



COMMUNICATION ON PROGRESS

We are submitting herewith note on “Communication on Progress” which is successive second year of communication to Global Compact.

In this communication, we will be communicating our progress in the area of:

- 1) Human rights practices in the Company
- 2) Progress in fulfilling environmental responsibility in the facilities of the company
- 3) Company’s efforts related to article 25 & 26 of Universal Declaration of Human Rights addressing Community at large

Human Rights Practices in TML

As indicated in the last years report, as a Tata Group Company, Tata Motors adheres to the Tata Code of Conduct in its business. Tata Code of Conduct has covered all the Human Rights principles proclaimed in Universal Declaration of Human Rights. However, to strengthen and support internationally proclaimed Human Rights within the business of the Company, it was decided to design exclusive policies on various aspects of Human Rights.

Following policies have been designed and displayed prominently at various locations in the Company plants and offices:

- **Policy on Equal Opportunity and Non-discrimination in Employment**
- **Policy on Human Rights**
(See Annexure for the policies)

Process of support to proclaimed Human Rights

There is robust ethics counsellor process to monitor implementation of Tata Code of Conduct. The Tata Code of Conduct incorporates within its fold, the Human Rights principles, which thus get monitored during the process of monitoring of the former. Employees, as well as outsiders, have the liberty to raise concerns if any, related to the Tata Code of Conduct and the Human Rights Policies thus. Ethics Counsellors, who are present at all locations, address these concerns.



In relation to the process of managing the business ethics, it is of much avail to talk about the Whistle Blower Policy at TML. This policy is an extension of the Tata Code of Conduct. The Whistle Blower's role is that of a reporting party with reliable information. The Policy also defines clearly the composition and role of investigators or fact-finders and that of arriving at corrective or remedial action in each given case. The Policy explicitly mentions pre-requisites to ensure that the identity of the Whistle Blower is kept confidential. All employees of the Company are eligible to make Protected Disclosures under the Policy.

Status of management of business ethics:

Particulars	02-03	03-04	04-05	05-06
Concerns received	107	46	95	125
Concerns resolved	98	38	65	86
% resolved	91.6	83	68	68.8
% resolved (Tata co. BM)	49	51	48	52

Company's Efforts Related to Article 25 & 26 of Universal Declaration of Human Rights

Principle1: Business should support and respect the protection of internationally proclaimed human rights.

Article 25 enumerates –

- every one has a right to standard of living adequate for the health and wellbeing of himself and his family , including food clothing housing and medical care and necessary social services ----
- Motherhood and childhood are entitled to special care and assistance

Article 26 enumerates –

- Every one has a right to education
- Education should be directed to the full development of human personality.....

Tata Motors, through its community development departments, strives to address the requirements (in above mentioned articles) of community, in particular from the underdeveloped rural area.

Tata Motors has a well-structured process to work in the areas of health, education, water management, environment and employment generation. This comprehensive development program attempts to improve the standard of living of the community in the underdeveloped rural area. Details of the effort are given below:



Health: Company provides comprehensive health care to the villagers. Special attention is provided to expectant mothers through well-designed prenatal care program and to children through immunization campaign, annual health checkup and curative services. As a part of the prenatal care programme, annual health check up programs had been organised, which included Haemoglobin estimation, urine examination, blood pressure and breast examination. This was undertaken in Pune for 157 women above forty years of age. All 157 women received calcium tablets and 22 anemic women were supplied iron tablets.

Special rehabilitation program supports the leprosy cured patients and makes them self-reliant. Rehabilitation work for leprosy-affected people is carried out by the Nav Jagrat Manav Samaj (NJMS) in Jamshedpur. 8 ashrams situated around the city of Jamshedpur, which are self-settled colonies of people affected by leprosy, are supported with medical and institutional help for making their lives comfortable and humane.



