

Global Compact – Communication On Progress 2011-2012

3rd May 2012

Principles (GRI Indicators to help correlation)	Company's Policy & Direction (Approach / Process / Deployment)	Specific actions taken during the current financial year (Outcomes with key Results & Measurements)
Human Rights		
Principle 1		
Businesses should support and respect the Protection of internationally proclaimed human rights.	Our HR Policies and Tata Code of Conduct (TCOC) reflect this aspect.	<p>1. 97 awareness sessions on TCOC were conducted across the organisation. Employees are encouraged to express their concerns at these meetings. The gifts and donations policy was reiterated during the festive season.. We have pioneered the case study methodology to be used across other Tata companies to more effectively disseminate the code. Case Study sessions were held in our Thane, Delhi and Chandigarh locations.</p> <p>2. The TATA CODE OF CONDUCT AND TATA Philosophy is explained at the time of compensation negotiation with a selected candidate. The concerned HR Manager shares the purpose and the gist of the Tata Code of Conduct with the candidate. At the monthly induction programme a detailed presentation is made to all new entrants.</p> <p>Refresher courses are conducted periodically.</p> <p>3. An Ethics Contest on Case Studies was organised to encourage members to voice concerns through these Case Studies. 56 Case Studies were received.</p>
Principle 2		
Make sure they are not complicit in human rights abuses.	Our Employee Relations process is consultative and regular meetings are held between Management and Union to resolve issues if any.	<p>1. Voltas while appointing suppliers and dealers ensures that they comply with all relevant statutory requirements. We have enhanced our dialogue with suppliers and vendors and service providers.</p>

		<p>2. Our manufacturing units have Safety Committee; all factory requirements are met as per statutory requirements. We have rolled out OHSAS 18001 across major operations of the company. A team of internal auditors has been trained.</p> <p>3. We have undertaken certain initiatives under our Affirmative Action (AA) Programme. The initiatives are in the areas of employability, employment, entrepreneurship and aid in education. Through AA the company focuses on creating employability in disadvantaged and underprivileged sections by upgrading the skill sets through mass technical training. We have given scholarships to 9 Engineering students in the mechanical and electrical streams. We have trained underprivileged students in the maintenance of Room ACs and have placed them with dealers and franchisees – making them employable and also facilitating employment.</p>
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Labour Standards

Principle 3

<p>Business should uphold the freedom of Association and the effective recognition of the right to collective bargaining.</p>	<p>We have recognised Union. Collective bargaining through Employees Union and periodic negotiations are continuously on.</p>	<p>1. VP-HR and his team interact with the collective bargaining group and wage revisions are effected as per the signed agreement.</p> <p>2. The employees are above the limits of the Bonus Act and only Ex-gratia is payable. The amount of Ex-gratia to be paid is under negotiation.</p> <p>3. We respect the bilateral process of negotiations. We have had numerous meetings with the elected managing committee of the Federation/Union during the last about two years in our process to resolve and reach an amicable settlement on the issues concerning Management and</p>
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		Unionised employees as a comprehensive package.
Principle 4		
The elimination of all forms of forced and compulsory labour.	As per Govt. of India, there is no forced and compulsory labour.****	There is no forced and compulsory labour in Voltas Limited. An appointment letter follows an offer letter stating conditions of service and separation. Exit interviews are conducted at the time of separation.
Principle 5		
The effective abolition of child labour.	We will not deal with any Supplier / Dealer / Vendor who employ child labour.	Company engages employees over 18 years of age only and deals with suppliers and vendors who comply with this.
Principle 6		
Eliminate discrimination in respect of employment and occupation.	We strictly follow the TATA Code of Conduct and do not discriminate on the grounds of gender / race / creed in our selection process.	<p>1. Our HR Policies on recruitment and selection are specifically described and are On-Line.</p> <p>2. The Company considers employment for the physically challenged.</p> <p>3. The Company has revisited the Policy on prevention of sexual harassment and has come out with a more comprehensive policy on the same in December 2011.</p> <p>The Management has constituted an apex committee comprising of women employees - Company Ethics Counsellor and a woman from an NGO.</p>
Environment Protection		
Principle 7		
Businesses should support a precautionary approach to environmental challenges.	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>a. No land filling for solid waste, hazardous waste.</p> <p>b. Zero effluent discharge to sewer.</p> <p>c. Maintaining norms of treated effluent water, air emission and noise pollution.</p> <p>d. Stop use of banned items like Freon – 11 in manufacturing and asbestos for forklift exhaust pipes.</p>
Principle 8		

