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## UNITED NATIONS GLOBAL COMPACT INITIATIVE

### "Communication on Progress" FY 05

Tata Power Company (TPC) commenced operations in 1910s as a Hydro Power Generation company and is one of the first ventures envisaged by the founder, Mr. Jamsetji Tata. Over the last 95 years, the company has grown and is the largest private power utility in India. TPC's range of operations run across the value chain which includes Generation (thermal, DG, hydro and wind power totaling to 2180 MW), transmission and distribution of power. TPC has set up a subsidiary Tata Power Trading Company (TPTC) to leverage the opportunities in power trading. TPC is a JV partner with India's Capital city Delhi's State Government handling power distribution in one of the three zones in New Delhi. Similarly, TPC is also in JV with Power Grid Corporation of India Limited (PGCIL) for setting up a 1200KM long transmission line for evacuating the 1000 MW Hydro Power from Tala in Bhutan, to Delhi. As such, TPC has already created foot-prints in various arms of the power business, which would help it make head-start to become integrated power utility, leveraging opportunities thrown open by the recently promulgated Electricity Act 2003 (EA 2003)

In keeping with the Tata Group's focus on Globalization, TPC is currently in the process of assessing the opportunities and the market attractiveness of developing countries in the areas of the Indian subcontinent, Middle East Asia and South Africa. The Tata Group's foray into Bangladesh envisages a major role for TPC which is actively considering the possibility of setting up a power plant in that country.

TPC is a signatory to The UN Global Compact and its Ten principles. TPC continues to stand by these principles and actively implement them within the scope of its business activities. The Communication on Progress (COP) covers its Power Business for period FY 05.

TPC is committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of quality of life of the people in the communities in which it operates with the objective of making them self reliant. Such social responsibility would comprise, to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This is reviewed periodically in consonance with national and regional priorities. The company does not treat these activities as optional ones but strives to incorporate them as integral part of its business plan. The company also encourages volunteering amongst its employees and helps them to work in the communities.

A J Engineer  
Director

Principle	Actions by TPC	Measures & Examples
<b>1. Business should support and respect the protection of internationally proclaimed human rights</b>  <b>2. Business should ensure that they are not complicit in human rights abuses</b>  <b>3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</b>	1. TPC abides by the Constitution of India and law of the land	A comprehensive audit for ascertaining compliance status of all the units in license area for all the applicable laws and regulations through PriceWaterhouseCoopers (PWC) has been initiated. System is being established for ensuring compliance to all legal / regulatory requirements and reporting to MD. This will include a ready reckoner and a comprehensive manual for all the stations.
	2. a) TPC has adopted the Tata Code of conduct (TCOC) which serves as a guide on the values, ethics and business principles to be followed. b) TPC has a Ethics Management Process in place. Chief Ethics Councilor, Ethics Officers including a Lady Ethics Officer at each Division address the issues raised	TCOC booklet is printed and distributed to all employees and also been posted on the intra-net Web Page of TPC. Training is imparted to employees on various TCOC clauses. Concern boxes are kept at strategic locations for ease and privacy of putting concerns. Management of Business Ethics (MBE) Survey is conducted. Results are circulated to all officers. TPC ensures TCOC compliance with Suppliers & Contractors through various channels like General Conditions of Contract, Ethics Week, Suppliers meet etc.
	3. a) TPC proactively plans for addressing regulatory requirements during design, installation, / up gradation of its equipment and facilities. b) Two-tier Safety Monitoring System with committees comprising senior officers, workmen and medical experts. Suggestions received are implemented through this committee.	1. Total 952 safety issues identified during last year of which 758 addressed. Remaining issues are at various stages of implementation. 2. Hazard identification and Risk Assessment 3. ISO 14001 at Trombay Jojobera & Belgam Divisions. 4. OHSAS certification obtained at Jojobera and is being adopted at Trombay & Belgam Divisions. 5. Joint committee of officers and workmen for addressing issues related to SHE
	4. Medical facilities available at all locations, Analysis of health check-ups to identify occupational health hazards, Standardized Medical Plan under statute; Medical insurance for hospitalization and reimbursement of expenses for domiciliary treatment – as per limits prescribed.	1. Statutory health check-up : 100% covered & Non-statutory : 64%. 2. Health norms for various jobs identified to ensure fitness of employees to the demands of the job and inclusion of such norms in pre-employment checks. 3. Canteen staff checked for skin disease, infections, TB. 4. Chronic / critical illnesses among employees are tracked. 5. Use of Tobacco products are banned within the premises of the Belgaum Plant