Fig. Health Check up Camp for the rural poor organised in PKS, Jamshedpur

The Gram Vikas Kendra, a Tata Motors' cooperative society in Jamshedpur has been working in collaboration with the Government of Jharkhand under the Water and Sanitation Project which was later termed the Total Sanitation Campaign, in 246 villages of Potka and Jamshedpur Blocks of East Singhbhum Districts with the objective of improving access to safe drinking water and sanitation. A milestone achievement - two Panchayats, Dorkasai & Kalapathar both consisting of 6 villages each were fully sanitised. Sanitation and Cleanliness awareness programmes are also being organised on a regular basis at all locations.



Fig. Sanitation and Cleanliness Awareness March by Tata motors Volunteers in Pune

Education: Infrastructural support for education helps thousands of children to access primary and secondary education. Eligible poor students especially from tribal families are given financial assistance. 33 schools and institutions of social and cultural development are supported through the Shiksha Prasar Kendra, a Tata Motors society. Quality of education is improved through special training programs for teachers and students. Vocational guidance programs are organized so as to help the students in career planning. 1600 students were imparted career guidance in 2005-06 in Pune, Lucknow and Jamshedpur.

Easy access and financial support for education helps in preventing children undertaking child labour.



Fig. Computer Education Course designed for rural women

Water Management: Support is provided to develop sources for drinking water. A water reservoir having a capacity of 6000 Cu meters was constructed at village Shelu in Pune district jointly by Tata Motors, CII western region and the villagers. The reservoir provides perennial supply of drinking water to approximately 700 families from village Shelu.

Development of structures for water conservation and water recharging has helped villagers to get perennial supply of water for drinking as well as irrigation thus improving their income and standard of living. Four reservoirs were built in the project areas in Pune and Jamshedpur to promote water conservation. It is to be noted further that in scarcity hit villages, whenever the need arises during summer, drinking water is also supplied by the Company owned tankers.

Environment: Tree plantation programs and development of alternate sources of energy have helped villagers conserve the environment and save nonrenewable energy sources. More than 43,375 saplings were planted during the year on community wasteland and individual fallow land at plant locations.

Programs for development of awareness among community around all plant locations are organized in co-ordination with government and NGOs working in the field of



environment. The Gram Vikas Kendra, a Tata Motors society in Jamshedpur organised a programme in which 266 NGOs participated in the National Environment Campaign for 2005-06. The theme for this year was Solid Waste Management. Awareness Programmes were also organised in which approximately 266,000 people participated. Some of the action programmes that were undertaken included – building of 65 Vermi compost pits and 85 Compost pits. In addition, cleanliness drives were organised in 110 villages.



Fig. Afforestation carried out at Khopoli village in Jamshedpur

Livelihood: Training programmes and work shops related to agriculture and technology are organized for Self Help Groups and village youth in the project areas at all locations. This helps them to enhance their employability and improve standard of living through employment generation and entrepreneurship development. This year, 45 Self-Help Groups in Pune were given vocational training on tailoring, vermiculture, etc for self-reliance. Special projects like irrigation schemes, water distribution scheme, low cost housing and Self-Help Groups are being implemented to help 3,000 individuals in Pune district since the last 5 years.



Cumulative Impact of Tata Motors Initiatives over the years

THRUST AREA	PROGRAM	CUMULATIVE COVERAGE	IMPACT 2005-06
Health	Curative	230,000 patients treated	67,508 patients treated
	Preventive	60,000 children immunized 22,469 expectant mothers helped	1,440 children immunized 512 expected mothers helped
	Health awareness	Covered 33,000 villagers	Covered 4,361 villagers
Education	Infrastructure	48 schools (primary+ secondary)	8 classrooms built
	Teachers & students development	40,000 teachers and students	400 teachers and students benefited from the programs
	Awards and scholarships	1,678	400 students
	Career guidance	24,600 students	1,506 students
Water& sanitation	Drinking water sources dev.	1482	10
	Area brought under irrigation	4,985 acres	375 acres
	Toilets and biogas plants	3,538	1,393 toilets + 24 bio-gas plants
Environment	Tree plantation	10,726,944	47,125, saplings
	Environment awareness	1,522 villages	266 villages
Livelihood	Vocational training (specialized)	2,053 beneficiaries	392 youth
	Irrigation cooperatives formed	64	4
	Women empowerment program	4,275 women	646 women
	Men's cooperatives covered	2,200 beneficiaries	



