

Business Responsibility Report 2019-20

Section A: General Information about the Company

- Corporate Identity Number (CIN) of the Company:**
L74999TZ1984PLC001456
- Name of the Company:** Titan Company Limited
- Registered address:** 3, SIPCOT Industrial Complex, Hosur, 635126
- Website:** www.titancompany.in
- E-mail id:** sridharne@titan.co.in
- Financial Year reported:** 01st April 2019 to 31st March 2020
- Sector(s) that the company is engaged in (Industrial activity code-wise):**

NIC Code	Product Description
2652	Watches
3211	Jewellery
32507	Eyewear

- List key three products/services that the Company manufactures/provides (as in balance sheet):**
 - Watches & Wearables
 - Jewellery
 - Eyewear
- Total Number of locations where business activity is undertaken by the company**
 - Number of International locations: The Company's products are distributed across 32 countries
 - Number of national locations: 1,739 exclusive retail outlets and 15 manufacturing and assembly facilities.
- Markets served by the Company:** The Company sells its products across India as well as several countries in the world

Section B: Financial Details of the Company

- Paid up capital (INR):** ₹ 88.78 crore
- Total Turnover:** ₹ 20,010 crore
- Total Profit After Taxes (INR):** ₹ 1,518 crore
- Total CSR spending as percentage of Profit after Tax (INR):** ₹ 30.99 crore which is more than 2% of Average Net Profit of the Company for the last 3 financial years.
- List of activities in which spends have been incurred:**
Refer Annexure II to the Board's Report

Section C: Other Details

- Does the company have any subsidiary Company/Companies? **Yes**
- Do the Subsidiary Company/companies participate in the BR initiatives of the parent company? **No**
- Does any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (less than 30%, 30-60%, more than 60%)
Yes. Less than 30%

Section D: BR Information

1. Details of Director/Director responsible for BR

(a) Details of Director/Director responsible for implementation of the BR policy/policies

- DIN: 05228157
- Name: Mr. C K Venkataraman
- Designation: Managing Director

(b) Details of BR Head

- DIN: Not Applicable
- Name: Mr. N E Sridhar
- Designation: Associate Vice President and Head, Corporate Sustainability

4. Telephone: 080 67046888
5. E-mail id: sridharnetitan.co.in

2. Principle wise (as per National Voluntary Guidelines BR policy/policies)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3** Businesses should promote the wellbeing of all employees

- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5** Businesses should respect and promote human rights
- P6** Business should respect, protect, and make efforts to restore the environment
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for <i>(Refer Note 1)</i>	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If Yes, specify. <i>(Refer Note 2)</i>	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online <i>(Refer Note 3)</i>	Y 1,2	Y 1,4	Y 1	Y 1,3,5	Y 1	Y 1,4	Y 1	Y 1,5	Y 1
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy or policies to address the stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? <i>(Refer Note 4)</i>	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1:

The Company has adopted the Tata Code of Conduct which covers ethics, transparency and accountability. The Company also has an Occupational Health and Safety Policy, as well as a Sustainability Policy and, is committed to integrate social and ethical principles into its products that are safe and contribute to sustainability throughout their life cycle and this is embodied in the Company's vision statement "We create elevating experience for the people we touch and significantly impact the world we work in". The Company is dedicated towards the well-being of its employees and has policies that not only support employee welfare but also enable his/her enhanced engagement with the Company. Towards serving the needs of the community, the Company has a CSR Policy and Affirmative Action Policy with various programs driven as part of its CSR activities. With Integrity and Trust as the pillars on which the Company operates, the Company understands and recognizes the impact it has on the larger ecosystem and hence the Tata Code of Conduct which embodies the policies and principles of respecting and promoting human rights is communicated to all stakeholders for their adherence. The Company where appropriate, also engages in advocacy and outreach and engages in policy making and participating in various business forums with specific emphasis on improving transparency in the unorganized sectors.

Note 2:

All policies have been developed by the Tata Group, as a result of detailed consultations and research on the best practices adopted and these apply to all the Tata Group companies. The Company has also adopted some specific policies based on the Tata Code of Conduct. Further, the Company is certified ISO 9000 for Quality Management Systems, ISO 14001 for Environment Management Systems, OSHAS 18001 for Safety and Occupational Health. The Company's Watches Division is certified under ISO 50001 Energy Management System. The Company's corporate office has been certified with a "LEED Platinum Rating".

