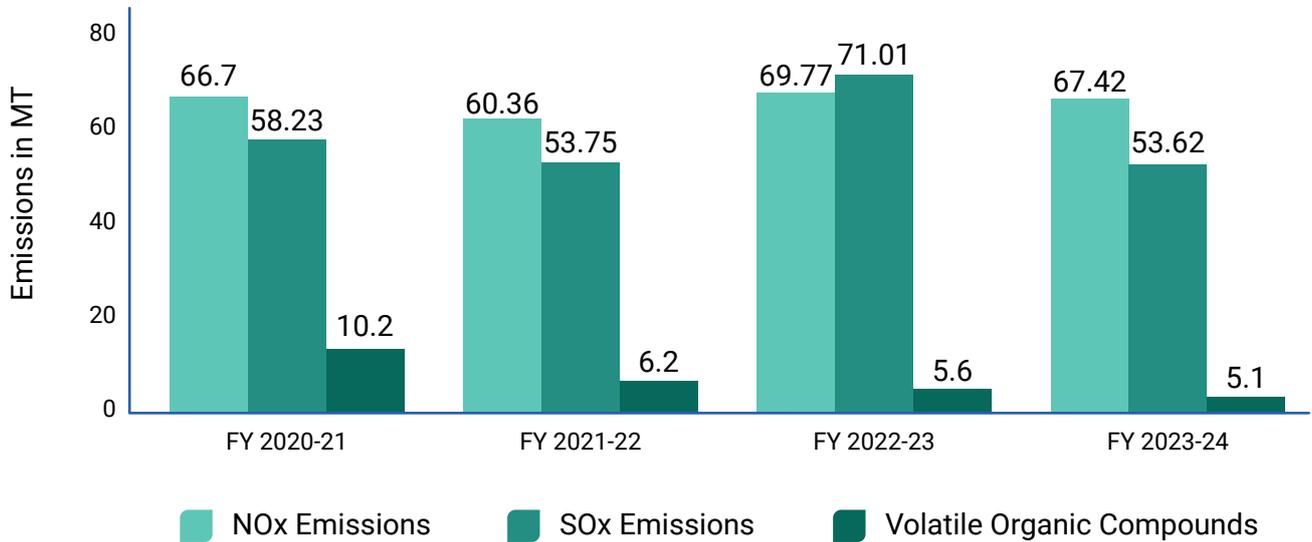
From an efficiency perspective, EVs convert around 60% of electrical energy from the grid to power the wheels, whereas petrol or diesel cars only convert 17%-21% of the fuel's energy. This results in an 80% energy waste for conventional vehicles. Moreover, fully electric vehicles produce zero tailpipe emissions; even when accounting for electricity production, petrol and diesel vehicles emit nearly three times more carbon dioxide than the average EV.

Our advanced thermal management systems further optimize performance, decreasing energy consumption. With increased durability, our battery packs extend product life, reducing waste and the need for frequent replacements. Supporting evidence includes lifecycle assessments and performance data showing energy efficiency improvements over conventional vehicles. India is ambitiously aiming for 40% of its electric power installed capacity to come from non-fossil fuel sources by 2030. This shift underscores the necessity of transitioning to electric vehicles for sustainable transportation. TACO is committed to this vision, providing solutions that support a sustainable future.

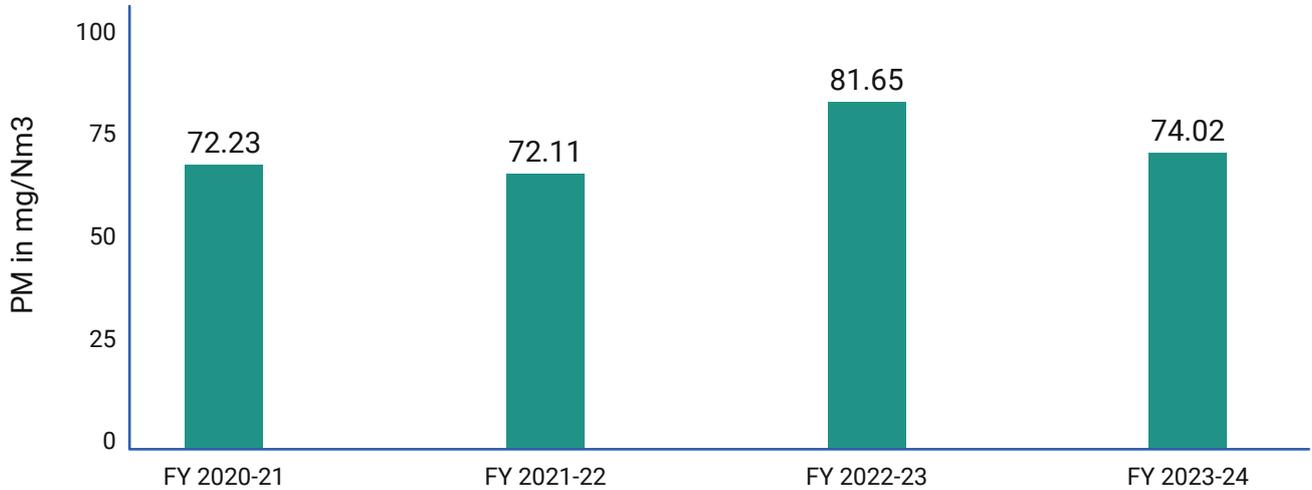
Other Air Emissions

TACO is committed to not only reducing carbon emissions but also monitoring and managing other critical air pollutants such as nitrogen oxides (NOx) and sulfur oxides (SOx) and Volatile Organic Compounds (VOCs), among others. Recognizing the significant impact these pollutants can have on air quality, human health, and the environment, we have implemented rigorous monitoring systems across our operations. These systems enable us to track emissions in real-time, ensuring compliance with environmental regulations and standards. By integrating air emission controls into our broader environmental strategy, we aim to enhance the overall sustainability of our operations and contribute to improved air quality in the communities where we operate.

Other Air Emissions (in MT)



Particulate Matter in mg/Nm3



To uphold our commitment to environmental sustainability and workplace safety, we undertake comprehensive monitoring of our diesel generator (DG) sets. Moreover, each quarter, we conduct thorough stack monitoring to ensure that our emissions remain within the permissible limits set by environmental regulations. In addition to emissions monitoring, we regularly assess ambient noise levels generated by our DG sets and ensure that noise pollution is kept to a minimum, promoting both the well-being and productivity of our employees.

Case Study

Unified Carbon Interface Pilot Project with Tata Motors

In a pioneering effort to comprehensively track and analyze carbon emissions, Tata Motors Limited (TML) has launched the Unified Carbon Interface pilot project. This collaborative initiative involves key partners, including Tax Genie, FIDE, and TACO, aiming to integrate diverse data streams from GSTIN, e-way bills, and electricity consumption to develop a robust carbon footprint tracking system.



We have installed a rooftop solar plant to harness solar energy which significantly reduces our reliance on non-renewable power sources. Phases 1 and 2 of the solar rooftop installations have been completed and are now operational. Phase 3 has also been installed and is expected to generate 4.5 million kWh annually by FY 2024-25. Additionally, TACO is exploring group captive solar and wind power arrangements as part of its plans to expand renewable energy sources.



Energy Management

At TACO, we are committed to minimizing our carbon footprint through the adoption of energy-efficient technologies and energy conservation practices. Our objective is to reduce energy consumption by 5% annually. We also aim to lower our scope 2 carbon emissions by transitioning to renewable energy sources. Our short-term goal is to source 20% of our electricity from renewable sources by 2026, with a long-term target of 100% renewable energy by 2030. This strategy supports our efforts to produce low-carbon products and address climate change risks.

Measures undertaken across our plants

We have undertaken various measures to ensure energy efficiency across our operating locations.

1 Monitoring and Analysis

- **Energy Management System (EnMS):** Monitor and reduce specific energy consumption year on year by adopting effective an EnMS. This helps in identifying energy-saving opportunities and setting measurable goals. This approach enhances operational efficiency, reduces utility costs, and supports sustainability initiatives.
- **Energy Meter Installation:** We have strategically installed energy meters throughout our plants to facilitate real-time tracking of energy consumption. This allows us to quickly identify any unusual spikes or drops in energy usage, enabling prompt corrective actions.

2 Audits and Assessments

- **Periodic Energy Audits:** Regular internal audits ensure ongoing compliance with energy management protocols. We also undertake external energy audits conducted by independent third-party agencies, which help us pinpoint opportunities for energy conservation and efficiency improvements. They provide us with an unbiased assessment of our current energy management practices.

3 Infrastructure and Technology Investments

- **Rooftop Solar Installations:** We have installed a rooftop solar plant to harness solar energy which significantly reduces our reliance on non-renewable power sources. Phases 1 and 2 of the solar rooftop installations have been completed and are now operational. Phase 3 has also been installed and is expected to generate 4.5 million kWh annually by FY 2024-25. Additionally, TACO is exploring group captive solar and wind power arrangements as part of its plans to expand renewable energy sources.
- **Automation and Optimization:** We have incorporated automation technologies to optimize boiler steam usage, reducing energy waste.
- **Smart Lighting Solutions:** Outdoor lighting systems have been upgraded with automatic cutoff features, and motion sensors have been installed in office spaces to minimize energy usage when areas are unoccupied.

4 Innovation and R&D

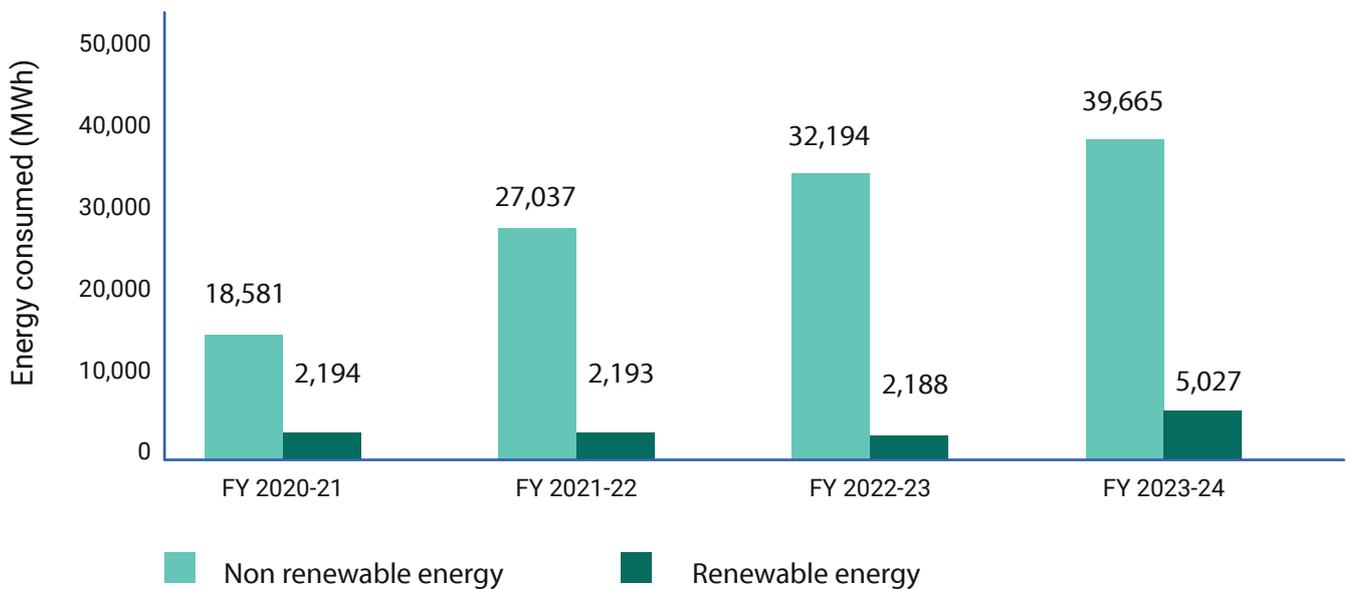
- **Product Development:** We have developed innovative low-density products that require less energy to produce and operate. Transitioning pneumatic pressure lines to more efficient electric tools is another step towards reducing energy consumption.
- **Battery Energy Storage Systems (BESS):** TACO has set up a facility specifically for manufacturing Battery Energy Storage Systems (BESS). This project is part of a joint venture called TACO Gotion Green Energy Solutions, focusing on the production of Li-Ion BESS. This initiative supports the creation of Battery Energy Storage Systems for Tata Power.

5 Other Initiatives

- **VFD Motor Implementation:** All machinery is equipped with Variable Frequency Drive (VFD) motors, which adjust motor speed and torque to match the actual demand, thereby conserving energy.
- **Waste-to-Heat Recovery Systems:** These systems capture and repurpose waste heat from industrial processes, converting it into usable energy, thereby improving overall efficiency.

Energy Consumption

Energy Consumption (MWh)



Our efforts over the next five years will focus on conducting comprehensive energy audits, strengthening internal audit mechanisms, and engaging in external benchmarking to measure and enhance our progress. Through these initiatives, we aim to achieve our energy efficiency and renewable energy goals, underscoring our dedication to environmental stewardship and operational excellence.