Environmental Practices at TML

Principle 7: Businesses should support a precautionary approach to environmental challenges:

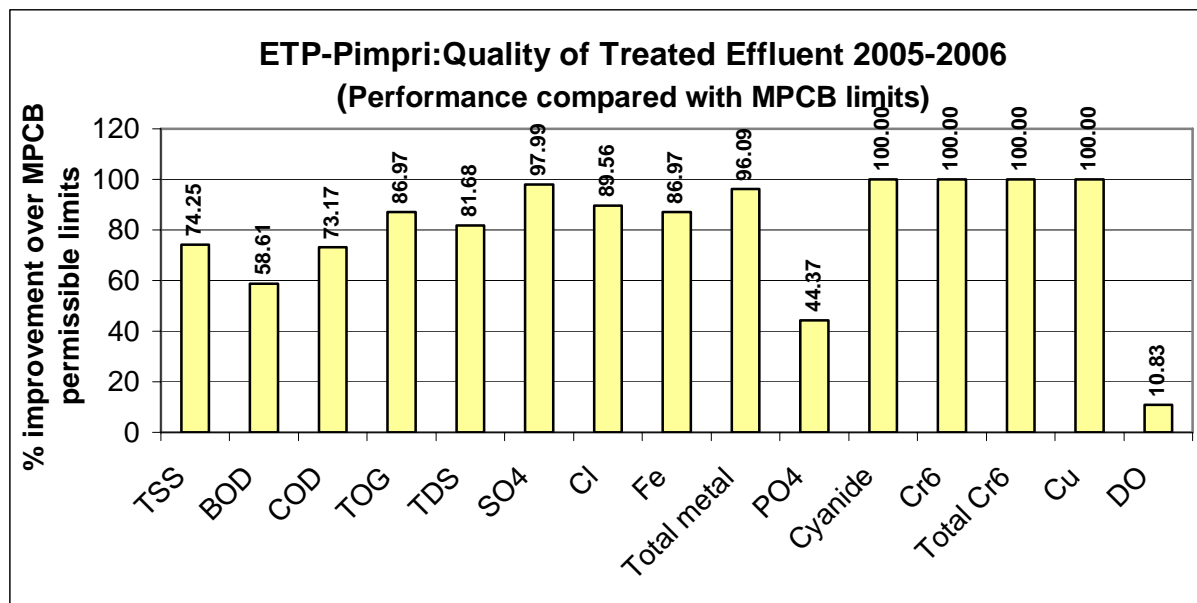
- Tata Motors' supports a precautionary approach to environmental challenges. The Company has traditionally ensured environment protection and pollution prevention and specific policies and guidelines exist to address these principles and go beyond.
- The 'precautionary approach' to environmental protection 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." (See Annexure for the Environmental Policy)
- The Company also reports on its environmental performance in line with the indicators listed under the Global Reporting Initiative.
- The environmental aspects of products, services and operations and their related impacts have been formally assessed as a part of the installed Environmental Management System.
- "Facilities and Environment Management" is identified as a Business Process and is formally documented in our Enterprise Process Manual. "Facilities and Environment Management" process is mapped in detail and the measures for "effectiveness and efficiency" of the process are specified. This has helped the Company to evolve a uniform approach across all manufacturing locations in the country.
- EMS (ISO-14001) Certifications: Our manufacturing facilities at Pune, Jamshedpur and Lucknow have secured certification to ISO-14001:2004.



