

BUSINESS RESPONSIBILITY REPORT

SECTION A: General Information about the Company

1. **Corporate Identity Number (CIN) of the company:**
L74999TZ1984PLC001456
2. **Name of the Company:** Titan Company Limited
3. **Registered address:** 3, SIPCOT Industrial Complex, Hosur, 635126, Tamil Nadu
4. **Website:** www.titan.co.in
5. **E-mail id:** sridharne@titan.co.in
6. **Financial Year reported:** 2017-18 (April 1, 2017 to March 31, 2018)
7. **Sector(s) that the company is engaged in:** Manufacturing and Retail
8. **List key three products / services that the Company manufactures/provides (as in balance sheet)**
 - a. Watches and accessories
 - b. Jewellery
 - c. Prescription Eyewear
9. **Total Number of locations where business activity is undertaken by the company**
 - a. **International locations:** Distributed in 31 countries
 - b. **Number of national locations:** Pan India retail presence with 1,480 exclusive retail outlets. 12 manufacturing and assembly facilities.
10. **Markets served by the company:** covered in Point 9 above

SECTION B: Financial details of the company

Paid up capital (INR): 88.78 crores

Total Turnover (INR): 15,656 crores

Total Profit after Taxes (INR): 1,163 crores

Total CSR spending as percentage of Profit after Tax (INR):
₹ 23.44 Crores u/s 135 of Companies Act equivalent to 2.25% of Average Net Profit of the Company for last 3 financial years.

List of activities in which spends have been incurred:
Refer CSR Report as Annexure II to the Board's Report

SECTION C: Other Details

1. **Does the company have any subsidiary Company / Companies?** Yes
2. **Do the Subsidiary Company/companies participate in the BR initiatives of the parent company :** No
3. **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**
 1. DIN : 00148778
 2. Name : Mr. Bhaskar Bhat
 3. Designation : Managing Director
 - b. **Details of BR Head**
 1. DIN : Not Applicable
 2. Name : N E Sridhar
 3. Designation : General Manager and Head, Corporate Sustainability
 4. Telephone : 080 67046847
 5. E Mail id : sridharne@titan.co.in

2. Principle wise (as per National Voluntary Guidelines) BR policy /policies (Reply In Y/N)

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

1. Do you have a policy / policies for:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

Yes. The Company has a policy on ethics and has adopted the Tata Code of Conduct (TCOC), and also separate governing policies on ethical conduct covering ethics, transparency and accountability. The policy covers all employees, and extends to business associates, suppliers and other stakeholders as applicable. The TCOC can be accessed at www.titan.co.in

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Yes. The Company has a policy on sustainability. The Company is committed to integrate environmental, social and ethical principles into its Business Vision of “creating elevating experience for the people we touch and significantly impact the world we work in”. The Company is committed to provide goods and services to customers that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Principle 3: Businesses should promote the well-being of all employees:

Yes. The company has well defined policies to promote the well-being of all its employees, that not only support employee welfare but also enable his / her enhanced engagement with the Company. All the locations of the Company are certified under OHSAS standards. Most divisions are also certified under Quality Management System (QMS) and Environmental Management System (EMS) management system standards. Policies on compensation, sexual harassment, training and retraining of employees are well entrenched. The Company has formal grievance redressal mechanisms for its employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalised:

Yes. Towards serving the needs of the community, the Company has a CSR policy in line with the Companies Act, 2013. A policy on Affirmative Action is also defined and in place with various programs driven as part of its CSR activities

The key sustainability stakeholders are primary customers who are the Company's business associates, end consumers, government and regulatory bodies, employees, supply chain partners, communities, investors and shareholders. The primary customers include franchisees, distributors and clearing and forwarding (C&F) agents. Through its well thought out business principles, the Company aims to balance all its stakeholder requirements in an equitable manner. There are multiple modes of engagement with each of these stakeholders resulting in them embracing responsible citizenship behaviour.

