



Homi R Khusrokhhan
Managing Director

UN Global Compact – Communication On Progress(COP) – Year 2006-07

CEO STATEMENT:

Tata Chemicals is committed to conduct its business by adhering to the highest ethical and moral standards as enshrined in the 10 universal principles of the United Nations Global compact. The company regards Global Compact as a vital bridge for stakeholder engagement.

Our ability to grow profitably is intimately connected with the quality of the natural environment and the health and prosperity of the societies in which we operate. As one of the world 's leading Chemicals Company, Tata Chemicals recognizes that operating in a socially and environmentally responsible manner is more than just an ethical duty. In our view, it is key to sustained growth and superior shareholder returns. That 's why we run an extensive corporate social responsibility (CSR) programme, which we believe, responds to these key trends:

- Reducing our environmental footprint
- Encouraging responsibility in relation to our products
- Enhancing the health and well-being of our staff
- Investing in the communities in which we operate
- Engaging with our stakeholders and having a robust and transparent governance process in place.

We have a long established record of striving to produce lasting benefits for the communities where we work and of corporate philanthropy. We are determined to build on this ethos in addressing the changing expectations of our stakeholders and in entrenching sustainable development principles into the way we do business through the policies that we adopt, the pursuit of best practice, accountability and leadership.



Our business strategy is to achieve world-class performance across all our businesses based on growth through acquisitions, developing new operations, innovation and efficiency and through leveraging our core competencies. Sustainable development principles are central to achieving our business strategy and challenge us to address the key trends. However, to continue to benefit society as a whole, as well as its shareholders, the company has to work with stakeholders to address a number of pressing social and environmental issues that stand in the way of its ability to sustain its growth and profitability.

In line with our growth aspirations we laid our first global footprint by becoming an equal partner in a leading Moroccan company IMACID. This alliance not only secured the availability of a key raw material – phosphoric acid for our Haldia operations, but also opened up a new vista of opportunities for future growth. Most recently, we acquired UK based soda ash company Brunner Mond and its Kenyan subsidiary, Magadi Soda, which catapults us to become the world's third largest soda ash manufacturer, with facilities in three continents. We now have the lowest cost-manufacturing site for Soda Ash with markets all across the globe. These developments are definite milestones in our transformation journey to internationalization.

Central to the corporate philosophy of Tata Chemicals is its passionate commitment to the social development of the communities in which it operates. TCSR (Tata Chemicals Society for Rural Development), which has been working for the benefit of the rural population in and around the company's plants and townships, has grown from strength to strength. TCSR hosted the hospital on wheels – the Life line express at Babrala and has provided medical support to more than 4500 persons including corrective surgery of 750 persons. Under the integrated water management program at Mithapur, approximately 130 mcft water storage capacity has been created. Rural handicraft development program popularized under 'OKHAI' brand has ensured supplementary income of 400 rural women through the handicrafts development program. TCSR has also ensured availability of finances for 4000 rural households through micro-finance and self-help groups.



Tata Chemicals sustainability efforts have been recognized over the years by various bodies and organizations. Year 06-07 saw the Babrala plant receiving 'Sword of Honor' in OHS management systems, BSC 5 star rating for Environment sustainability, Greentech safety Gold award and FAI Environmental protection award. Also we were recognized with the Greentech Environment Gold award for all the three manufacturing sites. The Indian Chemical council has awarded the usage of Responsible care logo to Tata Chemicals. Our commitment to CSR has been recognized through receipt of BSE-Best Social Responsibility practice award and ICC award for Social responsibility.

As we touch the path towards Globalization, we believe that still lot of work needs to be done, but we will not relax. A new CSR strategy, due to be implemented this year, will help to communicate and further embed CSR into our business and, most importantly of all, will help the company to improve yet further its already proud record of long-term sustainable growth. We aim to do this with support of our employees, shareholders, customers and other stakeholders and build on the relationship to ensure maximum engagement. Your constant feedback is the key to our progress in building a globally competitive and sustainable company. I look forward to your response.

Tata Chemicals Ltd.

A handwritten signature in black ink, appearing to read 'Homi R. Khusrookhan', written in a cursive style.