Case Study

Enhancing Energy Efficiency through Strategic Power Management at CD

We embarked on a power-saving initiative aimed at reducing energy consumption across various plant sections. This project focused on optimizing equipment usage, improving operational efficiency, and implementing innovative technologies to achieve significant energy savings.

Our strategic focus areas included:

Equipment Optimization:

We conducted a thorough analysis of equipment power consumption, identifying high-consumption machines such as the 750T Press. By implementing Variable Frequency Drives (VFDs) and optimizing machine cycles, we reduced energy usage significantly.

Load Management:

By shifting high-consumption tools from the 750T to the more efficient 1000T machine during low production periods, we minimized unnecessary energy expenditure and improved overall plant efficiency. Process Improvements: Detailed analysis of machine operations allowed us to identify low and no-load steps in the auto cycle. Adjustments were made to reduce power during these phases, further decreasing energy consumption.

Employee Engagement:

Training sessions were held to educate staff on energy-saving practices and the importance of efficient equipment operation, fostering a culture of sustainability within the plant.

Outcomes:

- A substantial reduction in energy consumption, saving approximately 51,840 kWh annually, which translates to significant cost savings.

Case Study

Energy Efficiency Enhancement through Servo Pump Installation at IPD

In a bid to improve energy efficiency and reduce operational costs, we undertook a project to retrofit Injection Molding Machines (IMMs) with servo pumps. This initiative focused on optimizing power consumption and enhancing the performance of high-tonnage machines.

We have undertaken the following measures to enhance energy efficiency across our operations:

Machine Selection and Feasibility Analysis:

We selected two 2000T IMMs and one 2700T IMM for the initial phase based on their feasibility for servo pump installation. The analysis considered the availability of servo motors and the capability for installation.

Technological Upgrade:

The project involved retrofitting the selected machines with new servo motors and upgrading their PLC systems. This transition from old 3-phase induction motors to advanced servo systems significantly improved energy efficiency.

Performance Monitoring:

We conducted a detailed study of the electrical and hydraulic circuits to ensure compatibility and optimal performance post-installation. Continuous monitoring of power consumption before and after the retrofit provided valuable insights.

Cost-Benefit Analysis:

A comprehensive investment and ROI calculation was performed, revealing a 32.6-month return on investment for each 2000T IMM. The project promised substantial yearly savings in both energy consumption and operational costs.

Outcomes:

- Achieved a 42% reduction in power consumption for the 2000T IMMs, translating to significant energy savings of 198,720 kWh annually.
- Reduced yearly electrical costs from INR 51,11,424 to INR 30,84,480, resulting in a yearly saving of INR 24.32 lakh.
- Enhanced machine performance and reliability, contributing to overall operational efficiency and sustainability goals.

Case Study

TACO's Role in India's Largest Battery Energy Storage System Project

TACO, being a leading provider of energy storage solutions, has played a pivotal role in the successful commissioning of India's largest Battery Energy Storage System (BESS) in Rajnandgaon, Chhattisgarh. The project, executed under the aegis of the Solar Energy Corporation of India Limited (SECI) and supported by the Ministry of New and Renewable Energy, marks a significant advancement in the integration of solar energy with advanced storage technologies.

Project Overview

The BESS project, with a capacity of 40 MW / 120 MWh, complements a solar photovoltaic plant with an installed capacity of 152.325 MWh. It represents a major leap in renewable energy utilization by storing solar energy for deployment during peak demand periods. The project has been strategically set up on 451 acres of repurposed wasteland, highlighting a sustainable approach to land use.

Our Contributions

Supply of Containerized Battery Energy Storage System:

We provided state-of-the-art containerized battery storage systems designed for optimal energy retention and efficiency. These systems are crucial for storing solar energy generated during the day and dispatching it during evening peak hours, ensuring reliability and stability of power supply.

Power Conversion System (PCS):

We delivered advanced Power Conversion Systems that facilitate the seamless conversion of stored DC energy into AC for integration into the power grid. The PCS is vital for maintaining the efficiency and reliability of power transmission.

Energy Management System (EMS):

We implemented a robust Energy Management System to monitor, control, and optimize the performance of the BESS. The EMS ensures efficient energy usage, enhances grid stability, and reduces operational costs.

Supervision for Installation & Commissioning:

We provided expert supervision during the installation and commissioning phases of the project. This ensured that the systems were integrated smoothly and operated at maximum efficacy from the outset.



Challenges and Solutions

Integrating advanced storage technology with our existing infrastructure presents significant challenges, as we often need to ensure compatibility with current systems and aim for minimal disruption during implementation. At TACO, we address this issue by offering modular and scalable storage systems that are specifically designed to integrate easily with our existing power infrastructure. This approach ensures a seamless operation that minimizes downtime and resource expenditure for us.

Another critical challenge we face is ensuring the viability and sustainability of our projects, which is crucial for long-term success. We tackle this by engineering highly efficient systems that not only reduce our operational costs but also decrease carbon emissions. This dual focus on economic efficiency and environmental responsibility enhances the overall sustainability of our projects, making them more attractive to stakeholders and aligning with broader environmental goals.

Impact and Benefits

Environmental Impact:

The project significantly reduces carbon dioxide emissions, supporting India's commitment to sustainable energy solutions.

Economic Viability:

TACO's solutions contribute to the long-term economic viability of the project, backed by a power purchase agreement with the Chhattisgarh State Power Distribution Company Limited (CSPDCL).

Technological Advancement:

The deployment of bifacial solar modules and advanced storage solutions sets a new benchmark for renewable energy projects in India.

TACO's involvement in this project underscores our commitment to advancing renewable energy through innovative storage solutions. By providing critical components and expertise, we have contributed significantly to the project's success, paving the way for future developments in sustainable energy infrastructure. This project not only enhances the renewable energy landscape in India but also serves as a model for responsible and effective land resource utilization globally.



Circular Economy and Waste Management

Our dedication to sustainability goes beyond traditional methods, focusing on circular economy principles and innovative sustainable solutions. The circular economy seeks to transform economic and production systems from a linear take-make-dispose model to more circular processes that incorporate sustainability throughout the supply chain. This approach can greatly support sustainable development and lessen the strain on limited resources.

We have implemented several measures in our production processes to effectively manage the waste and scrap generated. TACO has also implemented initiatives such as providing waste reduction training to employees and has established recycling programs to minimize the amount of waste sent to landfill is a stride towards aligning our actions and initiatives with Circular Economy and effective waste management.

1

Creating Awareness

Promoting Resource Efficiency and Waste Management: We actively raise awareness about the identification of opportunities to enhance resource efficiency and waste management practices.

Collaboration with the Ellen MacArthur Foundation (EAF): In partnership with EAF, the Tata Group is working to foster a shared understanding of cutting-edge Circular Economy (CE) concepts. The collaboration leverages EAF's ReSOLVE framework, which embodies the core principles of circularity through six key actions: Regenerate, Share, Optimize, Loop, Virtualize, and Exchange.

2

Harnessing Circular Economy Principles to Uncover Business Opportunities

Operational Review and Opportunity Identification: We conduct comprehensive reviews of our operations to discover new business opportunities by applying Circular Economy principles.

- **Project Implementation for Resource Efficiency:** We actively implement projects focused on conserving resources, minimizing waste generation, and promoting the reuse and recycling of materials. These initiatives include efforts in water conservation and the recycling and reuse of treated wastewater.

3

Advocacy for Enhanced Resource Productivity

Engagement with Policymakers: We actively collaborate with policymakers to advocate for and implement effective waste management systems. Our efforts focus on creating an enabling ecosystem that supports the reuse and recycling of materials. By engaging in policy advocacy, we aim to influence the development and execution of strategies that enhance resource productivity and promote sustainable practices across industries.

We recognize that effective waste management is crucial for environmental protection, public health, and the conservation of resources. We have established on these lines a robust system for systematic collection, transportation, processing, recycling, and disposal of waste materials.

We have undertaken targets to

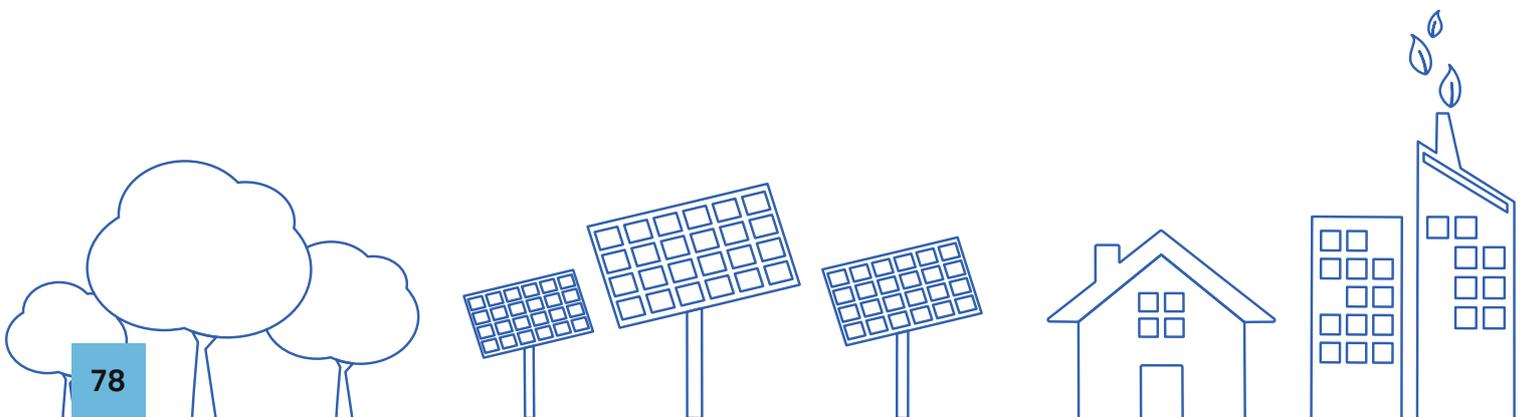
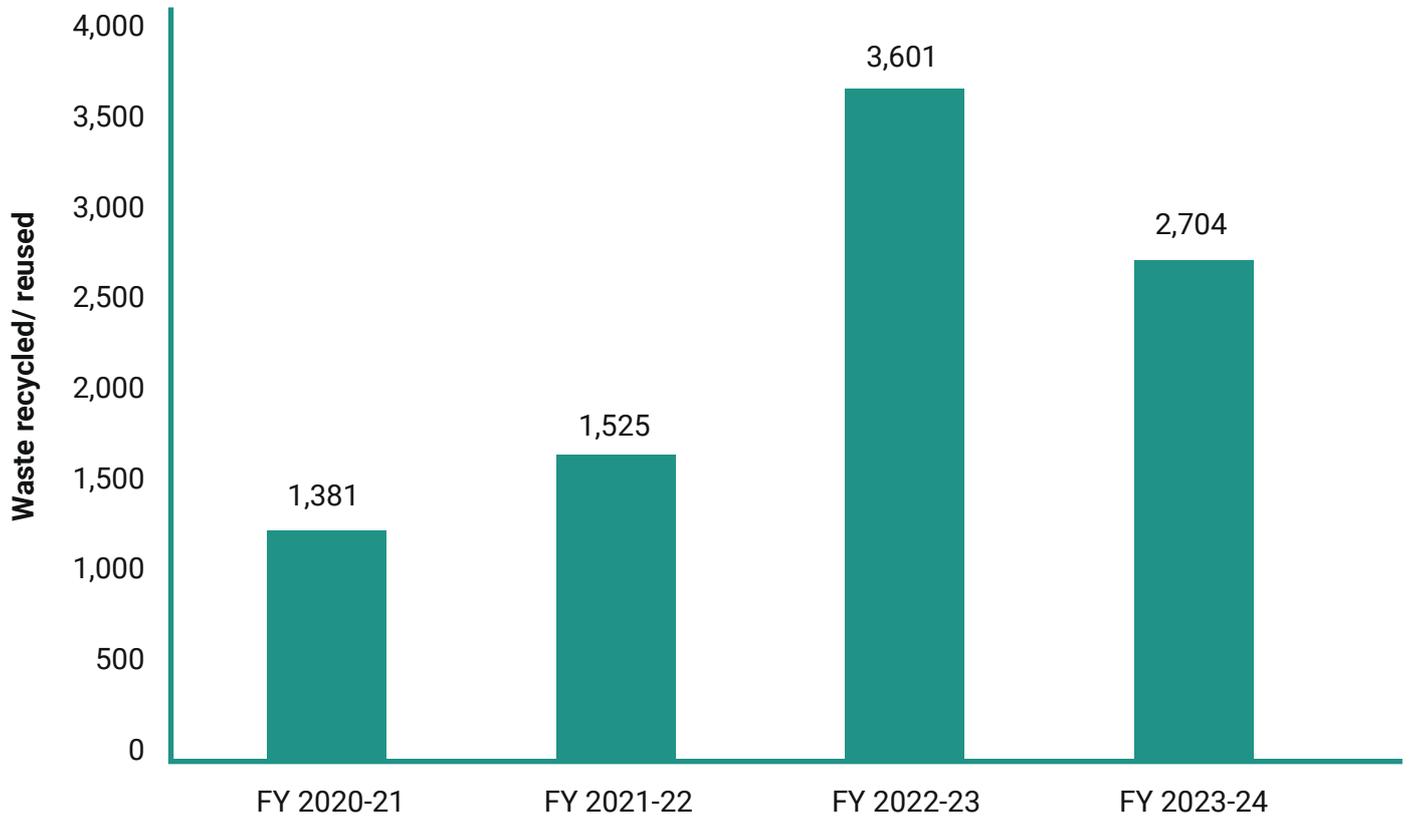
Double the quantities of waste recycled to be used for production by the year 2025 compared to baseline year 2020

Achieve 'Zero waste to landfill' by the year 2030

Some of our key interventions across divisions for waste management are:

- Reducing waste generation by replacing Poly Propylene boxes with trolleys for product distribution resulting in 45% reduction in waste generation
- Reducing Sheet Molding Compound waste rejection quantities from 3% to 0.5%
- Reusing of sheet molding compound (SMC) sludge in the SMC compound process resulting in reduction of hazardous waste by 30%.
- Using up to 90% of sheet molding compound (SMC) scrap as alternative fuels in cement industry resulting in diversion of waste from landfill as fuel source
- Replacing polybags with rexin bags facilitating less plastic pollution
- Implemented measures to reduce powder waste
- Provided waste reduction training to all members of the compounding plant team to ensure they are equipped to reduce hazardous waste effectively

Waste recycled/reused (MT)



Case Study

Achieving Sustainability through Hazardous Waste Reduction at CD

In an effort to enhance sustainability practices, we have implemented a comprehensive hazardous waste reduction program. This initiative is focused on minimizing the generation of hazardous waste through strategic process improvements and employee engagement.

