

# Business Responsibility Report

## From the CEO's desk

At Tata Coffee, we ensure that you feel the essence of Mother Nature in every sip of our delicious coffee and tea, and in every peppercorn from our plantations. In delivering the goodness of nature into your homes, we see to it that sustainability is embedded in our core operations through our embracing of appropriate practices across our units with respect to business, environmental, operational, social and people sustainability. We are committed to contributing to the well-being of our employees as well as all the stakeholders within our ecosystem.

It has not been an easy year, given the domino effect repeated lockdowns and physical distancing have had on coffee production and out-of-home sales. But we have faced the challenges head on, thinking on our feet, pushing sales through attention to premiumisation and offering customers greater choice. The reason we emerged stronger is because we have kept customer and stakeholder priorities and interests close to our heart. We realise that thinking for the long term, with an unerring focus on corporate sustainability, is the only way to ensure that the Company keeps going forward and generating value for its stakeholders.

## Environmental sustainability

Water is an essential resource to our business, and to mitigate related risks, we undertook various water management practices, including water conservation, wastewater treatment and rainwater harvesting. We conserve water using water-efficient technologies, wastewater management systems, and creating awareness among our employees on the cause. These actions have significantly reduced the specific consumption of water. The wastewater management techniques at our Theni and Toopran plants include Zero-Liquid-Discharge.

A good percentage of our energy requirement is addressed through renewable sources in our tea operations and instant coffee units.

## Business sustainability

We have a comprehensive risk management framework in place that covers identification, assessment, development of mitigation strategy, action plan implementation, monitoring, reporting to and updating the Risk Management Committee.

As a strategic move, we are furthering value addition for our customers through our diversification initiatives in apiculture and pisciculture. We are also concentrating on new product development, addressing demand in newer geographies, and offering our customers a diverse portfolio.

While pursuing the objective of catering the end consumer, we launched Coffee Sonnets, a premium Arabica based Coffee with enticing flavours and prepared from the finest blends. These are specifically processed at our plantations with extra care and delivered to customers through retail channel.

## Social sustainability

Tata Coffee is committed to the communities that are proximate to its operations. Our community initiatives focus on education, healthcare, ecosystem restoration and employability. We implement appropriate initiatives in a customised manner through the Coorg Foundation, Akshara School, DARE School and Swastha. We work towards restoration of the hydrological balance in Coorg and Hassan with the objective of eradicating water shortage faced by the communities.

## Operational sustainability

We have aligned our operational sustainability initiatives to enterprise risk management. To ensure sustained availability of water, we built 274 tanks across the coffee plantations with a cumulative capacity of 34.33 Lakh cubic metre. This cumulative capacity takes care of water for blossom and backing irrigation needs. We are increasing use of renewable energy through the installation of solar panels across operations. Our digitisation initiative helps us to ease support operations and enable core operations in rescheduling activities at our plantations, resolving identified problems, simplifying work processes, improving staff productivity, and so on.

To ensure availability of high yield crops, we are using technique of clonal propagation. The Elite plants (i.e. high yielding, pesticide resistant plants) are identified, marked, and multiplied through use of vegetative suckers. This clonal propagation ensures availability of elite plants with higher yield plants for future.

We manufacture and process various types of Coffees in our plantations and hence to assess the purity of the plants, we have taken early steps in identifying DNA fingerprints of the plants.

We have weather stations at our plantations for real-time monitoring of temperature and rain. We collaborated with IBM weather for the application, which aids us in measuring soil quality, moisture content, gauge weather conditions and help in rain forecast. This application and the weather stations facilitate us in advancing or rescheduling the plantation operations.

To tap opportunities for accessing Green Coffee in the vicinity of our plantation operations, we are working with small growers and procuring the Green Coffee after thorough evaluation on our Quality parameters. This has supported the small growers to appreciate the better plantation operations. We engage with

small growers through our R&D day, facilitating a guided tour to our estates, a R&D newsletter sharing the promising operating practices.

### People sustainability

We are an equal opportunity employer and abide by the philosophy of inclusivity. Our diverse workforce with respect to gender, culture, and religion enable us to have a loyal yet vocal and multicultural employee base that challenges the status quo. Safety being one of our core values and with our 'Zero Harm'

philosophy, we have taken the Safety Excellence journey to the next level through regular audits, consequence management systems, and proactive safety indices.

This edition of the Business Responsibility Report is a step in the direction of greater transparency and accountability of our Company towards its stakeholders. It is our honest effort to lead the way in which social investments are made, by emphasising on our social value creation.