Principle 5: Businesses should respect and promote human rights:

Yes. The Company has policies against employing child, forced, and compulsory labour and ensures that all employees, including contract and franchisees' employees are above the age of 18 years. The Company has also adopted the Whistleblower Policy and Policy on Prevention of Sexual Harassment.

Integrity and Trust being the pillars of the TATA group, the Company has carried forward the torch and is striving to uphold the values to the highest order in its 30th year of operation. With changing times, new approaches to business and communication have been adopted. As an organization that spans the value chain from manufacturing to retail, Titan Company is largely dependent on a complex supply chain, and therefore recognizes the impact on the larger ecosystem covering every supplier, vendor, business partner and contractor, who are expected to adhere to the TCOC. The Company incorporates reference to the TCOC in its contracts with business partners.

Principle 6: Business should respect, protect and make efforts to restore the environment:

Yes. Besides the Sustainability Policy, the Company also has EMS and OHSAS policies.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

Yes.

Principle 8: Businesses should support inclusive growth and equitable development.

Yes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

Yes. Besides adhering to the broad guidelines in the TCOC and the Company's environmental policies also address these aspects.

RESPONSIBLE ADVERTISING AND CONSUMER EDUCATION

The Company understands that 'advertising is the life of trade'. Advertising is seen as a catalyst to educate consumers and get them in-sync with core business values in addition to promoting sales. Not long back, the Tanishq campaign featured India's leading celebrity couple bringing to light the varying facets of a diamond purchase. In another bold TV commercial, the same brand charmingly celebrated a second marriage; an event looked down upon by large parts of Indian society.

In an attempt to take innovation to consumers, Titan EyePlus has aggressively communicated an online testing tool. The awareness programme took to digital media and PR to encourage people to detect the need for correction or change in power at appropriate time. This technology-oriented initiative allowed people to detect vision problems from the comfort of their home or office. All claims on product performance are tested extensively and are backed by product warranties relevant for each category.

The business model of Helios enables bringing genuine and original watch brands under one roof. Addressing the consumer requirement for original products has resulted in creating a successful product and retail brand in India. Customers are actively encouraged to use only original spares in order to ensure quality and satisfaction. Another example of promoting originals is the promotion of usage of original spare parts for watch components.

2. Has the policy been formulated in consultation with the relevant stakeholders?

Yes.

3. Does the policy confirm to any national / international standards? If yes, specify?

Yes. Indian Accounting Standards for financial reporting, internal procedures and disclosures, ISO 9000 for Quality Management systems, ISO 14001 for Environment Management systems, OSHAS 18001 for safety and occupational health. The Watches Division is certified under ISO 50001 Energy Management system. The Company's new corporate office is in the process of getting LEED certified.

4. Has the policy been approved by the board? If yes has it been signed by the MD/CEO appropriate Board director.

Yes.

5. Does the company have a specified committee of the Board / Director / official to oversee the implementation of the policy?

Yes.

6. Indicate the link for the policy to be viewed online :

Principle 1: TCOC available at <https://www.titan.co.in/hot-policies>

Principle 2: TCOC available at <https://www.titan.co.in/hot-policies>

Principle 3: TCOC available at <https://www.titan.co.in/hot-policies>

Principle 4: CSR Policy available at <https://www.titan.co.in/hot-policies>

Principle 5: TCOC available at <https://www.titan.co.in/hot-policies>

Principle 6: Sustainability Policy available at <https://www.titan.co.in/hot-policies>

Principle 7: TCOC available at <https://www.titan.co.in/hot-policies>

Principle 8: TCOC available at <https://www.titan.co.in/hot-policies>

Principle 9: TCOC available at <https://www.titan.co.in/hot-policies>

7. Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes.

8. Does the company have a in-house structure to implement the policy / policies?

Yes.

9. Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders grievances related to the policy/ policies?

Yes.

Analysts and investors provide regular feedback through media, interviews and ratings. There is a separate stakeholders relationship committee for shareholders.

