



Our Commitment to
UN Global Compact
“Communication on Progress”

December 2006

TATA INTERNATIONAL LIMITED

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Communication on Progress

Introduction

Tata International Limited has been a signatory to the United Nations Global Compact since 2002. We are committed to the ten principles of the Compact which foster better corporate responsibility in the areas of human rights, labour, environment and anti-corruption. This Communication on Progress provides an insight into our recent activities in support of the Global Compact's objectives.

Statement of Continued Support

As a member of the Tata group we follow the principles of corporate governance and a code of ethics (called the Tata Code of Conduct) very similar to the Global Compact. This code of conduct is signed by all our officers and has been shared with our suppliers and customers.

The triple bottom line – economic, environmental and social - is today a prerequisite with stakeholders across the globe. Fortunately, Tata International, being a part of the Tata Group, whose values since the 1860s have mandated that no achievement in financial terms is worthwhile unless it improves the quality of life of the people and meets national aspirations, have always believed in it.

In order to meet the national objective of earning foreign exchange, Tata International was incorporated as a trading house in 1962. Today, as an international marketing company dealing in engineering products and leather it serves this same purpose in countries as wide apart as Bangladesh and Zambia, by contributing to their foreign exchange earnings. Similarly, in response to a government request to develop the then backward areas of the country our leather manufacturing facility was set up in Dewas, in Madhya Pradesh, today it is the global hub for our leather business, and Tata International is India's largest exporter of leather and leather products.

We are pleased that we continue to receive encouraging external feedback on our environment initiatives at our leather manufacturing facility at Dewas which was recognized by the Ministry of Environment & Forest, Government of India with the 'National Award for Prevention of Pollution' and the 'Rajiv Gandhi Environmental Award for Clean Technology', by the Council of Leather Exports for being the first leather manufacturing facility in India to have ISO 14001 certification, and by TERI with Corporate Environmental Award. At the leather factory in Dewas our patented technology for gainful utilization of solid waste through biomethanation and our research and development efforts for chrome-free leathers are world class.

The Corporate Social Responsibility (CSR) programs we undertake address the Human Development Goals and we measure our CSR process using the Tata Index for Sustainable Human Development, which has been developed by the Tata Council for Community Initiatives, Tata Quality Management Services and the UNDP. We are also signatories to the India Business Alliance to Stop TB catalyzed by the Global Health Initiative of the World Economic Forum. We have undertaken an initiative in 2006 to create women self help groups in the Kancheepuram district who will cater to our leather products factories.

Our strategy recognizes sustainable development as a means for achieving long term growth, while keeping in mind that we hold our business in trust for our stakeholders and this planet in trust for future generations. We also recognize that we still have a long way to go and I invite any individual or organization to share their views with us. So that, in so doing we can learn from each other.

Ram Balasubramaniam
President



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| Principles (GRI indicators correlated with) | Company's Policy & Direction (Approach / Process / Deployment) | Specific actions taken during the current financial year (Outcomes with Key Results & Measurements) |
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| Human Rights | | |
| Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights (HR 1,2,3,4) | We follow the International Declaration of Human Rights. Our HR policies and procedures reflect, pursue and review these on an annual basis. | <ol style="list-style-type: none"> 1. Employee concerns are aired and reviewed regularly through Dialogues (Communication Meetings) at all the Company locations conducted on separate occasions throughout the year by 1) the President 2) the HR Head 3) Senior Managers with the Business Head / Location Head present. 2. At our manufacturing facility at Dewas in Madhya Pradesh we adhere to working hours as laid down in the Factory Rules 1962. 3. Ascertain that all our units as well as Supply Chain Units and the personnel employed through contractors do not employ child labour. 4. To reinforce the 'Tata Code of Conduct' a printed version is shared in English and Hindi (for the benefit of workforce in Dewas who are Hindi speaking) with all our employees, including workers, and suppliers. 5. The Company is in the process of preparing its fourth annual Triple Bottom Line Report. |
| Principle 2 Make sure they are not complicit in human rights abuses (HR 2, 3) | Our HR / IR processes by way of consultative committees are at all times constantly and proactively addressing issues in possible areas of conflict with the Unions. | <ol style="list-style-type: none"> 1. Care is taken by the Company to ensure that it does business with suppliers, contractors and service providers who comply with the relevant standards under the Universal Declaration and the Fundamental Human Rights Conventions of the ILO and also meet the statutory requirements like registration for Provident Fund for its personnel and refraining from using child labour. 2. The Joint Management Council formed in 2004 comprising of members from the Management and the Union, meets regularly and addresses the areas of conflict. 3. Besides, there is the Safety Committee, Management by walking, and Listening Post which resolves conflicts and grievances. |



