

UN Global Compact Communication on Progress





COMMUNICATION ON PROGRESS

Established in 1939, Tata Chemicals Limited (TCL or the Company) is a global company, with a mission of “Serving Society through Science”. We manufacture inorganic chemicals, consumer products, specialty chemicals and nutritional solutions. We serve a varied set of customers across five continents with employees spread across four regions. We are committed to Science based targets and are revisiting our sustainability and business strategy and roadmap in order to address the same.

This document provides more detail to internal and external stakeholders on Tata Chemical’s sustainability-related policies, programmes and performance and compliments our 2017 Integrated Annual Report, which combined with the 2017 Global Reporting Initiative (GRI) Standards, serves as our Communication on Progress (COP) to the United Nations Global Compact.

Tata Chemicals has participated in the UN Global Compact since 2003 and is continuously working to implement and promote the 10 Principles in support of human rights, labour rights, the environment and anti-corruption.

We fulfil our commitments to the UN Global Compact by:

- Implementing the 10 Principles into Company operations and strategy
- Supporting and being a part of the Responsible Care program
- Contributing to UN sustainable development goals
- Working to make our supply chain more sustainable
- Promoting the development of local networks
- Reporting transparently in accordance with various sustainability Standards

1.1 GC Advanced Level

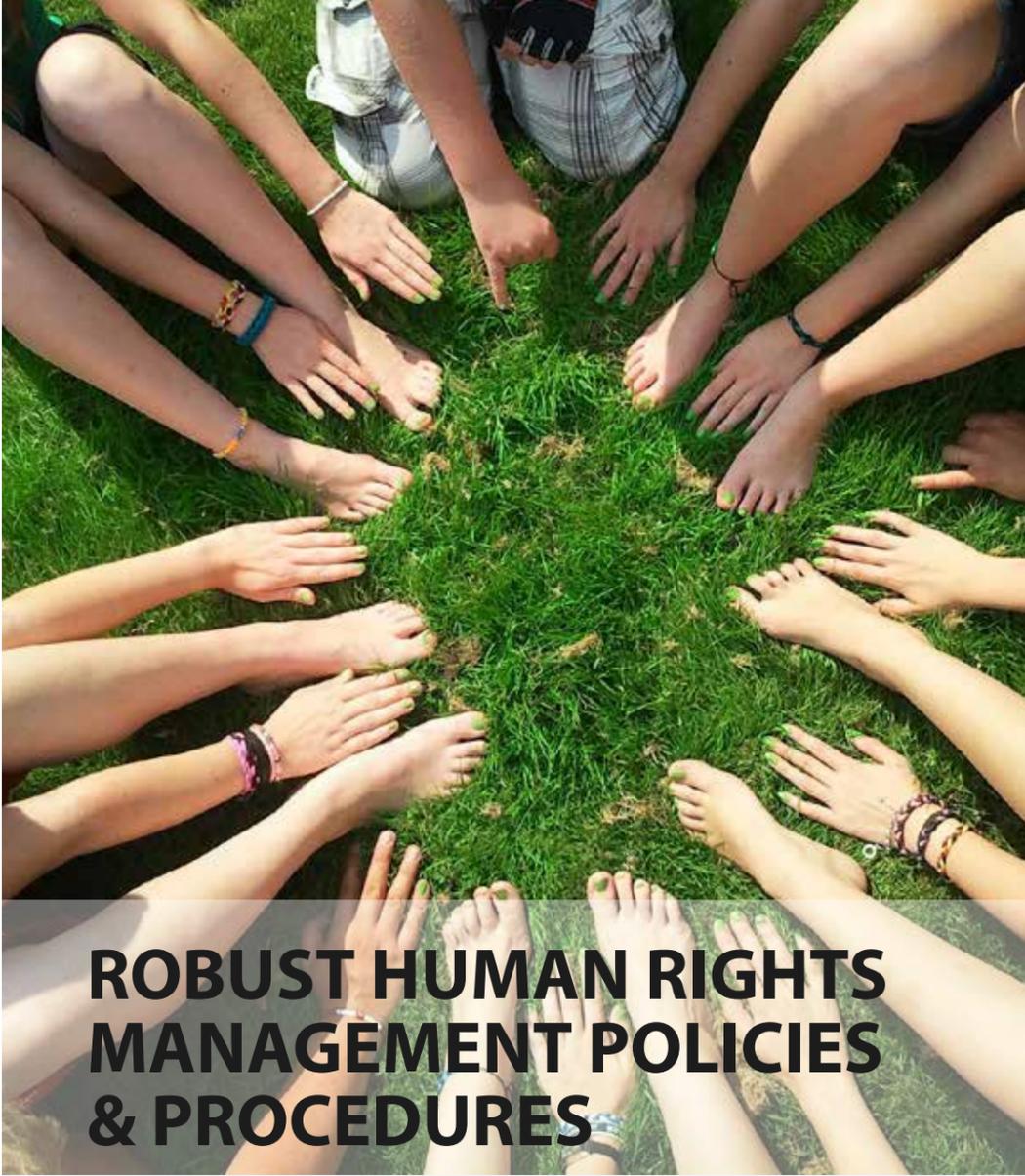
Our Integrated Annual Report, in conjunction with the IIRC Framework and this document, serves as our Communication on Progress (COP) to the Global Compact. To achieve Advanced Level status, we must meet the 21 criteria of the COP differentiation programme. The document summarizes these criteria and provides information on how we strive to meet each one of them.

