



# **Our Commitment to UN Global Compact “Communication on Progress”**

**November, 2017**

**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 employees and has been shared with our suppliers and customers. It is also translated into local Indian languages as relevant as well as in Mandarin Chinese and Portuguese in the relevant geographies.

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 trading and distribution company dealing in metals, minerals, distribution, agro and leather products it serves this same purpose in countries as wide apart as Cambodia and Brazil, 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.

The TIL leadership excels to build an environment conducive to Corporate Social Responsibility (CSR) policy of the company, as a result we continue to receive encouraging external feedback on our environment initiatives for leather manufacturing facility at Dewas which is recognized by the Ministry of Environment & Forest, Government of India with the 'National Award for Prevention of Pollution' and 'Rajiv Gandhi Environmental Award for Clean Technology', by the Council of Leather Exports. TIL, Dewas is Quality Management System (ISO 9001:2015) and Environment Management System (ISO 14001:2015) certified by TUV Nord, Automotive leather production facility also certified for IATF standard by TUV Nord. TIL, Dewas unit also received TERI award for Corporate Environment Excellence. The Leather tannery is awarded "GOLD" rating by Leather Working Group of BLC (British Leather Council). The Leather product at Dewas has been awarded Eco-Labeling License by the Bureau of Indian Standards (BIS). The unit achieves Environmental excellence under the umbrella of TBEM (Tata Business Excellence Model).

Our In-house R&D developed patented technology for gainful utilization of solid waste through bio-methanation is recognized by the leather fraternity. Our efforts for Bio-fertilizer from waste, reactive filler for zero chrome leather production, Chrome green pigment, Stabilization of waste through brick and paver manufacturing and recycled chrome utilization from solid wastes are well accepted in the industry and group forums like Tata Innovista, Tata Innoverse and TBLA (Tata Business Leadership Award).

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. During 2007, we as a part of the TATA Group initiative have supported Affirmative Action to support the economically disadvantaged sections of society. Since 2007, we have commenced a new initiative for training economically disadvantaged women from Dewas village (near our Leather Manufacturing Unit) in the footwear manufacturing skills and also provided them employment opportunities in our Ladies Footwear Plant. Today we have over 1000 women working in our state of the art ladies footwear plant. Some promising women have been sponsored by the Company for higher learning and training at Taiwan during April/May, 2009. Effective, 1<sup>st</sup> April, 2010, the Leather Footwear and Leather Garments businesses of the Company located at Dewas and Chennai have received SA 8000 accreditation from TUV Nord. Initiated regular health camps, safe drinking water, toilets and provision for electricity and fans for schools in Amona and Binjana around production facility at TIL, Dewas. Also committed to driving 'Swachh Bharat Abhiyan' (Clean India Campaign) for public hygiene and sanitation, a new initiative of



the Government of India, launched in August, 2014. We are committed to drive this in the villages around our manufacturing units in India.

The Company has put in place a Social Accountability Policy and Affirmative Action Policy and practices positive discrimination.

The Company has trained rural artisans under the Government of India's 'Support the Artisan' initiatives. The Company has facilitated setting up about women self-help groups with emphasis on supporting women artisans in shoe making.

We also initiated a process to adhere to ISO 26000. Also renewed focus on 'Diversity and Inclusiveness' across all the locations / levels in the Company.

In 2016-17 total 249 volunteers took part in CSR activities and spent total employee hour of volunteering is 4619 for activities like

- Sugar and Lipid profile test for employees.
- Health camp at Govt. primary and middle schools.
- Girls covered with Rubella vaccination.
- Health camps for children and women of Aanganwadi centres.
- Pagoda (Rest room) for pilgrims sponsored and constructed.
- Run for ethics at Dewas city
- Session on women related health problems, POSH awareness programmes
- Yoga day camp at TIL, Dewas
- Tree plantation by TIL, Dewas employees at Police station and Govt. ITI
- Cancer disease awareness and screening workshop
- Participation in Marathon and running events.
- Health talk on "Role of Physiotherapy in welllness and healthy Life"
- Toilet facility for govt. primary/middle school children.
- Kshipra river cleaning campaign under "Swacch Bharat Mission near Dewas.
- Blood donation camps.
- Various health benefit camps for employees.