Highlights of Environmental Performance (2005-06)

Effluents to Water:

The performance of the ETP seen in the quality of treated effluent, in terms of key parameters (e.g., Total Oils & Grease, TSS, COD, BOD, metals) is far better when compared with the permissible limits stipulated in the 'Consent to Operate' issued by the respective Pollution Control Boards.



Management of solid and hazardous waste:

1. **At Tata Motors, all hazardous wastes generated from manufacturing process are disposed through the Common Hazardous Waste Treatment Storage and Disposal Facility (CHWTSDF) set up by a private 'Operator'.**
2. The hazardous wastes are disposed at cost by the CHWTSDF either by direct landfilling, landfilling after treatment or incineration.
3. Disposal methods are environmentally sound and are in line with best practices followed the world over. At Jamshedpur Works, hazardous wastes are disposed through in-house hazardous waste incinerator.

Cost of disposal: The disposal involves a legal contract and one-time costs as well as recurring costs.



One Time Cost:

- ❑ One time life membership fee for all 4 Works (Pimpri, Chinchwad, Chikhali & Maval) = **Rs. 1.925 million.**
- ❑ “Container Maintenance Charges” for a period of 6 years (estimated lifespan of containers) = **Rs. 0.754 million.**
- ❑ Created a “Common Intermediate Hazardous Waste Transfer Facility” near ETP-Pimpri a common facility for the disposal of hazardous wastes from all 4 Works of Tata Motors Pune to CHWTSDF - Taloja. This facility (ramp) was constructed at cost of **Rs. 0.7 million.**

Recurring Cost:

- ❑ The annual cost **incurred** on disposal of hazardous waste in the financial year **2004-05** was **Rs. 28.9 million.**
- ❑ The annual cost **incurred** on disposal of hazardous waste in the financial year **2005-06** was **Rs. 48.7 million.**
- ❑ The annual **projected budget** for disposal of hazardous waste in the current financial year **2006-07** is **Rs. 66.1 million.**



Photo: A view of the Common Intermediate Hazardous Waste Transfer Facility, where hazardous waste is transferred from our dumper trucks directly into the custom built containers of CHWTSDF– Taloja.



Photo: Paint sludge (hazardous waste) from our dumper trucks being directly transferred into the custom built containers of CHWTSDF

LRD-250 Incinerator System:

(Installed at Tata Motors Ltd., Jamshedpur in October 2005)

Aim:

To incinerate hazardous waste without production of smoke or odour and to enable all hazards to be taken care of effectively and to provide a cleaner, safer and healthier environment in Tata Motors Limited, Jamshedpur.

The incineration system has been installed to incinerate the following:

S.N	Name of Waste	Qty generated p.a. (Tonnes)
1	Paint sludge	513.360
2	Oil sludge / scum	177.720
3	Oil soaked waste jute	33.000
4	Oil soaked hand gloves	23.916
5	Oil soaked aprons	0.120
7	Phosphate sludge	97.200



TOTAL	845.316
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Project Cost (In Rs.):

Machinery with Pollution control equipment	12.23 million
Building	1.30 million
Infrastructure	0.97 million
Total Project Cost	14.5 million

Energy Audits, Initiatives for Energy Conservation and use of Renewable Energy Sources

Accolades received for Energy Conservation in 2005-06:

- ❑ CII Award for “Excellence in Energy Management Systems” – Commercial Vehicle Business Unit (CVBU) and Passenger Car Business Unit (PCBU) at Pune.
- ❑ National Energy Conservation Award – 2005 for PCBU-Pune. The award was received by Mr. A M Mankad, Head-Car Plant from Dr. A P J Abdul Kalam, President of India
- ❑ Tata Motors was conferred with the prestigious 'CII-ITC Sustainability Award 2006 for Significant Achievement on the Journey towards Sustainable Development'. This is the first year that this award is being conferred. The award is based on assessment of Tata Motors' Corporate Governance practices and Economic, Environmental and Social performance - the Triple Bottomline concept as per guidelines of the Global Reporting Initiative (GRI).