We have undertaken the following measures to reduce hazardous waste generation across our operations:

Process Optimization:

By analyzing production processes, we identified key areas where waste could be reduced. This involved upgrading equipment and adopting more efficient technologies that produce less waste.

Employee Training:

We conducted workshops to educate employees on the importance of waste reduction and how they can contribute. This fostered a culture of sustainability and encouraged proactive waste management.

Waste Segregation and Recycling:

Implementing a robust waste segregation system allowed us to recycle materials that were previously discarded as waste. This not only reduced the volume of hazardous waste but also contributed to resource conservation.

Supplier Collaboration:

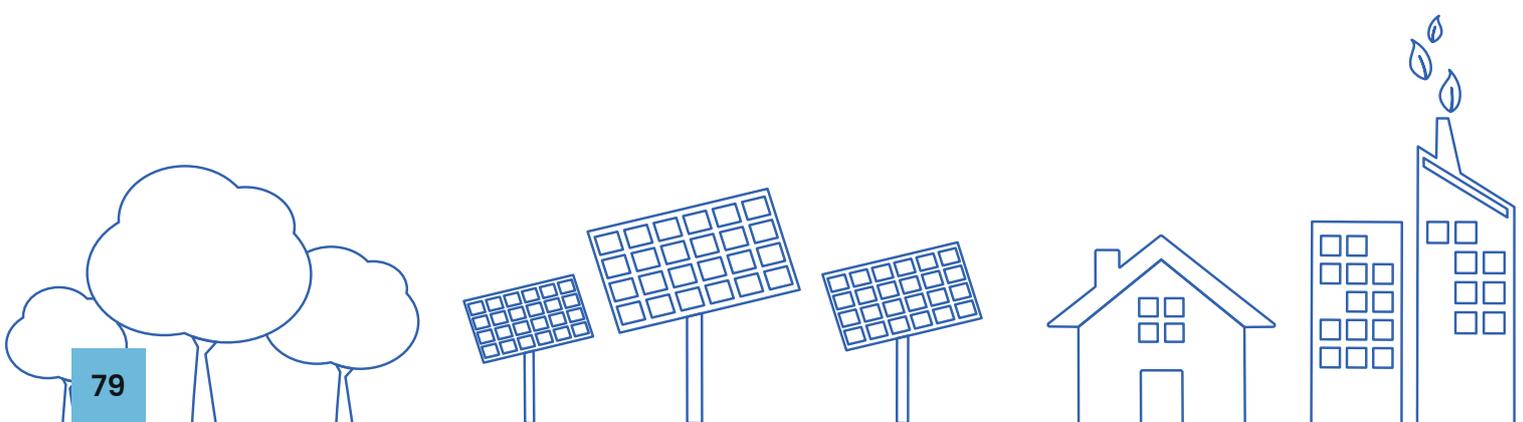
Partnering with suppliers to source materials with lower environmental impact further supported our waste reduction goals.

Outcomes:

After implementing measures in both areas, hazardous waste generation was reduced by 38%, decreasing from 54 metric tons to 34 metric tons.

Enhanced compliance with environmental regulations and improved corporate reputation.

Increased employee engagement and awareness regarding sustainability practices.



Water Management

TACO is committed to responsible water resource management through strategic planning, development, distribution, and sustainable use. To uphold environmental stewardship, TACO has launched initiatives to conserve water, aiming for

Water neutrality and Zero Liquid Discharge (ZLD) by 2030

Water-positive by 2040

We aspire to reduce domestic water consumption to less than 30 liters per person per day.

Key interventions include using sensor technology in restrooms to optimize water usage and harvesting 150 KL of rainwater for operational use, highlighting TACO's dedication to sustainable water practices.

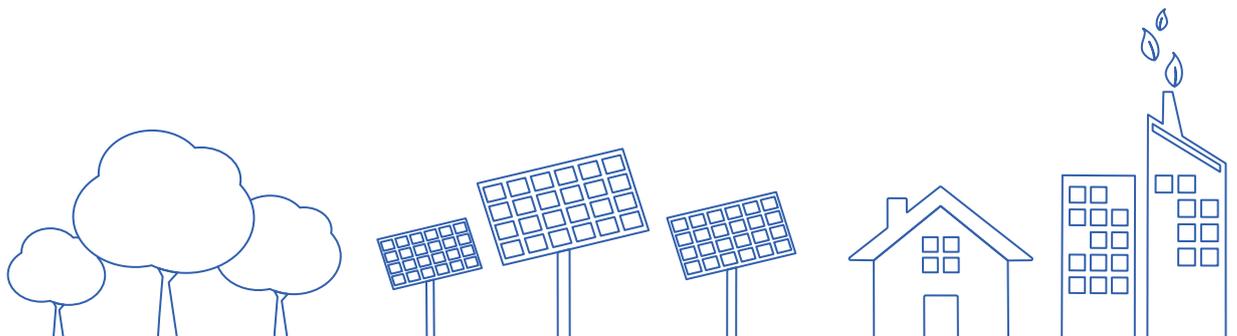
As part of our comprehensive water management program, we are actively identifying opportunities for enhancing water efficiency. Our approach involves a thorough evaluation of water usage to pinpoint areas for improvement and implement measures to curb excessive consumption. We have set specific water reduction targets, assigning clear responsibilities to ensure these goals are achieved.

A cornerstone of our sustainability strategy is the implementation of an advanced water recycling initiative, which focuses on repurposing recycled water for non-potable uses such as landscape irrigation and gardening. This initiative not only conserves valuable freshwater resources but also significantly reduces our environmental footprint.

To integrate our water recycling initiative into the organizational culture, we conduct comprehensive training programs to educate employees on water conservation, recycling processes, and their impact. This equips staff with the skills needed for active participation in water efficiency efforts, fostering a culture of conservation and responsibility.

Our sites are equipped with Sewage Treatment Plants (STPs) that effectively manage and recycle 90% of wastewater. We have established quality thresholds to ensure treated wastewater meets required standards. Additionally, rainwater harvesting systems have been implemented across various sites to efficiently capture and utilize rainwater, with separate drainage lines installed to prevent groundwater contamination.

We aim to reduce domestic water consumption to below 28 liters per person per day at our CD plant by 2027 and under 30 liters per person per day at our Gotion plant by 2024. Furthermore, we have installed a 30 KL STP in the premises to facilitate wastewater recycling for flushing systems.

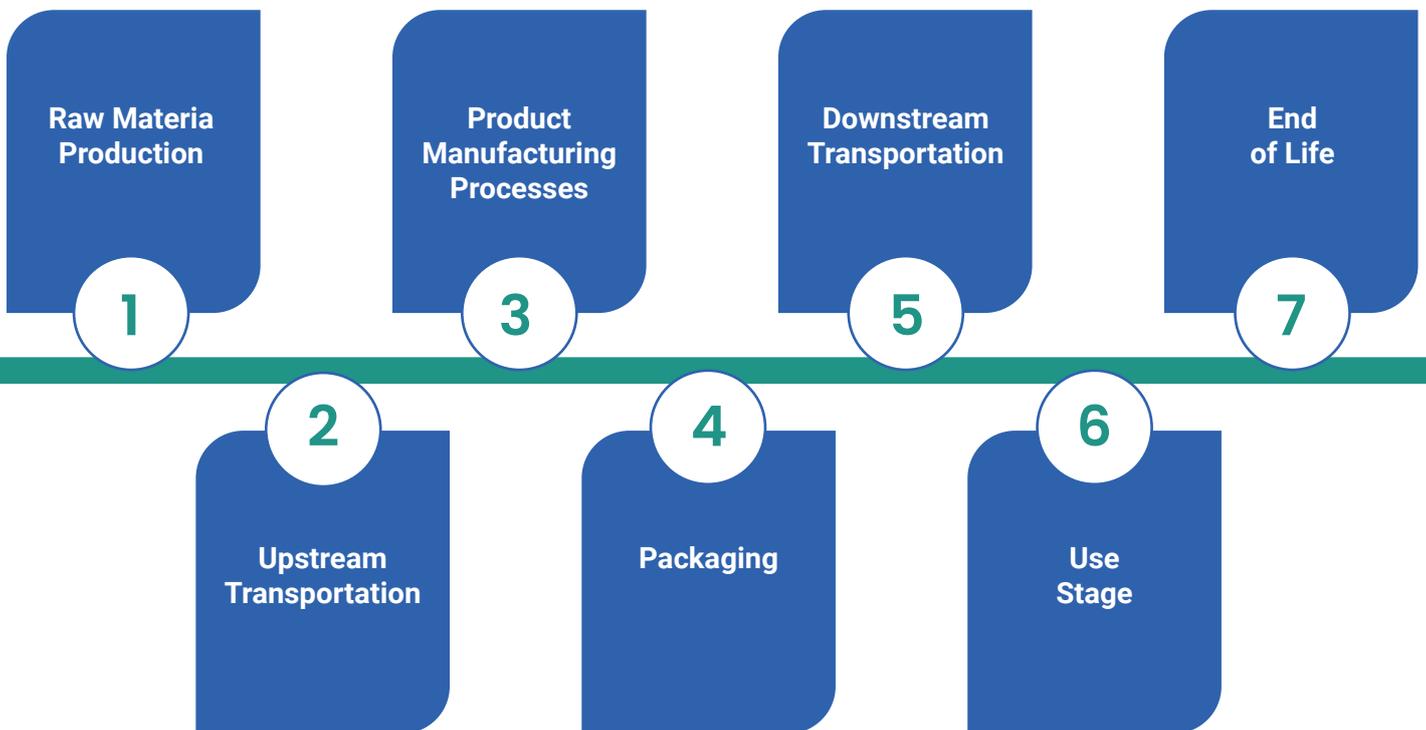


Product Stewardship

TACO is deeply committed to responsible product stewardship, ensuring that our product range adheres to sustainability standards and meets customer expectations. Our goal is to provide high-quality automotive components while reducing our environmental footprint. By 2025, we aim to conduct lifecycle assessments from cradle to gate for 100% of our critical products. We have implemented various initiatives across our divisions focused on life cycle management, environmental impact assessment, product design for environment, hazardous substance management, waste reduction and recycling, and continuous improvement, all in line with our evolving sustainability objectives.

During the year, we engaged a third party to conduct LCA of three major products across TACO legal entity (TLE). Cradle to Grave analysis of Tractor Hood from Composites Division, Bumper from Interior & Plastic Division and Battery pack from TACO Gotion Green Energy solutions, which were conducted covering 47% of TACO's total production by revenue. The LCA was conducted accordance with ISO 14040:2006 and ISO 14044:2006 (Environmental Management – Life Cycle Assessment) guidelines following the ReCiPe Method.

The LCA was conducted across the following stages



Conducting these assessments has allowed us to effectively compare the environmental performance of our products. This has enabled us to prioritize environmental investments strategically, ensuring that resources are allocated to areas with the most significant impact. Additionally, we have ensured compliance with relevant environmental laws and regulations, minimizing legal risks and has helped us engage with customers who prioritize eco-friendly products. Through this assessment process has enabled us to identify areas for improvement, reduce our environmental impact, and enhance product stewardship, ultimately benefiting both the environment and our stakeholders.