Employees have various forums to express concerns and grievances. The suppliers and vendors have multiple channels such as vendor feedback surveys, annual vendor meets, etc., where they can provide feedback directly to the Company's procurement function, senior management,

Customers have multiple channels of giving feedback whereby they can register their complaints and concerns through respective customer access points of each division. Some of the examples are given below:

Titan

- Retail stores and watch care centres
- Helpline and helpdesk, apart from our retail stores and watch care centres

Tanishq

- The staff at boutiques
- Customer service, help desk

Titan EyePlus

- Toll free helpline, store staff
- Policy on beyond warranty complaints and empowering store staff.

Precision Engineering

- Feedback surveys, one-on-one meetings with the business head

The Customer Care Cell serves as a single point of contact for customers and handles issues such as customer grievances, price and store enquiries, gift card queries, etc.

Besides, there is a toll-free helpline number for customers to call along with an email ID to send complaints. Every query is acknowledged within 12 hours and is resolved as per the turnaround time based on the type of request. Customer satisfaction is tracked as soon as a product is purchased through email and SMS.

10. Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

Management systems and policies are evaluated through regular process of formal internal and external audits.

b. If answer to the question at Serial no 1 against any principle 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 to assess the BR performance of the company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CSR Committee of the Board met thrice in financial year 2017-18 to review the Sustainability and CSR performance of the Company and the Board on an annual basis.

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

Yes the Company publishes a BR report which is available at <https://www.titan.co.in/hot-policies>

SECTION E: Principle-wise performance

Principle 1

1. Does the policy relating 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 policy 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 thereof, in about 50 words are so.

During the financial year 2017-18, the Company had received 14 complaints and 93% of the complaints have been resolved.

Principle 2

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

The three product lines; Watches, Jewellery and Eyewear incorporate principles of EMS in their management system practices

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

Consumption of resources is tracked to evaluate their operating efficiency and the effectiveness of energy conservation projects. The use of renewable energy is a large part of environmental risk mitigation.

The benefit of renewable energy was foreseen at an early stage. As of 31st March 2018, about 85% of the overall electricity consumption at manufacturing plant in Hosur was powered by renewable energy (82% wind energy and 3% solar energy), thereby significantly contributing to emission and environment protection.

Energy Consumed in 2017-18

| Energy | Units | Watches & Accessories | Stainless Steel Case Plant | Jewellery | Eyewear | TEAL | Corporate |
|----------------------------------|----------------|-----------------------|----------------------------|-----------|---------|----------|-----------|
| Diesel | Lakh Litres | 2.952 | 0.18 | 2.101 | 0.20310 | 1.20 | 0.255 |
| LPG | Kgs | 37,335 | 1824 | 40,381 | 522 | 20,615 | NIL |
| Electricity | Lakh Units | 26.78 | 2.25 | 57.84 | 15.88 | 47.82 | 7.21 |
| Wind energy | Lakh Units | 105.89 | 14.29 | 15.61 | NIL | 0 | NIL |
| Steam | Kg | 16,62,120 | 0 | 10,14,420 | NIL | 6,80,640 | NIL |
| Hydrogen | m ³ | 946 | 0 | 10,612 | NIL | NIL | NIL |
| Hydro Flouro Carbons (Freon gas) | Kg | 158 | 16 | 30 | NIL | 50 | NIL |
| Solar | Lakh Units | 2.66 | 0 | 1.12 | NIL | 1.21 | 1.62 |

The steam from factories is reused at the canteens. The Company has installed the solar steam concentrator to tap the solar energy for the canteen cooking system. This has resulted in reduced energy usage. All the new retail stores are lit with LED lighting. All the newer office and plant locations are green certified.

All the above mentioned initiatives would substantially reduce the Company's carbon footprint and is in the process of getting LEED platinum rating certification for its new corporate office at Bengaluru.

