



**Homi R Khusrokhhan**  
Managing Director

20<sup>th</sup> June 2008

Mr. Goerg Kell,  
Executive Head of the Global Compact,  
Executive office of the Secretary General,  
United Nations, New York, USA  
S-1880 NY 10017

**Subject: UN Global Compact Communication on Progress  
for the year 2007-08**

Dear Mr. Kell,

In response to your communication dated 25<sup>th</sup> April 2008 recommending Tata Chemicals Limited to prepare and submit the United Nations Global Compact Communication on progress report for the year 2007-08.

We are pleased to submit the attached document for the company as per the guidelines prescribed. Tata Chemicals is a Responsible corporate citizen company and committed to the principles of Global Compact initiative. These principles are also part of our Vision, Mission and Policies.

We will continue to produce COP in future also.

Thanking You,

With the best regards,

A handwritten signature in black ink, appearing to read 'Homi R. Khusrokhhan', written over a light blue horizontal line.

(Homi R. Khusrokhhan)  
Managing Director

Encl.: as above



**TATA CHEMICALS LIMITED**

**Tata Chemicals Limited  
UN Global Compact – Communication on Progress (CoP) – 2007-08**

Global Principles	Compact	Company's Policy & Direction	Specific actions taken during the current financial year	Outcomes with key Results & Measurements
<b>Human Rights</b>				
<p><b>Principle 1:</b> Business should support and respect the protection of internationally proclaimed human rights.</p>	<p>1) Company follows Principles of the International Declaration of Human Rights. Its policies support, respect and protect the Human rights of its direct as well as indirect employees. The sustainability Policy addresses these aspects.</p>	<p>1) Company policies and guidelines ensure human rights compliance all across. Grievance Redressal Cell &amp; Help Desk, on Company's intranet service, addresses issues related to its employees, resulting into higher satisfaction. Programs such as "Aawaz", help employees across levels to sit together to and resolve concerns and put forth improvement plans.</p>	<p>1) Overall Employee Satisfaction has increased from 63% (2005-06) to 71% (2006-07) and in 2007-08 For management Cadre increased from 59% to 74% &amp; for Non Management dropped from 73% to 71%. For which action plans have been prepared and being implemented.</p>	
<p><b>Principle 2</b> Business should ensure that they are not complicit in human right abuses.</p>	<p>1) Company has Corporate Sustainability, SHE policy, Quality policy, Environment Policy, Community Development Policy, Food Safety Policy and Cardinal Rules of Safety.</p>	<p>1) To monitor the compliance to the objectives of the policies, the company has established well-documented systems of record keeping, process of internal auditing, corrective and preventive action planning and reviewing the progress on regular basis. Third party surveillance audit validates this system and Management Committee reviews results of the third party audit</p>	<p>1.1) Company's Fertilizer plant at Babrala has been awarded with Sword of Honour by British Safety Council consecutively for four times, where as the Chemical plant at Mithapur has been awarded with British Safety Council 5 Star rating for its Safety Management System. Babrala Plant has also been awarded with British Safety Council 5 Star rating for its Environmental Sustainability Management System three times in a row (2005-07). Haldia plant has been awarded with 5 star rating by British Safety Council in environmental management in 2007.</p> <p>1.2) Company's chemical's all locations are certified with ISO 9001, ISO 14001 and OHSAS 18001 and Mithapur site has implemented HACCP systems (Hazard Analysis Critical Control points for Bicarb plant).</p>	