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 we invite any individual or organization to share their views with us. So that, in so doing we can learn from each other.

Ajay M. Ponkshe  
Chief Financial Officer  
and Company Secretary



## UN Global Compact – “Communication on Progress”

November, 2017

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)
<b>Human Rights</b>		
<b>Principle 1</b> 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"> <li>1. Employee concerns are aired and reviewed regularly through Dialogues, Town Halls (Communication Meetings) at all the Company locations conducted on separate occasions throughout the year by 1) the Managing Director, 2) the HR Head 3) Senior Managers with the Business Head / Location Head present.</li> <li>2. At our manufacturing facilities at Dewas in Madhya Pradesh and Chennai, Tamil Nadu, we adhere to working hours as laid down in the Factory Rules 1962.</li> <li>3. Ascertain that all our units as well as Supply Chain Units and the personnel employed through contractors do not employ child labour since we are a BSCI compliant company</li> <li>4. To reinforce the 'Tata Code of Conduct' a printed version is shared in English, Hindi and Tamil (for the benefit of workforce in Dewas and Chennai who are Hindi and Tamil speaking) with all our employees, including workers, and suppliers. The Chinese version of the TCoC has been circulated to our staff in Hong Kong/ China offices.</li> <li>5. The Company has 'Prevention of Sexual Harassment Policy' applicable to its workplace. External lady domain experts from the social sector have been co-opted on the Internal Complaints Committee.</li> <li>6. The Company conducts periodic 'sensitization sessions' at its major manufacturing locations for ensuring that we are a 'gender friendly' organization. In these sessions, we also invite representatives of Government and Civil Society.</li> </ol>
<b>Principle 2</b> 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"> <li>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.</li> <li>2. The Joint Management Council comprising of members from the Management and the Union, meets regularly and addresses the areas of conflict. Management walks the talk.</li> <li>3. Besides, there is the Safety Committee at each manufacturing location, mock drills are conducted regularly.</li> </ol>



## Labour Standards

<p><b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p><b>&amp; 4</b> 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"> <li>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.</li> <li>2. Forced and compulsory labour is banned by the Government of India.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>2. There is no forced and compulsory labour in Tata International Limited pursuant to BSCI guidelines followed by the Company, the Tata Code of Conduct and SA 8000 principles.</li> </ol>
<p><b>Principle 5</b> 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"> <li>1. The Company's Recruitment Policy ensures that only adults over 18 years of age are employed by the Company.</li> <li>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.</li> <li>3. The monitoring is by way of periodic review of suppliers/ contractors. We have conveyed to all suppliers the seriousness of the issue. Since 2010, the Company has started conducting Vendor audits on BSCI compliance especially in the area of Child Labour.</li> </ol>
<p><b>Principle 6</b> 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"> <li>1. The Company has a systematic recruitment process, which ensures that there is no discrimination on account of age, sex, nationality or religion. The Company is an equal opportunity employer.</li> <li>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.</li> <li>3. The Company practices Affirmative Action and Positive Discrimination. The Company has subjected itself to Affirmative Action Audit during February, 2016, which is conducted by the Tata Group (The women empowerment programme by creating 'Self-help groups of women workers' was identified by the Tata Group as a 'promising practice'.)</li> </ol>