**Chacko Purackal Thomas,**  
Managing Director & CEO

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L01131KA1943 PLC000833
Name of the Company	Tata Coffee Limited
Registered Office Address	Pollibetta, Kodagu, 571215, Karnataka, India
Website	<a href="http://www.tatacoffee.com">www.tatacoffee.com</a>
Email ID	<a href="mailto:investors@tatacoffee.com">investors@tatacoffee.com</a>
Financial Year reported	2020-21
Sector(s) Company is engaged in	Growing of coffee (SIC – 01272) Manufacturing of coffee products (SIC – 10792) Growing of tea (SIC – 01271) Growing of pepper (SIC – 01280)
Key products/services the Company manufactures/ provides	Coffee – Green beans Coffee – Instant coffee Tea Pepper
Total number of locations where business activity is undertaken	
International locations	Freeze-dried instant coffee facility through Tata Coffee Vietnam Company Limited, a wholly owned subsidiary at Vietnam.
National locations	<ul style="list-style-type: none"> <li>✓ 17 coffee estates – in Kodagu, Hassan and Chickmagalur districts of Karnataka</li> <li>✓ 1 tea estate – in Kodagu district of Karnataka</li> <li>✓ 1 tea and coffee (mixed) estate – in Chickmagalur district of Karnataka</li> <li>✓ 4 tea estates – in Pachaimallai, Pannimade, Uralikal and Velonie in Coimbatore districts of Tamil Nadu</li> <li>✓ 1 coffee estate – in Valparai in Coimbatore district of Tamil Nadu</li> <li>✓ 1 tea estate – in Malakiparai in Thrissur district of Kerala</li> <li>✓ 1 curing works, roasting and grinding factory and pepper processing unit – in Kudige, Kushalnagar, in Kodagu district</li> <li>✓ 1 Instant coffee plant in Theni district of Tamil Nadu</li> <li>✓ 1 Instant coffee plant – in Toopran in Medak district of Telangana</li> <li>✓ Marketing and corporate functions are based out of Bengaluru, Karnataka</li> </ul>
Markets served by the Company	Our coffee business provides instant coffee and green beans to buyers across the world. Our main markets for instant coffee are Russia, West Africa, Eastern Europe, and Southeast Asia. For green beans, our chief destinations are Italy, Germany, Middle East, and India.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital	₹18.68 Crore
Total Turnover	₹736.64 Crore
Total Profit After Tax	₹100.80 Crore
Total spending on CSR as a percentage of average Net profit for the last 3 financial years	₹1.30 Crore (This is more than the statutory limit of 2%)
List of activities in which CSR expenditure has been incurred	Please refer to Annexure – D of Board's Report

## SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/Companies?	Yes, the Company has 4 subsidiaries: <ul style="list-style-type: none"> <li>Consolidated Coffee Inc., USA</li> <li>Eight O'Clock Holdings Inc., USA</li> <li>Eight O'Clock Coffee Company, USA</li> <li>Tata Coffee Vietnam Company Limited, Vietnam</li> </ul>
Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary Company (ies)?	Our policies are extended to our subsidiaries and they participate in our BR initiatives in line with our policies.
Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, who participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, over 60%]	Yes, we actively engage with our key stakeholders, such as supplier communities around our operations, customers, and other business partners on issues through transactional as well relationship-building processes.

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of Director responsible for implementation of BR policy

DIN number	05215974
Name	Chacko Purackal Thomas
Designation	Managing Director & CEO
Telephone number	+91 80 23560695
E-mail ID	<a href="mailto:investors@tatacoffee.com">investors@tatacoffee.com</a>

### 2. Principle-wise (as per NVGs) BR Policy / Policies (reply in Y / N)

At Tata Coffee, our mission is to create distinctive long-term value for all stakeholders by embracing sustainable practices across our operations.

Nine Principles by the National Voluntary Guidelines	Principle 1: Ethics, Transparency and Accountability [P1]
	Principle 2: Product Lifecycle Sustainability [P2]
	Principle 3: Employees' Well-being [P3]
	Principle 4: Stakeholder Engagement [P4]
	Principle 5: Human Rights [P5]
	Principle 6: Environment [P6]
	Principle 7: Policy Advocacy [P7]
	Principle 8: Inclusive Growth [P8]
	Principle 9: Customer Value [P9]

Tata Coffee has adopted the Tata Code of Conduct, a Tata group level policy. Based on the operating geographies and applicable local laws, Tata Coffee has established various policies, such as Whistle Blower Policy, Safety Health Environment (SHE) Policy, Quality Policy, CSR Policy, Prevention of Sexual Harassment (POSH) Policy, Code of Conduct for Non-Executive Directors, investor-related policies like Dividend Distribution Policy, Prevention of Insider Trading Policy, Policy for Determination of Materiality for Disclosures, Document Retention Policy, Material Subsidiary Policy and Policy on Related Party Transactions.

