



OUR COMMITMENT TO UN GLOBAL COMPACT

“COMMUNICATION ON PROGRESS”

July 2009

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21st July 2009

COMMUNICATION ON PROGRESS

Introduction

Tata Pigments Limited has been a signatory to the United Nations Global Compact since 2007. 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 officers and most of our employees and has been shared with our suppliers and customers too.

For further information of the Company, please visit our website www.tatapigments.co.in

For and on behalf of
Tata Pigments Limited

A handwritten signature in black ink, appearing to read 'P. Sarode', is written over a light purple rectangular background.

(Prakash Sarode)
Managing Director

U N GLOBAL COMPACT
Communication on Progress

(A) HUMAN RIGHTS:

Principle 1: Support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

(A1) Company's Policies affirming the Principles:

- Tata Code of Conduct, Clause 17 on Ethical Conduct (which among other things deals with preserving the human rights):
- Values OF Tata Pigments

(A2) Company's Initiatives to support the Policies and outcomes:

- Tata Code of Conduct (TCoC) includes a clause on Human Rights, advising every employee of a Tata Company to preserve the human rights of every individual and the community and strive to honor commitments. All employees undergo training on TCoC. The Code is posted on the company's Website www.tatapigments.co.in and printed copies are distributed to all employees, dealers and major suppliers. All employees of Tata Pigments have submitted a written declaration to abide by the TCoC in letter and spirit. Systematic procedure has been established for receipt and resolution of concerns raised on TCoC by any stakeholders of Tata Pigments.
- Employee Grievance Redressal, a part of the Human Resources Management Department, reviews and addresses the grievances of employees. No human rights violation case has been reported till date.
- Established Disciplinary Procedure enumerated in the Works' Standing Orders (WSO) of the company deals with any violation on Human Rights. WSO is applicable to all employees and have been communicated to all employees at the time of joining the company. Besides, there is an Officers Rules abiding all officers of the company.
- Contractors' works for the company are required to follow the guidelines such as the Safety Rules and Regulations, Payment of Minimum Wages Act and Provident Fund and Miscellaneous Provisions Act. No Child Labour is employed.
- Occupational Health and Safety issues related to various operations are systematically reviewed and improved through certification to OHSAS-18001:2008 which is audited thrice in a year by Internal Certified Auditors and once internationally accredited external authority. Clause 8 of TCoC also deals with the subject.

- The Company not only provides medical facilities to its employees but also conducts free Medical Camps with registered doctors and pathologists in the adjoining villages for underprivileged class of the society under “Mother & Child Care”.
- To support continuing education particularly to under privileged class – SC/ST, the company sponsors scholarships under Affirmative Action.

(B) LABOUR STANDARDS

Principle 3: The freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour;

Principle 6: The elimination of discrimination in respect of employment and occupation.

(B1) Company’s Policies affirming the Principles:

- Tata Pigments Works Standing Orders
- Tata Code of Conduct – Clause 4 on Equal Opportunity Employer

(B2) Company’s Initiatives to support the Policies and outcomes:

- Tata Pigments abides by the prevailing regulatory laws, in India. Its Human Relations and Industrial Relations practices allow collective bargaining. All employees other than officers are represented by the Tata Pigments Workers’ Union. Collective bargaining issues are discussed with the Tata Pigments Workers’ Union on regular basis.
- The Joint Works Council (Union & Management) meets periodically to discuss issues like productivity, quality, safety, environment and employee well being issues.
- Dialogues and meetings with the Union members, proactively deliberates issues of possible area of conflicts and creates a congenial environment in pursuit of corporate sustainability.
- As per the laws of the land, forced and compulsory labour is prohibited and Tata Pigments fully abides by the law. Senior Leaders and Ethics Counsellor periodically review any violation of such requirements.
- As per the Works Standing Order of the Tata Pigments Limited, minimum age required for the employment is 18 years and hence the company engages no Child Labour. The recruitment process requires furnishing of appropriate proof of age to ensure conformance to the age bar.
- All dealers, suppliers and contractors who work for the company are required to follow the guidelines of no Child Labour employment and Contract Labour (Regulation & Abolition) Act.