Tractor Hood
– Composites
Division



Bumper
– Interior
& Plastic Division



Battery pack
– Gotion Green
Energy solutions



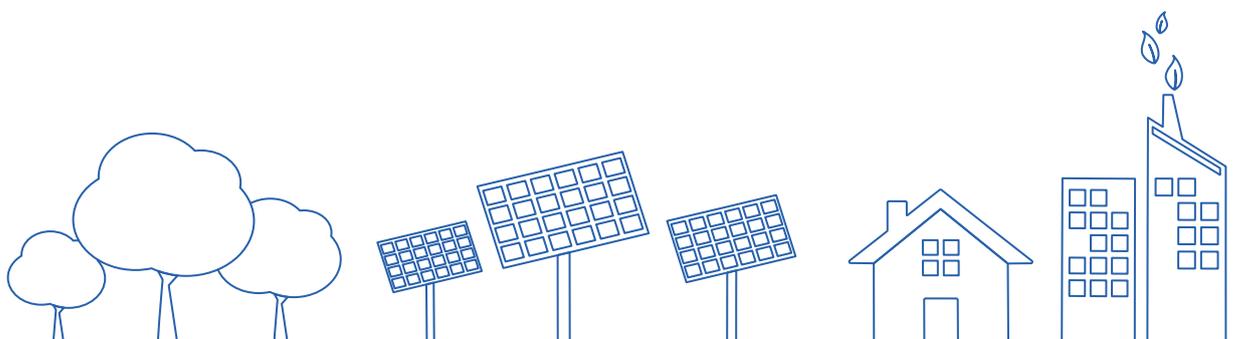
Case Study

Avoided Emissions Explanation for Our Low Carbon Products

Our low carbon products are designed to significantly reduce greenhouse gas emissions compared to traditional alternatives. One of the key metrics we use to evaluate the environmental impact of our offerings is the concept of "avoided emissions." This metric represents the amount of CO₂e emissions that are prevented from entering the atmosphere due to the use of our products.

For instance, when comparing an electric vehicle (EV) equipped with our technology to a conventional gasoline-powered vehicle over the lifetime of a single battery pack (assumed to be 160,000 kilometers), we estimate the avoided emissions to be approximately 321,270.44 kilograms of CO₂e. This figure reflects the substantial reduction in carbon emissions achieved by using our EV technology instead of relying on internal combustion engines.

By choosing our low carbon solutions, customers contribute to global efforts to combat climate change, underscoring the positive impact of transitioning to sustainable technologies. TACO's commitment to resource efficiency and avoided emissions exemplifies our dedication to driving a sustainable future.



Biodiversity Conservation

We are committed to reducing our impact on natural ecosystems and ensuring adherence to environmental regulations. To demonstrate our commitment to protecting nature and natural ecosystems, we have developed a Biodiversity Policy in line with global standards and frameworks to ensure that our business operations do not interfere with the natural systems and cycles. We focus and strive to create No Net Loss (NNL) or Net Positive Gain (NPG) on biodiversity and all its aspects.

During the year, we developed our Biodiversity Impact Assessment Framework helps us manage these impacts effectively and integrate biodiversity considerations into our business processes. TACO is currently developing Biodiversity Management Plans (BMP) for key priority sites. We are also exploring a range of nature-based solutions, aligning with Project Aalingana's goal to become a leader in nature-based strategies by 2030.

We conducted a Biodiversity Risk Assessment at our operational sites to identify their proximity to sensitive ecological and environmental areas and their potential impact. This involved mapping our locations and analyzing their closeness to key biodiversity areas and protected zones using tools like IBAT. We assessed the potential business impacts using tools like ENCORE and the WWF Risk Filter, applying the TNFD LEAP approach to understand biodiversity-related risks.

100%
Sites assessed for biodiversity risks

Biodiversity Sensitivity Analysis

(Operations
& Activities
Mapping and
Proximity
Analysis)

Risk Identification and Analysis

Site-Level Intervention for Priority Sites

(Biodiversity
Management
Plan)

Site Prioritisation

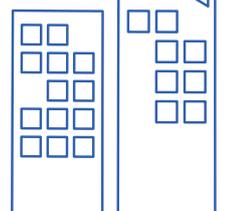
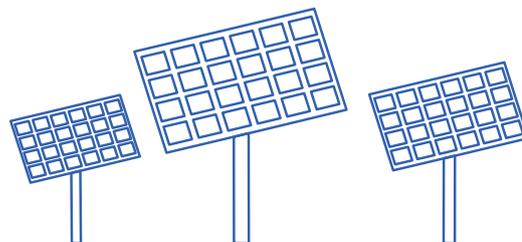
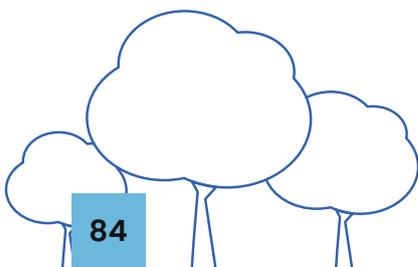
Case Study

India-Sweden Green Transition Partnership Workshop 2024

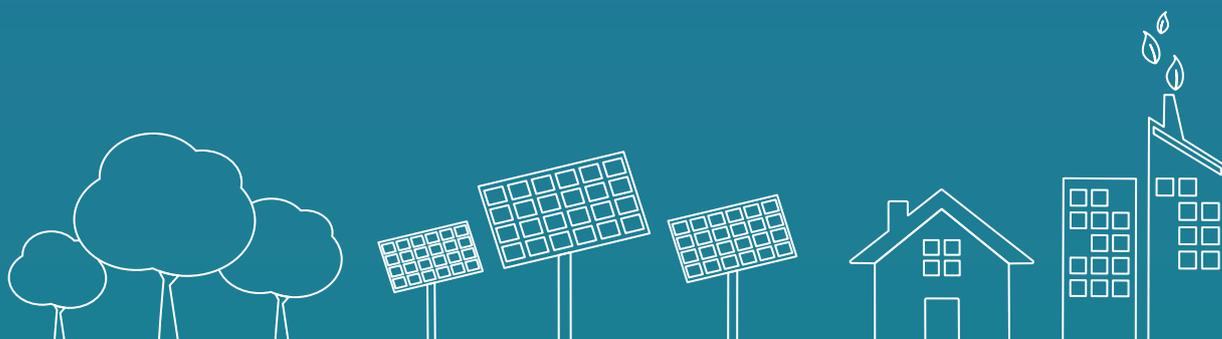
In a strategic move to enhance sustainability through international collaboration, Tata AutoComp hosted the India-Sweden Green Transition Partnership (ISGTP) workshop in 2024. This event aimed to explore and integrate Swedish technological innovations for a sustainable future. Key participants included renowned companies such as Atlas Copco, Absortech, Alleima, Kanthal India, Kraftpowercon India, Opsio India, and Systemair India, all engaged in discussions centered around energy-efficient and low-emission solutions for industry and infrastructure.

The workshop provided a platform for addressing pressing emission challenges by showcasing cutting-edge technologies. A significant outcome was the finalization of a pilot project between Opsio and TATA Gotion, which will utilize artificial intelligence and machine learning (AI & ML) solutions to boost operational efficiency. This collaboration marks a promising step towards achieving reduced emissions and improved energy management.

The event also saw participation from representatives of Business Sweden and the Swedish embassy, highlighting the importance of cross-border partnerships in driving sustainable development. By fostering these collaborations, Tata AutoComp and its partners are paving the way for transformative changes in sustainability practices, contributing to a greener future for the industry.



Social Commitment



Social Commitment

The cornerstone of our sustainability efforts lies in a profound appreciation for the invaluable contributions of our dedicated employees, who are integral to our success. We are committed to cultivating an environment that nurtures both their professional and personal growth, recognizing that our people are our greatest asset.

Through extensive initiatives towards enhancing our talent management framework, we invest in continuous learning and development opportunities to empower our workforce. Ensuring the safety and well-being of our employees is central to our ethos, and to implement the same we adopt best practices and have comprehensive health and safety protocols to safeguard them.

We are strongly committed to human rights and fair labor practices, as we strive to create an inclusive and equitable workplace. Beyond the confines of our organization, we actively engage with and support the communities we serve, fostering relationships that build more prosperous and resilient communities. Our people-centric agenda not only inspires our employees but also drives our corporate responsibility efforts, reinforcing our role as a catalyst for positive change in society.



Human Capital

We at TACO, are dedicated to cultivating a workforce that thrives on both professional development and personal growth. We are committed to creating a work environment that not only embraces diversity but also sets clear expectations and roles, ensuring that each employee feels valued and understood. To foster engagement and ensure a healthy work-life balance, we offer a broad range of programs designed to meet the diverse needs of our team.

With a diverse workforce of 6,716 individuals, we celebrate the unique perspectives and contributions that each team member brings, understanding that this diversity is a vital component of our success.

Employee Composition FY 2023-24

	Male	Female	Total
Permanent employees (FTEs)	3,034	540	3,574
Contractual employees	2,878	264	3,142
Total employees	5,912	804	6,716

Our approach to attracting and retaining exceptional talent focuses on creating an environment where opportunities for growth and advancement are equitable and abundant. We implement a variety of innovative recruitment strategies, such as collaborating with top educational institutions and participating in key industry forums, including IIM Nagpur, IIM Bangalore and The Wharton School which have led to the successful hiring of new employees this year.

Understanding the value of a motivated workforce, we offer a range of initiatives focused on employee experience, health and wellbeing, including tailored career development programs and mentorship opportunities for effective Succession Planning, helping to reduce turnover rate by 44%, as compared to FY 2022-23.

We aim to retain 100% of top talent through enhanced job roles, additional responsibilities, and robust training programs, including certifications, to support continuous development and retention of our diverse workforce. Our onboarding process is designed to support new team members by integrating them smoothly into our culture, which emphasizes building relationships and fostering trust. This not only enhances employee engagement but also supports our goal of maintaining diversity at all organizational levels.

Women currently make up 12% of our workforce who have equal opportunities to learn and grow within the Company to acquire leadership roles with a definitive plan which is mapped on their Talent Profiles. This underscores our commitment to an inclusive workplace where diverse ideas and perspectives are celebrated and drive our success.

22%
Turnover Rate

1,668
New hires

INR 12,191
Average Hiring Cost per FTE

Diversity and Inclusion

At TACO, we are deeply committed to cultivating a culture of Diversity and Inclusion (D&I), where every individual feels valued, respected, and empowered to contribute their unique perspectives and talents. Our dedication to equal opportunity is unwavering and is reflected in our robust

Non-Discrimination and Anti-Harassment Policy.

Recruitment, development, and promotion decisions are based solely on performance, merit, competence, and potential, ensuring that our policies are fair, transparent, and aligned with the Tata Code of Conduct. By offering equal learning and growth opportunities across gender, ability, and societal boundaries, we strive to create an inclusive workplace free from discrimination or harassment, in accordance with applicable laws.

We prioritize diversity and inclusion in our hiring process through specific, strategic initiatives designed to create a more equitable workplace. We actively propose and hire the maximum number of diverse candidates based on their skills and our requirements, maintaining a monthly internal check on headcount statistics to monitor diversity percentages in both indirect and direct hiring.

With the help of our Business Unit Heads, we have created diversified positions and encourage hiring managers to recruit candidates from varied backgrounds, ensuring equal opportunities for all candidates across India. To achieve a balanced talent mix across business functions, we leverage social platforms, job portals, and conduct women-centric recruitment drives. Additionally, we have a comprehensive strategy for capability building, particularly for diverse candidates, focusing on employee engagement across India. Our commitment to diversity extends to increasing gender diversity year-over-year, with an ongoing focus on aligning capacity with capability.

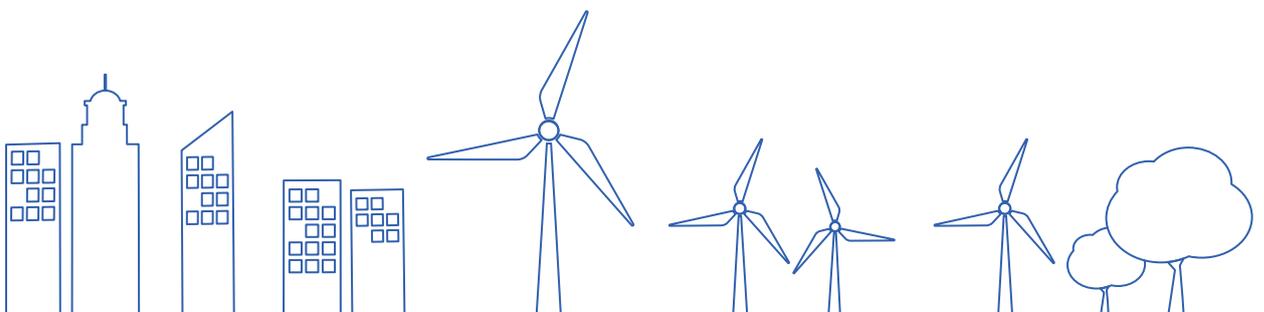
12%

Female Employees

1,298

Female New Hires

Read our *Non-Discrimination and Anti-Harassment Policy* [here](#).

