

**TATA MOTORS LIMITED**

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**COMMUNICATION ON PROGRESS**

**2007-2008**

**Global Compact – Communication on Progress, 2007-2008**





Ladies and Gentlemen,

I am delighted to submit the Communication on Progress to the Global Compact Society for the year 2007-08.

Tata Motors, India's largest automotive company, continuously strives to deliver exceptional value in its products and services to the customers, offer superior returns to its shareholders, enhance the country's natural heritage and improve the quality of life of the communities it serves. Tata Motors' intent is to contribute by *"doing the right thing"* as against merely being compliant by *"not doing the wrong things"*.

Tata Motors continues to extend full support to the principles of Global Compact and strives to align its business operations towards the furtherance of these principles. In this endeavor, Tata Motors has been continuously launching environment-friendly products by using latest technologies. While we already have LPG and CNG fuelled vehicles, the company is now on the anvil of introducing electric vehicles. Further, the company is committed to meet all emission norms in its products that are enforced from time to time in India and the international markets where it operates. All the manufacturing facilities of Tata Motors are certified to meet ISO: 14001 Environment Management System (EMS) standards. The manufacturing plants have reduced power and water consumption per unit of vehicle by pursuing various energy and water conservation efforts. Rain water harvesting continues to be a focussed activity. The Pune plant has consumed around 50 millions units of wind energy annually since 2001 as part of the Clean Development Mechanism of the United Nations.

The Company has well-defined thrust areas for its community development initiatives which are linked to national and international goals and standards, including the Human Rights Charter, Bharat Nirman Programme and the Millennium Development Goals. Tata Motors is engaged in community and social initiatives on labour standards in compliance with the principles of the Global Compact. Over a thousand youth from areas surrounding the company's plants were trained in various technical and vocational trades. 350 of these people were trained at the Singur



site in West Bengal, where the small car project was supposed to come up. As part of the women empowerment programme, over a thousand women were trained in sewing, manufacturing food products and beautician courses.

The Company's contribution in national development, environmental conservation and societal value creation has been acknowledged at various forums. The Jamshedpur plant was awarded the National Energy Management Award by Confederation of Indian Industries (CII) and declared the "Energy Efficient Unit 2007". It also received a trophy and award for Outstanding Performance by CII- ER Energy Conservation (ENCON) Award 2007- 08 Contest. Tata Motors has earned the distinction of "Notable COP" for the year 2006-07 as well.

The Report covers the impact of various societal and environmental programmes carried out within the manufacturing units, at non-plant locations and in surrounding communities. The Report also enumerates various partnerships of the company to champion the cause of human rights protection. I hope that you will find the report useful.

Yours truly,



Ravi Kant



PROTECTING HUMAN RIGHTS

Within our boundaries:

Tata Group has a common code of conduct for its companies, which is a shared set of ideals and beliefs that govern and guide the business. The Tata Code of Conduct (TCoC) is a guide to each colleague on the values, ethics and business principles expected of him or her. The Code is a set of 25 principles, which enshrine the human rights principles, the commitment towards environment protection, adherence to labour standards and anti-corruption. These principles include:

1. National interest	14. Use of Tata brand
2. Financial reporting and records	15. Group policies
3. Competition	16. Shareholders
4. Equal-opportunities employer	17. Ethical conduct
5. Gifts and donations	18. Regulatory compliance
6. Government agencies	19. Concurrent employment
7. Political non-alignment	20. Conflict of interest
8. Health, safety and environment	21. Securities transactions and confidential information
9. Quality of products and services	22. Protecting company asset
10. Corporate citizenship	23. Citizenship
11. Cooperation of Tata companies	24. Integrity of data furnished
12-13. Public representation of the company and the Group	25. Reporting concerns

At Tata Motors, the Internal Audit department is responsible for guiding colleagues about the Tata Code of Conduct. The team, comprising the Chief Ethics Counsellor and Ethics Counsellors spread across locations, is also in charge of resolving any TCoC concerns that are reported within the company.