1.1.1 Mainstreaming into corporate functions and business units

We have integrated sustainability into the way we do business. We identify material issues to our business with our stakeholders and develop ambitious strategies, demanding targets, rigorous governance and integrated reporting. We have also implemented internationally recognized management systems. Almost all of our production volume now comes from plants that are certified for quality (ISO 9000), environment (ISO 14001), health and safety (OHSAS 18001), Responsible care and many other certifications. We have adopted different means to make our teams sensitive to Carbon emissions inclusive of use of an “ internal Carbon Shadow price” for our growth projects.

1.1.2 Value chain implementation

Supply chain contributes to our impacts, particularly from an environmental perspective. To address this, we work with our suppliers, NGOs and other partners to tackle issues such as water use and carbon emissions in our packaging supply chain exclusively as the packaging industry is seeing the big shift. We have also begun collaborative work with customers on joint sustainability initiatives.



ROBUST HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES

1.1.3 Robust commitments, strategies or policies in the area of human rights

- Relevant policies at TCL include: an updated Human Rights Policy, including explicit reference to the UN Framework and Guiding Principles on Business and Human Rights and the ILO International Labour Standards; Equal Opportunities Policy; Sustainable Supply Chain Guiding Principles; Occupational Health and Safety Policy.
- We have an ongoing programme on improving Diversity with a focus on women, socially backward communities, differently abled and people from backward regions of the country.

1.1.4 Effective management systems to integrate the human rights principles

- Our commitments are integrated into management systems and training. At most of our locations, we have adopted 'Social Accountability – 8000 standards across our organization.
- High-profile health and safety campaigns and gender diversity initiatives and affirmative action for socially backward communities are among the programmes which bring our commitments to life.

1.1.5 Effective monitoring and evaluation mechanisms of human rights integration

- Regular reviews ensure that we adhere to all applicable laws and regulations, our Code of Business Conduct i.e. the Tata Code of Conduct (TCoC) and internal standards.
- Certification on a regular basis confirms that we are in legal compliance, processes are well implemented, targets are set and reached and reporting is timely and accurate.
- Well communicated whistleblower system, with all concerns investigated and studied with external agency.

