

CORPORATE SOCIAL RESPONSIBILITY POLICY AND STRATEGY

Introduction

Titan Company Limited (the “Company” or “Titan”), incorporated in 1984 as a joint venture of the Tata Group and TIDCO, *inter alia* engages in the manufacturing and sale of watches, jewellery, eyewear, fragrances, Indian dress wear and other accessories and lifestyle products, has always believed in serving the community and improving the quality of living of the people it touches. Titan has successfully re – written the rules of the game in India in the industries it operates in in the manner in which these products are manufactured, sold and serviced and in the ways in which its workers and customers are treated.

At Titan the Corporate Sustainability function is vested with the responsibility of driving CSR, and derives the CSR philosophy from the Company’s vision statement as stated below:

“We create elevating experiences for the people we touch and significantly impact the world we work in”

The CSR policy of the Company focuses on Education, especially the education of the underprivileged Girl Child, Skill Development for the Underprivileged and support for Arts, Crafts and Indian Heritage.

While most programs will have a large focus on the Girl Child, the Company will also make all efforts to make it truly inclusive by building in requirements of Affirmative Action and also including People with Disabilities.

Being a pan-India organization, the Company will continue supporting local causes that are important to the communities with which it operates, including issues that are of national importance

This policy is to be read in alignment with the requirements of Section 135 of the Companies Act, 2013 (the ‘Act’) and the corresponding rules made thereunder, as amended from time to time (‘CSR Rules’), and Schedule VII of the Act.

Geographical focus

Apart from having a significant geographical focus in the states where the Company has manufacturing operations and other operating locations / presence, Titan would also dispassionately look into other geographies as and when such a need arises keeping in mind its CSR policy framework for reach and support, and based on issues of national importance and causes. The focus of Titan’s CSR efforts is in the immediate vicinity of its operations.

Aligning to Companies Act, 2013

The CSR policy of the Company is aligned to the following guidelines

- The requirements of Section 135 of the Act and the corresponding Rules and Regulations framed thereunder, as amended from time to time.
- Schedule VII of the Act, as amended from time to time.

CSR Spends, Treatment of Surplus and Setting-off of excess spend

Titan will spend, in every financial year, at least 2% of its average net profits of the Company made during the three immediately preceding financial years for its CSR activities

that shall not include investment in any projects considered as business as usual related activities. Subject to the provisions of the Act, surplus, if any, arising out of CSR projects or programs or activities shall not form a part of the business profits of the Company.

The treatment of surplus CSR funds, if any, and setting off of excess spend, if any, shall be as per the provisions of the Act, as may be amended from time to time.

Annual Action Plan and Reporting:

The Annual Action Plan for CSR projects/ activities shall include the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act, and will also include, for each of the projects or programs undertaken by the Company, the manner of execution, the modalities of utilisation of funds and implementation schedules, monitoring and reporting mechanism and details of need and impact assessment, if any.

The Board of Directors shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect, every year.

Implementing mechanism

Titan will implement its CSR initiatives in a number of ways, through a combination of its own in-house teams/volunteering, partnering with Non-Governmental Organisations (NGOs), Trusts, Societies, Section 8 companies Institutes of repute, other agencies and partner organisations who have competencies in the field under consideration, etc. .

Monitoring mechanism

The Company has constituted a Corporate Social Responsibility Committee of the Board (“CSR Committee”) for formulating and recommending to the Board the CSR policy and the Annual Action Plan. The CSR Committee shall report to the Board of Directors.

Each of the CSR projects and programs will have clearly defined output, progress of which will be reviewed, monitored and internally forwarded to the Members of the CSR Committee on a quarterly basis or as per the provisions of the Act.

Impact assessment

Every program will be monitored for specific output and outcomes. Wherever required in line the requirements of the Act, an impact assessment will be carried out and the details of the same will be part of the Annual Report.

General:

Titan will leverage the skill and competencies, financial and people resources as well as the infrastructure and relationships of the Company in order to excel and maximize societal impact.

In all its efforts, Titan will seek to actively engage and integrate, wherever appropriate, the State and Central Government initiatives from time to time.