**What is a colleague's role in relation to the TCoC?**

- Understand the company's fundamental ethical values, the TCoC clauses and the relevance to work areas
- Consider ethical issues in every aspect of the job
- Seek guidance on ethical issues from department heads, ethics counsellors
- Communicate any concern about actual or possible violations one is aware of to department heads, ethics counsellors
- Cooperate in investigations regarding concerns



In an interview with the Chief Ethics Counsellor of Tata Motors, Mr. Abhijit Gajendragadkar, process of resolution of TCoC concerns is explained. Excerpts from the interview are reproduced below:

**What are the main concern areas?**

They generally cover four broad areas: about the company adhering to the Tata Code of Conduct, about an individual or colleague adhering to the Code, about another Group company adhering to the Code and, guiding departments or colleagues on correct interpretation of the Code.

**Are all concerns resolved?**

Yes, within a reasonable period of time. For the year 2007-08, 95 of the 115 concerns we received have already been resolved. The remaining 20 are being reviewed.

**Could you share with us some of the actions taken on the concerns reported?**

The action taken on the concerns vary from process improvement through rectification of errors, introduction of new policies/ guidelines on implementation of uniform work practices, administrative action on erring employees. There have been cases, where given the nature of the violation, individuals have been asked to leave the organisation.

**Are all concerns investigated - even those that are reported anonymously?**

Each and every concern that the Ethics team receives is investigated. Depending on whether a complaint has been filed anonymously or with the person's name, and the facts that emerge, the Ethics team decides on an appropriate course of action. In some cases, the investigations do reveal that the report was false and was made due to animosity or disgruntlement. While the TCoC allows concerns to be reported either in writing, verbally or anonymously, I request colleagues to avoid posting anonymous concerns. There may be lack of clarity on the concern raised when it is done anonymously, and may hinder us from resolving it to our satisfaction. As per the Whistle blower Policy, the identity of person raising the concern is protected. Moreover a colleague can make a protected disclosure under the Whistleblower Policy, to the chairperson of the audit committee of the board or specified authority with reasonable evidence of actual or possible violation and after indicating his/her identity.

