

**TATA STEEL**



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**Tata Steel Europe Limited  
Slavery and Human Trafficking  
Statement for the Financial Year ending  
31 March 2017**

The UK Modern Slavery Act 2015 requires certain businesses to publish a statement setting out the steps taken in the previous financial year to ensure that slavery and human trafficking is not taking place in their supply chains or own business.

Tata Steel Europe and certain of its subsidiaries operating in the UK are obliged to publish such a statement. Tata Steel Europe, as parent company, is publishing this statement on behalf of itself and its relevant subsidiaries.

### **Who we are**

The Tata Steel Europe Group is one of Europe's largest steel producers. Tata Steel Europe's main steelmaking operations are in the UK and Netherlands, supported by an extensive network of service centres across the EU for the distribution and further processing of steel products, and by a worldwide network of sales offices. Europe, principally the EU, is our most important market. As at end-March 2017, Tata Steel Europe employed some 22,000 people, with more than 10,000 in the UK.

### **Our Principles**

The Tata Group was founded on the principle that its activities should always benefit society. These values continue to guide Tata Steel's vision to be the global benchmark for value creation and corporate citizenship in the steel industry.

Tata Steel Europe continues to adapt its business model so it can respond better, faster and more effectively to shifting market demands and customer needs. Producing steel responsibly is a cornerstone of this strategy. Our mission is to build the leading European steel business that is sustainable in every sense. This will help ensure future success but also a business that has a positive, lasting impact on the industry and its communities.

This strategy recognises our responsibility as a corporate citizen towards the wider community, to ensure the highest ethical standards are maintained, including the responsibility to try to ensure that slavery and human trafficking is not taking place in our business or supply chain.

### **Policies and Procedures**

Our governance framework flows from a set of Group policies, which set the principles and behaviours to which we and our employees are required to adhere. Under our Group Purchasing Policy we require all suppliers to warrant good ethical behaviour and compliance with all applicable laws.

We are proud of our ethical principles as articulated in the Tata Code of Conduct, to which all Tata Group companies subscribe. The Code requires the Tata companies and employees to act with professionalism, honesty and integrity, and to preserve the human rights of every individual and the community.

The principles of the Code of Conduct apply to all our dealings with our business partners who are encouraged to operate to similar standards. In particular, we expect all those in our supply chain to comply with our values, including having suitable anti-slavery policies and processes in place.

## **People in Our Business**

Our employees are at the core of our business success. All Tata Steel Europe employees are recruited in accordance with clear HR procedures designed to comply with all applicable legislation, including checks for immigration status and ensuring compliance with national minimum wage and other employment requirements.

Tata Steel Europe supplements its internal resources from time to time with support from third party services. This can range from the use of specialist consultants on secondment to the business for a period, to outsourcing non-core services to third party suppliers. This includes the use of temporary agency workers to provide the flexibility to react to and support operating requirements across all areas of the organisation as required from time to time.

We work with a number of employment agencies, all appointed in accordance with our procurement processes (including pre-qualification and subsequent checks) and our Responsible Procurement Policy. Each employment agency implements an on-boarding process for our temporary staff and provides on-going management, supplemented by specific local area induction processes and training. We require the agencies to check workers are fit and eligible for work as part of that on-boarding process. We also expect these agencies to adopt management practices that mirror our own in providing a high level of safeguarding for their workers.

Within the HR community, awareness of modern slavery and trafficking is being raised through communications and additional briefings to ensure colleagues better understand the risks, enabling them to identify and flag concerns around employment agencies, other contractors and individuals working on our sites and take action to mitigate such risks.

## **Supply Chain Overview**

Tata Steel Europe spends some five billion pounds each year on goods, services and raw materials to support its steel making, processing, and distribution operations worldwide. To meet company needs, procurement is organised globally into four main category groups: Goods, Services, Process Materials & Strategic Procurement. Procurement teams are also organised geographically to complement this category organisation and support business operations across the world. Sourcing may be carried out at a local, national or global level.

## Responsible Procurement

Tata Steel adopted a Responsible Procurement Policy in 2011, which sets out a number of key principles, the most relevant of which to slavery and trafficking is:

**“Human Rights** – we expect our suppliers to develop and implement policies and procedures to ensure all human rights in their business and to encourage their suppliers to do likewise”.