Initiatives to use Renewable Energy Sources and Increase Energy Efficiency:

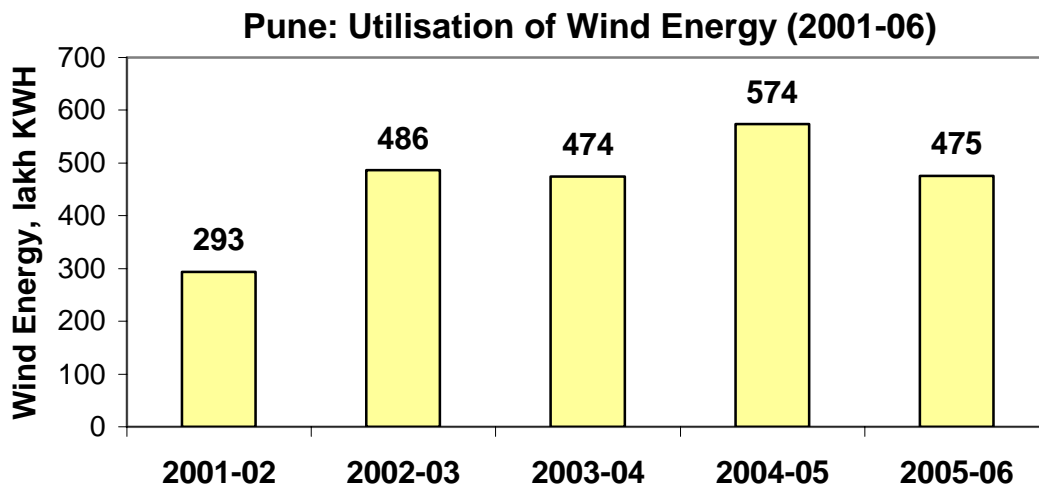
Continuous improvements in conservation of electrical power through use of non-conventional energy resources such as wind power, improvement in power factor and focus on energy conserving processes have resulted in a decreasing trend of consumption per unit vehicle. Through its energy conservation projects, the Company has saved 573.97 lakh million joules in the last year.

The Jamshedpur plant and the Car Plant at Pune received the Union Ministry of Power's National Energy Conservation Awards, which recognise significant initiatives to reduce energy intensity and improve energy efficiency. The Jamshedpur plant won the award for



the fourth year in a row. The Commercial Vehicles Business Unit and the Passenger Cars Business Unit also received the CII's National Award for Excellence in Energy Management.

Wind Power: Tata Motors, Pune has invested in a 35 MW wind farm located at Satara & Supa, near Ahmednagar. Electricity generated by wind power at the wind farm is fed into the MSEB grid. This Wind Power constitutes 33% of total Tata Motors power requirement.



Solar Power:

- Hot water is required for washing the thalis at Canteens, which was earlier heated by Electrical Heaters.
- By using Solar Collectors, water is now heated and stored in tank and is used as per requirement.
- Total installed capacity =17,000 LPD @ different Canteens,
- Total No of Solar Collectors = 136 Nos.
- **Saving = 0.16 million Kwh per Annum**

Re-cycling of dirty oils:



In-house systems are in place to re-claim neat oils which become dirty during use. This extends the useful life of the neat oils, which are re-used in the manufacturing process. A total of 220KL of oil was re-claimed for re-use during 2005-06.