Note 3:

- 1: Tata Code of Conduct
- 2: Whistle Blower Policy
- 3: CSR Policy
- 4: Sustainability Policy
- 5: Affirmative Action Policy
- 6: Occupational Health and Safety Policy

The above policies can be accessed at <https://www.titancompany.in/investors/corporate-governance/policies>

Note 4:

All policies applicable to the Company are evaluated internally.

(b) If answer to question at serial number 1 against any principal is 'No', please explain why:

Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Six Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The Board at its meetings reviews points on sustainability, CSR, environment, health, and safety.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyper link for viewing this report? How frequently is it published?

Yes, the Company publishes its Business Responsibility Report annually and is available at <https://www.titancompany.in/csr>

Section E: Principle-Wise Performance

Principle 1

1. Does the policy related to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the group/JV/Suppliers/Contractors/NGO's others?

No. The Company's ethics policy as embodied in the Tata Code of Conduct extends to group/JV/Suppliers/Contractors/NGO's etc.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide details in about 50 words or so.

The Company's stakeholders include its investors, customers, vendors, employees, government and local communities.

During the financial year 2019-20, the Company had received 23 ethics complaints out of which 20 have been disposed-of with appropriate action taken and the remaining 3 complaints are under review.

For details on investor complaints and resolution, please refer to "Investor Complaints" in the Corporate Governance Report. For details on Customer Complaints, please refer Principle 9 under this Section-E.

Principle 2

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and opportunities.

The three product categories, i.e., Watches, Jewellery and Eyewear incorporate principles of Environmental Management Systems (EMS) in their management system practices as part of their operations.

2. For each product, provide the following details in respect of resource usage (energy, water, raw material, etc.):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year

Energy:

Energy	Units	Total
Diesel	Lakh Litres	7.01
LPG	Kgs	101391
Electricity	Lakh Units	419.30
Wind energy	Lakh Units	125.03
Steam	Kg	197227
Hydrogen	m ³	8828
Hydro Fluorocarbons (Freon gas)	Kg	103
Solar	Lakh Units	7.92

Energy consumed and sources 2019-20

The Company and its divisions continue to harness energy from renewable sources such as solar and wind, thereby positively impacting the environment and hence reduction in carbon emissions. During the financial year 2019-20, the renewable energy was ~25% of total energy consumption. Apart from this, the pursuit of several initiatives has led to energy savings despite an increased level of operations across all areas.

Water:

Consolidation - Water Consumed in 2019-2020

Division	Water Consumed	Water Recycled	% of Water Recycled
Watches & Accessories	89393	66940	74.88%
Jewellery	47521	39910	83.98%
Eyewear	14442	12275	85.00%
Corporate & Offices	48171	13356	27.73%
Company Retail Stores	25980	2580	9.93%
Total	225507	135061	59.89%

Increased focus and significant efforts in conservation, recycling, and reuse of water resources have not only resulted in reduced water consumption but the level of recycling has increased close to 60%. This has been made possible by treating the output water for gardening, usage in toilets, and for other purposes. Rainwater harvesting has been one of the biggest initiatives taken to conserve water.

3. Does the company have procedures in place for sustainable sourcing including transportation? If yes provide details of what percentage has been sourced sustainably:

Each vendor is viewed as a partner in the process of business growth, and also as enablers of mutual long term sustainable growth. The Company believes in investing time and effort in building mutually beneficial relationships. The business responsibility extends to the supply chain partners – the people from where the products are sourced from and the people to whom key processes are outsourced. Vendors are a part of the Company's ecosystem and their relationship with the Company is a reflection of the same.

Each Division of the Company has its own supply chain process. In the Jewellery Division, plain gold and a part of studded jewellery making are largely outsourced and the vendor base varies from large diamond providers to Karigars. The Company's association with Jewellery Karigars in creating a Karigar Centre is a benchmark in creating sustainable livelihood engagement in the

industry. The Jewellery Division is in the process of implementing responsible sourcing practices across its supply chain. Further, the Company has supported Self-Help Groups (SHGs) of women at Hosur which has grown in strength over the past two decades and supports various manufacturing activities for all the Divisions at Hosur.

