



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, we reiterate our continuing support for the Ten Principles of the Global Compact. Our Communication on Progress is attached.



**Bhaskar Bhat
Managing Director
Titan Company Limited
May 2014**

Titan Company Limited

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A **TATA** Enterprise

UN Global Compact - "Communications on Progress" - April 2014

Titan Company 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 Company 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.	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 effective recognition of	As stipulated in the various laws in India and as per our Company policy, we have a process of	Periodic	HR / Senior Management

<p>the right to collective bargaining.</p> <p>The elimination of all forms of forced and compulsory labour.</p>	<p>‘collective bargaining’ with employees’ Union. Annual / Periodic dialogue / negotiation processes are in place, since the inception of the Company.</p> <p>‘Open House’ sessions and ‘Tell Me Surveys from the MD’s office ’and Employee Engagement Surveys through third parties are in practice and encouraged as forums of feedback and discussions. Every of our mfg locations are supported by a formal collective bargaining team</p>	<p>communication with the Unions and harmonious relationship with employees has led to continuous improvement in productivity levels . the company does not encourage forced or compulsory labour.</p> <p>The Company successfully and amicably concluded a three year ‘Wage Settlement Accord’ with the Unionized work force in July 2013 across key locations</p>	
<p>Principle 5</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>The Tata Code of Conduct enables uniform and consistent communication not only to our employees but also other stakeholders as well on these.</p>	<p>Integrated Supply Chain team</p> <p>Sales and Marketing functions</p>
<p>Principle 6</p> <p>The elimination of discrimination in respect</p>	<p>The Company’s policy on selection, recruitment and</p>	<p>The Company employs 128 persons with disability, based</p>	<p>HR / IR</p>

of employment and occupation	<p>confirmation of employment 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. Diversity is encouraged. Employees are encouraged to report any violations of the Code of Conduct.</p> <p>Titan also strives actively to implement the Requirements of Affirmative Action guidelines for the SC/ST community.</p>	<p>purely on merit and qualification and as 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. Further, 26% of workforce are women.</p> <p>Titan proactively engages in implementation of Affirmation action (SC/ST communities) in the areas of Employment , Employability , Education and Entrepreneurship)</p>	
<ol style="list-style-type: none"> 1. Studies by UN supported international students, on embedding Human Rights in Titan Company 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 3. Karigar parks - provide structured, better work facilities and a safe work environment for the karigars. The Jewellery industry is essentially fragmented and 'Karigars' - the skilled craftspersons are the backbone of this industry. The work conditions are extremely poor - working, staying and sleeping in these small, dingy and poorly lit workshops, paid subsistence wages, all resulting in poor health and thus reduced work span. Karigar Parks, created by Titan have resulted in a much better working conditions and competitive wages and all round improvements for these skilled craftspersons- a classic example on Human rights) 			
<u>C. ENVIRONMENTAL PROTECTION</u>			
<p>Principle 7</p> <p>Businesses are asked to support a precautionary and proactive approach to environmental challenges.</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>The Company is certified under the IS) 9001:2008 Quality Mgmt. Standards as well as ISO 14001:2004 Environmental Management System Standard and is</p>	<p>Environment and Safety Departments</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>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>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> <p>The Company has undertaken a study of Carbon footprints in its various stages of operations and the results of the same have been published in the Business Responsibility Report for 2013 that's available on the website.</p> <p>Besides a large focus on renewable energy through solar and windmill, a separate sustainability group has been formed that has a special focus on climate change.</p>	
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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 Chief Ethics Counselor presents an Annual Report on Ethics issues, compliance and action taken to the Board Ethics Committee. 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', and a unique policy on acceptance of Honorarium are also</p>	<p>Chief Ethics Officer / Location Ethics Counselors.</p>
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	<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>in place and made available to the employees on the Intranet for easy accessibility. The company complies with the Indian legal requirements of a policy and structure to prevent sexual harassment.</p>	
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The above policy and our compliance are periodically communicated to employees at various forums.