

Annual Communication on Progress

A. Statement of continuing support to the Global Compact.

*The Executive Head
Global Compact.*

In continuation with the confirmation already made earlier, we reiterate our continuing support for the Ten Principles of the Global Compact. Our Communication on Progress is attached.

*Bhaskar Bhat
Managing Director
Titan Industries Limited
April 2011*

UN Global Compact - "Communications on Progress" - April 2011

Titan Industries Limited

Principles (GRI indicators to help correlation)	Company's Policy & Direction (Approach / Process / Deployment)	Remarks	Data collected from the internal Departments / functions Process facilitator
<u>A. HUMAN PRINCIPLES</u>			
<u>Principle 1</u> Businesses should support and respect the protection of internationally proclaimed human rights:	Titan Industries Ltd follows the International Declaration of Human Rights. Our HR policies reflect, pursue and review these on a periodic basis. All rights are fully protected and respected.	Continuous dialogue and feedback from employees / partners. Surveys from third parties are done for corrective action, if any. The dialogue process is continued with the Franchisee and Contract employees and Trade Partners. Employee Engagement / Dealer Satisfaction Surveys indicate good scores.	
<u>Principle 2</u> Make sure that they are not complicit in human rights abuses.	Our HR / IR processes by way of consultative committees are at all times constantly and proactively addressing issues in possible areas of conflict with employees' Unions.	Ensuring a healthy and congenial atmosphere of a "Great Place to Work". The Company continues to be rated as among the best employers in the Country. Stakeholders are consulted frequently in a transparent manner.	HR / Senior Management
<u>B. LABOUR STANDARDS</u>			
<u>Principle 3 & 4</u> Business should uphold the freedom of association and the	As stipulated in the various laws in India and as per our Company policy, we		HR / Senior Management

<p>effective recognition of the right to collective bargaining.</p> <p>The elimination of all forms of forced and compulsory labour.</p>	<p>have a process of 'collective bargaining' with employees' Unions. Annual / Periodic negotiations are in place, since the inception of the Company.</p> <p>We have just concluded a mutually rewarding Wage Agreement with the employees' Union for the period April 2010 to March 2013.</p> <p>Open Houses and 'Tell Me Surveys' are in practice and encouraged as forums of feedback and discussions</p>	<p>Periodic communications with the Unions and harmonious relationship with employees has led to higher productivity. There is no evidence of forced labour in the Company.</p>	
<p><u>Principle 5</u></p> <p>The effective abolition of child labour.</p>	<p>All supply contracts through the entire supply chain include a clause that clearly expresses that the Company shall take serious note if the contractor in any way employs child labour directly or indirectly.</p> <p>We also communicate to our Trade Partners highlighting appropriately the clause in the contract that child labour is not to be engaged either in direct or indirect form.</p>	<p>Communicate -> Monitor -> Review Continuously -> Correct</p>	<p>Integrated Supply Chain team</p> <p>Sales and Marketing functions</p>
<p><u>Principle 6</u></p> <p>The elimination of discrimination in respect of employment and occupation</p>	<p>The Company's policy on selection, recruitment and confirmation of employment</p>	<p>The Company employs 122 persons with disability, based purely on merit and qualification and as</p>	<p>HR / IR</p>

	<p>includes an explicit understanding that we are an equal opportunity employer as per the Tata Code of Conduct.</p> <p>With respect to disability, the incumbent shall get the job if she or he fulfills the basic requirements.</p> <p>Diversity is encouraged.</p> <p>Employees are encouraged to report any violations of the Code of Conduct.</p>	<p>per rules and processes of the Company.</p> <p>Our Company's policy meets the Disability Act norms, which though not mandated are followed both in letter and spirit. We support this policy through external industry forums too.</p>	
<ol style="list-style-type: none"> 1. Studies by UN supported international students, on embedding Human Rights in Titan Industries Limited have been made and is available on request. 2. Titan has a specific project - MEADOW (Management and Development of Enterprise in Women) has significantly enhanced the quality of life in more than 400 underprivileged women of Krishnagiri District in Tamil Nadu, India. The performance of the project has been tracked and measured through the Tata Index of Human Development 			
<u>C. ENVIRONMENTAL PROTECTION</u>			
<p><u>Principle 7</u> Businesses are asked to support a precautionary and proactive approach to environmental challenges.</p> <p><u>Principle 8 & 9</u> Undertake initiatives to promote greater environmental responsibility and;</p> <p>Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>The Company is traditionally pro-environment and specific policies and guidelines exist to set direction that addresses these Principles and go beyond compliance.</p> <p>Third party audits are conducted and the Company conforms to ISO standards.</p> <p>The Company has also received Environment Awards for exceeding compliance.</p>	<p>The Company is certified under the ISO 9001:2000 Quality Mgmt. Standards as well as ISO 14001 Environment System Standard and is preparing the report in line with the Global Reporting Initiative guidelines.</p> <p>Specific Opportunities For Improvement have been identified and action plans are drawn.</p>	Environment and Safety Departments

D. ANTI - CORRUPTION AND PREVENTION OF BRIBERY

<p><u>Principle 10</u></p> <p>Business should work against corruption in all its forms, including extortion and bribery.</p>	<p>As a TATA Group Company there is an elaborate system and process on the 'Management of Business Ethics' and all employees sign the TATA Code of Conduct (TCOC). The Company has a Chief Ethics Counselor and location Ethics Counselors in place across the Company. Programs are conducted periodically for reinforcing TCOC awareness.</p> <p>The Tata Code of Conduct booklets are also presented to all suppliers / Trade Associates with the appropriate clause included in the Contract / Agreement for their perusal and compliance. The Company follows a 'zero tolerance' policy regarding this.</p>	<p>The Chief Ethics Officer presents an Annual Report on Ethics issues, compliance and action taken to the Chairman of the Ethics and Compliance Committee (Board of Directors of TIL). The Codes of Conduct have been adequately displayed and is also on the Company's Intranet.</p> <p>Specific 'Gifting', 'Anti-Sexual Harassment' and 'Internet' policies are also in place and made available to the employees on the Intranet for easy accessibility.</p>	<p>Chief Ethics Officer / Location Ethics Counselors.</p>
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The above policy and our compliance are periodically communicated to employees at various forums.