Water Efficiency

The Company understands the need for water conservation. This has been achieved through various initiatives, including 100% recycling of trade effluence. The Company also uses Reverse Osmosis plant for the fresh water and effluence, a mechanical evaporation system that reuses treated water in processes. The plants do not discharge water out of their premises and all treated water is used for gardening, air conditioning etc. At Titan Engineering & Automation Limited (TEAL), a Reverse Osmosis (RO) water system has been set up from

a process pump to ground pump. The Company has also commissioned a Thermal Energy storage system and an industrial dishwasher to reduce fuel consumption and fresh water consumption.

Water Consumed in 2017-18

| Division | Water Consumed | Water Recycled | % of Water Recycled |
|-----------------------|----------------|----------------|---------------------|
| Watches & Accessories | 90,632 | 59,234 | 65.35% |
| Jewellery | 56,205 | 44,565 | 79.29% |
| Eyewear | 5,065 | 4,320 | 85% |
| TEAL | 25,085 | 23,540 | 93.84% |
| SS Case Plant | 8,446 | 7,600 | 90% |
| Corporate | 29,685 | 12,700 | 42.78% |

GHG Emissions

The main sources of Greenhouse Gas (GHG) emissions at the Company are from electricity consumption for manufacturing, employee commute and air travel. Concerns towards the use of renewable energy and other energy reduction mechanisms have enabled the

Company to minimise the emission of greenhouse gases at the production units. Retail stores also have various initiatives to reduce Greenhouse Gas emissions, including LED lighting, and purchase of star-rated laptops and air conditioners.

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

Sustainability Practices across Supply Chain

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 Titan family and their relationship with the Company is a reflection of the same.

Each division of the Company has its own complex supply chain. In the Jewellery division, plain gold and a part of studded jewellery making is 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. Moreover, the Company supported self-help groups (SHGs) of women at Hosur has grown in strength over the past two decades and supports various manufacturing activities for all the divisions at Hosur. Eyewear division which used to source frames from China and Europe has now started its own frame manufacturing unit.

The standards applied to all vendors stay largely uniform, even though the Company deals with complex supply chain and different types of vendors. Suppliers are guided in process and system improvement and enhanced technical know-how.

To support sustainable sourcing, there is a tie up with vendors to leverage their skills for specialized operations. These captive vendors are providing resource support such as machinery selection, training of personnel, and technical assistance during operations, and quality enhancing activities. This in turn gives the Company flexibility in ramping up production as its vendors function as an extended arm of manufacturing.

The Company's purchase agreements have a reference to the TCOC; and relevant clauses in it apply to all the vendors. Detailed vendor assessments, vendor performance ratings and feedback have been implemented from day one of its engagement with them. Human rights practices, besides other practices related to TCOC are routinely reinforced during interactions with them, both formal and informal.

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.

Local Sourcing

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

- Training them on quality, safety and environmental aspects like energy conservation, usage of plastic materials and handling hazardous products..
- Providing the necessary support on implementing safety, reducing rejections.
- The Company motivates them to get certified to the ISO standards – ISO 9001 and ISO 14001, to improve their processes and also has initiated programs to help them on safety related practices towards a larger goal of ensuring sustainable supply chain practices.
- 'Mr. Perfect' initiative (especially in Jewellery) focuses on improving quality and delivery, including following all safety and statutory requirements

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%.

Waste Management

Titan Company has adopted 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. Gold is recycled at the jewellery plant and silver is recovered from old batteries, brass is sent to the supplier for recycling and 758 tonnes of brass were processed about 82% were recycled into raw materials. 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% recycled and old Jewellery obtained through exchange schemes are recycled. The waste is segregated at the source and disposed 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 educates customers about the harmful effects of non-scientific battery disposal.

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

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

Principle 3

1. Please indicate the total number of employees

21,703 employees as at 31st March 2018

2. Please indicate the total number of employees hired on temporary/contractual and casual basis

14,847 employees as at 31st March 2018

3. Please indicate the number of permanent women employees

1,790 women employees as at 31st March 2018

4. Please indicate the number of permanent employees with disabilities

129 employees as at 31st March 2018

5. Do you have an employee association that is recognized by the management

Yes. Workmen are represented by employee unions or employee forums/works committees at our manufacturing locations. The company engages with them to arrive at long term settlements and productivity improvement, besides various employee engagement initiatives.