Suppliers are guided in process and system improvement and enhanced technical know-how.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company's key intent is helping local suppliers scale up and improve their operations, besides ensuring sustainable livelihood in the neighborhood of its operations and expects to build stronger and long-term ties with them. The local vendors are further supported by:

- Training them on quality and environmental aspects like energy conservation, reduced usage of plastic materials, and handling hazardous products.
- Providing the necessary support on implementing safety, through safety training, audits and, building capacity.
- Motivating them to get certified to the ISO standards – ISO 9001 and ISO 14001, to improve their processes and has also initiated programs to help them on safety-related practices towards a larger goal of ensuring sustainable supply chain practices.

The Karigar Park, Karigar Centre initiative in the Jewellery Division is a benchmark practice in the industry in terms of creating a world-class focus on Jewellery manufacturing improving quality, delivery and most importantly, transforming the manner in which Jewellery is made and sold in India.

The vendors are also apprised on the requirements of the Tata Code of Conduct.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) Also provide details in about 50 words or so.

Yes, >10%. The Company has adopted a focused strategy towards waste management through waste minimization

and conservation of resources. This continued effort to eliminate, recycle, and reuse waste, has resulted in less waste being disposed off. Gold is recycled at the Jewellery plant and silver is recovered from old batteries, brass is sent to the supplier for recycling. 90% of brass scrap in watch case manufacturing is recycled. The wood packaging is reused and there is an attempt to recycle most of the input materials. Gold, which is one of the key raw materials, is 100% recyclable and Jewellery obtained through the Company's exchange schemes are recycled. Today we work with 44% recycled Gold. The E-waste is segregated at source and disposed off safely.

In a small but impactful manner, the Company has come up with a scientific disposal facility for used watch batteries collected at service centres and stores. Metallic, non-metallic components and hazardous chemicals are being segregated and neutralized properly for safe disposal. Besides, the Company also educates customers about the harmful effects of unscientific battery disposal.

The bio-waste from canteens and factories is run through a vermicompost setup which yields manure and surplus manure is sold to local farmers at subsidized prices.

Waste generation is contained within the limits prescribed by the Central Pollution Control Board (CPCB) and applicable State Pollution Control Boards (SPCBs) across all Divisions.

Principle 3

- 1. Please indicate the total number of employees**
7,550 employees as on 31st March 2020
- 2. Please indicate the total number of employees hired on temporary/contractual and casual basis**
An indicative number of the employees hired in contractual/temporary basis was 4,500 as on 31st March 2020
- 3. Please indicate the number of permanent women employees**
1986 women employees as on 31st March 2020
- 4. Please indicate the number of permanent employees with disabilities**
145 employees as on 31st March 2020
- 5. Do you have an employee association that is recognized by the management?**
Yes.

6. What percentage of your permanent employees are members of this recognized employee association?

20.88% of the permanent employees are members of the recognized employee association

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

The Company has adopted a Policy on Prevention of Sexual Harassment at Workplace and has internal committees to deal with concerns raised by employees.

During the financial year 2019-2020, the Company had received 3 complaints on sexual harassment, 2 of which were closed with appropriate action taken and 1 complaint is under review.

There were no complaints in other areas.

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

- a) Permanent employees
- b) Permanent women employees
- c) Casual/temporary/contractual employees
- d) Employees with disabilities

80% of the permanent employees including permanent woman employees and employees with disabilities and 90% of the temporary employees were given safety training. All employees who join the Company are covered under safety, and occupational health training. This training includes ergonomics, life-saving skills, emergency preparedness, electrical safety and behavioural based safety. Employees and drivers of company hired vehicles are trained on defensive driving techniques.

The Company has also implemented a unique prevention-oriented safety engagement program, "Project Suraksha", which focuses on safety at stores and has been in place since the last three years.

A formal training program for different employee categories is also in place for both competency and skill enhancement. These cover leadership development, behavioural, managerial, and functional development programs.

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so provide details in about 50 words

Yes. The CSR and Affirmative Action Policies cover these in detail. The Company has been a strong advocate of diversity and inclusion through its practices and has been a recipient of President's award for the employment of Persons with Disability four times.

The Company's CSR focus is driven by broad themes such as upliftment of the underprivileged girl child, skill development for the underprivileged and support for Indian Arts, Crafts, and Indian Heritage. Details of the CSR programs are available in Annexure II of the Board's Report.