1.1.6 Robust commitments, strategies or policies in the area of labour

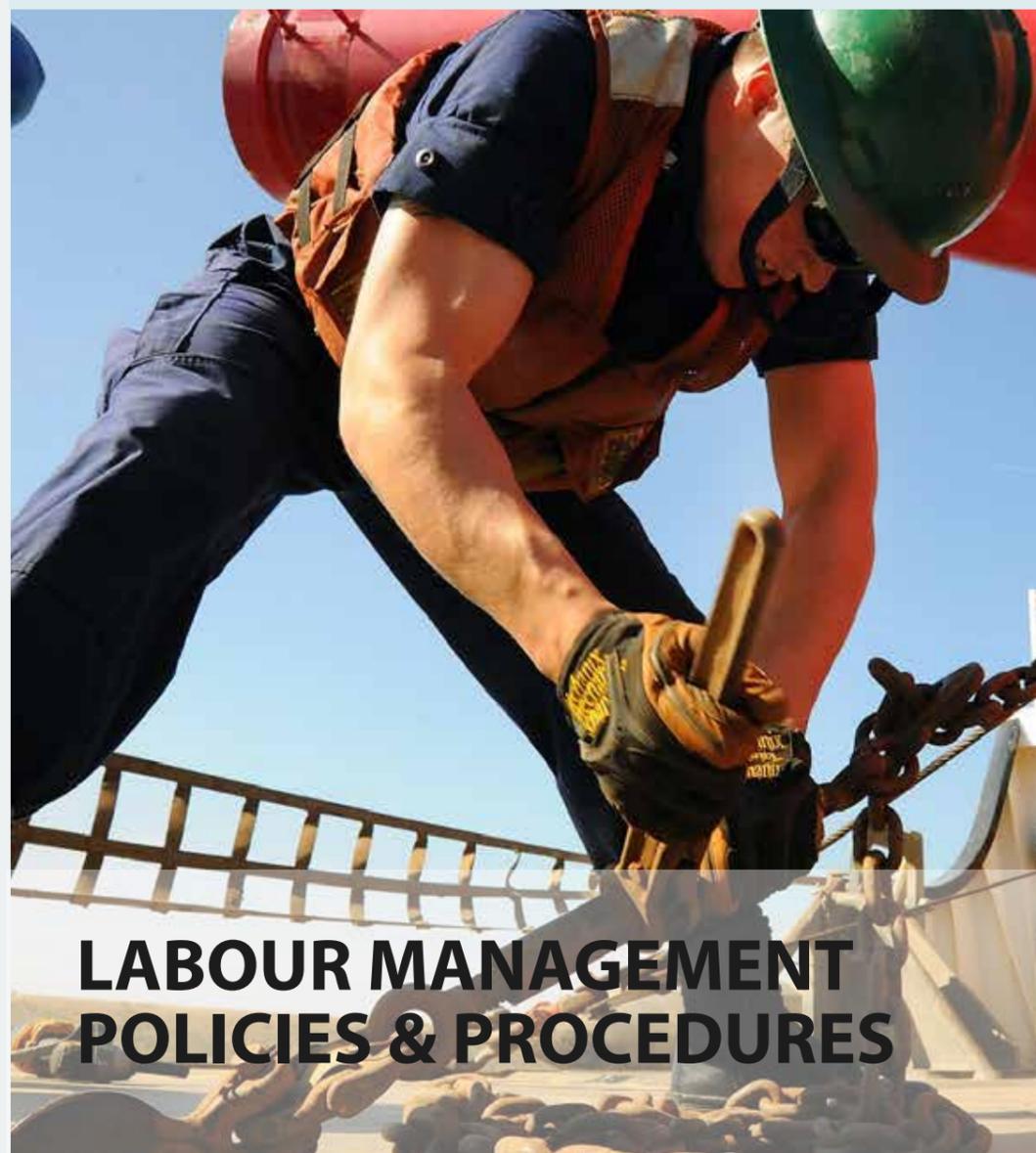
- Relevant policies include our Human Rights Policy and Social Accountability Policy, are available in our Sustainability reports of recent years.
- Suppliers contractually confirm adherence to our Supplier Sustainability Guidelines. Moreover, we have initiated Sustainability Assessment of key suppliers. The sustainability assessment is based on various criteria grouped in 4 themes - Environment, Social, Ethics, Suppliers/Supply Chain. The subtopics covered in the assessment are Child & Forced Labour, Discrimination Fundamental, Human Rights, Corruption & Bribery, and so on.
- We also engage in the communities where we live and work. Various community development and investment initiatives that serve the needs of the communities in the geographies where we operate.