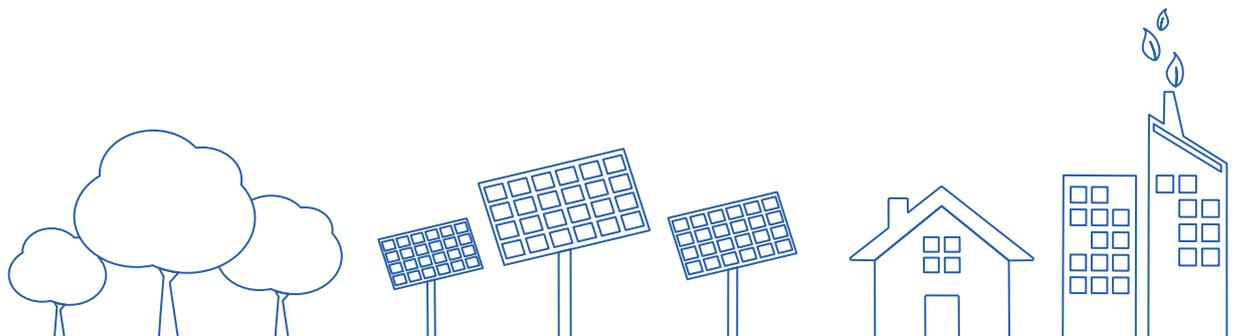


Employee Engagement and Management

Employee engagement is a central element of our corporate strategy, reflecting our commitment to cultivating a vibrant and dynamic workplace. We understand that engaged employees are essential to our success, driving innovation and fostering a positive organizational culture. To achieve this, we have conducted comprehensive assessments to measure engagement levels and identify opportunities for improvement. This continuous evaluation has led to significant enhancements in key performance indicators, such as performance enablement and managerial effectiveness, highlighting the tangible impact of our initiatives over time.

Throughout the year, we have launched a variety of programs aimed at enhancing engagement across the organization. These initiatives include leadership outreach efforts designed to improve communication and transparency. To implement the same we have two initiatives designed to celebrate achievements i.e., The Achievers Forum, which operates at the business unit level, and the Chairman's Award, conducted at an enterprise level. Both initiatives take place on a monthly basis. Furthermore, we have emphasized career conversations and development planning, ensuring that our employees are well-prepared for growth and advancement. By investing in these areas, we not only strengthen our workforce but also lay the groundwork for future success, maintaining a motivated and empowered team that is aligned with our strategic objectives.

Physical Fitness	Mental Well-being	Social Well-being
<ul style="list-style-type: none"> • Tata AutoComp Cricket League • Loyola Football Tournament • Tata Ultra Marathon • ACMA Indoor Games 	<ul style="list-style-type: none"> • Familyiversity • Free counseling by Tata 1MG 	<ul style="list-style-type: none"> • Sahjeevan • HOPE • Menstrual Hygiene • Revive • Samanta– Inclusivity with sports



Learning and Development

Elemental to our sustainability efforts is a commitment to learning and development that empowers our workforce. Our strategic approach focuses on creating an environment where employees are encouraged to expand their knowledge and hone their skills. Through a diverse array of programs and initiatives, we strive to cultivate a culture where continuous improvement is not just encouraged but ingrained. This dedication not only enhances individual capabilities but also aligns with our long-term business objectives, ensuring that our team remains adaptable and competitive in a rapidly evolving market. Our learning and development framework is designed to address the multifaceted needs of our employees. By offering a blend of technical training, leadership development, and personal growth opportunities, we aim to nurture well-rounded professionals. These programs are thoughtfully crafted to provide the necessary tools and resources for employees to thrive, enabling them to tackle challenges with confidence and innovate with ease. As employees progress through their careers with us, they are supported by mentorship and coaching, which are integral components of our development strategy. Recognizing the transformative power of learning, we place a strong emphasis on real-world applications. By integrating practical experiences with theoretical knowledge, we ensure that our employees gain a deeper understanding of their roles and the industry at large. This approach not only enhances job performance but also fosters a sense of purpose and engagement among our workforces. As a result, we are building a resilient and future-ready organization, equipped with leaders who can navigate the complexities of the global landscape.

08

Employee Development
Programs

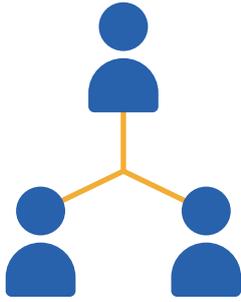
13.22

Average
Training Hours/ FTE

INR 4,542

Average
Training Cost/FTE

The four major division under L&D:



01. Management and Leadership Development Academy

To enhance efficiency and cultivate agility and adaptability in building organizational capabilities, ensuring the effective achievement of business objectives.

Key flagship programmes include:

Leap Vault, Blue Mint, Higher Education, EPGDM (MBA), Higher Education, B.Tech - Manufacturing, Engineering, Group induction

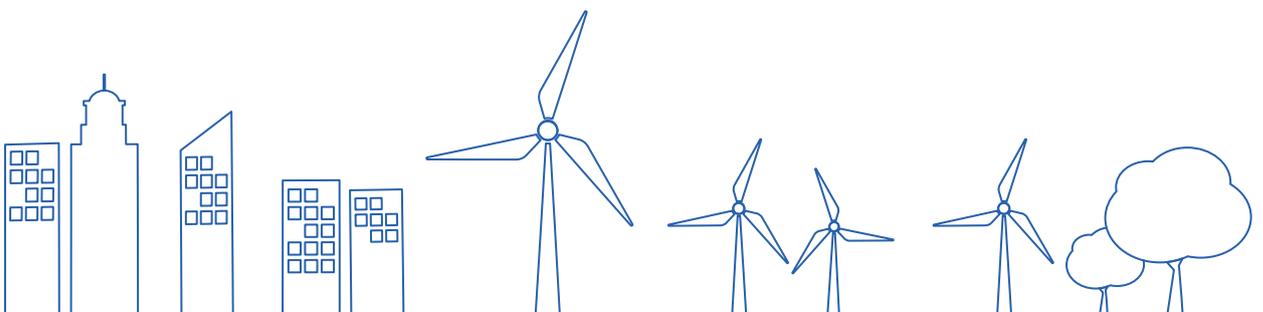


02. Operational Excellence Academy

Emphasize operational excellence by pursuing continuous improvement and integrating digital manufacturing technologies and solutions.

Key flagship programmes include:

Toyota Supplier Development Program, Operational Leadership, Production planning & scheduling, Lean Practitioners, Digital Manufacturing, Problem Solving Practices, Quality Circle



Leadership Development

In our commitment to for creating a culture of continuous learning and development, we have implemented two flagship programs: **Blue Mint** and **Leap Vault**.

The **Blue Mint** program is an 8-month transformative leadership journey meticulously crafted for high-potential early-career talent within the Tata group. In partnership with the esteemed London Business School, this program offers a dynamic blend of classroom and experiential learning, incorporating marquee academic sessions, cross-functional capstone projects, and reverse mentoring opportunities. Participants, who typically possess 4-10 years of experience, are immersed in a rich learning environment that fosters leadership acumen, personal and professional growth, and an agile entrepreneurial mindset.

This year, we have enhanced the program by integrating carefully curated lectures, sense-making jams, and open mic forums to facilitate comprehensive learning and engagement. This proactive approach prepares and advances the voices of next-gen leaders, embedding them seamlessly into the Tata group's forward-thinking talent architecture. Ultimately, participants emerge with refined strategic thinking and decision-making abilities, poised to make impactful contributions.

The program equips leaders with the necessary skills to effectively navigate organizational challenges and inspire their teams, fostering a positive work environment and driving overall success. The Bluemint Program, in particular, has resulted in numerous internal promotions, highlighting its success in providing both economic and non-economic advantages. As a result of the program, we were able to witness substantial increase in employee productivity, which was reflective in the quality of output generated.

0.40%

Employees participated in Blue Mint in FY 2023-24

Leap Vault is a cutting-edge program designed specifically for senior leaders and functional heads, transforming them into visionary architects of our organization. In collaboration with Warwick University, the program co-develops modules with insights from top executives to ensure practical relevance and depth. This year, we have enhanced our approach by leveraging DDI© assessments to identify and address common learning themes, tailoring the experience to meet the diverse needs of our leaders. Leap Vault cultivates future-ready leaders skilled in strategic influence, innovation, execution, coaching, and financial acumen. By navigating complex business challenges, the program positions leaders for seamless succession into top roles, ensuring sustained organizational growth.

Through our leadership development program, we have successfully enhanced the skills of our leaders, significantly contributing to the company's overall performance. By adopting the role of coaches, our leaders can inspire and empower their teams to reach their full potential.

We measure the quantitative impact of our business benefits by considering both monetary and non-monetary metrics, which are directly linked to our employee development programs. The Leap Vault Program, in particular, has facilitated internal promotions, serving as a clear indicator of its success in delivering both financial and intangible benefits. Designed to develop N and N-1 leaders based on the TATA Future Competencies, the program has seen two successful batches with approximately 80 participants. Impressively, 66% of participants from Leap Vault 1.0 have advanced to higher roles within the last year, while eight participants from the Leap Vault 2.0 batch have already taken on enhanced roles during the initiative. Additionally, 70% of Leap Vault 2.0 participants are now succession-ready for senior leadership positions within the next two years, demonstrating the program's effectiveness in preparing future leaders.

0.89%

Employees participated in Leap Vault in FY 2023-24

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Employees participated in Leap Vault in FY 2023-24

Employee Satisfaction

Employee satisfaction is fundamental to our corporate intent and is deeply rooted in the principles that steer our initiatives. We recognize that a fulfilled and inspired workforce is essential to achieving enduring success, and therefore, we are dedicated to cultivating a workplace environment that emphasizes well-being, inclusiveness, and engagement.

We conduct an employee satisfaction survey once every two years and our approach includes regular feedback mechanisms, such as surveys and focus groups, to gauge employee sentiment and identify areas for improvement. By actively listening to our employees, we ensure that their voices are heard and acted upon, fostering a culture of trust and transparency. Furthermore, we offer a range of benefits and programs designed to support work-life balance, professional growth, and personal fulfillment. These initiatives, coupled with our efforts to celebrate diversity and cultivate a sense of belonging, contribute to a vibrant organizational culture where employees feel valued and empowered to contribute their best.

80%

Employee Satisfaction Score

Performance Appraisals and Career Development

Our performance review process is designed to align individual goals with the overarching objectives of the organization, thereby creating a cohesive pathway for both personal and professional growth. We employ a comprehensive approach that includes both individual and team-based performance management appraisals, utilizing key indicators such as management by objectives, multidimensional performance appraisal (e.g., 360-degree feedback), team-based performance appraisal, and agile conversations. Conducted on a half-yearly basis, these structured and transparent evaluations ensure that employees receive constructive feedback that highlights their strengths and identifies opportunities for improvement.

This ongoing dialogue between employees and managers fosters a culture of continuous development, where achievements are recognized, and potential is nurtured.

Our career development initiatives complement the performance review mechanism, empowering employees to take charge of their professional journeys. We provide a diverse array of resources, including mentorship programs, skills workshops, and leadership training, all tailored to support employees at various stages of their careers. By offering personalized development plans, we ensure that everyone has the opportunity to enhance their expertise and advance within the organization. This commitment to career progression equips our workforce with the skills necessary to navigate the complexities of the modern business landscape, ultimately driving sustainable growth for the company.

100%

of our employees receive performance feedback.

Employee Health, Safety and Wellbeing

Our commitment to creating such a collaborative environment begins with prioritizing our people, acknowledging that their well-being is crucial to our collective success. At TACO, we focus on providing essential support to help our team navigate everyday challenges, reinforcing both their physical and mental health. To maintain and enhance this culture of well-being, we continually refine our systems and processes, ensuring they meet the evolving needs of our employees. We offer initiatives such as mental health resources, physical activity sessions, and other wellness programs that empower employees to reach their full potential. By nurturing this platform, we cultivate a workplace characterized by engagement, enthusiasm, and drive, resulting in sustainable and positive outcomes. Through continual enhancement of our systems and processes, we aim to cultivate an environment where our employees take pride in being part of TACO.

Furofit

We have partnered with Furofit, an innovative fitness app designed to inspire and motivate our employees to stay active and maintain a healthy lifestyle. This app fosters a sense of camaraderie and friendly competition among team members by organizing various challenges and activities that encourage physical well-being. With Furofit, employees can track their progress, set personal fitness goals, and even compete with colleagues in a supportive environment, all while earning rewards for their achievements.

Employee Benefits

TACO places a high priority on enhancing employee well-being through a comprehensive suite of benefits designed to support various aspects of their lives. Our offerings include initiatives that focus on promoting health and wellness, supported by workplace stress management programs and sport & health initiatives. We ensure optimal working conditions by paying employees a living wage, reflecting our commitment to their financial security. Furthermore, we recognize the vital role family plays in an individual's life by providing comprehensive family benefits, such as childcare facilities, breast-feeding/lactation facilities, and generous paid parental leave for both primary and non-primary caregivers. Our Leave Policy also incorporates a variety of leave options, including paternity leave, sabbaticals, earned leave, personal time off, compensatory holidays (available up to certain grades), maternity leave, child adoption leave, paternity leave, flexible working hours, work from home options, and exceptional leave. These policies ensure that our employees have the flexibility and support they need to balance their professional and personal lives effectively.