The Company identifies a huge opportunity to improve the quality of living of the people through its businesses. Some of the successful and ongoing initiatives include the following:

- **Karigar Park/Karigar Centre:** A social entrepreneurship project with six parks, benefiting over 400 artisans, this has become a full-fledged sustainable business entity.
- **Meadow Project:** This is an initiative for women empowerment. It outsources around 20 activities including Jewellery manufacturing and polishing. Currently, the project employs over 350 women in Hosur.

The Company also ensures adequate and fair representation of differently-abled in the recruitment process. The Company engages differently abled employees wherever possible on merit. The Company has tie-ups with NGOs to give employment opportunities for differently-abled people in roles such as retail sales officer, cashier, MIS officer, etc.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/JV partners/Suppliers/Contractors/NGO's others?**

The Company's policy on human rights as detailed in the Tata Code of Conduct extends to JVs, Suppliers, Contractors and others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

No complaints with respect to human rights were received during the year.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/JV/Suppliers/Contractors/NGO's/others?**

No, the policy extends to Group/JV/Suppliers/Contractors/NGO's/others, etc.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes give hyper link for webpage etc.**

Yes. The Company has adopted a Sustainability Policy. Please refer to <https://www.titancompany.in/investors/corporate-governance/policies>

3. **Does the company identify and assess potential environmental risks?**

Yes, as part of EMS implementation (ISO 14001) in its operations.

4. **Does the company have any project related to clean development mechanism? If so provide details thereof, in about 50 words or so. Also if yes, whether any environment compliance report is filed:**

Not applicable.

5. **Has the company undertaken any other initiatives on – Clean technology, energy efficiency, renewable energy etc. If Yes please give hyper link for web page:**

Yes. Many programs are in place across the Divisions. Please refer to <https://www.titancompany.in/investors/corporate-governance/policies>

6. **Are the Emissions/Waste generated by the company within the permissible limits given by the CPCB/SPCB for the financial year being reported?**

Yes

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year:**

There were no show cause/legal notices received from CPCB/SPCB as on 31st March 2020.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, name only the major ones that your business deals with**

1. Confederation of Indian Industry (CII)
2. Retailers Association of India (RAI)
3. Federation of Indian Chambers of Commerce & Industry (FICCI)
4. The Associated Chambers of Commerce and Industry in India (ASSOCHAM)
5. Gem and Jewellery Skill Council of India
6. Indian Optometric Association
7. All India Federation of Horological Industries

2. **Have you advocated/lobbied through the above associations for the advertisement or improvement of public good? Yes/No If yes specify the broad areas**

Yes: Representation regarding Jewellery industry practices, diversity and inclusion, representations for dealing with fake and smuggled products especially watches are some of the areas.

Principle 8

1. **Does the company have specified programs/initiatives/projects in pursuit of the policy related to principle 8? If Yes, details thereof**

Yes. The Company's initiatives and projects support inclusive growth. Please refer to CSR Report in Annexure II to the Board's Report.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures and any other organization:

Please refer to the CSR Report which is annexed as Annexure II to the Board's Report in this Annual Report.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken

During the financial year 2019-20, the Company spent ₹ 30.99 crore towards CSR initiatives. Details of the projects are available in **Annexure II** to the Board's Report.

5. Have you taken steps to ensure this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Yes. Each of the projects is having an outcome which is acknowledged by the community. The Company works with partners who have a grass root understanding of the community that makes the projects successful, both in the short term and long term. Most of the Company's CSR programs are long term in nature and the Company also work with the Government in creating a sustainable engagement. For more details, please refer to Annexure II to the Board's Report.

Principle 9

1. What percentage of the customer complaints/consumer cases are pending as on end of the financial year?

2% of the warranty complaints pertaining to the Jewellery Division were pending as on 31st March 2020. There were no complaints pertaining to the Watches and Eyewear Division pending as on 31st March 2020.

2. Does the company display product information on the product label, over and above what is mandated by local laws?

Some of the products contain information over and above what is mandated as per local laws.

3. Is there any case filed by any stakeholder against the company regarding the unfair trade practices, irresponsible advertising, and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide the details thereof in about 50 words or so:

There are no cases pending with regard to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour as on 31st March 2020.

4. Did the company carry out any consumer survey/consumer satisfaction trends?

Yes. These are carried out routinely and used for internal improvement purposes.