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			<p>1.3) Through effective SHE Training and better implementation of safety practices the company's safety performance has improved significantly.</p> <table border="1" data-bbox="454 315 633 735"> <thead> <tr> <th>Year</th> <th>Total Recordable Injury Freq.</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>2005-06</td> <td>9.05</td> <td>2.49</td> </tr> <tr> <td>2006-07</td> <td>2.62</td> <td>1.55</td> </tr> <tr> <td>2007-08</td> <td>3.79</td> <td>0.62</td> </tr> </tbody> </table>	Year	Total Recordable Injury Freq.	Rate	2005-06	9.05	2.49	2006-07	2.62	1.55	2007-08	3.79	0.62
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	<p>2) Anti Sexual Harassment Policy</p>	<p>2) A sexual harassment redressal mechanism has been established which includes a redressal committee chaired by a women employee. Most of the management cadre employee and employees that are in direct contact with employees such as HR, Personnel, security etc. have participated in gender sensitization workshops</p>	<p>2.1) Employees sensitized to the right of women to have a safe and secure work environment. Action taken as appropriate where concerns were raised. Total concerns raised since two years : 5, leading to action in two cases, counseling in two and one concern was rejected after investigation</p>												
	<p>3) Tata Code of Conduct (T-COC) ensure Human Rights compliance across the Organization</p>	<p>3.1) In line with Tata group of attaining Leadership With Trust, all Tata group companies has institutionalized Tata Code of Conduct guiding clauses, which have been accepted and signed by all employees of the Company. All employees have been imparted training and awareness to thoroughly understand expected ethical behaviour. Company is also having T-COC Grievance Redressal Mechanism and Ethics counselor to address the raised issues. 3.2) The senior team from Brunner Mond and Magadi Soda Company have signed the TCoC declaration to abide by the Code.</p>	<p>3.1) In the reporting period, 82% of the concerns raised and carried forward from the previous year were successfully resolved. (For all the 25 Clauses of T-COC)</p> <p>3.2) Commitment of the senior team in the acquired companies to abide by the TCoC.</p>												



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LABOUR STANDARDS				
<p><b>Principle 3:</b>  <b>Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</b></p>	<p>1) The company abides by the Indian Factory Act and all the Indian Labour Laws; these laws are in-conformance to the ILO. Company has recognized Trade unions and Staff unions for bargain able category of workmen and supervisory staff.</p> <p>2) Company also constitutes various committees and councils having equal participation from management as well as elected workmen representatives to discuss and resolve various issues related to operations.</p> <p>3) Company has periodic dialogues and negotiations with the recognized workmen and staff trade unions to discuss and settle the charter of demand amicably.</p>	<p>1.1) Mithapur and Haldia plants have workmen as well as staff unions as per Trade Union Act -1926 and other relevant laws. At Fertilizer plant at Babrala, a single supervisory staff union represents all supervisory staff. Employees are free to join Trade Union of their choice. Every three years election process identifies one union, which is to be recognized by the company under the supervision of Government authority.</p> <p>1.2) Joint committees like Joint Management Council and Canteen Management Committee with the representatives from Management and worker cadres are active to resolve the issues.</p> <p>1.3) Company has Specific Executives and Personnel Department to deal with all matters related to Unions. All the decisions are discussed with Committees and with the Staff union prior to its implementation.</p> <p>1.4) Clause 23 of T-COC also ensures Freedom of Association. Company is having T-COC Grievance Redressal System and Help Desk on company's intranet for resolution of individual grievances.</p>	<p>1.1) Company's chemical plant has 2 unions with 65% workers in Tata Chemicals skilled mazdoor sangh and 35% workers with Chemicals Kamdar sangh. Haldia plant has 1 recognized Trade Union for workers with 100% of employees as members. This union is registered as per "Section 4 of Trade Union Act - 1926".</p> <p>1.2) At chemical plant there were 14 meetings of these two committees While fertilizer plant at Haldia had 12 meetings and Babrala had 4 meetings of CMC.</p> <p>1.3) In the reporting period there were no unresolved grievances pending with the Grievance Redressal Cell</p> <p>1.4) No concern was raised against clause 23 of T-COC in 07-08</p>	