## (a) Details of compliance (Reply in Y/N)

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have policy/policies for#	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Policies, as required by the applicable statutes, are approved by the Board/Committee, and other internal policies are approved by the Managing Director.								
Does the Company have a specified Committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online	All our policies are made available to respective stakeholders. Some of our policies are available on the Company's website at <a href="http://www.tatacoffee.com">www.tatacoffee.com</a>								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	All policies are monitored, reviewed, benchmarked with the industry players by respective policy owners. Our management systems are also externally certified. Our policies comply with all applicable local laws. They are also aligned with the principles of the National Voluntary Guidelines.								

**3. Governance related to BR:**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Seven Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The Board at its meetings reviews points on sustainability, CSR, environment, health, and safety.

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

Yes, the Company publishes its Business Responsibility Report annually and is available at

<https://tatacoffee.com/sites/default/files/collaterals/Business-Responsibility-Report-2020-21.pdf>

This Report is published, once in a year.

**PRINCIPLE WISE DETAILS****Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Tata Coffee has a legacy of fair, transparent, and ethical governance practices and it forms an integral part of our pursuit to excellence, growth, and value creation for various stakeholders.

**Corporate Governance**

At Tata Coffee, we are committed to the highest standards of corporate governance based on values, fair practices for the stakeholders and creating accountability across the organisation. We have adopted Governance Guidelines, which encompass all aspects related to the Company's governance, including composition and role of the members and senior leaders, Board diversity, definition of independence, tenure of Directors, Committees of the Board, and their mandates.

We constituted our Board of Directors with an optimum combination of Executive and Non-Executive Directors, including a woman Director. As on March 31, 2021, the Company had 8 Directors, of which 2 are Executive Directors, 2 are Non-Independent Directors and 4 are Independent Directors. The Chairman and 75% of the members on the Board are Non-Executive Directors. The Board of Directors along with its committees provide leadership and guidance to the management and directs and supervises the performance of the Company, enhancing stakeholder value. The Company has in place Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Ethics & Compliance Committee.

The Company follows the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

**Risk management**

Tata Coffee has adopted a comprehensive risk management policy to ensure that sound practices are in place to address business risks and concerns. We constituted a Risk Management Committee, entrusted with the responsibility of assisting the Board in (a) providing insights in making our risk management practices comprehensive; (b) approving the Company’s Risk Management Framework; and (c) overseeing all the risks that the organisation faces, such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that were identified.

The risk management process covers risk identification, assessment, development of mitigation strategy, implementation of action plan, monitoring and reporting. A risk register listing the major risks to business, including social- and environment-related risks, such as climate change and health and safety, is maintained by the Company and is periodically reviewed by the Board. The risks identified by the business and functions are systematically addressed through mitigating actions on a continual basis. The Audit Committee bears additional oversight over financial risks and controls.

**Tata Code of Conduct**

The Company has adopted the Tata Code of Conduct, that guides us in fair practices across all stakeholder groups. The Code of Conduct is extended to our stakeholders across the Company’s ecosystem, such as employees, customers, communities, value chain partners, consultants, joint venture partners, other business associates, investors, and our group companies.

The Audit Committee and Ethics & Compliance Committee have Board-level oversight. The primary responsibility of implementing the Code of Conduct rests with the Principal Ethics Officer (PEO). The responsibility is cascaded down to the level of the Company Ethics Counsellor at the Company level and Location Ethics Counsellors (or Estate Ethics Counsellors) at each location.

The Tata Code of Conduct is translated into regional languages and regularly communicated to all stakeholders. Regular awareness and trainings are conducted to enhance understanding of the guidelines among them. A 24\*7 multilingual Ethics helpline is available for all stakeholders to register their concerns, and are addressed in a responsible manner.

The effectiveness of the implementation of the Code of Conduct is evaluated through Leadership Business Ethics Survey and Employee Engagement Survey, and the feedback from these surveys are acted on.

To strengthen business ethics practices across the Company’s ecosystem, we have the Whistle Blower Policy, Gift Policy and POSH Policy in place. The Whistle Blower Policy provides opportunities to report actual or suspected violations to the Chairman of the Audit Committee and provides adequate safeguards against victimisation of the complainant.

Tata Code of Conduct related concerns for FY 2020-21:

	No. of stakeholder complaints		
	Received	Resolved	Pending for closure
Complaints related to Tata Code of Conduct	14	13	1

We have adopted the Tata Business Excellence Model to drive excellence in everything we do.