(Homi R. Khusrookhan)
Managing Director

Tata Chemicals Limited
UN Global Compact – Communication on Progress (CoP) – 2006-07

[B] and [C] Description of Actions and Measurement of Outcomes

Global Compact Principles	Company's Policy & Direction	Specific actions taken during the current financial year	Outcomes with key Results & Measurements	Data/Result collected from the internal departments/functions (Champions)
HUMAN RIGHTS				
<p>Principle 1 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.</p>	<p>1) Company policies and guidelines ensure human rights compliance all across. Grievance Redressal Cell & Help Desk, on Company's intranet service, addresses issues related to its employees, resulting into higher satisfaction.</p>	<p>1) Overall Employee Satisfaction has increased from 63% (2005-06) to 71% (2006-07) for the non management cadre employees (73% of our workforce) and from 59% (2005-06) to 60% (2006-07) for the management cadre.</p>	<p>HR departments</p>
<p>Principle 2 Business should ensure that they are not complicit in human right abuses.</p>	<p>2) Company has SHE policy, Quality policy, Environment Policy, Community Development Policy, Food Safety Policy.</p>	<p>2) 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>2.1) Company's Fertilizer plant at Babrala has been awarded with Sword of Honour by British Safety Council, where as the Chemical plant at Mithapur has been awarded with British Safety Council 5 Star rating for its Safety Management System.</p> <p>2.2) Company's chemical and fertilizer plants are certified with ISO 9001, ISO 14001 and OHSAS 18001.</p> <p>2.3) Through effective SHE Training and better implementation of safety practices the company's safety performance has improved significantly.</p>	<p>SHE / Business Excellence Cells</p> <p>Business Excellence Cell</p> <p>SHE cell/ HR department</p>

	<p>Anti Sexual Harassment Policy</p> <p>3) Tata Code of Conduct (T-COC) ensure Human Rights compliance across the Organization</p>	<p>A sexual harassment redressal mechanism has been established which includes a redressal committee chaired by a women employee.</p> <p>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>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.</p> <p>3.2) During April 2004, Management of Business Ethics (MBE) survey was conducted.</p>	<p>Total Recordable Injury Freq. Rate</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Recordable Injury Freq. Rate</th> <th>Haldia</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>2.62</td> <td>1.55</td> </tr> <tr> <td>2005-06</td> <td>9.05</td> <td>2.49</td> </tr> <tr> <td></td> <td></td> <td>3.55</td> </tr> </tbody> </table> <p>2.4) Employees sensitized to the right of women to have a safe and secure work environment.</p> <p>3.1) In the reporting period, total 22 concerns against the T-COC were resolved out of 41. (For all the 25 Clauses of T-COC)</p> <p>3.2) Effective implementation of MBE has increased from 73.7 points(2004-05) to 79.8 points (2005-06).</p>	Year	Total Recordable Injury Freq. Rate	Haldia	2006-07	2.62	1.55	2005-06	9.05	2.49			3.55	<p>Secretary - Sexual Harassment Redressal Committee</p> <p>Company's Ethics Counselor</p> <p>Company Ethics Counselor</p>
Year	Total Recordable Injury Freq. Rate	Haldia														
2006-07	2.62	1.55														
2005-06	9.05	2.49														
		3.55														

LABOUR STANDARDS

Principle 3
Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

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 bargainable category of workmen and supervisory staff.

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.

Company has periodic dialogues and negotiations with the recognized workmen and staff trade unions to discuss and settle the charter of demand amicably.

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 supervisor 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.

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.

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.

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.

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 unions is registered as per "Section 4 of Trade Union Act – 1926".

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.

3) In the reporting period there were no unresolved grievances pending with the Grievance Redressal Cell

4) No concern was raised against clause 23 of T-COC in 06-07

Legal / Administration / Personnel departments

Personnel department

Personnel department

Ethics Counselors

<p>Principle 4 Business should support the elimination of all forms of forced and compulsory labour.</p>	<p>The company abides by the Indian Government laws under:</p> <ul style="list-style-type: none"> • Abolition of Bonded Labor Act 1976 • Contract Labor Abolition and Regulation Act – 1970 <p>The company also ensures the adherence to relevant provisions of Indian factory Act and Industrial Disputes Act.</p>	<p>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>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>Legal / Administration / Personnel departments</p>
<p>Principle 5 Business should support the effective abolition of child labor</p>	<p>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>T-COC and Relevant labor laws are applicable to local contractors, service providers, suppliers and channel partners as well.</p>	<p>Document of age proof as well medical examination by industrial physician is mandatory to ensure the compliance of stated rule.</p> <p>1.1) 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>1.2) 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>1) There is 100% compliance to the planned scheduled calendar for company's senior officers contact meeting with channel partner, distributors, dealers, suppliers and contractors.</p>	<p>Purchase Department</p> <p>Purchase Department</p> <p>Sales and Marketing Functions</p>