<p>Undertake initiatives to promote greater environmental responsibility.</p>	<p>The Company has formally adopted a Policy on Climate Change.</p>	<p>Initiatives to promote greater environmental responsibility.</p> <p>Voltas being a part of the Tata Group has adopted the Tata Business Excellence Model (TBEM), model based on Malcolm Baldrige Model. TBEM drives business excellence philosophy across Voltas. TBEM encompasses entire business operations including organisational governance, safety, innovation, climate change. To assess the TBEM performance on the maturity scale, Voltas undertakes either internal or external assessment every year and the TBEM score is a measure of its deployment.</p> <p>a. Recycling of waste water. To protect the environment, a Sewage Effluent Treatment Plant has been installed in Thane in 2009. The Plant treatment capacity is 70 Cu. Mtrs per day. Treated water used for gardening 300 to 350 Kilo Ltrs per month with a saving of Rs.1.1 lakh per annum.</p> <p>Plant Engg. Dept. has taken an Environment Management Programme (EMP) to install a flow meter for monitoring the quantity of incoming waste water. This is to have a direct comparison of incoming waste water and outgoing treated water.</p> <p>b. Solid & Hazardous wastes are disposed of through authorized recycler. Hazardous waste is generated at various locations in Thane Plant. Solid waste is collected in hazardous bins, which are painted red and with yellow fluorescent stickers indicating that they are meant for Hazardous Waste only. Liquids like used/spent oils, coolants, Trichloroethylene, etc. are filled in drums, painted red and also having stickers indicating that they contain hazardous waste. E Waste is separately sent to Scrap Yard</p>
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	<p>there is a perpetual saving of approx. Rs.7.0 Lakhs per annum in our energy bills for pantry and canteen.</p> <p>e. Use of natural lighting for daylight illumination by providing polycarbonate sheets.</p> <p>f. Rain water harvesting at Chinchpokli has brought in a perpetual saving of Rs.1.55 Lakhs per annum – 50 lakh litres of water per annum.</p> <p>g. To bring about a focus on environment matters, we have commenced implementation of ISO 14000 across all manufacturing locations.</p> <p>h. Carbon Footprinting mapping study and action planning based on the findings.</p> <p>i. Voltas has committees for safety at manufacturing locations. We have deployed safety management system in line with OHSAS 18001. Our overseas operation is certified to OHSAS 18001 by an external agency. OHSAS 18001 base system is getting deployed in our Indian operations. The safety data is collected, collated, monitored, analyzed and reviewed appropriately across Voltas.</p> <p>Undertake initiatives to promote greater environmental responsibility</p> <p>j. Operational improvement for energy savings, Recycling of the packing materials, Transparent sheet on roof for getting natural light at manufacturing areas and Contract manufacturing, Conducting interviews and participation in meeting through Video Conference from our Thane establishment.</p> <p>k. Measurement of energy consumption and implementing</p>
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		<p>energy conservation measures.</p> <p>l. Modernisation and Replacement of older machinery consuming more resources with latest machinery which consume less resources.</p> <p>m. Obtained ISO 14000 Certification through TUV for manufacturing plant Thane in April 2011.</p>
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Principle 9		
<p>Encourage the development and diffusion of environmentally friendly technologies.</p>		<p>1. Development of co-generation Vapour Absorption Machine (VAM) using waste heat recovery from engine & other sources. Also contributing to economies are Variable Air-Volume in air distribution; Variable Frequency Drives for motors; ‘green’ series screw chillers; ductable AC units; Thermal Storage systems to utilize off-peak loads; and efficient facility management as well as LEED certification consultancy. No. of LEED Certified buildings done by EM&RBG are 11 and EM&RBG have 1 Leed Certified Engineer.</p> <p>2. First in the country to launch ‘star’ rated energy efficient room air conditioners. Voltas has also introduced scroll compressors in split air conditioners for telecom shelter application, which are 6-7% more energy efficient than rotary compressors. ‘Green’ refrigerants have been introduced in commercial refrigerators, namely R134a, which does not impact the ozone layer or aggravate global warming through the greenhouse effect. 100% eco-friendly PU foam chemicals and blowing agents are used as insulation in commercial refrigeration products, again with zero damage to the ozone layer. In its international ‘electro-mechanical projects, Voltas has pioneered District Cooling Plants, which offer huge savings in energy and construction costs. They yield continuous operational savings by</p>