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<p><b>Principle 4</b> Business should support the elimination of all forms of forced and compulsory labour.</p>	<p>1)The company abides by the Indian Government laws under :</p> <ul style="list-style-type: none"> <li>Abolition of Bonded Labor Act 1976</li> <li>Contract Labor Abolition and Regulation Act – 1970</li> </ul> <p>2) The company also ensures the adherence to relevant provisions of Indian factory Act and Industrial Disputes Act.</p>	<p>1)The company's internal audit mechanism, periodic third party audit along with regular inspection by the government labor ministry authorities helps company to validate the adherence.</p> <p>2) Company through its regular communication and periodic audit communicates and verifies the adherence of this stipulation from their suppliers, contractors and channel partners.</p>	<p>In the reporting period no violations or complaints have been reported.</p>
<p><b>Principle 5</b> Business should support the effective abolition of child labor</p>	<p>1) Indian labor laws prevent recruitment of child labor at industrial premises. Company policies and Recruitment process are in alignment with labor laws as well as "ILO Convention 138" and ensures the compliance with all applicable laws</p> <p>2) T-COC and Relevant labor laws are applicable to local contractors, service providers, suppliers and channel partners as well.</p>	<p>1.1) Document of age proof as well medical examination by industrial physician is mandatory to ensure the compliance of stated rule.</p> <p>1.2) The general condition of purchase contract and agreement stipulates the strict adherence to the compliance of all labor laws including non-engagement of child labor.</p> <p>2.1) All supply contracts up and down the supply chain include a clause emphasizing on non-engagement of child labor, directly or indirectly. Company's vendor selection and registration and evaluation process ensures and verifies the adherence to the conditions of contract.</p>	<p>There is 100% compliance to the planned scheduled calendar for company's senior officer's contact meeting with channel partner, distributors, dealers, suppliers and contractors for communicating and reinforcing.</p>



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<p><b>Principle 6</b> Business should support the elimination of discrimination in respect of employment and occupation</p>	<p>1) Company policy on hiring new employees emphasizes the aspects of "Equal Opportunity Employer" and complies with Clause - 4 of T-COC.</p> <p>2) Affirmative action is exercised in the case of physically challenged and socially and economically persons, who are preferred by the organization provided the candidate meets the company's competency requirements.</p>	<p>1) As per the company's recruitment policy, applicants are not discriminated on the basis of gender, race, caste, religion, social status or physical disability. During the year, the organization has employed female candidates on permanent as well as on training basis to show the commitment towards non-discrimination. The organization has also employed differently abled persons as per the required fit.</p> <p>2) The Sexual - Harassment redressal committee proactively took up gender sensitization programs across locations, through presentations and films.</p>	<p>1) During the reporting period 14 new female recruitments were :</p> <ul style="list-style-type: none"> <li>• Corporate office - 9</li> <li>• Mithapur Plant - 1</li> <li>• Babrala plant - 1</li> <li>• Haldia Plant. - 2</li> <li>• Noida Office - 1</li> </ul> <p>New recruitment of One differently abled candidate at Haldia during the reporting period. Total of 23 differently abled employees are giving service to the organization.</p> <p>70% management Cadre employees were covered under gender sensitization program. All new recruits inclusive of Management trainees undergo a half day gender sensitization workshop/ presentation</p>
<p><b>ENVIRONMENTAL PERFORMANCE</b></p>			
<p><b>Principle 7</b> Business should support precautionary approach to Environmental Challenge</p>	<p>1) A robust environmental management system has been established at all three manufacturing locations in the country. A legal compliance management system, which ensures compliance of all environmental laws and regulations. The EMS addresses the precautionary approach to all future environmental challenges, and threats. Corporate policy on environment, health and safety provides all direction to deploy best environmental practices.</p>	<p>1) All locations have been certified for ISO: 14001 (2004) and OHSAS: 18001 (1999) standards.</p> <p>- Internal and external environmental audits have been scheduled to ensure the implementation of effective EMS. Findings of audits have been reviewed with Sr. management for improvements and for setting objectives and targets in EMS. Compliance reports to statutory authorities are being submitted as per requirements under prevailing laws and regulations.</p>	<p>1) Audits have been conducted by certifying agency to ensure the effective implementation of management system. There were no non-conformance against any requirement under the standards. Opportunities for improvements have been identified and action plans at each location has been developed for improvements.</p> <p>100% compliance to the monitoring schedule has been achieved.</p> <p>Compliance against are environmental statute's are met with and compliance reports have been submitted to the concerned authorities as per requirement</p>