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	5. Clause 8 of Tata Code of Conduct – TPC to provide safe & healthy working environment.	<p>6. Ergonomic study was carried out in Trombay, TRD, Hydro and Belgaum Divisions by a professional body. Personal Protection Equipment (PPE) was replaced with more efficient equipment. Chairs in Auditorium at Trombay Division and for those who work extended hours on computers were replaced with more ergonomically appropriate ones as a result of this survey.</p> <p>7. Jojobera has been certified for OHSAS 18001. Contractor's workmen are subjected to free preliminary health check up at Jojobera.</p> <p>8. Contractor's workmen are imparted adult literacy education along with finance management, home management classes etc.</p> <p>9. Safety Record (Longest continuous Accident free period in FY 05) at various Divisions :  Trombay :230 days  Hydro: 365 days ( No accident in this year)  T&amp;D : 235 days  Belgaum: 365 days ( No accidents in this year)  Jojobera (O &amp; M) has completed 1200 accident free days.</p>
	6 Education Aid for self & employees' children.	<p>1. On an average around 1532 employees are claiming Education Aid from the Company for their children's education.</p> <p>2. 39 employees' children given Merit Scholarships for higher education.</p> <p>3. Employees are encouraged for pursuing higher education related to their work and are entitled to reimbursement of fees as per rules prescribed</p> <p>4. 90% employees reached through training interventions</p>
	7. Company Quarters are provided to employees at various locations	<p>1. Company's Service Quarters are at 13 locations housing around 1250 employees.</p> <p>2. TPC provides housing loans at subsidized rates to employees</p> <p>3. Hostel facility for 30 Trainees is provided at Trombay Division.</p>

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	8. TPC deals with a recognized Union, registered under the Trade Union Act. For matters concerning employee service conditions, TPC accepts the principle of collective bargaining.	The Union has been given all rights as specified in the Trade Union Act including provision of Notice Board at every location, right to collect Union dues on Company premises, to hold meetings, time off for attending such meetings, etc. A settlement has been signed on 16 <sup>th</sup> June 04, with the Employee's Trade Union of Mumbai Area covering all employees, after a series of negotiations. Negotiations at Jojobera and Belgaum Divisions are under progress. At Jojobera, the Concept of "Working together" has been institutionalized. There are 5 Joint Committees working. In three of them the Chairman is from the Union's side. The Chairman's post is exchanged between the Management and the Union every year. Every month a workman who has done some exemplary work is declared as a "Champion of the Month"
4. Business should support the elimination of all forms of forced and compulsory labour.	1. TPC abides by various laws enacted by the Government, as applicable to the establishment.	
	2. Tata Code of Conduct Clause 23 provides for this aspect	Freedom to employees in his private life.
	3 Appointment letter issued to all employees, including Trainees, stating the terms of contract of employment	Specific clause on termination of contract indicating the conditions of termination on either side.
5. Business should support the effective abolition of child labour.	4. No candidate below 18 years of age is employed as permanent, trainee or contractor's workmen.	1 For Trainee and permanent employment, age verification carried out and proof of age (certificate issued by appropriate authority) is placed on record. 2 The Work Order placed on the Contractor contains a clause that no worker below the age of 18 will be permitted in the premises. 3 The Contractors' workmen are paid wages 10% higher than the minimum wages specified as per law.
6. Business should support the elimination of discrimination in respect of employment and occupation.	Adherence to equal opportunity employer – Clause 4 of TCOC	During last year 160 employees have been recruited either through agencies or through advertisement in newspapers. No aspirant is discriminated on basis of color, cast, creed, religion or sex.