- The company is committed to be an equal opportunity employer – Clause 4 of TCoC and follows the company policy which states that employment will be solely based on eligibility and merit of the applicant without any discrimination against their gender, race, religion, caste, colour, ancestry, marital status, nationality and disability.
- The Tata Code of Conduct emphasizes equal opportunities and non-discrimination. The company Ethics Counsellor monitors concerns raised on discrimination in its activities, services and products. During the year no concern was received on discrimination or violation of the Code of conduct or Policy.

(C) ENVIRONMENT

Principle 7: Support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

(C1) Company's Policies affirming the Principles:

- Tata Pigments Environmental Policy
- Tata Pigments Corporate Sustainability Policy
- Tata Code of Conduct Clause 8 & 9

(C2) Company's Initiatives to support the Polices and outcomes:

- Tata Pigments uses proactive approach towards minimizing environmental impact in manufacturing processes.
- Tata Pigments uses environment-friendly technology in the manufacture of its products and ensures that all operation and activities not only conforms to statutory regulations but also strives to go beyond the regulatory norms. Tata Pigments continuously upgrades its manufacturing technology to reduce environmental impact, energy consumption, improve productivity and quality – Clause 8 and 9 of TCoC.
- The present technology used by Tata Pigments has almost completely eliminated the emission of CO₂ & CO₃ gases.
- Tata Pigments is an Integrated Management System – ISO 9001; ISO 14001 and OHSAS 18001 certified Company.
- Tata Pigments promotes Rain Water Harvesting in its work place and effluents generated in the plant are being sent to Effluent Treatment Plant. Treated water is recycled and thus conserving water and reduces requirement of fresh water.
- Tata Pigments promotes greening and therefore to offset climate change and to promote environment awareness saplings are being planted by its officers and employees on various occasions. Clause 8 of TCoC specifically mentions about offsetting the effect of climate change in all spheres of its activities.

(D) ANTI - CORRUPTION

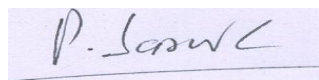
Principle 10: Business should work against all forms of corruption, including extortion and bribery.

(D1) Company's Policy affirming the Principles:

- Financial reporting & Records – Clause 2 of Tata Code of Conduct;
- Gift Policy Clause 5 of Tata Code of Conduct;
- Whistle Blower Policy (WBP) Clause 25 of Tata Code of Conduct;
- Tata Code of Conduct, Clause 17: Ethical Conduct

(D2) Initiatives to support the Polices and results:

- Tata Pigments has systems of internal controls and procedures covering most of the financial and operating functions to detect corruption and frauds Clause 2, 18 & 24 of TCoC. It provides reasonable assurance about existence of proper accounting controls, preventing corruption, the reliability of financial and operational information.
- Board of Directors of Tata Pigments monitor and review Company's performance, Corporate Governance and Corporate Sustainability in its quarterly meetings.
- All Tata Pigments employees are committed to abide by the Tata Code of Conduct and all managerial employees have signed their commitment to abide by it. TCoC has specific clauses on Gift & Donations (Cl.5); Ethical Conduct (Cl.17). The Whistle Blower Policy encourages employees to raise genuine concerns and provides assurance to protect the Whistle Blowers from any subsequent harassment or retaliatory action. For this a Whistle Blowers Protection Committee has been constituted.
- Training on TCoC is made a part of the orientation programme of employees joining the company. All employees go through the reinforcement training on TCoC.
- All employees had participated in Management of Business Ethics (MBE) survey, which is used by the leadership team to review the effectiveness of business ethics programme and identify opportunities for improvement.



(Prakash Sarode)
Managing Director