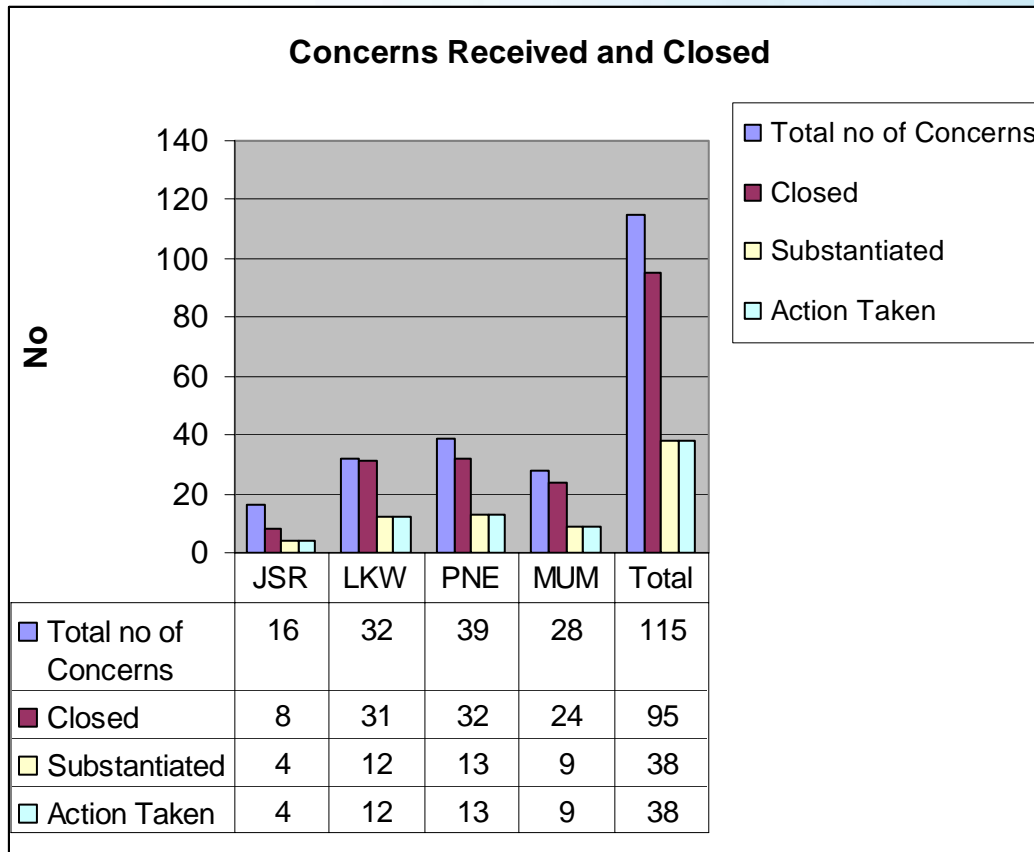
**Is the code periodically updated?**

The group has recently amended the Code of Conduct to make it more contemporary. The revised Code has been updated on the TCOC site on the internal website and the website of the Tata group, [www.tata.com](http://www.tata.com)

A table highlighting the concerns received and closed under TCoC from each manufacturing unit during the year 2007-08 is given below:







\* JSR stands for our manufacturing unit at Jamshedpur  
 LKW stands for our manufacturing unit at Lucknow  
 PNE stands for our manufacturing unit at Pune  
 MUM stands for our offices in Mumbai, including the corporate office

In addition, the Company has well developed Supplier and Dealer Assessment Processes to take care of issues related to social aspects, which are made a part of the selection process for dealers and suppliers of the Company. All legal and regulatory requirements need to be fulfilled before final selection. The Company also periodically audits the job contractors for adherence to labour laws and other statutory requirements, such as payment of minimum wages, Provident Fund and Gratuity etc. The Company also has a special Contracts Cell and Price Panel, which conducts regular compliance audits of contractors and suppliers to ensure their adherence to legal enactments.



### Beyond our boundaries:

Tata Motors, through its Corporate Social Responsibility (CSR) Teams, strives to address the requirements of communities, in particular from the underdeveloped rural areas. Tata Motors has a well-structured process to work towards integrated rural development through concentrating in the areas of health, education, employability and environment. This comprehensive development programme attempts to improve the standard of living of the community in underdeveloped rural areas, thereby promoting their basic human rights of access to basic necessities to live a life of dignity.

A summary of the impact created by several community development initiatives in the year 2007-08 is given below:

#### Employability

1,085 youth from areas adjacent to the Company's plants, were trained in various technical and vocational trades. At the new plant location of Singur alone, over 350 local youth have been trained in partnership with the government and the social sector, enhancing their employability.

As a part of its skill development programme, the Company has identified 10 Industrial Training Institutes (ITIs) across the country to upgrade their facilities and enhance the relevance of their programmes to industry needs. Of these, four ITIs have been covered in 2007-08. They have been equipped with the latest machines and tools, the students have been taken on exposure visits to understand manufacturing processes and 'Train the Trainer' programmes have been organised for their faculty.

In addition, as a part of the Company's women empowerment programme, 1,058 women have been trained in manufacturing food products and utility items, sewing and beautician courses.

All the students of the Company-supported Mechanic Motor Vehicle Trade Course, 2007-08, in association with the Ramakrishna Mission at Sakwar, Thane district, Maharashtra, have been successfully placed at the Company's dealerships. Two students from the previous batch have been facilitated to open their own workshop on the Mumbai-Ahemdabad Highway



Photo: Women from the project area of CSR, Pune, who received training in tailoring and were donated sewing machines under the Women Empowerment initiative, called *Bahujan Hitay* in Pune



## Health

Curative and preventive health services were provided to over 92,390 persons through the Company's community health programmes. In Jamshedpur, Jharkhand, 374 individuals benefited from cataract operations conducted free of cost.

Special country-wide programmes were conducted for drivers during service camps. About 46,548 drivers availed of the free general health and eye check-up camps and AIDS awareness programmes.