**PRINCIPLE 2: PRODUCTS LIFECYCLE SUSTAINABILITY**  
 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

A balance of environmental and social factors is critical to the sustainable production of quality coffee. Changes in the climate is a threat to the production of coffee, thereby affecting business continuity. As a business, we are cognisant of our susceptibility to climate change, as well as changes in environment regulations. We make sincere efforts to ensure that our operations are sustainable. We focus on water conservation, energy efficiency, use of renewable energy and waste management at our plantations and processing facilities.

**Sustainability at our plantations**

Sustainability is embedded into the agricultural practices followed by us. It is our constant endeavour to use eco-friendly technologies and work towards enriching the soil, water, and biodiversity in and around our plantations. Our unique cultivation practices are based on the scientific mapping of soil nutrition and cropping patterns, coupled with an optimal usage of valuable natural resources. They enable us to sustain the ecological balance at our locations. Integrated pest and disease management is also a part of our Standard Operating Procedures.

**Sustainable agriculture**

At Tata Coffee, we continue to focus on advanced agronomy across our plantations to ensure the sustainability of crops and their ability to withstand changes caused by global warming.

Some of the key sustainable cultivation practices are listed here:

- We use soil nutrient analysis, leaf diagnostic analysis and the Soil Nutrient Index to maintain soil health – resulting in optimised use of fertilisers and soil amendment
- We grow coffee along with other crops like pepper, vanilla, oranges, and areca nuts as an intercrop – thereby promoting biodiversity and ensuring optimal use of natural resources
- We use the Varietal Trial Experiment of coffee, pepper, and cardamom to identify a selection of location-specific, high yielding, as well as pest disease and drought tolerant plants for sowing in our estates

- We implement agricultural waste management and recycling with the help of large-scale production of quality compost with improved technology. We are incorporating a beneficial microbial concoction, prepared in house, to enhance the soil fertility status and manage soil borne diseases
- We are culturing beneficial fungus for integrated disease management
- We conduct an irrigation study to understand drip and basin irrigation for our Robusta crop
- We adopt apiculture and pisciculture practices
- We undertake shade management, assessing light intensity that is critical to our agronomic practices
- We participate in collaborative research to develop less hazardous, environment-friendly agro-chemicals and pheromones for sustainable agriculture
- We ensure the preservation of the environment, through surface water analysis and pesticide residue analysis
- Our coffee and pepper cultivation follow organic farming standards like the National Programme for Organic Production (India) as well as the National Organic Program (USA)

#### Water management

Water is critical to our business and our sustainable irrigation practices allow us to mitigate and partially manage the vagaries of the weather. Our rainwater harvesting assets address a complete range of pre- and post-blossom irrigation requirements.

We have adopted a structured water management programme spanning water conservation, wastewater treatment and rainwater harvesting, among others. We have invested in water-efficient technologies to achieve these objectives. Our approaches and learnings on water conservation are communicated to all our stakeholders.

It is imperative to not use groundwater for irrigation and during the processing of coffee or pepper. We installed reservoirs and tanks in the catchment areas of the plantations that are excavated/desilted or extended to meet the irrigational requirements. The present capacity is 34.33 Lakh cubic metre, capable of catering to our entire Robusta crop volume for its blossom, and enough to back irrigation needs as well as watering our pepper vines.

We monitor and track the quantum of water used through water flow meters. Although control operations constitute a miniscule portion of our total water use, we have adopted all possible measures to optimise water consumption during the spraying of fertilisers, pesticides, and weedicides. While discharging wastewater from estates, we ensure that surface water sources are not contaminated.

Some of the other initiatives undertaken to manage water efficiently are listed here.

- We introduced the Global Positioning System (GPS) to enhance the operational efficiency of our irrigation process
- We recycle and reuse water, completely preventing the discharge of pollutants to natural water bodies
- We track domestic water usage to understand the water usage pattern of our employees
- We supply our residential colonies with septic tanks to prevent negative impact on groundwater
- We use advanced systems, such as eco-pulpers and high-efficiency sprayers to minimise water consumption

#### Energy efficiency and renewable energy

Sustenance of large green vegetative cover at plantations contributes to our negative carbon footprint of 1.80 Lakh tonnes of CO<sub>2</sub> equivalent annually, and acts as a huge carbon sink.

During FY 2020-21, we procured 21,50,950 units of wind power for our Anamallais operations. At our estates, we installed roof mounted solar PVs. At Coorg, we use energy efficient motors to pump water. Solar plant capacity has been enhanced to improve the use of renewable energy, including solar and wind energy.

#### Use of least hazardous/organic fertilisers

We use agro-chemicals approved by the World Health Organization, and these are the least hazardous. We do not use any prohibited chemicals.