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	<p>2) The company has established enterprise wide risk management process, which includes process risk assessment and process hazard analysis.</p> <p>3) Rapid Environmental Impact Assessment has been carried out for Babrala unit for De-bottlenecking of urea plant and for expansion and mining operations at Mithapur.</p> <p>4) Company has taken initiatives to combat climate change by identifying the CDM projects and formation of Climate Change Cell within the company.</p> <p>5) Company has strengthened its responsible care management practices for distribution and product stewardship codes.</p> <p>6) Corporate Green manufacturing Index has also been established. Each location has taken a target for reduction in emissions and conservation of natural resources.</p>	<p>2) Activity based hazards identification procedure has been reviewed to make it more effective considering all associated risks in the processes at all locations.</p> <p>3) Environmental clearance from Ministry of Environment and Forest for de-bottlenecking project for Babrala and Terms of References (TOR) for Mithapur expansion and mining projects have been accorded as per the New EIA notification.</p> <p>4) CDM potential projects were developed at all locations. The CDM project status is as follows: - Babrala: 10172 CER's/Yr. (UNFCCC approved) - Haldia: 28174 CER's/Yr. (Host country approved) - Mithapur: 9000 CER's /yr (Host country approved and registered with UNFCCC). All new projects are reviewed against CDM Check list criteria.</p> <p>5) Tata Chemicals is a signatory to Responsible Care and provided support to ICC for training and awareness to industries across the country. - Company's representatives have participated in training programmes, workshops and Seminars on Responsible care as Trainer and Faculties in each programme conducted for South, West and Eastern region by ICC.</p> <p>6) Green manufacturing index has been reviewed in the corporate Executive committee and necessary actions have been taken for further improvements.</p>
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<p><b>Principle 8:</b>  <b>Business should under take initiatives to promote greater environmental responsibility.</b></p>	<p>Company's vision, mission and policies are the principle guiding directives and help to promote greater environmental responsibility. Some initiatives which are world class standards are driven from corporate level to promote and support greater environmental responsibilities and achieve higher environmental performance excellence at all manufacturing sites, and supply chain management.</p> <p>Clause – 8 of T-COC ensures Environmental Preservation.</p> <p>Company is active member of TER-CoRE corporate roundtable for environment in India which is associated with World Business Council of Sustainable Development.</p> <p>Company is signatory to Responsible Care initiative.</p>	<p>1) Company is having well established Environment Management System as per ISO 14001-2004 standard.</p> <p>2) Tata Chemicals is a signatory to Responsible Care and provided support to ICC for training and awareness to industries across the country</p> <p>2.1) Company has taken initiative to implement the Responsible Care guidelines at manufacturing sites and supply chain function.</p> <p>2.2) Company has improved its performance for the codes of Responsible care by strengthening its management practices.</p>	<p>1) Audited by the external agency twice in a year and certified for ISO 14001-2004.</p> <p>2) Company's representatives have participated in training programmes, workshops and Seminars on Responsible care as Trainer and Faculties in each programme conducted for South, West and Eastern region by ICC</p> <p>2.1) Under Distribution and Product Stewardship codes of practices, Training and awareness programmes have been conducted for Distributors, Dealers, Retailers and Customers.</p> <ul style="list-style-type: none"> <li>- Environment Impact of product distribution and use under project "Green Supply chain" has been initiated.</li> <li>- Center for Agri solution and Technology has been established for Crop Nutrition business, which provides solutions and recommendations for optimum fertilizers to control the excessive fertilizer application to avoid soil pollution.</li> <li>- Suppliers, Dealers and Retailers meet organized for all sites to communicate about Responsible Care and to adopt best SHE practices in their processes and practices.</li> <li>- Company has been awarded use of Responsible Care logo and was given the "Aditya Birla Most Committed Responsible Care Company" by Indian Chemical Council.</li> </ul> <p>2.2) Implementation of RC has been assessed to achieve practice at place for all codes of practices at all sites to measure the score s under each code.</p>