		<p>optimized cost-efficient operation. Water Treatment Plants under execution are at Palta in West Bengal, Jamshedpur, Hazira, Gujarat, and Chennai. Thane Plant has installed and commissioned an Effluent Treatment Plant (ETP) having a capacity of 70 Cum/day. This Plant is treating various effluents of our Thane Plant and recycling the water for gardening / flushing, etc. – minimizing the consumption of fresh water.</p> <p>3. Voltas overseas has also embraced the ‘Green Building’ initiative by aligning its design and execution capabilities so as to participate in eco-friendly projects.</p> <p>4. In Materials Handling solutions manufactured in-house, Voltas has switched to fuel-efficient engines for forklift trucks and cranes (compliant with Bharat II standards) which emit much less pollutants such as CO2 and particulate matter.</p> <p>Additionally, Voltas offers efficient catalytic converters for both forklift trucks and cranes, which reduce the amount of particulate matter; and battery-powered forklifts fitted with AC motors which do no ecological harm.</p> <p>5. The Changi Water Reclamation Plant success in Singapore now opens the way for many more large-scale and complex water management jobs meeting today’s urgent need for managing, conserving and reclaiming water. Water treatment plants under execution:</p> <ul style="list-style-type: none"> • 15 MGD WTP at Palta, West Bengal, Client/Consultant – KMWSA – Water Treatment Plant. • 25 MGD raw water treatment plant, Jamshedpur. Client/Consultant: Tata Steel – Industrial Water Treatment
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		<p>Plant.</p> <ul style="list-style-type: none"> • Pre-treatment (WTP) and Sludge Handling System for 270 MW Power Plant, Hazira, Gujarat. Client/Consultant: ESSAR Projects India Ltd. – Design, Engineering, Manufacturing, Inspection, Testing, Packaging, Forwarding & Supply of clarifier and Sludge Handling System. • Water Treatment Plant 2 - 3 MLD, HIRCO, Chennai – Design, Engineering, Construction, Supply, Installation & Commissioning of complete Water Treatment Plant – commissioned during December 2011. <p>6. Two stage wheeled crushing & screening plant has achieved weight reduction up to 8 tons (102 ton 94 ton) and water nozzles added on each conveyor and Jaw crushers to minimize dust particles.</p> <p>7. Development of Bharat-III engines for all 20 Ton RT Cranes and compliance to CMVR/Euro norms.</p> <p>8. Assessment of energy consumption and implementation of various measures for conservation of energy. In the last three years, we have carried out forty two such assignments saving energy to the tune of 5100 KW in these forty two mills.</p> <p>9. We are supplying OPTIPOWER motors which have an efficiency of more than 95% to replace the old motors (where the efficiency would be less than 90%).</p> <p>10. We are offering LOW LIQUOR dyeing machinery to the Indian Textile Industry to conserve water.</p> <p>11. Development of high COP (Coefficient of Performance) Vapour Absorption Machine.</p>
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Anti-Corruption and prevention of Bribery

Principle 10

<p>Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>We have well defined management of business ethics programme and follow the TATA Code of Conduct strictly. The Company’s Ethics Counsellor is in place and he is a member of Corporate Management group. He is assisted by Locational Ethics Counsellors and Ethics Committee.</p> <p>Management and Supervisory Staff sign the Tata Code of Conduct. General Staff are covered under Tata Code of Conduct session.</p> <p>At the Vendor / Suppliers meet, Tata Code of Conduct is explained.</p>	<ol style="list-style-type: none"> 1. The copy of TATA Code of Conduct is given at the time of offer. There is an ethics committee headed by the Company Ethics Counsellor and supported by Locational Ethics Counsellors across the organisation. 2. Drop boxes are placed at all location for receiving concerns. 3. The Company has in place the Whistle Blower Policy which is communicated to all employees. 4. Based on the guidelines of Tata Code of Conduct, the Company has in place specific policies, practices and procedures governing the professional and ethical conduct of its day to day operations. 5. Concerns on Ethics are reported on a quarterly basis to the Board Audit Committee. 6. A distinct email id ethics@voltas.com has been created to allow employees direct access to the Company Ethics Counsellor. During the first 3 quarters of 2011-2012, 18 concerns were received, attended to and formally reported to the Board Audit Committee.
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	<p>7. The Company has 21 Locational Ethics Counsellors (LECs) across the organisation including overseas. A guidance document on the roles and responsibilities of LECs has been prepared and communicated to the LECs as an aid to help them in facilitation of the TCOC implementation.</p> <p>8. A mention of Voltas' promising practices has been made in the Tata Compendium of Promising Practices in Management of Business Ethics.</p> <p>Real life cases are used as Case Studies in training session to introduce employees to various aspects of ethics.</p> <p>To keep employees updated on ethics, snippets on ethics are circulated by emails monthly.</p> <p>Vendors are frequently updated on TCOC via purchase orders amongst other methods. Dialogues were held with around 400 suppliers, contractors, vendors, joint venture partners and service providers.</p> <p>LECs Workshops are conducted regularly within the organisation. 68% LECs attended the Workshop in May 2012.</p> <p>The Tata Code of Conduct (TCOC) software for Web-based training has been placed on the ESS Portal. 56 employees have completed the Web-based training.</p>
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