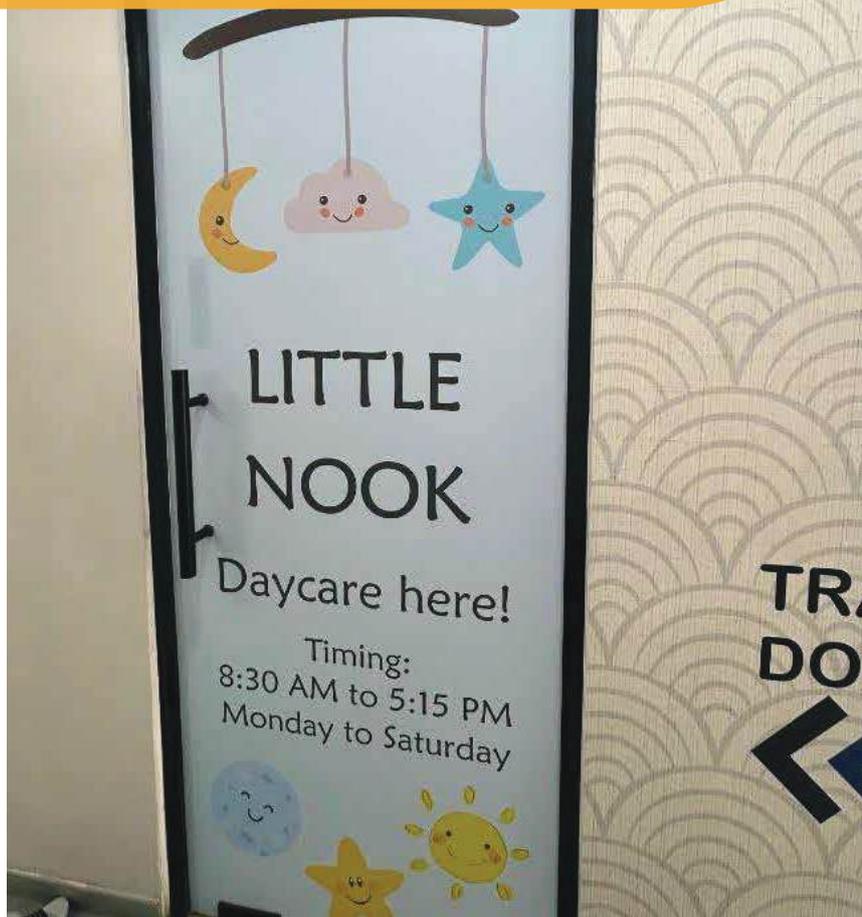
In line with our commitment to attracting and retaining top talent, TACO provides competitive compensation and benefits that align with our core values and support the holistic well-being of our employees. Our compensation packages are crafted to meet both market standards and individual needs, including base and variable pay, comprehensive medical benefits, and paid time off.

We also offer retirement savings plans and opportunities for employee stock purchases, ensuring long-term financial stability for our workforce. By conducting regular market analyses, we ensure that our pay structures remain fair, equitable, and competitive, supporting pay equity across global operations. This approach not only enhances the financial wellness of our employees but also empowers them to achieve their full earning potential, contributing to a motivated and committed workforce.

Read our Leave Policy [here](#).

Crèche Facility

We have recently opened a crèche facility at our TACO Gotion Green Energy Solutions, Chakan plant, aimed at supporting our employees in balancing their professional and personal lives through exceptional childcare services. The crèche provides a secure and hygienic environment with age-appropriate educational tools, play areas, and sleeping facilities. Key features include regular health check-ups, structured schedules for meals, naps, and activities, and a dedicated feeding area, all managed by well-trained staff. Currently, the facility operates during general shift hours, including Saturdays, with two children enrolled and an expected increase to five soon. We have developed nutritious meal plans tailored to toddlers' and infants' developmental needs and adopt a Montessori approach to learning, ensuring comprehensive growth for the children. This initiative represents a significant step in supporting our team by offering peace of mind regarding the care and development of their children.



Occupational Health and Safety

Central to our organizational values is a commitment to the occupational health and safety of our employees. Recognizing that any loss of life or serious workplace injury is unacceptable, we have instituted an Occupational Health and Safety Policy supported by a management framework to implement the same. This system is designed to ensure that safety is not just a priority, but a fundamental aspect of our daily operations. We believe that safety should go beyond mere documentation and be deeply integrated into every aspect of our operations at the grassroots level. By embedding safety into our daily practices, we aim to cultivate a workplace where employees feel secure and valued. This approach not only prioritizes their well-being but also boosts their overall productivity and engagement. Our commitment extends beyond compliance to fostering a culture where every team member is aware and proactive about safety. We believe that a safe work environment is foundational to achieving operational excellence and sustaining long-term success.

Trainings

Trainings through certifications such as ISO 45001:2018 (Occupational Health and Safety), our employees gain critical insights into workplace safety. These certifications provide our team with a structured framework to identify, manage, and improve our safety performance and occupational health standards consistently. Additionally, training on TQM 7QC Tools equips our workforce with the methodologies and tools necessary to drive continuous improvement across all facets of our operations.



Health and Safety Policy

We have developed comprehensive Health and Safety Policy that applies to our entire workforce, including employees, contractors, and other individuals operating under our supervision. A key feature of this Policy is its emphasis on active engagement with our workforce, encouraging employees to play a crucial role in shaping and refining safety protocols and initiatives. This participatory approach ensures that our safety measures are not only compliant but also practical and effective.

Our Health and Safety Policy adheres to relevant international standards, regulations, voluntary programs, and collective agreements, ensuring we meet and exceed industry benchmarks. It is designed to set clear priorities and actionable plans, with quantitative targets established to drive improvements in our OHS performance metrics. The implementation of the Health and Safety Policy is guided by our executive management, who serve as the highest decision-making authority, providing strategic oversight and endorsement. Furthermore, the Policy reflects our commitment to continually advance the performance of our OHS management system, focusing on our dedication to a culture of safety and prevention.

Read our Health and Safety Policy [here](#).

OHS Management Program

Our Occupational Health and Safety (OHS) program is supported by a well-structured management system aimed at creating a safe and healthy work environment. As part of this initiative, we conduct risk and hazard assessments to identify potential sources of harm within the workplace along with focused safety walks and surprise safety rounds across all BUs by all the BU safety Heads. Further, we implement targeted action plans with clear, measurable objectives to effectively address these risks. Our dedication to safety is reinforced by detailed internal inspections and protocols designed to investigate any work-related injuries, illnesses, diseases, and incidents. We also engage in internal and independent external audits by BUs and third party agencies respectively, of our health, safety, and well-being practices, adhering to esteemed standards such as ISO 45001:2018, and Tata Safety & Health Management System (TSHMS).

KNOWVERSE is our digitized safety platform, which facilitates the efficient reporting and management of safety incidents and potential risks. This system is supported by the Hazard Identification and Risk Assessment (HIRA) procedures (HSE/PRO/12), which are applied to identify work-related hazards and assess risks in both routine and non-routine scenarios. To ensure equipment safety, preventive maintenance is regularly performed, with all tools and equipment certified by competent professionals. Daily inspections of critical machinery, such as pressure vessels, hydraulic press machines and robotic equipment are mandatory. Operators are empowered to halt operations if abnormalities are detected, with safety sensors installed in high-risk areas to further minimize risks. Additionally, we are exploring and implementing AI-based integrations with our existing CCTV systems. This advancement will enable real-time detection of issues, allowing us to address problems promptly at their source.

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30%

Reduction in incidents as compared to FY 2022-23

Zero

Fatalities

Zero
LTIFR

100%

Operational facilities are ISO 45001:2018 & ISO 14001:2015 certified

To further promote a culture of safety and reduce operational health and safety incidents, TACO prioritizes continuous learning and active participation among its workforce. We offer comprehensive training and refresher courses that not only increase awareness but also prepare our employees to respond effectively to potential hazards. As part of our digital transformation efforts, we have implemented Safety Training Kiosks at all our plants and facilities. These kiosks deliver tailored, business unit-specific training to new employees, contractors, and visitors. Additionally, we offer intermediate and advanced training modules designed to educate and assess the skills of experienced personnel. Central to our OHS framework is proactive worker involvement; regular safety committee meetings, town hall communications, and engaging sessions like toolbox talks, casual talks, and daily safety briefings are instrumental in keeping our team informed and engaged. This inclusive approach is supported by the HSE procedure (PRO/HSE/5), ensuring that worker consultation is integral to decision-making processes.

Moreover, our commitment to employee well-being is demonstrated through our occupational health center, which operates around the clock with dedicated medical staff. Our Mediclaim Policy further guarantees that our employees have seamless access to healthcare services. Beyond immediate workplace safety, TACO fosters overall health through strategic partnerships, such as our collaboration with TATA 1MG, offering voluntary health initiatives that address non-work-related health concerns. We are proactive in enhancing workplace environments by maintaining facilities like canteens, washrooms, and ventilation systems. Our ongoing safety walks and oversight by senior management ensure that there is a focus on improving occupational health and safety outcomes, embodying our commitment to a safe and supportive workplace.

Safety and Quality

At TACO, we are committed to ensuring a safe and high-quality workplace environment through comprehensive safety risk assessments. Our approach includes fortnightly focused safety walks conducted by teams of Business Unit safety heads and the Plant Safety Review Team (SRT). These walks are designed to identify potential gaps and verify the implementation of effective safety measures. Our safety initiatives encompass thorough evaluations of potential hazards, the establishment of robust emergency procedures, and the proper use and maintenance of safety equipment. Additionally, we have initiated external fire safety audits and workplace dust and fumes monitoring, conducted by industrial hygienists from reputable agencies, to further protect our facilities and personnel from potential hazards. Understanding the critical role that safety training plays, we conduct sessions that are essential in educating our employees about potential risks and effective responses. By enhancing our safety protocols and executing targeted safety initiatives, we significantly reduce the likelihood of accidents and injuries, thereby safeguarding our workforce's wellbeing and enhancing overall productivity.

Quality and Processes

Our commitment to excellence is reflected in our Quality Management System (QMS), which plays an integral role in ensuring that our products and services consistently meet and often surpass industry standards. From the initial design phase through production, distribution, consumption, and eventual disposal, we integrate quality controls and process considerations throughout the entire lifecycle of our products. This approach showcases our dedication to delivering products of the highest caliber along with creating a sustainable and responsible business ecosystem. All our manufacturing units are certified with ISO 9001:2015, further reinforcing our focus on quality and process excellence. By continuously refining our processes, we strive to enhance customer satisfaction and contribute positively to environmental sustainability.



Throughout the year, TACO conducts multiple safety training sessions, including

First Aid
and CPR training



Firefighting and
hydrant training.



TSHMS training
(Tata Safety & Health
Management Training)



Accident
/incident /Near-miss
identification Training



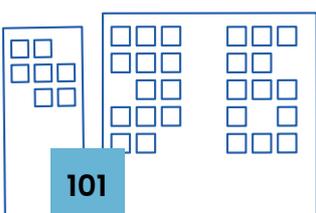
Group safety induction
to new joined
employees at BU Level.



Additionally, our National Safety Week celebrations feature activities such as safety pledges, quizzes, for both contractual and permanent employees, fire drill rehearsals, poster-making competitions and live skits on various safety topics on safety messages for employees and their families. Our commitment to health and safety extends to providing robust health facilities and various safety provisions to ensure a secure and supportive environment for everyone involved. As a part of employee motivation and recognition of their support in safe working, we felicitate them with R&R at regular intervals.

Minimum of two emergency drills
conducted across each Business
Units/ year

Minimum of two man-days of
safety training provided per
person/year to all employees



Safety-Related Certifications and Accreditations

Our dedication to safety is exemplified through strict compliance with regulatory and industry safety standards, which not only help us mitigate the risk of incidents but also build confidence in our operational effectiveness.

By aligning with statutory and regulatory requirements, we ensure that our business operations remain within legal boundaries. Certifications such as ISO 45001:2018 & ISO 14001:2015 and our company internal LEGATRIX software (used for mapping and tracking legal compliances) empower us to assess and manage occupational health and safety risks effectively. These safety-related certifications and accreditations strategically position TACO to minimize the costs associated with potential risks and accidents. This approach not only safeguards our workforce and assets but also enhances the overall resilience and sustainability of our business.

Hazard Mapping

To strengthen our safety framework, we conduct comprehensive hazard mapping assessments. This process involves analysis of all our activities, identifying potential hazards by considering the nature of each task, equipment/machinery and historical incident data, among other factors. By integrating these elements, we achieve a detailed understanding of the risks associated with each activity, ensuring our preparedness and ability to respond effectively to emergencies.