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		<p>3) Environmental Sustainability Five Star rating guidelines of British Safety Council, UK has been implemented.</p> <p>4) The company is responsible for "Corporate Responsibility for Environment Protection" (CREP) and thus the company submits compliance reports for the action plans that were committed under volunteer standards.</p> <p>5) The company institutionalized no. of initiatives like Green Manufacturing Index, Responsible Care and sustainability reporting as per GRI guidelines through Corporate Sustainability Report.</p> <p>6) The company has established strong communication mechanism to create awareness on safety health and environment among its stakeholders.</p> <p>7) Community through :          " Community outreach programmes - Tejaswini" and permitting the community to visit Company facilities to know about the various environment protection measures taken</p>	<p>The steering committee reviews the RC performance twice in a year. The average scores of six codes of practices during the reporting year at each locations were:          Babrala: 96.3%          Mithapur: 81.3%          Haldia: 66.6%</p> <p>3) Babrala and Haldia sites have been awarded Five Star rating by British Safety Council, UK.</p> <p>4) Annual progress reports on CREP implementations at all sites are submitted to the nodal agencies.</p> <p>5) Company is in its 4<sup>th</sup> cycle of Internal reporting of CSR and initiated the process of Stakeholder engagement. Corporate level Green measures were implemented to monitor the reduction in emissions and conservation of natural resources.</p> <p>6) Awareness program for suppliers, dealers and customers have been conducted to consider all EHS aspects in their processes and practices.</p> <p>7) Community awareness on EHS aspects and their participation during emergency situation were conducted.          Trained SHE champions in community.</p>
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<p>8) No liquid trade effluent was discharged outside the industrial complex following Zero discharge philosophy. Water consumption per one tonne of Urea is a benchmark in fertilizer industry, with consumption of only 4.783 m3 per one tonne of product against stipulated standards of 8-12m3/tonne of product.</p> <p>- Water harvesting project at Babrala site was commissioned to harvest approximately 50,000 M<sup>3</sup> of rain water. - At Mithapur ground water consumption has been brought to Zero.</p> <p>8.1) Malaria Green Cap project helped increased use of fly ash for plantation. In the reporting year the area under the project increased.</p> <p>8.2) Fly ash consumption has increased.</p> <p>8.3) Gypsum recovered, is sold as byproduct.</p> <p>9) No concerns were raised against Clause – 8 of Tata Code of conduct</p> <p>10) Commitment and progress will be reported every year.</p> <p>11) Carbon Footprinting work has been initiated and will be completed by Dec 2008.</p>	<p>8) Efforts are being put to minimize the effluent generation and discharge through recycling of waste and consumption of fresh water</p> <p>8.1) The Fly ash generation from the Power plant of Chemical unit at Mithapur is used as a substrate to grow plants and to help reclaim the wasteland.</p> <p>8.2) Fly ash generated as waste is also used in Cement manufacturing.</p> <p>8.3) Phosphate unit of Haldia plant has set up Gypsum pond for recovery and reuse of Gypsum prior to final discharge of effluent.</p> <p>9) Tata code of conduct under clause 8 specifically describes the ethical behavior on environmental protection.</p> <p>10) Company has become signatory to Global Roundtable on Climate Change at Earth Institute, Columbia University.</p> <p>11) Company officials are members on the Tata Group Climate Change Group steering committee and working group.</p>