#### Knowledge sharing

We conduct regular awareness sessions for the local communities on the conservation of ecosystems, water, flora and fauna, and waste management aligned to Rainforest Alliance certification. We also conduct training on environment protection at neighbourhood schools.

We issue monthly Advisory Circulars to estates and our customers to update them on current/new trends in cultivation practices, pest and disease management and post-harvest technology.

#### Sustainability at our facilities

We are committed to playing a pioneering role in climate change by adopting environment-friendly technologies. We follow a multi-fold approach in our endeavour to offset the effect of climate change in our activities.

- Measuring our carbon footprint by being pioneers in the plantation industry
- Engaging actively in advocating and shaping climate change regulations

At Tata Coffee, we undertake various initiatives on environment protection and carbon reduction over the short and long term, allocate resources and sharpen our focus. The initiatives include rainwater harvesting, use of renewable energy, such as wind and solar, solid waste management and so on.

Our environment stewardship extends beyond our premises and we actively educate, support, and encourage our vendors and partners to adopt environmentally sound and sustainable practices.

We have institutionalised environmental management practices to articulate measurable targets for key environmental performance indicators – energy, emissions water, and waste, among others.

Our Integrated Management System (IMS) adhere to international standards, enabling alignment across functional areas and operational aspects. Environmental aspects are governed by the overarching ISO 14001:2015 standards.

#### **Environmental management in the Instant Coffee Division**

Our goal is to establish a culture of care, demonstrating leadership through performance improvements at our manufacturing facilities in Toopran and Theni. We have demonstrated consistent improvement.

The manufacturing facilities are certified for IMS, which drives all systems and processes in a unified framework to promote excellence in sustainability. Additionally, we implemented the Sustainability Performance Management system, designed to capture relevant data at source and translate them into a dashboard to aid decision-making at various levels in the organisation.

Both the units of the Instant Coffee Division at Theni and Toopran are certified under the latest version of Environmental Management System. Focusing on environmental sustainability initiatives, the units are certified with UTZ and Rainforest Alliance as well.

#### **Energy efficiency and renewable energy**

We are cognisant of our role in combating climate change and have been successful in improving the efficiency of our processes and reducing the specific consumption of resources across operations. We aggressively promote renewable energy – from solar and wind energy generation to biomass – at our manufacturing facilities.

We invested in the Condensate Recovery System at our Theni FDC manufacturing plant. This initiative has led to an increase of condensate recovery factor from 65% to 70%, with a focus on reduced consumption of water and coal.

#### **Managing water and waste**

Effective water management is critical to the overall sustainability of our operations. We continuously seek to reduce the quantity of water consumption, expand water conservation measures at our facilities and replenish groundwater levels at our communities. Coffee processing is carried out using advanced Columbian and Brazilian pulping technologies, which ensure minimum water usage, thereby bearing a direct impact on water consumption and pulping discharge. Indigenous pulping units with low water consumption were commissioned to reduce and recycle the treated water for irrigation.

An Effluent Treatment Plant (ETP) and a Reverse Osmosis (RO) system ensure that our wastewater and liquid effluents are

effectively treated following the Reduce, Recycle and Reuse (3R) principle. Our plant at Theni is a Zero-Liquid-Discharge facility that adheres to the 3R principle for wastewater generated. We treat significant volume of effluent water is treated and reused in the boiler and other utility equipment at Toopran.

We installed Electrostatic Precipitators (ESPs) for our boiler operations to control and improve boiler stack emissions, which is unique to this industry.

#### **Sustainable procurement**

We conduct vendor/supplier meets, where we discuss the expectations from the Code of Conduct and promote its environmental and social standards. We source product services that are environmentally sustainable, such as energy-efficient motors, other electrical accessories, and appliances.

In line with our objective of promoting inclusive development, we promote local sourcing, including agri-briquettes, agro-chemicals, maintenance, and civil works. We also undertake business with small traders at our estates in remote areas. Personnel for security and other facility management services are sourced locally.

#### **PRINCIPLE 3: EMPLOYEES' WELL-BEING**

**BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

Our objective is to create a working environment that supports the holistic development of our employees. We developed different programmes to cater to the development needs of our employees.

As on March 31, 2021, we have 14,129 employees across our operations. Of the 14,129 employees, 6,912 are casual labourers engaged in plantation operations during harvesting time.

#### **Employee well-being**

We provide a host of benefits and services to our employees, most of these well beyond statutory requirements, to meet the needs of different categories of employees. We also have robust employee health and wellness initiatives in place that cut across geographies and segments of the workforce. For staff and workers, periodic health check-ups, de-addiction and 'Art of Living' programmes are conducted across locations.