| Labour Standards | | |
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| <p>Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>& 4 The elimination of all forms of forced and compulsory labour</p> <p>(HR 5, 7 LA 3, 4)</p> | <ol style="list-style-type: none"> 1. As stipulated in the various Laws in India and as per our company policy we have a process of 'collective bargaining' through employee Unions and periodic negotiations are in place since the inception of the company. 2. Forced and compulsory labour is banned by the Government of India. | <ol style="list-style-type: none"> 1. The Company's Senior Management interacts with the collective bargaining group (workers / staff / associates) in this regard. Every 3 years a Wage Negotiation takes place wherein the demands of the workers are discussed, bargained and concluded in the form of an Agreement. The Agreement addresses issues of employee welfare and well being. The Company has not experienced industrial unrest since its inception. 2. There is no forced and compulsory labour in Tata International Limited. |
| <p>Principle 5 The effective abolition of child labour</p> <p>(HR 6)</p> | <p>All suppliers are told that the Company shall take serious note if the contractor in any way employs child labour, directly or indirectly.</p> | <ol style="list-style-type: none"> 1. The Company's Recruitment Policy ensures that only adults over 18 years of age are employed by the Company. 2. The Company checks that its suppliers, supply chain unit, service providers and contractors also employ adults over 18 years of age and do not resort to child labour in their operations. 3. The monitoring is by way of periodic review of suppliers/ contractors. We have conveyed to all suppliers the seriousness of the issue. |
| <p>Principle 6 Eliminate discrimination in respect of employment and occupation</p> <p>(HR 4, LA 10,11)</p> | <p>The company's policy on selection, recruitment and confirmation of employment includes an explicit understanding that we are equal opportunity employers as per the Tata Code of Conduct (Clause 4). With respect to disability, the incumbent shall get the job if she or he fulfils the basic requirements.</p> | <ol style="list-style-type: none"> 1. The Company has a systematic recruitment process, which ensures that there is no discrimination on account of age, sex, nationality or religion. 2. The Company gives employment or contract work opportunities to physically challenged people wherever possible, including the grading of leather by the visually challenged and housekeeping by the physically challenged. |



| Environmental Protection | | |
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| <p>Principle 7 Businesses should support a precautionary approach to environmental challenges</p> <p>(HR 3.13)</p> <p>Principle 8 Undertake initiatives to promote greater environmental responsibility</p> <p>(EN. 1 to 16)</p> <p>& 9 Encourage the development and diffusion of environmentally friendly technologies</p> <p>(EN-17 for Principle 9)</p> | <p>The company is traditionally pro-environment and specific policies and guidelines exist to set direction that addresses these Principles and beyond. The company has an Environmental Policy.</p> | <p>Precautionary approaches to environmental challenges</p> <ul style="list-style-type: none"> ▪ Environmental Impact Assessment study ▪ ISO-14001 Implementation ▪ Eco-labelling of leather and leather products. ▪ Recycling of solid and liquid wastes ▪ Waste reduction approaches at source. ▪ Rain water harvesting. ▪ Stop use of banned items ▪ Technical support to suppliers not to use banned chemicals ▪ Maintaining norms of treated effluent water ▪ Recycling of Effluent Treatment Plant treated water using Reverse Osmosis technology ▪ Patenting of new R&D technologies ▪ Biomethanation of different solid wastes ▪ Biotech mode of leather manufacturing ▪ Cost reduction by substitution of cheaper and eco-friendly chemicals. <p>Initiatives to promote greater environmental responsibility</p> <ul style="list-style-type: none"> ▪ Recycling of waste water ▪ Recycling of all type of solid wastes. ▪ Biotechnology for leather manufacturing. ▪ Microbes produced colour. ▪ Energy generation from solid wastes and resource recovery from hazardous waste ▪ Water harvesting ▪ Greenery by design. More than 250,000 trees planted all around the complex. ▪ Utilization of solar energy for boiler feed water <p>Development and diffusion of environment friendly technologies</p> <ul style="list-style-type: none"> ▪ Eco-friendly chrome leather ▪ Formaldehyde free leather ▪ Leather totally free from PCP and Azo dyes <ol style="list-style-type: none"> 1. The company has initiated various environmental care programmes including recycling of energy, water and hazardous waste under the umbrella of ISO-14001 & Eco-labeling of our products. 2. The leather manufacturing unit at Dewas in Madhya Pradesh, India has won many prestigious awards like Rajiv Gandhi award for best environmental practices, TERI Corporate Environmental award for Environmental excellence. State level environmental award from the Govt. of Madhya Pradesh, etc. 3. These environmental care efforts help in GHG emission reduction. |



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| Anti-Corruption and prevention of Bribery | | |
| Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery | <p>As a Tata company there is an elaborate system and process for the 'management of business ethics'. The company has the head of the Company as the Principal Ethics Officer, a Senior Manager as the Chief Ethics Counselor and each Location has an Ethics Counselor responsible.</p> <p>All employees sign the Tata Code of Conduct.</p> <p>The Tata Code of Conduct is sent to all suppliers with the contract, for their perusal in respect of relevant clauses. Clauses 5, 6 and 7 address these issues.</p> | <ol style="list-style-type: none"> 1. Every employee has to sign the Tata Code of Conduct (TCOC). Every year, every new employee signs the Tata Code of Conduct. 2. Hotline: an e-mail id has been in use since 2005 to ease the reportage of ethical concerns by employees and suppliers and partners. |

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