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<p><b>Principle 9;</b>  <b>Business should encourage the development and diffusion of environmentally friendly technology</b></p>	<p>As a commitment to continuous improvement of the environmental performance, it is company's objective to minimize the quantity of waste generation and energy consumption from the processes by installing eco-friendly technology, or by increasing the use of renewable source of energy.</p> <p>Company will develop and use eco-friendly technology for safe production, transportation use and disposal of products.</p> <p>Company shall extend knowledge by conducting or supporting research on the Health, safety and Environmental effects of our products, processes and waste materials. Company is committed to work with others to resolve problems created by past handling and disposal of hazardous substances</p>	<p>1) Company uses Solar energy at its salt works.</p> <p>2) Effluent Solid Filtration Plant at the chemical unit is installed to recover the solids from the Soda ash Effluent generated and to use the solids in Cement manufacturing.</p> <p>3) Conservation of non-renewable natural resources through replacing them by renewable resources as fuel and source of power has been considered.</p> <p>4) Production of fuel from renewable resources has been initiated to contribute in conservation of non-renewable natural resources.</p> <p>5) Green Chemistry principles to address the environmental issues</p>	<p>1) While producing close to 1.699 million tonnes of solar salt from salt works, in the year 05-06, the company utilized renewable solar energy to evaporate 76.45 million tonnes of sea water. Thus utilized solar energy equivalent to energy available from 12.74 million tonnes of coal.</p> <p>2) Solids (recovered from ESF plant) used for Cement manufacturing in the year 2005-06 was 23795 tonnes compared to 9413 tonnes in 2004-05.</p> <p>3) Fuel oil has been replaced by Bio-mass (Rice husk or straw) as fuel for hot air generator for DAP-1 plant at Haldia. In the reporting year this has been done partially but will be increased step by step.</p> <p>As an initiative to use renewable energy, the Urea plant at Babrala has provided solar geysers in its township. Also through TCSR, solar cookers and lanterns are provided to the local community. Biogas plant is also setup by TCSR.</p> <p>4) A Bio-diesel and Bio-ethanol manufacturing plant has been set-up which will start production in 2008-09.</p> <p>5) Increased waste recycling reduced specific raw material consumptions and shifting towards eco-friendly processes etc.</p>
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<p>6) Reclamation of Solid wastes dumps, manufacturing of Bricks by using Solids and Fly ash , use of fly ash + lime grit for building bunds for etc.,.</p>	<p>6) Sponsored a technology research to solve the reclamation of waste dumps</p>	
<p>7) Central Building Research Institute, Roorkee has recommended a proper mix of Fly ash and Lime grit for using as Bund building materials.</p> <p>8) Projects have been identified for improving efficiency and energy conservation in existing and new projects.</p> <p>9) One innovative project of utilization of flue gas from power plant to neutralize the effluent has been implemented at Babrala.</p>	<p>7) Sponsored a research work to develop building materials from different solid waste materials that are generated from different processes of the Company</p> <p>8) Innovation centre has been established, which is working on developing new green/nano technologies.</p> <p>9) Knowledge management system has been implemented at all sites, which taps all innovative ideas to improve the organization environmental performance.</p>	

<p><b>ANTI CORRUPTION AND PREVENTION OF BRIBERY</b></p>		
<p><b>Principle 10:</b> <b>Business should work against corruption in all its forms, including extortion and bribery</b></p>	<p>As per Clause 5 and 6 of Tata Code of Conduct, the organization is committed towards anti corruption and prevention of bribery.</p>	<p>1) Tata Chemicals has an elaborate system and processes on the 'management of business ethics' and all employees sign the Tata Code of Conduct. The company has a Chief Ethics Counselor located at Corporate office Each Division has an Ethics Counselor.</p> <p>The Tata Code of Conduct is sent to all suppliers with the contract, for their perusal in respect of relevant clauses.</p>
		<p>1) In the year 07-08: 2 cases were registered against clause no 5 and appropriate action was taken.</p>