<p>Principle 6 Business should support the elimination of discrimination in respect of employment and occupation</p>	<p>Company policy on hiring new employees emphasizes the aspects of "Equal Opportunity Employer" and complies with Clause - 4 of T-COC.</p> <p>Affirmative action is exercised in the case of physically challenged persons, who are preferred by the organization provided the candidate meets the company's competency requirements.</p>	<p>1.3) During various meetings of company executives and management staff with channel partners, contractors and suppliers the above company policies and expectations are restated and reinforced.</p> <p>1.4) An action has commenced to send official communications to all Company dealers indicating the clause in the contract that child labor is not to be engaged in any form, direct or indirect.</p> <p>1) As per the company's recruitment policy, applicants are not discriminated on the basis of gender, 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.</p> <p>During the reporting period Company has formulated and implemented Anti Sexual Harassment policy and has established appropriate company wise committee, chaired by a lady employee, to address and resolve the issues and concerns raised.</p>	<p>1) During the reporting period 6 female recruitments were made Mumbai corporate office, 4 at Mithapur plant and 2 at Babala plant. However there was no new recruitment of disabled candidates during the reporting period. Total of 22 disabled employees are giving service to the organization.</p> <p>During the year 06-07 only two cases were received against clause no. 4 out of which one was resolved in the stipulated time and the other one is carried forward for the next year.</p>	<p>Sales and Marketing Functions</p> <p>Sales and Marketing Functions</p> <p>HR department</p> <p>Ethics Counselor</p>
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ENVIRONMENTAL PERFORMANCE

Principle 7
Business should support precautionary approach to Environmental Challenge

All the plants have robust environmental management system, in conformance with state and central government rules and regulations, to appropriately address the precautionary approach to environmental challenges.

- 1) Periodic and regular Environment Management System, internal as well as surveillance audit has been completed. Annual environmental statements are submitted to the Government authority as per their guidelines.
- 2) The Fertilizer plants at Babrala / Haldia and Chemical plant at Mithapur are re-certified for ISO 14001- 2004 Environment Management System standards.
- 3) The company has established enterprise wide risk management process, which includes process risk assessment and process hazard analysis.
- 4) Company has carried out Rapid Environmental Impact assessment in 10 kms. area as a part of its new boiler clearance process.
- 5) Company's Babrala and Mithapur plants has identified and initiated projects under Clean Development Mechanism (CDM) resulting in GHG reduction. Stakeholder consultation completed and HGA is awaited for Mithapur projects.
- 6) Company has strengthened its responsible care management practices for distribution and product stewardship codes.

1) 100% compliance to the monitoring schedule has been achieved.

2) ISO 14001- 2004 standard certificates

3) During the reporting period 5 important Env. Risk profiles and action plans were developed which are under implementation.

4) Rapid EIA report of 10 kms. perimeter around Chemical plant submitted to Govt. which inturn was circulated to NGO's and other stake holders.

5) CDM projects were developed received Host govt approval as well as UNFCCC registration. Our Phospatic fertilizer unit at Haldia has received approval for CERs 47000 per annum whose benefits would accrue by March 2008.

6) Tata Chemicals is a Responsible Care Company. (ICMA Aditya Birla Award 2004)

SHE Cell

Business Excellence

Risk Management

SHE cell

SHE cell

SHE cell

<p>Principle 8 Business should under take initiatives to promote greater environmental responsibility.</p>	<p>Company is following Mission statement. All strategies and business plans of the Company are directed towards achieving the above mission.</p> <p>Clause – 8 of T-COC ensures Environmental Preservation.</p>	<p>7) Environment performance of company is also recognized by external agencies.</p> <p>8) As the Organization follows the Montreal Protocol, the use of ODS is reduced to large extent.</p> <p>1) Company is having well established Environment Management System as per ISO 14001-2004 standard.</p> <p>2) The company is signatory to Responsible Care initiative which drives beyond compliance work practices.</p> <p>3) The company is responsible for “Charter for Environment And Protection” (CREP) and thus the company submits compliance reports for the action plans that were committed.</p>	<p>7.1) Babrala Plant: “BSC 5 STAR rating to EMS” and “Environment Agriculture and Rural Development Award”</p> <p>7.2) Haldia Plant: “Greentech Environment Excellence Award 2006”.</p> <p>7.3) Mithapur plant was awarded Greentech Environmental Excellence Award for its Environmental Performance during the 2005-06.</p> <p>8) The company has completely phased out the consumption of CTC and Freon 12 during the reporting year.</p> <p>1) Audited by the external agency twice in a year and certified for ISO 14001-2004 .</p> <p>2) Company has improved its performance for the pollution prevention code of Responsible care from 62 points (2004-05) to 75 points (2005-06) and during the year 2006-07 it improved upto 81% by strengthening its management practices.</p> <p>Annual reports are submitted to ICC regularly..</p>	<p>SHE cell</p> <p>SHE cell</p> <p>SHE cell</p> <p>SHE / Business Excellence Cell</p> <p>SHE cell</p> <p>SHE cell / Business Excellence Cell</p> <p>SHE cell / Community Development department</p>
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	Business Cell	Excellence
<p>4) The company is trying to institutionalize sustainability in its business by creating awareness and reporting its performance as per GRI guidelines through Corporate Sustainability Report.</p>	<p>4) Company is in its 4th 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.</p>	
<p>5) The company has strong communication mechanism, as a part of responsible care, to create awareness on safety health and environment among its stakeholders.</p> <p>Ex.: Customers & Suppliers through: Product Stewardship</p> <p>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>5) About 500 members of the community were engaged in dialogue about the environmental issues. They all have visited the company's facility and they were upraised on the various environmental initiatives</p>	<p>SHE cell</p>
<p>6.1) At Fertilizer plant of Babrala, treated effluent is used for horticulture making it zero effluent discharge plant.</p>	<p>--</p>	<p>SHE cell / Production plant</p>
<p>6.2) 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>6.2) Malara Green Cap project helped increased use of fly ash for plantation. In the reporting year the area under the project increased from 12 acres to 22 acres in 05-06.</p>	<p>SHE cell / Production plant</p>
<p>6.3) Fly ash generated as waste is also used in Cement manufacturing.</p>	<p>6.3) Fly ash consumption has increased from 6437 tonnes (2003-04) to 8683 tonnes (2005-06). During the year 2006-07 about</p>	<p>SHE cell / Production plant</p>