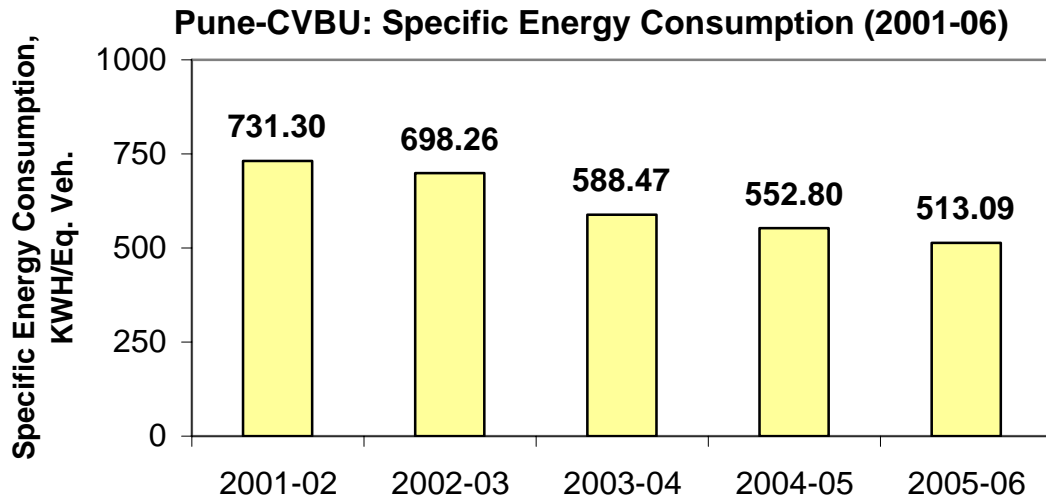


Fig.: Specific Energy Consumption (CVBU-Pune)

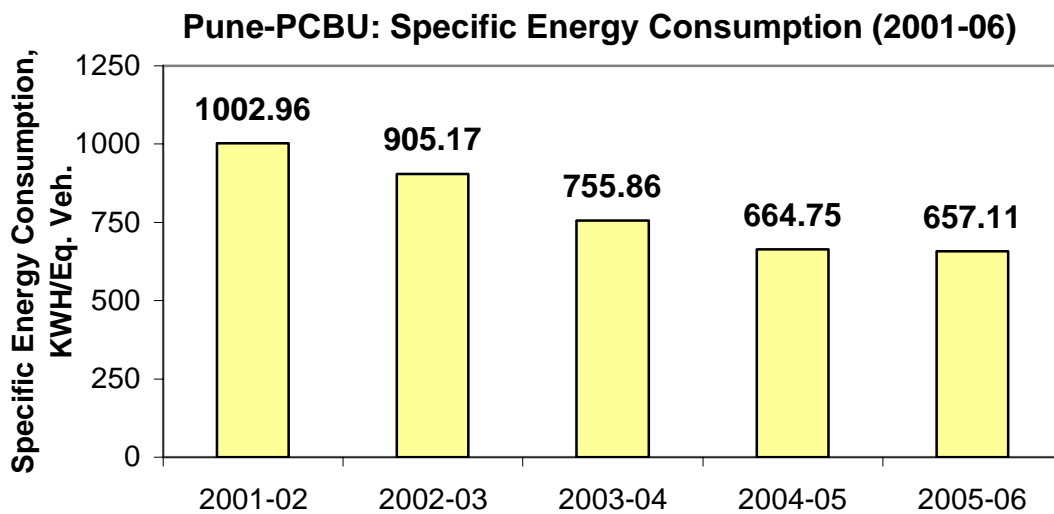


Fig.: Specific Energy Consumption (PCBU-Pune)