Internal Safety Advisory

To further enhance our existing safety measures, we are issuing an internal safety advisory to all manufacturing plants and business units. This advisory is in line with industry best practices, the guidelines of the Factories Act of 1948, state factory rules, and recommendations from international safety organizations. Our main objective is to safeguard the well-being of our workforce and the operational environment. By adopting these guidelines, we aim to cultivate a culture of safety awareness among employees, both within the workplace and beyond.

Key Safety Guidelines for a Secure Manufacturing Environment:

1. Storage Racks Safety

- Adopt proper loading and unloading techniques.
- Conduct regular inspections for damage and stability.
- Ensure safe access to high shelves using appropriate equipment.

2. Robot Operation Safety

- Install safety guards around robotic work areas.
- Ensure proper programming and maintenance of robots.
- Restrict access to trained personnel only.

3. Transport Safety Guidelines (Safety Addendum)

- Perform regular maintenance and inspection of transport vehicles.
- Train drivers on safe driving practices.
- Implement safe procedures for loading and unloading materials to prevent accidents.

By adhering to these guidelines, we are committed to fostering a secure, productive, and healthy work environment for all employees.

Human Rights and Labour Practices

At the core of our organizational ethos is a steadfast commitment to upholding human rights, recognizing their intrinsic value as fundamental to every facet of our operations. We have implemented a comprehensive Human Rights Policy that extends its reach beyond our employees to encompass our suppliers, ensuring a consistent standard of ethical conduct throughout our supply chain.

This Policy, approved by the Board of Directors, is aligned with both, applicable legal requirements and the ideals enshrined in international human rights frameworks such as the Universal Declaration of Human Rights and the International Labor Organizations' Fundamental Conventions. By embedding these principles within our corporate culture, we strive to create an environment where dignity and respect are not merely ideals but everyday realities.

Our approach to human rights management is both proactive and dynamic, involving the continuous refinement of our policies and the development of strategic action plans. We conduct thorough assessments and manage human rights risks through rigorous due diligence processes, complemented by effective grievance mechanisms. To foster a culture of awareness and accountability, we provide regular internal training and maintain open channels for internal and external communication. Furthermore, we have established a robust internal management system designed to identify, prevent, and mitigate any potential human rights risks affecting our workforce. By transparently sharing the results of our efforts with stakeholders, we emphasize our commitment to accountability and continuous improvement, ensuring that our operations not only comply with, but also champion, the highest standards of human rights.

Read our Human Rights Policy [here](#).



Human Rights Due Diligence

In FY2023-24, TACO undertook a comprehensive Human Rights Due Diligence (HRDD) process to ensure adherence to global human rights standards and create a workplace where fairness, respect, and dignity are of highest priority for every employee which includes systematic risk identification and periodic review of potential human rights issues within our operations, such as forced labor, human trafficking, child labor, freedom of association, the right to collective bargaining, equal remuneration, and discrimination, with a specific focus on protecting at-risk groups, including our own employees, women, migrant workers, and third-party employees. TACO also has provisions, processes and measures to mitigate and remediate the negative impacts of human rights risks, if applicable.

This exercise spanned across multiple locations within our operations and included both permanent and contractual employees. Through detailed designed surveys, we captured the nuances of human rights issues across diverse categories of workers, focusing on gender, age, religion, and employment status. We have developed an HRDD report which identifies key concerns and risks across eight critical functional areas and outlines strategies for identifying, preventing, mitigating, and addressing human rights impacts. There are zero human rights violations reported for Child labor and Human Trafficking. Moreover, at TACO, addressing human rights issues is a continual process.

100%
Sites assessed for Human Rights Due Diligence

Human Rights Due Diligence Process

	1. Scope of Operations & Workforce	2. Survey and Focused Group Discussion	3. Assessment of Risks	4. Mitigation Plan	5. Reporting & communication
Key steps	Mapped BU-wise workforce (FTEs and workers)	Prepared Questionnaires	Analyzed demographics	Categorized risks into high-medium-low	Prepared HRDD Report
	Defined sample size for workers	Rolled-out online surveys for FTEs	Evaluated Human Rights Risks	Mapped High-risk human rights issues	Extracted key insights
	Prepared HRDD plan for FTEs and workers	Conducted physical survey for workers	Prepared summary of key concerns	Developed action plan	Reported KPIs in rating agencies

Human Rights Remediation and Mitigation Process

At TACO, the Remediation and Mitigation Plan has been crafted to address any human rights concerns identified during the comprehensive Human Rights Due Diligence process across nine functional areas at the company's operational locations. This plan underscores the importance of remediation actions, which are essential for addressing and rectifying human rights violations and ensuring justice for victims.

Such actions include legal redress, compensation, rehabilitation, and guarantees of non-repetition, all of which are critical for restoring dignity and trust within affected communities. The plan prioritizes the most severe issues, particularly those impacting employee well-being, safety, and workplace culture, and implements targeted solutions that cater to the specific needs of workforce, women, third-party employees and migrant workers across all locations. By upholding the principles of accountability and justice, these initiatives play an integral role in deterring future violations and promoting healing and reconciliation. Furthermore, the remediation efforts contribute to fostering a culture of respect for human rights, ultimately aiding in the development of more just and equitable societies.

Freedom of Association

We are committed to upholding the fundamental rights of our employees, including the freedom of association, which allows them to freely join or form labor unions and engage in collective activities. We recognize and respect the importance of this right as an essential component of a fair and equitable workplace. To support this, we have established a comprehensive Collective Bargaining Agreement that outlines not only the terms of employment but also specifies notice periods and provisions for consultation and negotiation. This agreement ensures that there is a structured and transparent process for dialogue between management and employees, reinforcing our commitment to maintaining a collaborative and respectful work environment.

15%
Employees represented by an independent trade union or covered by collective bargaining agreements



Prevention of Sexual Harassment (POSH)

TACO is resolutely committed to maintaining a safe, inclusive work environment that is free from harassment. We enforce a zero-tolerance policy towards sexual harassment through a comprehensive, gender-neutral Prevention of Sexual Harassment (POSH) Policy applicable to all employees.

This Policy, in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is designed to prohibit, prevent, and address complaints of sexual harassment. Employees are encouraged to report any incidents to the Internal Complaints Committee (ICC), which guarantees confidentiality and protection for the complainant while resolving issues in a timely manner.

100%
Employees trained on POSH

Grievance Redressal Mechanism

At TACO, we recognize the importance of having an employee grievance mechanism as a cornerstone of our organizational culture. This mechanism is not just a procedural formality but an integral part of giving rise to a fair, inclusive, and healthy workplace. Our employees are assured of a platform where they can voice their concerns without fear of repercussions, and where their issues will be addressed in a just, transparent, and timely manner. The grievance redressal system includes periodic camps designed to address issues for both permanent and temporary workforces, ensuring that trust, collaboration, and respect are integral to our work environment.

Community Relations

TACO has remained steadfast in its dedication to Corporate Social Responsibility (CSR), focusing on creating environmental sustainability, community development, and inclusivity. Special attention is given to empowering marginalized groups, including women, children, youth, persons with disabilities, and the LGBTQA+ community. Our projects are intricately linked with the Sustainable Development Goals (SDGs), aiming to enhance the quality of life for the communities we serve through long-term stakeholder value creation. By forging strategic partnerships and engaging in collaborative efforts, the company aims to cultivate a more sustainable and equitable future for all.

CSR forms the cornerstone of TACO's sustainability journey, steering the company towards responsible business practices with significant environmental and social benefits. CSR Objective, Strategy, and implementation is in alignment with Tata Group 10 Core Principles of CSR. Focus areas for implementing the project is Early Childhood, Health, Hygiene and Environment, Skill Development and Responding to calamities.

Based on these enablers, we have implemented over 21 projects, categorized under six key programs:

<p>1 Inclusions</p>	<p>2 HOPE</p>
<p>3 Empower Her</p>	<p>4 Women and Child Healthcare</p>
<p>5 Community Enables</p>	<p>6 Green Canopy</p>

CSR Impact in FY 2023-24

<p>21 Projects</p>	<p>48,000+ Lives Impacted</p>	<p>INR 70,109,000 CSR Spent</p>	<p>24,286 Total Volunteering Hours</p>
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Read our CSR Policy [here](#).

1. Inclusions

- **Revive:** This program enhances the self-esteem and independence of transgender individuals through skill development and job placement, achieving a 75% placement rate in corporate jobs. It promotes workforce inclusivity and diversity, empowering transgender individuals economically.
- **SAMATA:** This project promotes inclusivity by enabling specially-abled and abled individuals to participate in sports together, breaking barriers and fostering understanding. It boosts self-esteem and confidence in the PwD community, enriching lives through shared sports experiences.
- **Swayam: "DIL" Café:** This initiative empowers specially-abled students through work and learning opportunities that enhance confidence and employability. It provides a platform for skill acquisition, enabling individuals with special needs to contribute meaningfully to society.
- **PWD Skill Development & Health Project for Visually Challenged: AI for VI:** Offers specialized training and health programs for visually impaired individuals, focusing on self-esteem and independence. Participants gain AI and ML skills, creating innovative solutions like an e-book reader to enhance accessibility.
- **Autism Research Centre:** This initiative provides a residential training program for specially-abled students, offering skill development and livelihood opportunities. It aims to establish an autism research center to improve understanding and interventions. The project supports students with facilities like a sensory garden for better quality of life. This Project also collaborated with Tata BlueScope and Tata Power.

2. HOPE

- **Holistic and Progressive Education (HoPE):** This initiative transforms education in government schools and orphanages by integrating creativity, critical thinking, and life skills with academics. By focusing on extracurricular activities, HoPE nurtures creativity, teamwork, and leadership, preparing students for academic and real-world success.
- **Project Jagruti:** Jagruti focuses on holistic student development by promoting emotional and digital literacy, communication skills, and cultural appreciation through arts activities. This approach enhances creativity, emotional intelligence, and cognitive abilities, enriching students' learning experiences and cultural understanding.
- **Community Learning Centre (CLC):** CLCs in Khed Taluka address learning gaps from pandemic-related school closures through personalized tutoring and remedial classes. Run by community fellows, these centers ensure continuous learning and skill development, fostering a culture of lifelong learning.
- **Panditotsav: Learn-See-Do:** This rural initiative promotes classical performing arts education among students, providing opportunities to learn and experience Indian classical arts. It fosters cultural understanding and artistic expression, offering rural communities a platform to engage with their artistic heritage.

3. Empower Her

Girls Scholarship Program: This initiative is a collaborative effort between local stakeholders and corporate partners, started with Tata Motors and Forbes Marshall continued by Forbes Marshall along with Corning, to address the educational needs of girls in Khed Taluka, Pune. It offers scholarships for girls in 8th, 9th, and 10th standards, aiming to break barriers and empower young women to pursue higher secondary education. The program provides financial support and fosters a supportive environment to encourage academic excellence and personal growth. Project has been expanded to different geographies of Pune and Sanand.

Scholarship for Girls - Engineering: In collaboration with the Lila Poonawalla Foundation, TACO provides scholarships to deserving and underprivileged girls in Pune pursuing engineering studies. The initiative covers engineering fees and offers grooming sessions for overall development. It aims to bridge gender gaps, promote diversity, and encourage innovation in the engineering field through mentorship programs, holistic development sessions, and career guidance.

Operations Skills for Girls: This program focuses on equipping girls with operational skills to enhance their employability. It provides training and development opportunities, enabling participants to gain practical skills and confidence. The initiative aims to empower girls by preparing them for various operational roles, thereby promoting gender equality and economic independence. This is implemented by NGO partner – Y4D. in Khed, Chakan and Sanand giving opportunities for women to work.

4. Women and Child Healthcare

Pediatric Heart Surgery CSR Project: This initiative advances surgical techniques for underprivileged children with congenital heart conditions, conducting 10 surgeries that have benefited 109 children by reducing mortality rates and improving their quality of life.

Anganwadi Project: This project supports Anganwadi centers to foster holistic development in children aged 0-6, particularly those with incarcerated mothers or police staff parents. It enrolls 35 children, integrates learning activities, and provides nutrition training for mothers.

Caregiver Education Program: This program educates parents and caregivers in underserved communities to enhance home-based childcare for children aged 0-3. It has improved health outcomes for 250 children and raised community awareness about proper childcare.

Menstrual Hygiene Management (MHM): The MHM project in Khed Taluka, Pune, educates over 6,000 women and 2,000 girls on menstrual health through sessions and workshops. It promotes positive attitudes and self-sufficiency by addressing taboos and providing resources like sanitary products and pad stitching workshops.