#### **Capability-building programmes**

Our Company focuses on the welfare and the improvement of skills and competencies through training and development programmes. The training and capability programmes are aligned to technical, behavioural, and functional requirements. These programmes focus on skill development or gaps for current job and future job/role requirements, including specific programmes like ethics, values and animal conflict management.

#### **Employee engagement**

Tata Coffee implements robust processes reflecting an open communication culture, and initiatives to include employees across various programmes. During the bygone financial year, we implemented various employee engagement initiatives, including

actions initiated based on previously conducted YOU survey. Engagement has also been fostered through corporate initiatives, such as brand purpose articulation, knowledge sharing sessions, volunteering initiatives, various HR related processes, including reward and recognition.

We assess the effectiveness of our employee engagement initiatives through reviews by senior leaders across the Company and guidance from the Board.

### Diversity and inclusion

We provide equal opportunities to our employees and do not promote any unfair practices on any ground, including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, disability or any other category protected by applicable law. Our policies provide clear terms of employment, capability development, and performance management. All the employee related decisions are based solely on performance, merit, competence and potential.

### Occupational Health and Safety (OHS)

Safety being an integral part of employment terms, we embarked on the journey of Safety Excellence. The aim of the Safety Excellence journey is "No one working in our operations gets hurt". Safety performance is reviewed by the senior leadership team through the SHE Council meet. The team also guides the operating locations for further enhancement in the safety performance. The safety organisation includes Head – SHE and the safety coordinators at all locations. In addition to ensuring adherence to required safety procedures and rules at the locations, the safety coordinators conduct training programmes to educate workers on how to carry out their tasks correctly and safely, with a focus on handling of machinery and agro-chemicals.

We engage the relevant teams in regular risk assessment, safety training, training based on operational control plan, mock drills, first-aid training, and regular medical check-ups. We covered key safety risks, including working at height, human-elephant conflict, irrigation, and fire hazards, and have appropriate mitigation plans for all of them. Welfare and safety audit are conducted annually through an external agency covering the workplace and labour lines to assess and ensure health and welfare facilities of the workforce.

Some of the key initiatives undertaken during the fiscal year are listed here.

- Safety audits from the National Safety Council at each of the operating locations, helping these locations understand the practices that need to be continued and the areas of improvement
- Rolling out of the Consequence Management System
- Rolling out of Proactive Safety Indicators (PSI)
- Improved employee engagement in safety through celebration of road safety and national safety month across operations

- Focus on road/driving safety, including use of GPS tracking for monitoring driving behaviour
- Focused projects initiated to eliminate high risk at operations
- Focus on emergency planning and mock drills
- Increased safety trainings and communication on safety
- Focused awareness for employees on Working at Height
- Sustained efforts on human-animal conflicts at operations in plantations

Details on key performance indicators are listed here.

Safety and Health Performance	2018-19	2019-20	2020-21
Number of unsafe situations observed – behaviours, conditions, near misses	20,841	21,624	26,024
Total training manhours	82,017	1,07,137	1,30,900
Number of health awareness sessions conducted	690	890	2130
Number of total recordable cases (TRC)	96	78	78
Number of Lost Time Injuries (LTI)	78	67	70
Number of major fires	0	1	2
Number of HIPO (High Potential) incidents	4	26	13

### PRINCIPLE 4: STAKEHOLDER ENGAGEMENT:

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

We strive to be responsible and sensitive to our stakeholders. Depending on a direct relationship of impact, influence and proximity or relevance, we identified various stakeholder groups like customers, employees, investors, suppliers and other value chain partners, local communities, and NGO partners for engagement. We believe in building and maintaining long-term relationships with stakeholders through organisational processes.

While running our business, we have organisation-wide processes in place to ensure that stakeholder priorities and interests are attended to and all the concerns are addressed. We regularly communicate our policies and processes to stakeholders and have provided avenues to raise concerns or queries in good faith, or report instances of actual or perceived violations of our Code.

### PRINCIPLE 5: HUMAN RIGHTS

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

We respect human rights and uphold its highest principles.

### Gender Diversity

Of the 14,129-strong employee base, we have over 50% female employees across the Company, including operations as well as corporate functions.



**Child and forced labour**

At Tata Coffee, child labour is strictly prohibited. We do not deploy forced labour of any form in our operations and encourage our suppliers, vendors, contractors, and other business partners associated with the Company to follow the same.

Once in two years, we conduct welfare audits, employing external agencies to assess the welfare index of the estates. These audits cover aspects like child, forced or bonded labour.