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<b>7. Businesses should support a precautionary approach to environmental challenges</b>	1. TCOC Clause No 8 Environmental Impact Assessment with preparation of Environment Management Plan is undertaken for all new projects, existing installations, proposed modifications.	Environmental Impact Analysis is carried out for modifications such as Increased coal firing Revised SO <sub>2</sub> limits Jojobera Division Unit 4 Trombay Division Coal berth Use of Low sulphur (<2%) Furnace oil at Belgaum Division
	2. Ambient Air Quality Monitoring is carried out at Trombay Division and other locations in the city of Mumbai City.	Ambient Air quality monitoring carried out at Trombay Division– - 4 locations Air shed zones - Nine location in Mumbai City. Ambient Air quality monitoring carried out at Jojobera Division: - within plant at 4 locations Ambient Air quality monitoring carried out at Belgaum Division - within plant at one location & six locations in the surrounding villages
	3. Stack SO <sub>2</sub> emission is managed through an interactive predictive program. This program provides input for actual fuel consumption on day to day basis for optimal generation at min. cost within the emission limit.	Daily Monitoring is carried out
	4. Use of low sulphur low ash coal	Trombay uses 100% of this variety of coal
	5. Installation and operation of Pollution control equipments like ESP and FGD at optimal efficiency.	Average output Qty at : Trombay Division:      Jojobera Division SPM average :                      39.65 mg/Nm <sup>3</sup> 122 mg/Nm <sup>3</sup> SO <sub>2</sub> :                                      22.61 TPD                                      8 TPD
	6. Online monitoring and control is carried out for SO <sub>2</sub> , SPM and proactively for Nox	At Trombay Div for : SO <sub>2</sub> & SPM and Nox on Units 5 & 6 and for Nox at Trombay Unit 7 At Jojobers for Sox and Nox in Units 2, 3 & being provided in Unit 4 At Belgaum Divisions , online measurement of Nox, SO <sub>x</sub> is carried out for all Diesel Generating Sets.
	7. All effluents from TPC Installations are monitored for prescribed limits before discharge	Monitoring carried out at : Trombay and Jojobera Thermal Power Stations (TPS) Hydro Power Stations at Bhira, Bhivpuri & Khopoli Belgaum Div. is a Zero Effluent discharge Plant
<b>8 Undertake initiatives to provide greater environmental responsibility</b>	TCOC Clause 8 1. Ash utilization as per Govt. Guidelines is actively promoted by the company, through partial subsidization of transportation cost.	TPC at Trombay Div : Supplied 40 % ash, free of cost in 2004-05. It subsidized transportation of rest at total cost of Rs 4.0 million. At Jojobera Div. : Supplied 90 % ash free of cost.

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	2. In house recovery system for waste fuel oil established	Oil recovered in 04-05 : 150 MT
	3. Back to back arrangement with the manufacturers for replacement of used Transformer oil	Transformer oil handled at Trombay: 100%
	4. Waste Lube oils are disposed off to authorized waste lube oil recyclers	Lube oil handled at Trombay Div.: 2500 Litres; At Jojobera Div: 13 Tons Belgaum Div.: 18.385 kl
	5. Reduction of auxiliary power consumption by optimization of running auxiliary equipment	Reduction achieved in FY 05: Trombay Div: 0.12%    Jojobera Div: 0.30 %    Belgam Div. : -0.02% Hydro power Stations: 0.03% (Additionally Use of Load planner resulted in increased generation of 6.3 MU)
	6. Waste paper recycling	Carried out through agencies
	7. Resource conservation through optimization of plant processes	Trombay follows "Valve wide open" condition operation when ever possible where as Jojobera division operates in "sliding pressure mode" for energy conservation.
<b>9 Encourage the development and diffusion of environmentally friendly technologies</b>	1.TPC pioneered the use of low sulphur low ash coal in the boiler designed for burning Indian Coal containing higher sulphur and ash.	Clean coal burnt during FY 05 : 1.957million MT Experience shared nationally & internationally
	2. Improvement of ESP controls	Trombay Division uses charge ratio mode control
	3 Minimize hazards due to handling chlorine gas	Change over from gas chlorination to Electro chlorination and replacement of Chlorine gas by Chlorine Dioxide at Trombay and Jojobera Divisions Elimination of Chlorine usage, which is highly hazardous, is under progress
	4. Enhancing environment management processes	ISO 14001 Certification: Trombay, Jojobera, Belgam Divisions OHSAS Certification: Jojobera
	5 Resource Conservation	Rain water- harvesting, use of paperless recorders, energy efficient lighting, and timers for switching on and off of lights.
	6 Interactive sessions are arranged for knowledge sharing about CDM, carbon trading, Global Warming	Number of sessions conducted in FY05: 6

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<b>10 Business should work against corruption in all its forms, including extortion and bribery.</b>	Adherence to Tata Code of Conduct - Clauses 5, 6, 7 & 25	<ol style="list-style-type: none"> <li>1. All employees including Trainees are provided with the TCOC booklet. They commit to abide by the TCOC by signing an acknowledgement slip or a copy of appointment letter</li> <li>2. Two new policies viz. Whistle Blower and Sexual Harassment formulated and communicated to the employees. These policies are posted on the Company intranet Sangam.</li> <li>3. Ethics week celebrated throughout the Company involving employees of the Company as well as Contractors &amp; Suppliers.</li> <li>4. Annual TCOC quiz conducted and awards given to employees (1260 employees participated).</li> <li>5. Revisited &amp; modified the structure of Code of Conduct to include subsidiary Companies.</li> <li>6. Local ethics officers appointed for subsidiaries – CTTL, Broadband, Powerlinks &amp; NDPL.</li> <li>7. Three Officers including one lady officer have been appointed as Listening posts at Jojobera to receive concerns in person at the shop floor level. These concerns are then communicated to Ethics officer for further action.</li> </ol>