Towards the Company's drive for total sanitation in adopted villages, 1,940 low-cost toilets were constructed.

12 hand pumps were installed and three wells were repaired, ensuring clean drinking water supply for over 3,500 villagers. Tanker facilities were deployed during summer months to meet drinking water requirements of rain-parched rural areas in Pune district, Maharashtra.



Photo: Villagers receiving free health check-up and medicines from the Mobile Health Clinic in Lucknow project area

## Education

Shiksha Prasar Kendra, a Tata Motors society at Jamshedpur, supported 18,000 students (of which 7,500 are girls) from across 33 schools. Scholarships for higher studies were awarded to 375 students. Extra-curricular activities were organised in 31 schools in which over 4,300 students participated.

Infrastructure was improved at 13 schools, promoting higher education for 2,000 children from over 25 villages. This includes a computer laboratory at the Beraberri High School at Singur in West Bengal.







Photo: Mr. S N Ambardekar, Plant Head and Mr. P P Ahir, General Manager, Human Resources, Commercial Vehicle Business Unit (CVBU), Pune congratulating the students of Sumant Vidyalaya, a Tata Motors supported school in Pimpri Budruk village for performing *Mallakhamb* steps at their cultural event

**Environment**

Over 175,242 saplings have been planted with 80% survival rate.

Community irrigation wells and check dams have been constructed at villages near Pune, augmenting incomes of families through improved irrigation. In Jamshedpur, 85 acres of land has been brought under irrigation and tree plantation has extensively been carried out in over 152 acres.