Under this Policy, for companies operating in regions recognised as having a high human rights abuse risk, we require that our suppliers adopt suitable and robust policies and procedures which will prevent such abuses. These measures could include having suitable accreditation (e.g. SA 8000) and/or providing specific evidence, including requiring evidence of there being no forced labour in their operations.

Our Responsible Procurement Policy can be found in full at <http://www.tatasteeleurope.com/en/sustainability/ethical-behaviour/responsible-procurement>

Following the adoption of the UK Modern Slavery Act, anti-slavery checks have been implemented into Tata Steel Europe’s vendor qualification process as part of its Responsible Procurement Policy. Such checks are now embedded into our business-as-usual sourcing processes. This applies for all new vendors, with existing vendors also subject to the same stringent checks and controls through regular review and revalidation.

Our standard purchasing terms also require our suppliers to adopt good ethical behaviours and comply with our Code of Conduct, and all applicable laws.

Within the Procurement community, awareness and knowledge of the risks of slavery and human trafficking is being raised through the rollout of tailored training and communications programmes.

We have set up a website portal ([www.tatasteelsuppliers.com](http://www.tatasteelsuppliers.com)) specifically for our existing and potential suppliers, giving access to a copy of the Responsible Procurement Policy and the Tata Code of Conduct, as well as the standard purchasing terms.

## Monitoring Programme

Tata Steel Europe recognises the need to be vigilant to identify the risks and address any potential impacts associated with slavery and human trafficking.

The risk of slavery and human trafficking in the supply chain is included and monitored in our Procurement function’s annual risk assessment process.

The risk of breaches to human rights is assessed against sourcing country and procurement category. The procurement categories identified as having the highest risks in this area are strategic primary raw materials (i.e. iron ore, coal and coke) and certain process materials (such as tin and zinc). These products are often sourced from higher risk countries. We monitor these procurement categories carefully and aim to ensure that the origin of the material is always known and that purchases are made from verified sources. Over 95% of our iron ore, coal and coke purchases are sourced directly, giving

us more control over the supply chain than indirect supplies where we have to rely upon our suppliers to be carrying out adequate checks.

As part of our pre-qualification procedures, raw materials suppliers are required to provide evidence that they meet our health and safety, environmental and human rights standards. This could include evidence that they observe the ILO Declaration on Fundamental Principles and Rights at Work which, amongst other things, aims to eliminate the use of forced or compulsory labour. A supplier visit will be carried out for any new material supplier. Periodic reviews are carried out, with suppliers required to update and resubmit evidence for revalidation.

### **Reporting Concerns**

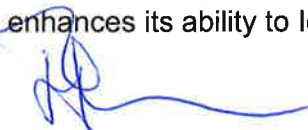
Systems are in place to encourage the reporting of concerns. In addition to our own internal processes and reviews, suppliers and employees are encouraged to use our Confidential Reporting system (InTouch) to report any concerns they may have. InTouch is an independently run service which allows both employees and suppliers to report on a confidential (or anonymous) basis any concerns they have about compliance, unethical behaviour, breaches of HR policy or health and safety rules and other aspects of how we operate. We encourage anyone to report in good faith any issues or concerns. Any reported concerns are looked in to thoroughly and the number of confidential helpline calls received is monitored and reported to the Audit Committee of Tata Steel Europe on a quarterly basis. A direct link to the reporting line is provided on the Tata Steel Europe supplier portal.

### **Raising Awareness**

Tata Steel Europe uses a variety of means to raise the awareness of employees of its policies and ethical standards. This includes e-learning and face to face training, internal communications and awareness sessions. Induction processes are in place to ensure that new staff are introduced to key policies and expectations, including the Tata Code of Conduct.

We have taken steps to raise awareness of the specific risks of modern slavery and human trafficking, particularly with Procurement and HR colleagues who are most likely to encounter such risks. We will look to raise awareness of such issues across the wider workforce, including incorporating guidance regarding the Modern Slavery Act into regular company training briefings.

More widely, Tata Steel Europe will continue to update its policies and procedures to ensure it maintains appropriate safeguards against the risks of modern slavery and enhances its ability to identify, prevent and mitigate such risks.



Dr Hans Fischer

Chief Executive Officer

August 2017