1.1.7 Effective management systems to integrate the labour principles

- We have independent unions and/or works councils as well as formal communications protocols in place. For details please see relevant sections of our Integrated Report. Labour Management is critical for Industrial peace, which is necessary for better and higher production leading to the achievement of organisation's goal.
- As per the policy it is mandatory that all suppliers/contractors have to pay their employee as per the Minimum Wage Act and no deviation is accepted by TCL. Appropriate action is taken if the norms are flouted.

1.1.8 Effective monitoring and evaluation mechanisms of labour principles integration –

- Regular reviews ensure that we adhere to all applicable labour laws and regulations and internal standards.
- We have a well-publicised whistleblower system, with all contacts investigated.
- No significant fines received for non-compliance with labour laws and regulations in 2017.



LABOUR MANAGEMENT POLICIES & PROCEDURES



ENVIRONMENTAL MANAGEMENT POLICIES & PROCEDURES

1.1.9 Robust Commitments, strategies or policies in the area of environmental stewardship

- We have publicly available policies on climate change, environment, health and safety.
- Our suppliers are required to adhere to our Supplier Guiding Principles and the TCoC.
- We report on the CDP website on CDP Climate change, CDP Water and CDP supply chain.
- We work with our neighbourhood communities through our social arm TCSR D.. TCSR D (Tata Chemicals Society for Rural Development) has been implementing various water conservation projects especially in Mithapur region, where non-availability of quality water is a biggest concern. TCSR D has been following an integrated and comprehensive approach to meet the objective of providing adequate, assured and good quality water to the community for agriculture, animal husbandry, drinking and household use.
- We are members of the India Business and Bio-diversity Initiative. We have flagship programs that support species conservation, eco-restoration and community outreach for bio-diversity conservation.
- We have recently signed the agreement on the commitment to Science Based Targets, to address the 2-degree scenario on climate change.
- For further details, please visit our Integrated and Sustainability reports

1.1.10 Effective management systems to integrate the environmental principles

- Tata Chemicals adheres ISO 9000, ISO 14001, OHSAS 18001, Responsible care principles.
- Environmental principles are well integrated into our Strategy and working procedures.
- Stacks are monitored as per the schedule under ISO 14001 and results are well within the limits. Furthermore, all environmental regulations are being adhered to and in-house monitoring is done on a daily basis.
- We have dedicated energy cell to track, plan and investigate our carbon initiatives.
- To address the plastic waste across our value chain, we are working with our suppliers as well as customers. We are encouraging our customers to procure our product via bulk transport to reduce the packaging waste.
- For further details, please visit our Integrated and Sustainability reports

1.1.11 Effective monitoring and evaluation mechanisms for environmental stewardship

- Regular reviews conducted to confirm compliance to all applicable environmental laws, regulations & internal standards.
- Customized software in place for collecting, reporting, tracking and conducting trend analysis of all Environmental data.
- Regular internal audits assure that all plants meet environmental requirements (both legal and internal). Regular performance review meetings held at plant for main environmental KPIs and the results are discussed monthly in management committee meetings.
- Cross site internal assessments to share the best practices are adopted.
- For more, please visit our Integrated and Sustainability reports.