Photo: Managing Director, Mr. Ravi Kant planting a tree at Uttarakhand

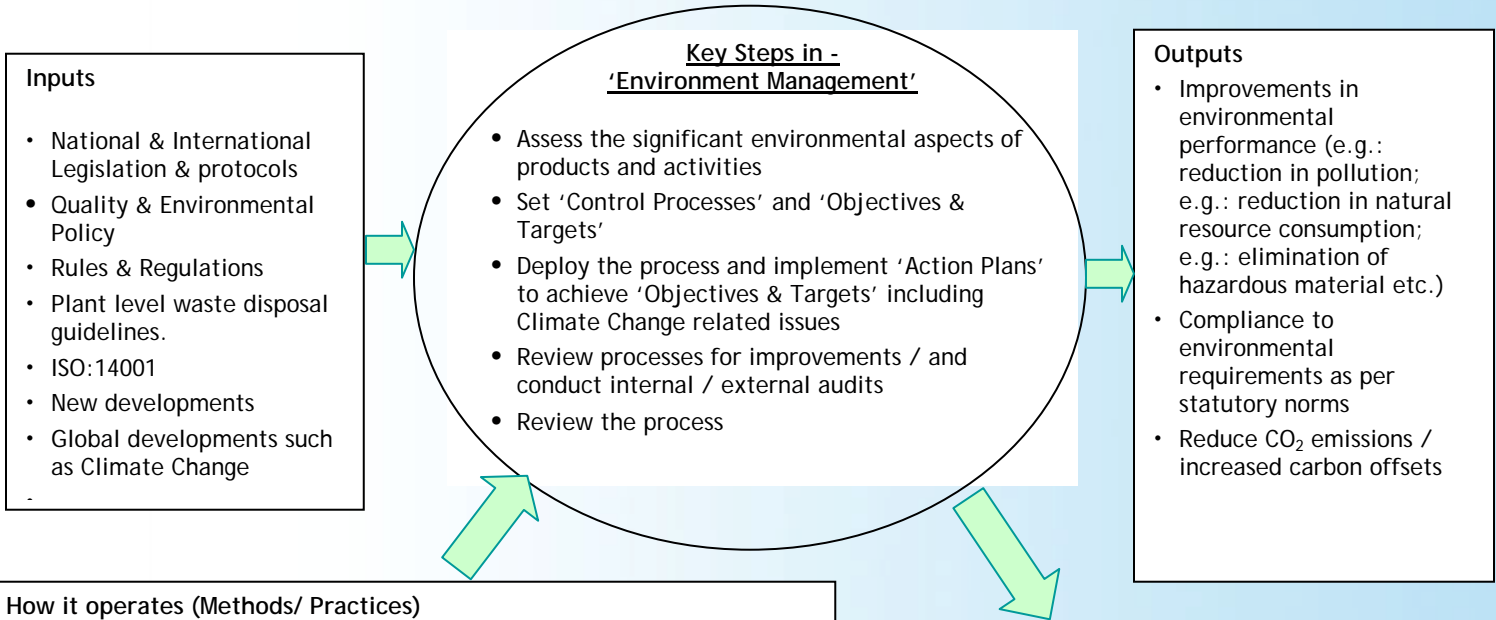
**International Locations**

Drivers being a key community of the Company, even international locations cater to their well-being and skill development. Towards this end, technical training was provided at vehicle check-up camps in Sri Lanka, and AIDS awareness formed an integral part of check-up camps in Ghana, benefiting over 100 individuals.



**ENVIRONMENT PROTECTION**

**Environment Management System at Tata Motors**



**How it operates (Methods/ Practices)**  
[Cross Ref.: EMS Manual at respective locations]

- Assess the 'significant' environmental aspects of products and activities as per established EMS procedures-**
  - All Process Owners identify the 'significant' environmental aspects of products and activities with the help of ERC centrally & Environment Group at respective Works locations.
- Define Operational Controls, Emergency Action Plans and set 'Objectives and Targets'**
  - Operational Control Procedures and Emergency Action Plans are established and deployed. Process requirements are assessed in line with volume and quality requirements.
  - Action Plans are set to achieve environmental 'Objectives & Targets' after ensuring availability of resources.
- System Monitoring-**
  - System performance measures are identified, periodically monitored, reported and analyzed for feedback and corrective actions.
  - Environment Group at respective Works locations coordinates conduct of internal external audits as per pre-defined schedule. Corrective and preventive actions are taken by concerned Process Owner and shared.
- Review processes for improvements-**
  - The established EMS is reviewed periodically by Plant Heads at all Works locations to provide direction and resources as necessary for 'continual improvement' of the EMS.
  - Manuals / procedures / work instructions are reviewed and updated in line with changes in statutory requirements and other inputs and the changes are communicated to all concerned.
- Review the process**

Performance Measure	Unit
<b>Efficiency</b> <ul style="list-style-type: none"> <li>▪ Improvement over previous years 'environmental performance'</li> </ul> <p>* TISHD - Tata Index for Sustainable Human Development</p>	Ratio (TISHD*)
<b>Effectiveness</b> <ul style="list-style-type: none"> <li>▪ Environmental measurements within applicable statutory norms</li> <li>▪ No. of Non Conformity Reports (NCRs) raised in external EMS Audits</li> </ul>	No.  No. of NCRs

**Precautionary Approaches to Environmental Challenges:**

The 'precautionary approach' to environmental protection is embodied in the 'Environmental Policy' of the Company. The Policy elaborates Top Management commitment to "proactively work with interested parties to adopt international best practices over and above full legal compliance". The environment policy was detailed in COP 2006-07.

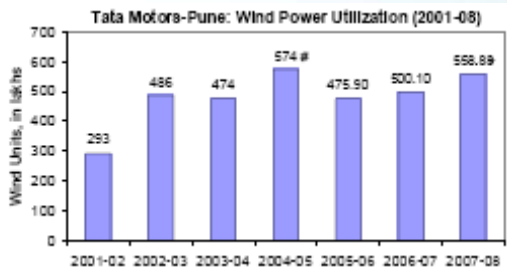
**Use of Alternate source of fuel: Wind Power**

**The Environment Challenge:** The demand for energy has grown along with rapid industrial growth. Studies have forecast a shortage of fossil fuel worldwide leading to ultimate extinction, when natural deposits will be completely depleted. Fossil fuel based conventional power generation is recognized as a major contributor to environmental pollution and to the Greenhouse Effect.