Environmental Protection		
<p><b>Principle 7</b> Businesses should support a precautionary approach to environmental challenges</p> <p>(HR 3.13)</p> <p><b>Principle 8</b> Undertake initiatives to promote greater environmental responsibility</p> <p>(EN. 1 to 16)</p> <p><b>&amp; 9</b> 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><b>Environment related data and target parameters are enclosed separately</b></p>	<p><b>Precautionary approaches to environmental challenges - Towards Sustainable Development</b></p> <ul style="list-style-type: none"> <li>▪ Aligned to Corporate Sustainability policy, Strong commitment to Environment Management.</li> <li>▪ Best-In-Class Environment Management Practices including Waste Management in Leather industry</li> <li>▪ Gold rated Company audited by British Leather Council against Leather Working Group standards</li> <li>▪ Integrated Management system including ISO 9001:2015, ISO 14001:2015 and IATF 16949:2016 standard.</li> <li>▪ Eco-labelling of leather and leather products (Eco Mark)</li> <li>▪ Waste reduction approaches at source.</li> <li>▪ Stop use of banned items</li> <li>▪ Technical support to suppliers not to use banned chemicals</li> <li>▪ Maintaining norms of treated effluent water</li> <li>▪ Recycling of Effluent Treatment Plant treated water using Reverse Osmosis technology</li> <li>▪ Patenting of new R&amp;D technologies</li> <li>▪ Biomethanation of different solid wastes</li> <li>▪ Biotech mode of leather manufacturing</li> <li>▪ Cost reduction by substitution of cheaper and eco-friendly chemicals.</li> <li>▪ Developed environment friendly chemicals for cleaner leather production</li> <li>▪ Developed low carbon leather for reducing greenhouse gas emission</li> <li>▪ Use of clean fuel for boiler to protect environment</li> <li>▪ Installed energy efficient utilities for production</li> <li>▪ Installed sea water RO for RO reject.</li> <li>▪ Chrome green paint from solid waste.</li> <li>▪ Bricks and Paver manufacturing through waste stabilisation.</li> <li>▪ PU based pigment from left over chemical of leather processing.</li> </ul> <p><b>Initiatives to promote greater environmental responsibility</b></p> <ul style="list-style-type: none"> <li>▪ Recycling of waste water</li> <li>▪ Recycling of all type of solid wastes/ hazardous waste</li> <li>▪ Biotechnology for leather manufacturing.</li> <li>▪ Resource recovery from hazardous waste for gainful utilization</li> <li>▪ Ground and Roof water harvesting</li> <li>▪ Greenery by design. More than 250,000 trees planted all around the complex.</li> <li>▪ Utilization of solar energy for boiler feed water</li> <li>▪ Biogas from leather waste (project funded jointly by the Company and UNDP/Ministry of non-conventional energy sources, Government of India.</li> <li>▪ Carbon foot print reduction strategies</li> <li>▪ Using recyclable packing materials</li> <li>▪ Protein filler from leather solid waste</li> <li>▪ Bio-fertilizer from solid waste of leather industry</li> <li>▪ Helping tanneries for sustainable leather processing and for getting BLC certification</li> <li>▪ Resource recycling of chrome as fixing agent for tanning process</li> <li>▪ EM technology based sewage treatment plant</li> <li>▪ DG sets with acoustic enclosure</li> <li>▪ Bag filter to reduce smoke emission from boiler stake.</li> <li>▪ Solidification and stabilization technique for waste recycling.</li> <li>▪ Installed multiple effect evaporator for RO reject.</li> <li>▪ Installed sludge separators before ETP.</li> <li>▪ Vermi-composting for solid waste.</li> </ul>