ANTI-CORRUPTION MANAGEMENT POLICIES & PROCEDURES



1.1.12 Commitments, strategies or policies in the area of anti-corruption

- All employees receive Code of Business Conduct i.e. Tata Code of Conduct (TCoC) and anti-corruption training, which is refreshed every year, underlining our zero-tolerance approach to corruption.
- We publicly report on Code of Conduct violations by type and relevant actions/learnings undertaken as a result.

1.1.13 Effective management systems to integrate the anti-corruption principle

- All employees undergo mandatory training and certification in the Tata Code of Conduct and the Anti-Bribery.
- We celebrate every July as Ethics month to reiterate the commitment to ethical practices both at a professional as well as personal level.
- Employees can raise concerns about conduct and compliance in various ways, including our confidential whistleblower hotline and email system. Visit our public reports for more details.

1.1.14 Effective monitoring and evaluation mechanisms for the integration of anti-corruption

- All violations of our TCoC result in disciplinary action, even dismissal.
- Our whistleblower system is independently audited by KPMG (a third party) each year.



ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES

1.1.15 Core business contributions to UN goals and issues

- We have initiated work on double fortified salt to address anemia in the country.
- Our water purifiers provides inexpensive gravity based clean water solution to the masses.
- We have been promoting sustainable agriculture through our products and helping farmers achieve better productivity.

1.1.16 Strategic social investments and philanthropy

- We have established Ncourage Social Enterprise Foundation to help promote enterprises that address social and environmental concerns
- We are promoting handicraft products under the brand OKHAI in all the locations with the objective of keeping alive the traditional skills and at the same time provide sustainable livelihood to the artisans.
- More than 8000 children benefited from initiatives such as an e-library, learning enhancement programme, teacher training, scholarships, child learning and improvement programme and a residential summer camp on spoken English and personality development. Visit our public reports for more details.
- We are touching all aspects of society including livelihood, education, health, environment, and empowerment of the weaker sections. Our CSR activities are represented as BEACON - Blossom, Enhance, Aspire, Conserve and Nurture. For more information, please see the Community section of the 2017 Integrated Annual Report (IAR).
- Additional information is available in the TCSR Annual report.

1.1.17 Advocacy and public policy engagement

- TCL subscribes to externally developed economic, environmental and social charters like UN Global Compact (UNGC), Natural Capital Coalition, The Chemicals Industry Association Responsible Care Initiative, and Wyoming Natural Resource Foundation.
- TCL plays a key role in the chemical and fertiliser industries. The company participates actively in CII-IBBI Biodiversity, DEQ & EPA Environmental Tightening Emission regulations, Tata Business Excellence Model, and Lean Six Sigma.
- We aim to be transparent towards our call to Climate Change.

1.1.18 Partnerships and collective action

- Sustainability is an integration of multi-functional and multi-stakeholder partnership and to solve any sustainability related challenges, we work collaboratively with our partners.
- We engage with our stakeholders on various topics. For further details, please refer our Integrated Annual report.



CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP

1.1.19 CEO commitment and leadership

- Our CEO is actively involved in our sustainability agenda and regularly attends our quarterly meetings of the TCL Board's CSR, Safety and Sustainability Committee.
- The Sustainability accomplishments and challenges are discussed in the monthly meetings where TCL's Managing Director and CEO ensure alignment of priorities including sustainability issues, strategies and targets

1.1.20 Board adoption and oversight

- The Board of Directors supports the UN Global Compact and our work in the local networks.
- The CSR, Safety and Sustainability Committee (CSS) meets quarterly to review and guide sustainability performance. Details regarding the Terms of reference for the CSS committee is available in our Annual reports.

1.1.21 Stakeholder engagement

- We actively engage with our key stakeholders as an important part of defining the issues that are material to our business, both current and potential.
- We engage with our wide range of stakeholders on our sustainability pillars including employees, consumers, customers and suppliers, as well as non-governmental organisations (NGOs), regulatory bodies, investors, shareholders, industry associations and authorities, both local and national, and the communities which are part of.
- We also participate in multi-stakeholder partnerships to address issues that are material to our business and our communities.