**Wind Power as an alternate source of energy:** Wind power is a 'clean' and 'cost effective' renewable energy source. Wind energy has emerged as an economically lucrative and the cheapest source of electrical energy which offers financial returns within a short period of time. It is further estimated that approximately 1000 Units of electricity saved is equivalent to 1 tonne of carbon dioxide - the primary greenhouse gas. Tata Motors' opting for wind energy effectively reduces the demand for electricity generated by burning conventional fossil fuels such as coal and fuel oil.

**Wind Power Development in Maharashtra:** The estimated wind energy potential of India is 20,000 MW and 800-900MW in Maharashtra. The State Govt. has appointed an agency, Maharashtra Energy Development Agency (MEDA) to encourage use of non-conventional energy sources such as wind power. MEDA has identified various sites in Maharashtra, where sufficient wind velocity is available to develop wind power generating units.

**Use of Wind Power at Tata Motors, Pune:** M/s Suzlon Energy Ltd. installed & commissioned 114 Nos. x 350 KW wind turbines & 3 Nos. x 1MW wind turbines at Satara and Supa in Maharashtra. Tata Motors, Pune has signed a 35.55 MW Power Purchase Agreement (PPA).



*In September 2007, the Certified Emission Reductions were auctioned through the Chicago Carbon Exchange (CCX) and purchased by M/s Eco-Securities Capital Ltd., Ireland*

It is to be further noted that Tata Motors is working with the steering committee of National Hydrogen Energy Board, India, to find ways in which India may harness hydrogen potential energy of future.



## Environment Friendly Technologies

- The Company is working with the 'Department of Science & Technology' on the Expert Panel on "Recyclability of automotive Systems & Components". It is also working with SIAM as a member of task force to study recyclability of vehicles in India.
- All manufacturing facilities of the Company are certified to the ISO-14001, International Standard for Environmental Management Systems. The societal & environmental aspects of products and operations & their related impacts have been formally assessed as apart of the installed Environmental Management System and Environmental Risk Management Process. Various initiatives like water management system, rain water harvesting, recycling of treated effluent, eco friendly solid waste management, energy conservation, wind energy, recycling of dirty oils & bio-diesel programme are focused on the Company's goal to preserve the environment.
- The Company continues to preserve and develop natural habitat through its tree plantation and wetland development programmes (also detailed in COP 2006-07)

*Initiatives like End-of-Life Vehicle and Recyclability of products, waste management systems, rain water harvesting initiatives and Tata Motors efforts to preserve the bio-diversity has been detailed in last years report, COP 2006-07.*

## Upholding Environment Responsibility

### Energy Conservation

Tata Motors Ltd. considers energy conservation critical to the operation of its manufacturing units. Apart from reducing operational costs, the energy saved amounts to environment protection by way of avoiding pollution due to power generation processes. Energy conservation is driven throughout the organization, by way of setting Division-wise targets and monitoring performance on everyday basis for optimizing energy consumption.

Company has started several Energy Accounting and Energy Conservation programmes, some of which are highlighted below:

- Introducing Fiber Reinforced Plastic blades for man-coolers.
- Installing variable speed drive for flow control and energy saving
- Introduction of fuel additives in Furnace Oil to improve the combustion efficiency of the fuel.
- Soft-start energy savers for hydraulic press motors
- Sheds designed for efficient natural lighting.
- Use of Compact Fluorescent Lamps, sodium vapour lamps to minimize energy consumption.
- Installing portable compressors for isolated running to save compressed air
- Harnessing natural daylight by installing translucent roof sheets in workshops
- Use of Liquefied Petroleum Gas in place of Light Diesel Oil and Electricity for heating, wherever applicable.
- Installation of Turbo Ventilators in forge and Foundry to extract fumes which do not require energy to operate

Representatives of the Company are participating in the following national committees working for improvement of environment throughout the country:

- 1) Technical committee for "Air quality monitoring, emission inventory and source apportionment studies for Indian cities" constituted by Central pollution control board, Delhi





