



TATA GROUP

BACKGROUND

The TATA Group is a transnational corporation formed in India in the late nineteenth century to explore and develop business opportunities and assist in nation building through infrastructural development. The TATA Group operates through 98 companies in six continents, has over two million shareholders and is India's largest private sector group. The Group's businesses are spread across seven sectors ranging from energy and consumer products to communication and engineering.

ORGANISATIONAL STRUCTURE

The TATA Group is an informal supra-organisational body that is further divided into two high-level corporate bodies: the Group Executive Office (GEO) and the Group Corporate Centre (GCC). The GEO oversees the formulation of standards, policies, and brand image of the TATA companies within the TATA Group. The GCC identifies strategies and directions of the Group and works alongside the GEO towards the development of common standards and goals for TATA companies. Both bodies consist of managing directors from companies of the TATA Group. Although the TATA Group is chaired by the CEO of the Group, the various TATA companies function as separate legal entities with independent boards, managing directors, directors, and shareholders.

ACCOUNTABILITY SUMMARY

TRANSPARENCY

- Commitment:** The TATA Group makes a commitment to transparency and the disclosure of information in two documents: the *TATA Code of Conduct (TCoC)* and the *TATA Business Excellence Model (TBEM)*. The *TCoC* outlines the general principles and ethics that all TATA companies have to adopt in their operations. The *TBEM* is a framework that functions as a guideline for TATA companies to ensure that they are developing and incorporating policies addressed at the Group level. Together, the documents do not meet any good practice principles.
- Oversight:** The Chief Ethics Officer of each TATA company is responsible for overseeing compliance with commitments made to transparency and the disclosure of information in their respective companies.
- Training:** Ethics officers receive training on the *TCoC* through the *TATA Quality Management Systems (TQMS)* training services.
- Accessibility:** The documents are not widely disseminated and are available in three languages.

PARTICIPATION – EXTERNAL STAKEHOLDER ENGAGEMENT

- Commitment:** The TATA Group makes commitments to engaging with external stakeholders in the document *TATA Protocol - Corporate Social Responsibility*. The document meets some good practice principles.
- Oversight:** The Head of Corporate Sustainability is responsible for overseeing commitments to engage with external stakeholders.
- Training:** Staff are trained through the *TQMS* training services on engaging with external stakeholders. Staff also receive training through the TATA Index, which is a methodology to assess corporate responsibility in projects run by individual companies.
- Accessibility:** The document is not widely disseminated and is only available in English.
- Formalised engagement:** TATA has not institutionalised external stakeholder engagement in Board or senior management level decision making.

PARTICIPATION – MEMBER CONTROL

- Equitability:** The TATA Group's governance practices are opaque. While the GEO and GCC manage the overall governance of the companies, it is not clear how individuals are selected for these bodies and how they are accountable to TATA's shareholders.

TATA Group

Location: India

Profit 2006: \$2.7 billion USD

Employees: 246,000

Website: www.tata.com

Accountability Initiatives signed up to:

Global Reporting Initiative (GRI)
ISO 14001
UN Global Compact

2007 GLOBAL ACCOUNTABILITY REPORT RATINGS		
Dimension	Score	Rating among TNCs
Transparency	45 percent	3
Participation	46 percent	6
Evaluation	95 percent	1
C&R	44 percent	6
Overall	57 percent	3

EVALUATION – ENVIRONMENTAL AND SOCIAL IMPACT

- Commitment:** The TATA Group has two documents guiding commitments towards environmental and social evaluations of the TATA Group: the *TATA Business Excellence Model (TBEM)* and the *TATA Index for Sustainable Human Development*, respectively. The *TBEM* is a framework that functions as a guideline for TATA companies to ensure that they are developing and incorporating policies addressed at the Group level. The *TATA Index for Sustainable Human Development* is a framework that prescribes how TATA company projects are measured and reviewed. The *TBEM* meets some good practice principles while the Index meets most good practice principles.
- Oversight:** A member of the GCC is responsible for overseeing compliance with the Index. However, operational oversight of the Index rests with the Head of the TATA Council for Community Initiatives.
- Training:** Training on conducting evaluations is provided to staff members through the *TQMS* training services
- Accessibility:** The documents are widely disseminated and are also available in numerous local languages.
- Disseminating lessons:** The *TATA Management Training Centre (TMTC)*, the in-house training centre for TATA, serves as a centre to disseminate information and lessons learnt within the TATA Group.

COMPLAINT AND RESPONSE – INTERNAL COMPLAINTS

- Commitment:** TATA makes commitments to dealing with complaints from internal stakeholders in the *TATA Code of Conduct (TCoC)* and the *TATA Business Excellence Model (TBEM)*. The documents meet no good practice guidelines.
- Oversight:** The Ethics Officer of each TATA company is responsible for overseeing compliance with the *TCoC*.
- Training:** Training is provided to all members of the Ethics Network, who ensure implementation of the *TCoC*.
- Accessibility:** The documents are not widely disseminated and are only available in English.

COMPLAINT AND RESPONSE – EXTERNAL COMPLAINTS

TATA does not make any commitments regarding the handling of external complaints, nor does the company have any management systems to support or oversee the handling of external complaints. Furthermore, no mechanism exists that enables stakeholders to lodge complaints against company policies.

CROSS SECTOR SUMMARY

The TATA Group’s overall accountability score is higher than the remaining assessed TNCs’ average accountability scores, slightly above the INGOs, and marginally below the IGOs’ average accountability scores.