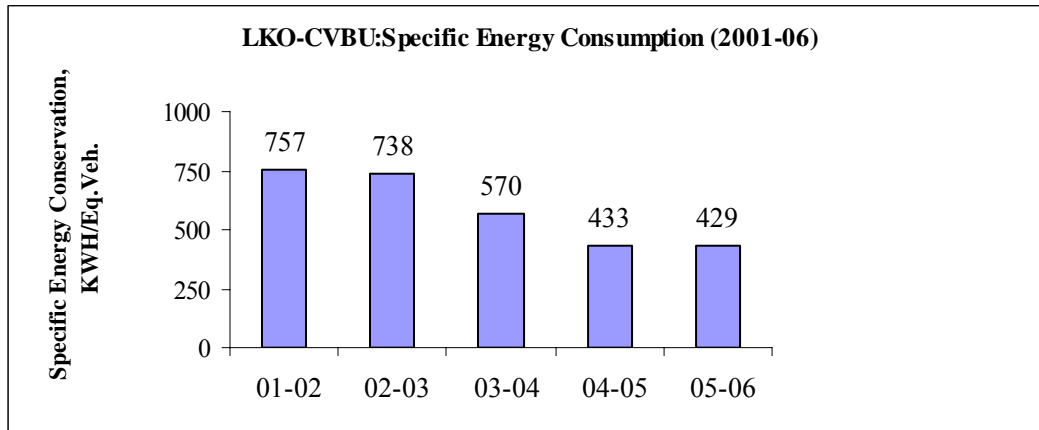


Fig.: Specific Energy Consumption (CVBU-Lucknow)

Energy Audits:

- TML is having BEE certified Energy Auditors and they are regularly carrying out internal Energy Audits at different shops.
- TML has carried out Energy Audit thro CSIO & CII during 2001-02 & 03-04 respectively.

Energy Conservation Projects and energy saving 2002-2006:

Tata Motors-Pune	2002-03	2003-04	2004-05	2005-06
• No. of Projects	72	54	36	30
• Energy Saving (Million MJ)	31.32	10.727	17.367	12.502

TML, Lucknow Works

• No. of Projects	4	3	13	4
• Energy Saving (Million MJ)	0.414	0.308	3.345	0.5

Note:

- All savings indicated are estimates.
- MJ – Mega Joules



Rainwater Harvesting Project at Jamshedpur Plant:

Rainwater harvesting structures are designed for 80% of the Runoff to be used as process water after treatment & balance to be used for recharging the ground thereby improving the water table of the area.

Benefits of the Project

- Development of alternate source of Raw Water to meet exigencies.
- Adherence to Govt. Statutory Norms.
- Improve the Ground water level of the area.
- Reduce outflow from Tata Motors Campus
- Save on Raw Water Bill during Monsoon Season at least. -- 197 M Gallons

(This cost does not includes process water diverted to storm water line & does not require any treatment.)

Project Cost (In INR)

- | | |
|----------------------------------|--------------------------|
| • Consultancy | 0.33 million |
| • Implementation(Phase-1) | 30.00 million |
| • Running Cost | 0.70 million/Year |
| • Net Savings expected | 4.16 million/Year |

Areas Covered: Channel 3 & 4 areas i.e. Plant II, Forge, Foundry, Novus, CMS, Transport, Final Rectification, Part of Telcon (380 Acres, 80% of Works area)



Such initiatives have been undertaken at other locations as well:



Fig: Rain Water Harvesting at Pune Plant

- ❑ [Principle 8: Undertake initiatives to promote greater environmental responsibility.](#)
- ❑ [Principle 9: Encourage the development and diffusion of environmentally friendly technologies.](#)

The company has started production of CNG buses for public transport and is working on the following products that can emit low Green House Gases (GHG)

- a) Public transport vehicles-Diesel (Euro III) buses, Bus rapid transit system, electric trolleys
- b) Diesel Cars, CNG and LPG cars
- c) Bio-diesel fuelled vehicles
- d) Ethanol fuelled vehicles
- e) Hydrogen ICE vehicle
- f) Hybrids cars
- g) Fuel cell bus
- h) AC system with low GWP refrigerant (including CO₂)



The company is also participating in study on Impact of MAC on GHG emission initiated by The Energy Research Institute (TERI)

End-of-Life (ELV) Vehicle and Re-cyclability of products

- Tata Motors is working with the Department of Science and Technology (DST) as a member of the expert panel on "Recyclability of Automotive Systems and Components" under CAR (Core group on Automotive R&D) and TIFAC (Technology, Information, Forecasting and Assessment Council). The scope of work includes studying customer requirements, national and global trends, current status of technical capabilities in India, and recommendation of R & D projects on Recyclability.
- Tata Motors is also working with the Society of Indian Automobile Manufacturers (SIAM) as a member of the task force on Recyclability to study and develop a policy on Recyclability of vehicles in India.