- 2) Group on “Technical evaluation of Automotive Research Association of India reports on development of emission factors” constituted by Central pollution control board, Delhi
- 3) Technical committee for “Heavy-duty Diesel retrofit demonstration project” constituted by National environmental engineering research institute, Mumbai
- 4) Multi stakeholder committee to “Develop Better environmental sustainability targets for lead battery manufacturers” constituted by development alternatives, Delhi in collaboration occupational knowledge international, UK and national referral center for lead poisoning, India
- 5) Steering committee for “Mobile Air conditioning Assessment project” constituted by The Energy Research Institute (TERI), Delhi

**Accolades and Unique Initiatives at a Glance:**



Photo: Mr. Prashant Krishnan, Senior Manager (Safety & Environment) receiving the Award for Rain Water Harvesting from Mr. A K Basu Chief Secretary and Chairman, Jharkhand State Pollution Control Board







Image: Certificate of Appreciation from CII (Eastern Region) in the Safety, Health and Environment (SHE) Contest 2007-08



Photo: Enthusiastic young participants of the Sit & draw contest held on the eve of World Environment Day 5<sup>th</sup> June, 2008





Photo: Seminar on the Theme: "Carbon Emission Reduction" with special emphasis on the subject: Climate Change: at Management Training Center (MTC), Tata Motors, Jamshedpur, 15<sup>th</sup> September, 2008

**WORLD ENVIRONMENT DAY: 5TH JUNE 2008**



**Climate Change**

मैं, पर्यावरण संरक्षण एवं प्राकृतिक संसाधनों के समुचित व संवर्धित उपयोग के लिये प्रतिबद्ध हूँ।

Photo: Badges in support of environment sported by employees of Tata Motors on World Environment Day



UPHOLDING LABOUR STANDARDS

**Promoting Freedom of Association and Collective Bargaining**

Tata Motors has a reputation of being a fair and a firm employer. At Pune, Jamshedpur and Lucknow, the Company has internal unions which are recognized under the Trade Unions Act of 1926. The unions represent the workmen and enter into long term wage settlements through harmonious collective bargaining process.

The management has encouraged various forums for the unions to raise any grievances and seek redressal through bipartite forums like an Industrial Relations Committee (Union, Management and random workmen as observers meet and raise issues, if any, and understand the Company’s position), Safety Committee (to negate unsafe working conditions) Transport Committee, etc.

Procedures involving information, consultation and negotiation with employees

Interaction Level	Frequency
<b>Business Unit Level</b> Managing Director, Executive Director (Business Unit Head)	Annual
<b>Plant Head</b> Senior VP/ Direct Reports	Monthly Periodically
<b>Divisional Level</b> GM/ Direct Reports	Monthly
<b>Factory/Department Level</b> Divisional Head/ Factory Head/ HR	Monthly Weekly
Centre of Excellence owners / HRO	Need Based one-to-one interaction

**Eliminating Child Labour and Forced and Compulsory Labour**

Tata Motors follows all Labour Standards applicable to an Industrial unit. To serve as an audit from time to time, the Company has also implemented Social Accountability standards through SA8000 which audits the company and its supply chain for forced/compulsory labour, possibility of child labour, minimum wages, payment of wages, etc.

In addition, the Tata Code of Conduct, referred to earlier, also has clauses on these two principles.

**Equal Opportunity for Employment**

The Company is an ‘equal opportunity organisation’. TCoC has a clause which prevents all forms of discrimination during employment as well as growth within the organisation. The written policy on non-discrimination and equal opportunity for employment was reproduced in COP 2006-07 and continues to be adhered to.





AN ETHOS OF ANTI-CORRUPTION

Like most of the principles on human rights and labour standards, Principle 10 is also included in the TCoC. All the employees are signatories of the TCoC. Any violation of the Code, experienced or known to an employee can be communicated to the divisional ethics counselor either by letter or by using toll free number with or without disclosing the identity of reporting person. After assessing the authenticity of the concern reported, the divisional co-ordinator and plant level ethics counselor take appropriate disciplinary action. Any complaint which could not be handled at plant level is reported to corporate ethics counselor for further action.

