

# Ethics in Business Management

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*Breaches of ethical behavior are viewed most seriously and a cross functional team of ethics counselors investigate the same and report the findings to the Chief Ethics Officer, who along with the Managing Director and Head of HR recommend suitable action.*

Organizations that are highly ethical sustain themselves much longer in the business environment and the recent Satyam scandal has highlighted this fact very clearly. If one were to evaluate companies which have been in existence for more than a century, companies like Tata, GE and few others will stand out as classic examples of high standard of ethical conduct.

At Titan Industries Ltd, a Tata group company, one of the core values is integrity, and Titan follows the Tata Code of Conduct, that is prescribed by the Tata Group. The Tata Code of Conduct is a compilation of the values and principles that have governed the group's functioning since its inception. These have been articulated in 25 clauses, 16

clauses refer to the way a company should conduct itself, nine clauses refer to how an employee should conduct himself and one clause refers to business partners and suppliers conduct.

Every new employee is taken through the Tata Code of Conduct and is given a personal copy of the same. Over and above this, all employees, male or female, have to sign a declaration that they will abide by the same during the course of their work. This does not stop here and in the recent years, this Code of Conduct has been extended to all contractual workforces, suppliers, business associates and their employees. The Code of Conduct has also been translated into regional languages to facilitate better understanding amongst various stakeholders.

In order to ensure a highly ethical climate, a member of the senior management team has been appointed as the Chief Ethics Officer, reporting to the Managing Director. The Chief Ethics Officer has a team of 30 Local

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Ethics Counselors, chosen from different strategic business units, locations as well as regions. These counselors are chosen through a proper screening process, which takes into account their standing in the company, number of years of experience in the company and their easy approachability. The composition of the team ensures that there are lady Ethics counselors at every location. At present there are 16 lady ethics counselors and 14 male ethic counselors in the company. The team is reconstituted once in two years taking into account transfers, separations, location and new business that are added. The details of all the counselors along with their photographs are circulated to various stakeholders for ready referral and our senior leaders ensure that issues related to ethics are reported without any fear of reprisal. The Ethics counselors' team meets twice a year to discuss issues that surface and to formulate strategies and action plans to ensure that an ethical climate is sustained in the organization.

The Local Ethics Counselors play a crucial role to deploy the Tata Code of Conduct through awareness programs during meetings with business associates and suppliers.

A detailed process for logging concerns and resolving the same has been detailed out and the same has also been communicated to various stakeholders. Any individual having a concern can raise the same to any of the local ethics counselors.

In addition to the Tata Code of Conduct, we have also laid out policies for Sexual harassment, Gifting and Internet usage.

Breaches of ethical behavior are viewed most seriously and a cross functional team of ethics

counselors investigate the same and report the findings to the Chief Ethics Officer, who along with the Managing Director and Head of HR recommend suitable action. Instances of pilferage result in immediate dismissal of the concerned employee.

In order to drive improvement and ascertain effectiveness of this process, the company, once in two years, participates in an external survey on management of Business Ethics conducted by an external agency. The feedback received is used to improve the processes and address shortfalls. Some of the improvements that have taken effect are:

- ♦ Preparation of an innovative video and cartoon presentation to disseminate the Code of Conduct
- ♦ Publishing photographs of ethics counselors in posters
- ♦ Publishing articles on ethics in the internal news magazines
- ♦ Conducting half yearly ethics counselors meet
- ♦ Taking part in the ethics counselors meet at the Tata group level

With the robust processes outlined above, maintaining a high level of Ethics & code of conduct has become a way of life & culture at Titan & the benefits of this are clearly shown by the "MUTUAL TRUST" that has been built with all the stakeholders.

This is truly in line with the group's motto – "LEADERSHIP with TRUST".