<p>Principle 9; Business should encourage the development and diffusion of environmentally friendly technology</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 and disposal of products.</p>	<p>7) Phosphate unit of Haldia plant has proposed the up gradation of Phosphoric acid plant with more environment friendly Central Prayon Process which will produce more pure and dry gypsum based on Hemi-Dihydrate process. It will result in energy saving in downstream processes and more pure quality, mineral grade gypsum will be obtained</p>	<p>10,555 MT of fly ash is consumed.</p> <p>7)) Received the NOC from WBPCB. It will reduce fresh water conservation by 20%.</p>	<p>Production Plant</p>
<p>8) Water saving initiatives is carried out for manufacturing major products.</p>	<p>8) For Urea: Water consumption per one tonne of Urea is a benchmark in fertilizer industry, with consumption of only 5.2 m3 per one tonne of product against Indian average of 8-12m3/tonne of product.</p>	<p>8) Water saving initiatives is carried out for manufacturing major products.</p>	<p>8) For Urea: Water consumption per one tonne of Urea is a benchmark in fertilizer industry, with consumption of only 5.2 m3 per one tonne of product against Indian average of 8-12m3/tonne of product.</p>	<p>Production Plant</p>
<p>9) No concerns were raised against Clause – 8 of T-COC</p>	<p>9) No concerns were raised against Clause – 8 of T-COC</p>	<p>9) No concerns were raised against Clause – 8 of T-COC</p>	<p>9) No concerns were raised against Clause – 8 of T-COC</p>	<p>Ethics Counselor</p>
<p>1.1) Company uses Solar energy at its salt works.</p>	<p>1.1) 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</p>	<p>1.1) Company uses Solar energy at its salt works.</p>	<p>1.1) 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</p>	<p>SHE cell</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>Fossil fuel based HAG will be converted to biomass based HAG</p> <p>1.2) 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>1.3) As an initiative to use renewable energy, the Urea plant at Babrala has provided solar gysers 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>2) Green Chemistry principles to address the environmental issues</p> <p>3) Sponsored a technology research to solve the reclamation of waste dumps</p> <p>4) Sponsored a research work to develop building materials from different solid waste materials that are generated from different processes of the Company</p>	<p>of coal.</p> <p>Haldia site is in the process of implementing the Bio Mass based HAG project for the DAP –1 plant. Ready for commission in Sept 2007</p> <p>1.2) Solids (recovered from ESF plant) used for Cement manufacturing in the year 2005-06 was 23795 tonnes compared to 9413 tonnes in 2004-05. During the year 2006-07 approx. 25,600 MT is used for cement making.</p> <p>The phosphoric Acid plant is in the process of converting the technology from conventional Dihydrate process to more environment friendly Hemi dehydrate process producing dry gypsum.</p> <p>2) Increased waste recycling reduced specific raw material consumptions and shifting towards eco-friendly processes etc.</p> <p>3) 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>Central Buildign Research Institute, Roorkee has recommended a proper mix of Fly ash and Lime grit for using as Bund building materials.</p>	<p>SHE cell</p> <p>SHE cell</p> <p>SHE cell</p>
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ANTI CORRUPTION AND PREVENTION OF BRIBERY

<p>Principle 10: Business should work against corruption in all its forms, including extortion and bribery</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 persual in respect of relevant clauses.</p>	<p>1) In the year 06-07 : 3 cases were registered against clause no 5 and none in clause 6</p>	<p>Business Ethics Counselor.</p>
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