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

100 percent of workers at our plant locations (referred as E level employees)

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.

No complaints recorded on child / forced labour, and Discriminatory employment during the year. During the financial year 2017-18, the Company had received 11 complaints on sexual harassment, all were disposed-off with appropriate action taken and no complaint remain pending as of 31st March 2018.

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

- Permanent employees
- Permanent women employees
- Casual / temporary/contractual employees
- Employees with disabilities

All employees who join the Company irrespective of any category given above are covered under safety and OH training as part of its OHSAS implementation. During the year the Company has covered over 16204 employees (all categories) under safety training and invested in about 42239 man-hours of training. The focus on training includes ergonomics, lifesaving skills, and emergency preparedness, electrical and behavioural based safety.

Besides ensuring statutory compliance other safety engagement programs include safety audits, safety

committee reviews, safety walk through, employee engagement on safety, safety inspection with focus on electrical safety, work permit system, lifesaving squad, CFA and retail store safety management, office safety, etc.

A formal training program and curriculum for all categories is in place for both competency and skill enhancement. These cover leadership development, behavioural and managerial and functional development programs. Further details can be found in the relevant sections of the Management Discussion and Analysis.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes.

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

Our CSR and Affirmative action policies and programs cover these in detail. The company has also been a strong advocate of diversity and inclusion through its practices. The Company has also won the President's award for the employment of Persons with Disability for four times.

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. Besides the extensive work being done as part of its CSR / AA initiatives, the Company has been a pioneer in ensuring an inclusive and diverse workforce across its operations.

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.

The Company has also it has initiated a unique recognition and engagement program (Design: Impact Awards for Social Change) that seeks to recognise thinking in product design that enables social change.

The Company works towards responsible citizenship by continuing present initiatives and supporting local and national causes. The Company takes up other issues as and when required, even as it works towards scaling up on the larger chosen themes. In all its efforts, the Company seeks to actively engage and integrate wherever appropriate the requirements of Affirmative Action and other state and central government initiatives from time to time. Details of the Company's CSR programs are available in Annexure II of the Board's Report. A policy on Diversity and Inclusion is being formulated.

The Company's vision is to create a sustainable business attitude throughout all its illustrious brands. In an attempt to make this possible, the Company has come up with various schemes and programmes.

The Company identifies a huge opportunity to improve the quality of living of the people through its businesses. Since manufacturing units are located in districts like Krishnagiri and Pantnagar, most community initiatives focus on providing education and skill upgradation for livelihood. Some of the successful and ongoing CSR programmes 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 a women empowerment initiative. It outsources nearly 26 activities including jewellery manufacturing, polishing and few precision engineering operations of TEAL. Currently, the project employs over 400 women in Hosur, an excellent example of successful women self-help group formation.

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 129 differently-abled employees, whose salaries & other benefits are on par with other employees. The Company has tie-ups with NGOs such as Enable India to give employment opportunities for differently-abled people in roles such as retail sales officer, cashier, MIS officer, brand executives, 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?**

Yes. Through the TCOC that is communicated to all stakeholders.

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

None.

Principle 6

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

No. It extends to Group /Joint Venture /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. Please refer to <https://www.titan.co.in/hot-policies>

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

Yes

- 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.**

Yes.

Environmental Sustainability

The Company values the need for business transformation towards sustainable growth and uses a strategic approach to minimize the impact of its carbon footprint. The Company has adopted efficient processes, encouraging ideas to create sustainable products and third-party certifications, such as EMS, OHSAS and so on.

The Company has pioneered in environmentally sustainable processes in terms of raw material acquisition, vendor management, manufacturing, and recycling. Many engagements towards taking forward the Sustainable Development Goals are being initiated.