		<p><b>Development and diffusion of environment friendly technologies</b></p> <ul style="list-style-type: none"> <li>▪ Eco-friendly chrome leather</li> <li>▪ Formaldehyde free leather</li> <li>▪ Leather totally free from PCP and Azo dyes</li> <li>▪ Reactive filler from leather solid waste – A totally new approach for leather processing recognized as award winning project for Tata Innovista 2015.</li> </ul> <ol style="list-style-type: none"> <li>1. The company has initiated various environmental care programmes including recycling of energy, water and hazardous waste under the umbrella of TBEM, ISO-14001 &amp; Eco-labelling of our products.</li> <li>2. Specific areas in which R&amp;D carried out by the company  <b>Biotechnology:</b> <ol style="list-style-type: none"> <li>(i) Lime free effluent treatment process is established with Upflow Anaerobic Sludge Blanket (UASB) for biological decomposition of organic waste to biogas. Reduction in organic load achieved is about 70 in UASB.</li> <li>(ii) 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, BLC Gold rated Company, Eco Certification from Bureau of Indian Standards etc.</li> </ol> </li> <li>3. These environmental care efforts help in GHG emission reduction.</li> <li>4. Benefits derived as a result of above efforts : <ol style="list-style-type: none"> <li>(i) Proteinous leather solid waste generated in production process has been successfully recycled into various products such as leather chemicals, fertilizers and adhesives. This has provided an indirect saving on disposal of solid waste as well.</li> <li>(ii) Environmental clearance obtained from pollution control board through our sustainable efforts on liquid &amp; solid waste management.</li> </ol> </li> </ol>
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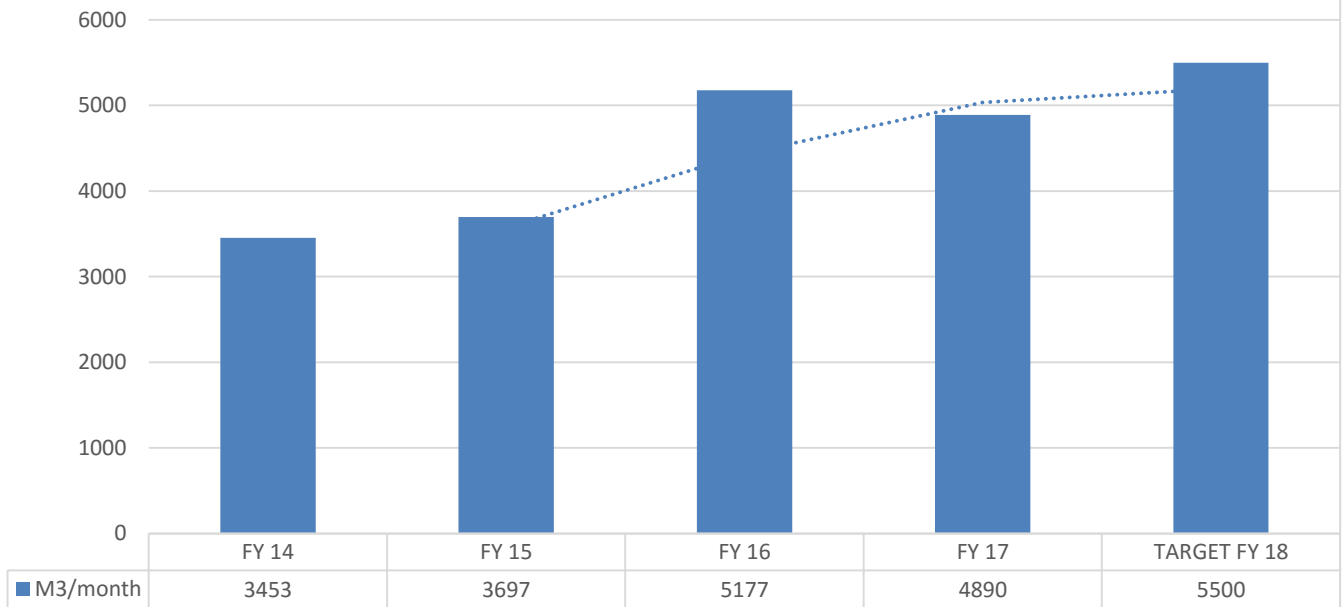