**Freedom of association and collective bargaining**

We recognise the right of employees to join associations or involve themselves in civic or public affairs in their personal capacities, provided such activities do not create an actual or potential conflict with the interests of our Company. We expect our employees to seek prior approval for any such activity as per the Conflicts of Interest clause of the Tata Code of Conduct. Around 90% of our employees are part of a recognised union.

**Prevention of Sexual Harassment (POSH)**

We, at Tata Coffee, have zero tolerance for sexual harassment at the workplace and have adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace. The policy aims to provide protection to employees at the workplace and redress complaints of sexual harassment, and for matters connected or incidental thereto, with the objective of providing a safe and secure working environment. We conducted communication and awareness sessions across operations through external Subject Matter Expert (SME). We have also constituted an Internal Complaints Committee, known as the POSH Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

Sexual Harassment related concerns for FY 2020-21:

	No. of complaints		
	Received	Resolved	Pending for closure
Complaints related to POSH	8	7	1

**PRINCIPLE 6: ENVIRONMENT**

**BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

Our environment stewardship extends beyond our premises and we take due cognisance of the ecosystem in which we operate. We operate in a biodiversity hotspot and therefore, it is important for us to protect the rich heritage of the region.

**Forest and wildlife conservation**

Our estates, along with neighbouring areas, are home to about 3,049 native species of flora and 496 species of wildlife. As a standard practice, we do not harvest threatened or endangered plants or tree species. We established a buffer zone by planting permanent native vegetation (Acalypha) bushes to promote biodiversity, minimise any negative visual impact, and reduce the drift of agro-chemicals, dust and other substances emanating from our agricultural or processing steps. We conduct annual surface water analysis to check the drift and erosion of chemicals to water bodies.

We maintain an inventory of wildlife and wildlife habitats found on our estates through a wildlife-sighting register. Hunting, capturing, extracting, and trafficking wild animals are strictly prohibited on the estates. Our Wildlife Cells helps mitigate potential human-animal conflicts and create feeding sites for animals in Reserve Forests.

We planted vetiver plant in the landslides area across the Coorg district as part of our community initiative and volunteering programme.

**Water conservation**

We undertake water conservation projects as part of our community initiatives. We partner with the Water Literacy project to rejuvenate lakes, thereby maintaining hydrological balance in selected areas.

**PRINCIPLE 7: POLICY ADVOCACY**

**BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

The Tata Code of Conduct provides that any contact by the Company or its business associates with the government, legislators, regulators, or NGOs must be done with ethics, fairness, transparency and in compliance with applicable laws. Only authorised and appropriately trained individuals can interact with these organisations. Prior internal approval is required for initiating any contact between the Company, its representatives, and officials, aimed at influencing regulation or legislation.

We are actively participating in various forums relevant to the industry, the Company, and its stakeholders and are associated with the following industry bodies in different capacities:

- The Coffee Board
- Confederation of Indian Industry (CII)
- United Planters’ Association of Southern India
- Karnataka Planters’ Association and Kodagu Planters’ Association
- Anamallais Plantations Association

We are also associated with the Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI) and have actively participated in the industrial improvement activities organised by the Federation.

**PRINCIPLE 8: INCLUSIVE GROWTH:**

**BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

At Tata Coffee, we believe in inclusive growth and thus community care and development form an integral part of our agenda. We are committed to making a lasting difference through our Community initiatives.

We promote inclusive growth and equitable development by working towards the socio-economic and environmental well-being of the communities in which we operate.

### Our approach

Our programmes are aligned to the critical needs of the communities where we operate. All the programmes are implemented on ground through partnerships in different capacities with credible NGOs in the space.

We primarily focus on education, healthcare, ecosystem restoration and employability and have identified health, differently abled personnel, restoration of hydrological balance and skill development as key focus areas for the Company-wide CSR programme.

### Restoration of hydrological balance

One of Tata Coffee's core values, 'Responsibility', is demonstrated through restoration of hydrological balance. We work to restore lakes using an innovative lake-in-lake method, in which we are supported by our NGO partner – Water Literacy Foundation. The objective of the programme is to eradicate water shortage faced by the communities in selected geographies and ensure water security. This prevents migration of local communities due to water stress and mitigates the risk of labour shortage in our business.

### Site-specific programmes

We implemented several community initiatives at different geographies where our plantations and factories are located. Details of the programmes are listed here.