5. Community Enablers

- **Sankalp:** By focusing on the educational needs of children from migrant and tribal backgrounds, Sankalp provides after-school programs and teacher training to ensure academic success. This initiative has reached 1,035 students, equipping them with essential skills and fostering an inclusive educational environment.
- **Bridging Educational Gap:** At Samrat Ashok Vidya Mandir, this project ensures a smooth transition to 5th grade for PMC school students by offering quality English medium education. Collaborating with iTeach NGO and BASF Chemicals, it enhances digital literacy and student performance, creating an inclusive learning atmosphere.
- **CSR Portal for Khed Taluka:** This initiative develops a centralized portal for tracking CSR projects, enhancing transparency and accountability. By providing real-time updates, it aids stakeholders in making informed decisions, optimizing resource allocation, and contributing to sustainable development.
- **SAHJEEVAN:** Addressing animal population management, SAHJEEVAN focuses on birth control and anti-rabies vaccinations. Through community education, it promotes responsible pet ownership, having conducted over 120 spay surgeries and vaccinated over 1,000 dogs, ensuring a safer environment.
- **Ainade Vasti, Thakar Vasti & Sadumbre:** Tackling water scarcity in hilly villages, this project installs water tanks and promotes hygiene practices. It has improved water accessibility for over 1,560 individuals, significantly enhancing their quality of life and health.
- **Saksham:** By providing adult literacy programs, Saksham empowers adults with essential reading, writing, and numeracy skills. This initiative fosters self-confidence and lifelong learning, improving literacy rates among adult women and contributing to community development. This project is in collaboration with TCS who have developed the module to implement and provide trainings to our implementing partner – URMEE who have reached around 240 villagers helping them linked to Government schemes.



6. Green Canopy

- **Urban Forestry:** This initiative, known as the "Green Canopy - Tree Plantation" project, aims to transform barren and semi-barren land into urban forest areas to enhance biodiversity, reduce carbon footprints, and mitigate soil erosion. By focusing on sapling plantation, including procurement, planting, and maintenance of native trees, the project seeks to balance the ecosystem and control carbon emissions. In the Chakan-MIDC area, the project has successfully planted 7,238 trees, contributing to improved air quality and biodiversity, while engaging over 3,000 beneficiaries and accumulating 623+ volunteering hours.
- **Water Conservation:** With the expertise from Tata Trust , Tatat AutoComp has devised the water conservation project. Focused on safeguarding ecosystems and ensuring a sustainable water supply, this project promotes efficient irrigation systems, community awareness, and rainwater harvesting in Khed Taluka. Through hydrogeological assessments and capacity-building training, the initiative empowers community members to actively participate in water conservation. The project has rejuvenated nine water conservation structures, established 28 observation wells, and desilted existing water structures, benefiting 5,457 individuals and enhancing water retention and management for future sustainability.

7,238

Trees Planted under Urban
Forestry initiative

5,457

Individuals benefitted from
water conservation

The above-mentioned programs collectively demonstrate a strong commitment to enhancing community relations through education, inclusion, and empowerment. By addressing diverse needs—from transforming educational experiences and promoting inclusivity to preserving cultural heritage and fostering lifelong learning—these initiatives create positive, lasting impacts on individuals and communities. Together, they contribute to building a more inclusive and equitable society where everyone has the opportunity to thrive.



Employee Volunteering

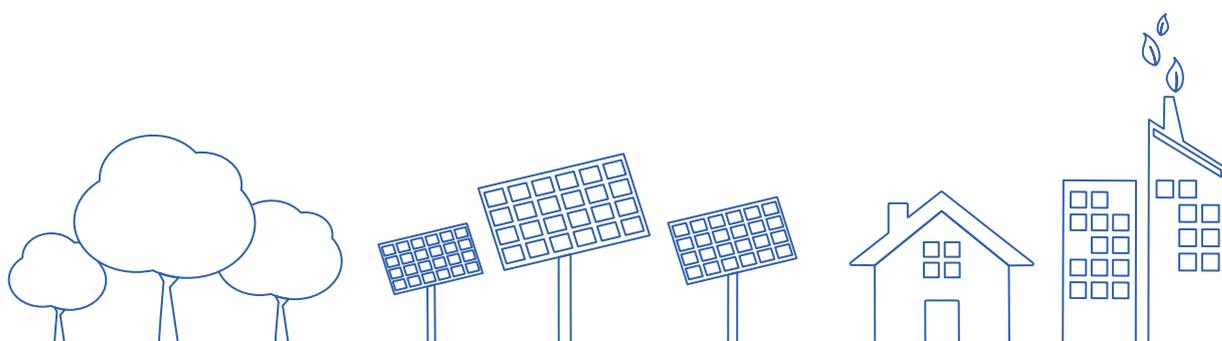
Volunteering is an integral part of the culture at Tata Group, and Tata AutoComp offers a wide variety of projects under its Corporate Social Responsibility (CSR) initiatives. These projects provide employees with the opportunity to select causes that align with their interests, allowing them to contribute not only their time but also their skills and expertise. This approach creates a unique and rewarding experience, fostering deeper connections with the communities they work alongside and making a meaningful impact through their involvement. Additionally, recognizing and rewarding volunteers for their contributions is a key practice, motivating new participants to join and inspiring a culture of giving back within the organization.



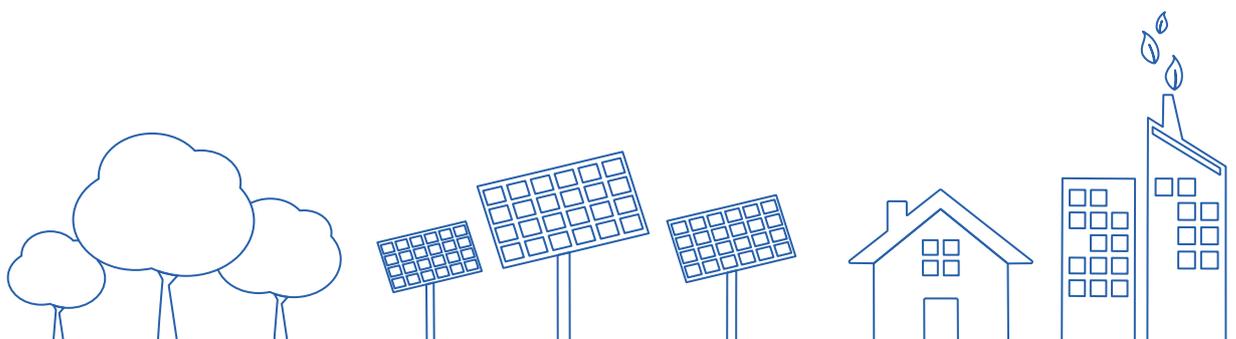
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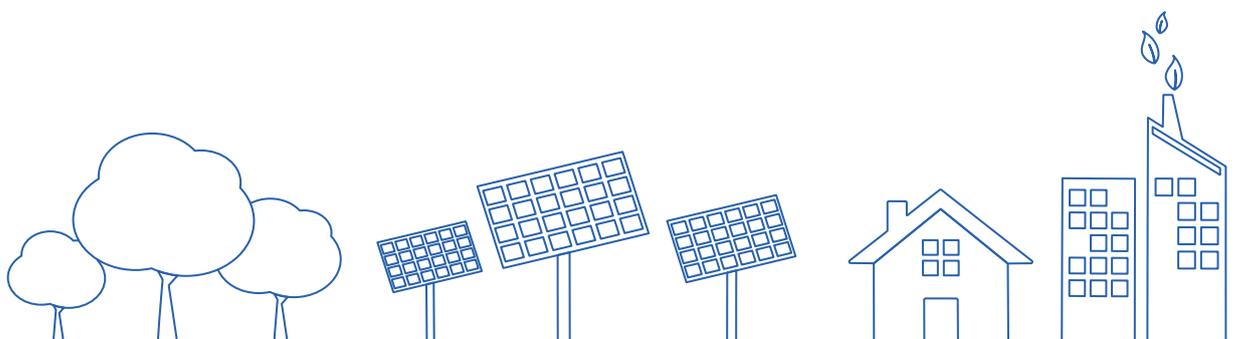
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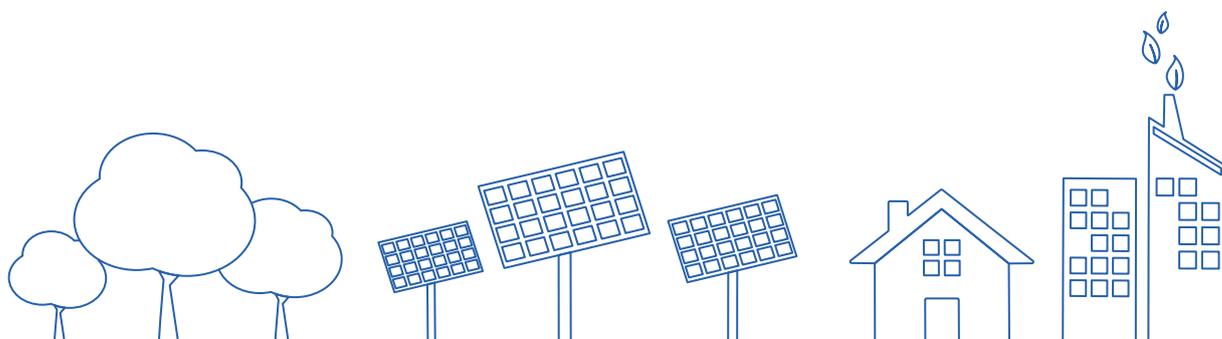
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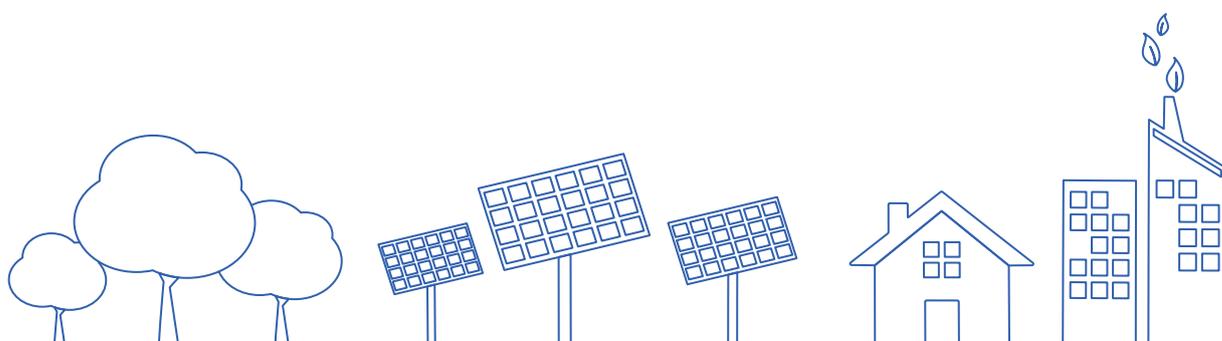
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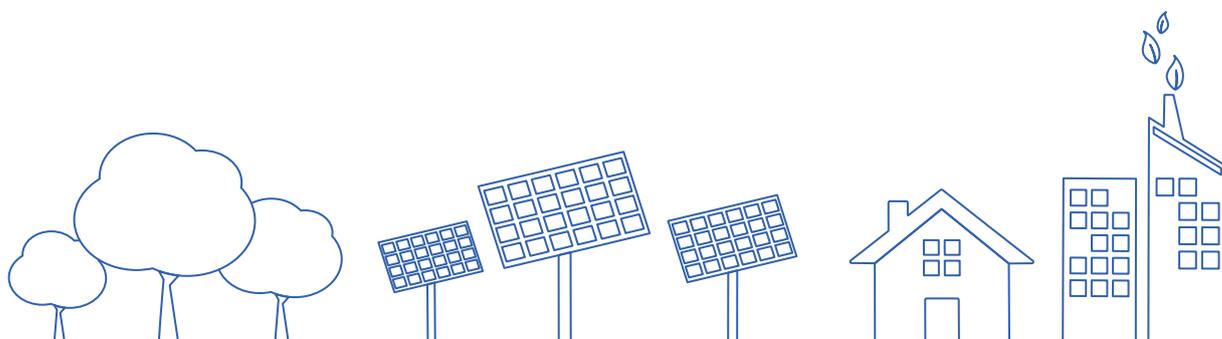
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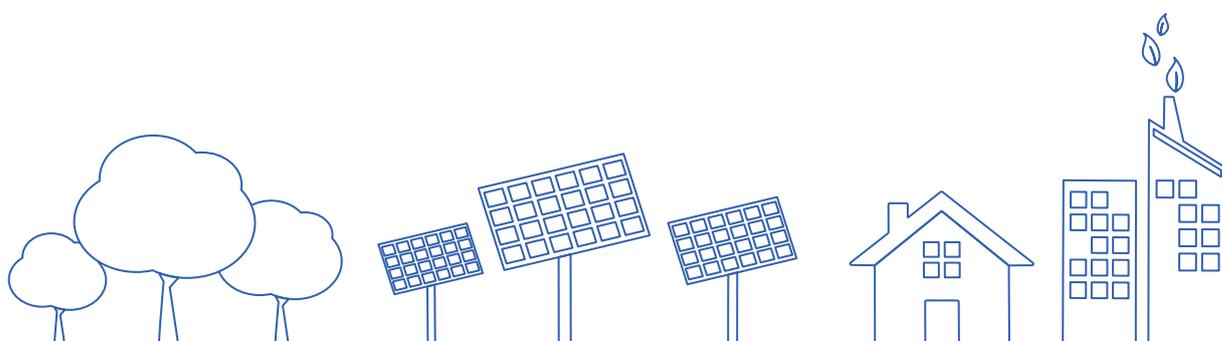
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