Other Initiatives at TML to Promote Environmental Responsibility:



Fig.: Sewage Treatment Plant Installation at Lucknow Plant



Fig.: Effluent Treatment Plant Upgradation at Lucknow Plant



Fig.: Effluent Treatment Plant at Pune



Fig.: Improvisation in Water purification System by substituting Bleaching Powder with Sodium Chloride



Fig.: Increased use of Bio-fertilizers & Organic Pesticides in Horticulture



Fig.: Water at Vehicle wash used for Horticulture using Gravity flow



Fig.: Tree Plantation drives through community initiative and employee participation



More than 43,375 saplings were planted during the year on community wasteland and individual fallow land. So far, more than 650,000 saplings have been planted on community wasteland in Pune and Jamshedpur.



Fig.: Deployment of Waste Segregation system using Color Coded Bins for different waste categories



Annexure

Policies at TML:

Environmental Policy

Tata Motors reaffirms its commitment to **minimise** the **adverse impact** of its products, operations and services on **the environment**.

Towards this end, it shall strive to :

- Establish sound environmental objectives and targets and a process of reviewing them.
- Comply with all applicable legal/regulatory and other environmental requirements.
- Reduce the emission levels of vehicles in full compliance of the regulatory norms and proactively work with the Industry, Government, other related industries and agencies to bring in International best practices.
- Use of environmentally sustainable technologies and practices for prevention of pollution and the continual improvement in environmental performance.
- Conserve natural resources and energy by minimising their consumption and wastage.
- Minimise waste generation, enhance recovery and recycling of material and develop Eco-friendly waste disposal practices.
- Building awareness of our work force, customers and vendors on environment issues.

This policy has been communicated to all our employees and shall be made available to the public/stakeholders on request.

July 29, 2003.


Ratan N. Tata
Chairman



TATA MOTORS



POLICY ON EQUAL OPPORTUNITY AND NON-DISCRIMINATION IN EMPLOYMENT

“As part of its Recruitment Practices, TATA MOTORS is committed to provide Equal Opportunity to all eligible applicants for employment without any discrimination against their gender, race, religion, caste, colour, ancestry, marital status, nationality and disability.

Opportunity for employment will be solely based on eligibility and merit of the applicant. Career growth opportunities will be based entirely on individual merit.”

POLICY ON HUMAN RIGHTS

“TATA MOTORS believes in and respects Human Rights as enunciated by the International Labour Organisation.

TATA MOTORS is committed to protect the Human Rights of its employees while dealing with them in all the activities falling under the relationship of ‘Employer’ and ‘Employee’.

Decision to seek employment rests with the individual only, and it is completely voluntary. TATA MOTORS does not and will not allow or encourage Compulsory or Forced Labour in any of its processes and practices.

TATA MOTORS respects the right of its eligible employees to organise for the purpose of Collective Bargaining as well as their right to support or oppose the labour union recognised by TATA MOTORS.

TATA MOTORS respects the definition of Child Labour as mentioned in the guidelines of International Labour Organisation. TATA MOTORS will not engage any person under the age of 18 years (legal age of employment) for any operations or services (as presented in law) unless it is part of government approved job training or apprenticeship programme.

TATA MOTORS honours the right of its employees to choose and decide the extent of their involvement in Political Activities in their Personal Time.

TATA MOTORS expects its Channel Partners and Contractors to adhere to business principles consistent with its own.”