### Coorg

- **Coorg Foundation:** It was established in 1994 and is a separate and independent social wing to shape and scale our community initiatives at Coorg. The Foundation promotes welfare of the local community through a host of economic, environmental, and social initiatives.
- **Swastha:** This Centre for Special Education caters to the needs of the differently abled in the district of Kodagu. The school imparts special education and vocational training to the differently abled children in the age group between 6 and 18. Students are trained in tailoring, book binding, paper bag making, painting hoardings, artefacts and paper cup making and are provided with placement opportunities. The community-based rehabilitation programme under Swastha evaluates the inclusion and normalisation of the differently abled by providing them services in health and education. Tata Strive is planning to open a training centre in partnership with Coorg Foundation for the overall improvement in employability.
- **Rural India Health Project Hospital:** Situated in the Ammathi village of the Kodagu district, the hospital was established in 1964. Owned by a charitable trust, it is currently managed by Tata Coffee, Pollibetta, Kodagu. The vision of the hospital is to provide the best possible healthcare facilities and advice, round the clock and at an affordable cost, to the local community by providing opportunities for emergency investigations and treatments.

This hospital has 57 beds and is well-equipped with ultramodern facilities, in addition to specialised doctors. In FY 2020-21, we focused on anemia, first aid and blood donation camps across the district. The doctors conducted 4 health camps in tribal villages with focus on menstrual hygiene and pregnancy.

### Valparai

- **Developmental Activities for Rehabilitative Education (DARE) Project:** Over the last 25 years, DARE works towards the well-being of children with special needs from among the workers' population. The various activities that take place at the centre include meditation, exercises, physiotherapy, art and craft, stitching, embroidery, candle making, washing powder making, office covers and basket weaving, apart from games and supervised activities. Proceeds from the sale of these products are deposited into the post office accounts of the respective children.
- **Uralikal Central Hospital:** It is a 50-bed hospital run by the Company in Anamallais and provides free medical aid to our 6,000+ strong workforce. The hospital also extends free medical aid to the indigenous population in the settlements on the periphery of our estates and holds medical camps. Medical aid is offered to outsiders at subsidised rates.
- **Akshara Vidyasharam:** This primary school opened its doors to the children of Anamallais in 2007, with the aim of providing quality education at an affordable cost. The school is run on a not-for-profit basis by Tata Coffee Ladies Welfare & Educational Trust. It caters to children from playschool to Class 5. The school follows the CBSE Board syllabus and has smart class facilities.

The Valparai team worked with the community for the protection of private rainforests and regeneration of degraded forests within the plantations of Anamallais.

### Hassan

This innovative lake-in-lake model at Kadlur village helped us recharge underground water and drinking water supply has shown an improvement in yield and static.

### Group-level community welfare initiatives

- **Volunteering activities:** We have a group level volunteering programme with the objective of sensitising Tata employees to social causes, encouraging them to get involved in the community, and providing them with the opportunity to contribute to community. As part of this programme, Tata Coffee employees contributed 25,300 volunteering hours across 115 activities, which are significantly higher than last year's count. As many as 5,709 Tata Coffee volunteers touched 54,638 lives during the volunteering activities. We remain among the top 3 in the Tata group with highest recorded hours spent on volunteering activities across sites.
- **Pro-Engage initiatives:** 5 of the Tata Coffee volunteers participated in Pro-Engage initiatives, promoting volunteering for relatively long-term projects (up to

3 months). The volunteers worked in various projects, including working with the youth, connecting with elderly people, career guidance for youth, organisational policy review and so on.

Volunteering man-hours since FY 2018-19:

	Man-hours		
	2018-19	2019-20	2020-21
Volunteering man-hours	14687	41232	31888

While clocking performance of volunteering manhours of 31888 and 5.09 per capita employee volunteering hours during FY 2020-21, we have touched 120780 lives through various community related initiatives irrespective of various challenges posed by COVID-19 pandemic.

**PRINCIPLE 9: CUSTOMER VALUE:**

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

Customer excellence is one of the operational pillars of our business. We have different mechanisms to build relationships with our customers and continuously engage with them to understand

their requirements and be more responsive to their needs. We seek customer feedback and satisfaction through customer meets, transactional feedbacks, and customer satisfaction survey.

The Company has a robust Customer Complaint Management system, which helps in registering complaints, tracking, and resolving customer grievances/complaints to the customer's satisfaction. Through our customer-centric approach, we have achieved a reduction of repeat customer complaints year on year.

Our emphasis on innovation is demonstrated by the number of new products commercialised in the financial year.

**Driving operational excellence through various certifications**

Our food safety certifications, Halaal and Kosher, specifically address concerns of different customs. Our UTZ certification is for our sustainable farming and sourcing of beans from farms to produce soluble coffee.

Global Food Safety Initiative (GFSI) is another organisation which plays an important role in food safety systems. GFSI has benchmarked existing food safety schemes. The current list of GFSI schemes includes FSSC 22000, SQF, British Retail Consortium (BRC) and others. It does not include ISO 22000.