<b>Anti-Corruption and prevention of Bribery</b>		
<p><b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p>As a Tata company there is an elaborate system and process for the 'management of business ethics'. The Managing Director of the Company is the Principal Ethics Officer, a Senior Manager is the Chief Ethics Counsellor and each Location has an Ethics Counsellor responsible. There are 2 Lady Ethics Counsellors to cater to the sensitivities of women workers/ employees.</p> <p>All employees sign the Tata Code of Conduct.</p> <p>The Tata Code of Conduct is sent to key stakeholders with the contract, for their perusal in respect of relevant clauses. Clauses 5, 6 and 7 address these issues.</p> <p>The Tata Code of Conduct is also adhered to by the Company's various wholly-owned subsidiaries in Hong Kong, UAE, in Africa, Mauritius, Singapore, Vietnam and Cambodia.</p>	<ol style="list-style-type: none"> <li>1. Every employee has to sign the Tata Code of Conduct (TCOC). Every year, every new employee signs the Tata Code of Conduct.</li> <li>2. Hotline: a dedicated e-mail id has been in use since 2005 to ease the reportage of ethical concerns by employees and suppliers and partners.</li> <li>3. Awareness Programmes on TCOC are conducted regularly across the Organisation, in English and regional languages.</li> <li>4. Visual display of posters on Ethical behaviour is displayed in prominent locations in factory premises/ offices. The posters are in multi-languages.</li> <li>5. Awareness Programmes on TCoC are conducted for key Suppliers/Partners of the Company.</li> <li>6. The Company is organizing 'Ethics Week' in November 2017 across its offices in India and overseas geographies.</li> </ol>

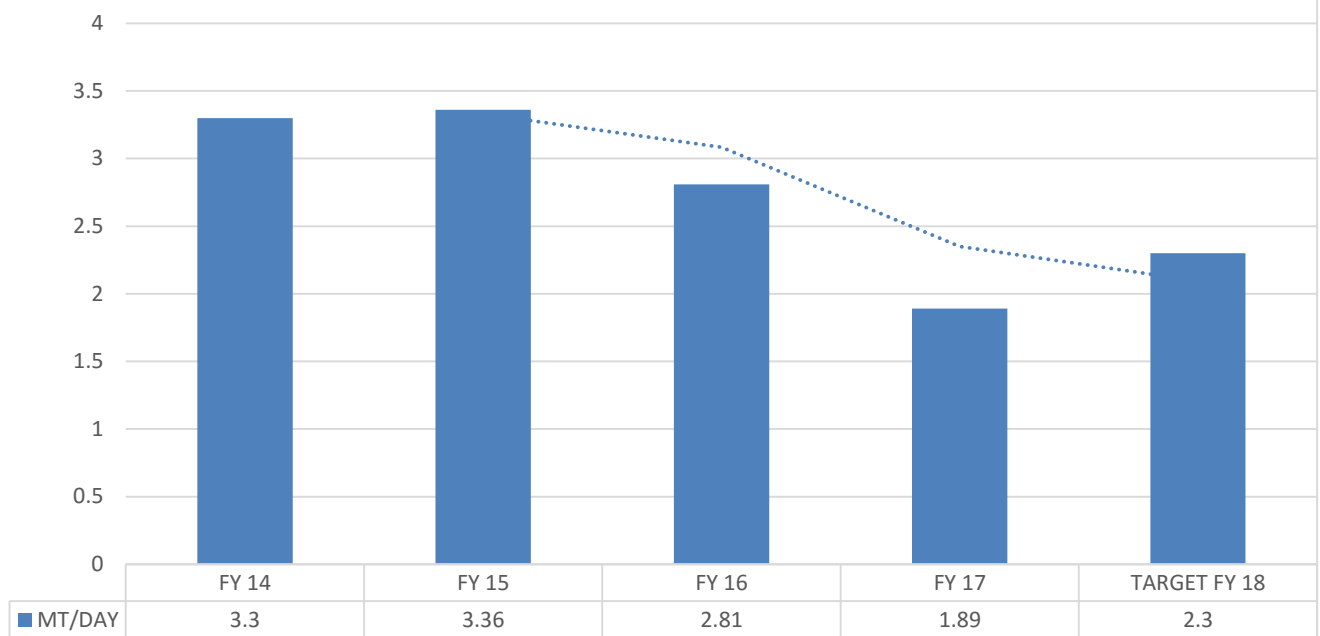




### SAVING ENVIRONMENT: PROCESS WATER RECYCLING M<sup>3</sup>/MONTH



### SAVING ENVIRONMENT: SOLID WASTE RECYCLING MT/DAY





### CAPITAL INVESTMENT MADE FOR POLLUTION CONTROL MEASURES