There is a robust environment policy applicable to all divisions of the Company; and for two of its divisions, this policy extends beyond the factory to its suppliers and contractors. The Environmental Management Systems at factory level helps mitigate and prevent environmental risks across the Company.

Biodiversity

As the manufacturing facilities are located in government approved industrial land, none of the operations are located within or adjacent to high-biodiversity areas or protected areas as notified by the Government. The Company's plants do not discharge water out of the premises as the Company follows the general principle of zero discharge.

None of the divisions have reported any instances of negative impact on biodiversity (letting out of plating chemicals, broken prescription glasses, improper use of cyanide and other chemicals) and have proactively taken steps to minimise such impact.

From a product perspective, the Company does not produce jewellery made from coral. The Company has eliminated the use of cadmium from the soldering process and completely banned the usage of hazardous chemicals such as mercury and cyanide. In the boutiques, the Company does not use plastic bags choosing to use jute and cardboard bags instead. At the Jewellery factory, the Company has implemented oxo-biodegradable bags, which are more environment friendly than regular plastic bags. Every year employees plant saplings in and around the plant and office premises.

The Company has adopted a lake around its corporate office at Bengaluru for rejuvenation, and a major investment is being made towards the same.

- 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. Please refer to <https://www.titan.co.in/hot-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

None.

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. CII
2. FICCI/ASSOCHAM/RASCI
3. Gem and Jewellery Sector Skill council
4. Indian Optometric association
5. Horological federation
6. IITMIC

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 policies, dealing with fake and smuggled products, especially watches etc

Advocacy and Outreach

The Company engages with policy making and regulatory bodies through multiple business forums for improving transparency in unorganised sectors.

The Company's senior management participate in the development of public policy that addresses issues affecting business, products, customers and overall industry through collaborative interactions. The Company's Senior Management Team is encouraged to participate in various public forums and committees to contribute the overall industry's development.

The Company's Watches and Accessories Division, is part of the Horological Federation of India (HFI). Moreover, the Company supports government agencies in raids that expose fake and smuggled watch dealers. It sends out various communications across the industry to minimize such approaches.

The Company works closely with the Gems and Jewellery Skills Development Corporation and the National Skills Development Corporation to develop professionally skilled artisans. Besides, the CEO of Jewellery division is on the Board of the Gems and Jewellery Sector Skill Council.

The Company is also a part of the Indian Optometric Association (IOA).

The Company's senior management also participate as members or chair industry bodies, such as CII, FICCI, Associated Chambers of Commerce of India (ASSOCHAM), etc. These enable the Company to contribute to policies and opinions concerning the industry. Some of the other forums where Company participates include RASCI, CII Committees on Skilling, CSR, Affirmative Action, etc.

Principle 8

1. Does the company have specified programs / initiatives / projects in pursuit of the policy related to principle 8? If yes details there off

Yes. The Company has policy on CSR and programs that are being pursued as part of this. Refer the CSR report as 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

Yes. Refer CSR Report as Annexure II to the Board's Report.

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

All programs of CSR are monitored through regular assessments. On a case to case basis impact studies are being carried out depending on the nature of the project.

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

During the year 2017-18 the Company spent ₹ 23.44 crores towards CSR initiatives. Details of the projects are available as 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. We work with partners who have a grass root understanding of the community that make it successful, both in the short term and long term. For more details please refer to CSR Report as 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 Given below for 2017-18?

| Customer Complaint (Products and Services) | Number of Complaints | | |
|--|----------------------|----------|---------|
| | Received | Resolved | Pending |
| Watch Division: % of warranty complaints on sales | 2.36% | 2.36% | 0 |
| TEAL – PECSA | 15 | 15 | 0 |
| TEAL – MBA | 297 | 287 | 9 |
| Eyewear Division- % of warranty complaints on sales | 34091 | 34091 | 0 |
| Jewellery Division - % of warranty complaints on sales | 2819 | 2766 | 53 |

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

Generally no. However, the Company is compliant with all the applicable laws with respect to display of product information on the labels

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.

None.

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

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