

VOLTAS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Purpose:

This policy sets out the Company's commitment and approach towards Corporate Social Responsibility based on the Tata legacy of 'Giving Back to Society'. The Company is committed to the Tata Group Purpose of improving the quality of life of the communities we serve.

Through the CSR themes of 'Sustainable Livelihood, Community Development, Issues of National Importance, the Company endeavors to enhance employability, work on key development issues of the communities and address issues crucial to larger masses.

Voltas CSR programs are based on the philosophy of **Engage, Equip and Empower** and are designed to:

- Build capacities of youth and women to be gainfully employed.
- Create a significant and sustained impact on communities adjacent to our Businesses by addressing their priority needs.
- Serve the local, societal and national goals.
- Provide opportunities for Voltas employees to contribute to these efforts through Volunteering.

2. Guiding Principles:

- CSR Projects are directed towards underprivileged and marginalized sections of society, in consonance with properly identified needs and aspirations of such communities.
- Projects should be long-term and viable, creating a sustainable & measurable impact in terms of outputs and outcomes.
- The Company has adopted a suitably structured, evidence based CSR Implementation strategy and all projects are being monitored through in-house / third party evaluations.
- To the extent possible, projects and various CSR initiatives also focus on the issues of Gender and Affirmative Action.
- The Company has suitably leveraged its wealth of experience across its businesses and utilized its technical expertise and volunteering spirit as and when required.

- In keeping with the Tata Code of Conduct, the Company will be ethical and transparent in its orientation, while approaching and engaging with communities.

3. Responsibility of the Board of Directors:

The Board shall be responsible for:

- Approving the CSR policy as may be recommended by the CSR Committee, subject to necessary changes / modifications as the Board may deem fit.
- Ensuring that in each financial year, the Company spends such amounts for CSR as may be prescribed from time to time.
- Activities as may be stipulated in the Companies Act, 2013 read with Schedule VII, as amended from time to time.
- Ensuring that the activities included in the CSR Policy are undertaken by the Company.
- Satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief financial officer (CFO) or the person responsible for financial management shall certify to that effect.
- Monitor the implementation of the project with reference to the approved timelines and year-wise allocation and make modifications, if so required, for smooth implementation of the project within the overall permissible time period.
- Approving an annual Action Plan as may be recommended by the CSR Committee

4. CSR Committee:

- The CSR Committee shall comprise three or more directors of which, at least one will be an independent director.
- The CSR Committee of the Company shall be responsible for:
 - (a) Formulating and recommending to the Board, the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
 - (b) Recommending to the Board, the CSR expenditure to be incurred.
 - (c) Monitoring the implementation of the CSR Policy from time to time and reporting mechanism.
 - (d) Formulating and recommending to the Board, an annual Action Plan in pursuance of the CSR Policy.

5. Composition of Board CSR Committee:

- Mr. N. N. Tata (Chairman)
- Mr. B. N. Vakil (Independent Director)
- Ms. Anjali Bansal (Independent Director)
- Mr. Pradeep Bakshi (Managing Director & CEO)

6. CSR Budget:

The amount to be spent by the Company shall be as stipulated under the Companies Act, 2013, as amended from time to time and approved by the Board [Presently, it is 2% of Average Net Profit Before Tax for last 3 preceding financial years, calculated in accordance with Section 198 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014].

7. Focus areas:

(i) Vocational Skill Development Programs:

- (a) Unemployment and the lack of a stable source of income is often the result of skill vs. job requirement mismatch. Apart from inadequate training facilities, the ease of accessibility to available training is also an issue for large sections of the marginalized population. Therefore, Voltas is strengthening its focus on Skill Development to address critical national and state level skill training gaps. These interventions are expected to assist and result in income generation and social inclusion for youth coming from underprivileged sections of the community. The Company has vocational training arrangements with implementing partners like the Tata Community Initiative Trust (Tata strive), GMR Varalakshmi Foundation, Bosco Boys, Father Agnel Technical Institute, Recognition of Prior Learning (RPL) and Enguru functional English program for RAC/CAC technicians. Working with these and other like-minded partners, the skilling initiatives focus on specific trades to address sector identified supply gaps (e.g. projected need for AC service technicians and other inter-related trades like ducting, plumbing, electrical, etc.). The Company is also focusing on Capacity Building of ITI Trainers and conducting non-technical training courses, especially for women.
- (b) Voltas will also address the critical needs of the community around its areas of operation and in locations where skill development interventions are necessary. The objective of these initiatives is to holistically address various socio-economic needs and aspirations of the community.

(ii) Education:

- (a) Voltas will undertake initiatives for imparting training to develop language skills to enhance individual employability of youth in marginalized and deprived sections of Society. These Programs will also incorporate awareness and advocacy modules on values and ethics, intended to benefit the community at large, by preparing young people to be better corporate citizens.
- (b) Supporting projects and programs for Quality Education and Development of Children from weaker sections of the society, as considered necessary.

(iii) Health:

- (a) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs, including projects and programs aimed at supporting differently abled children including rehabilitation of mentally challenged people.
- (b) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting pediatric and cancer patients, people suffering from AIDS, the Blind, Deaf and Mute.
- (c) Voltas will promote health care including preventive measures and sanitation. It will undertake programs to promote comprehensive sanitation and address availability of safe drinking water.
- (d) Pursue COVID-19 related activities by carrying out awareness programs/campaigns or public outreach campaigns on COVID-19 vaccination program, making arrangements and providing vaccines, drugs and medical devices related to COVID-19, including preventive measures and curative to long-term rehabilitative support.

(iv) Disaster Relief:

Contributions towards disaster relief and rehabilitation through appropriate agencies at the right time, as and when required.

- (v) In addition to the identified areas of focus mentioned above, the Company may also undertake other activities defined in Schedule VII of the Companies Act, 2013, as amended from time to time.

8. Geographies and Target communities:

Target communities for the Company's CSR activities would be where Voltas has a significant presence, or typically in the vicinity of its operations or manufacturing plants (currently Pantnagar in Uttarakhand, and Waghodia in Gujarat). However, disaster management CSR activities would not be confined to any geographies.

9. Implementation:

CSR projects will be implemented directly and/or through suitable arrangements with credible and competent partners, who have an understanding and experience of dealing with the local socio-political-economic issues and challenges and vetted through the due diligence process.

The CSR Partners / Collaborators could be:

- (a) A company, NGO or implementing agency that has expertise/inclination towards areas of focus that align with Voltas CSR areas of intervention.
- (b) Trust or Section 8 Company, or society or foundation or any other form of entity operating within India and those having an established track record of at least three years in carrying on activities in related areas.
- (c) Body registered under the Societies Registration Act, 1860.
- (d) Public Registered Trust.
- (e) Charitable company licensed under Section 25 of the Companies Act, 1956.

The Company may also collaborate with other companies to undertake CSR projects or programs provided the CSR Committees of the said companies are in a position to separately monitor and report progress on such projects or programs.

The Company shall endeavor to increase employee participation at all levels of the organization by encouraging employees and their spouses to participate in the Company's CSR activities, and will also, on need base, involve other suitable stakeholders of Voltas. In addition, Voltas will also encourage employee engagement through volunteering activities, with appropriate recognition mechanisms for their demonstrated spirit of serving and caring for the community.

10. Monitoring:

Voltas has a separate CSR Department with an independent CSR-Head, duly supported by CSR / HR teams and other volunteers.

CSR Projects are monitored through a result based management approach with an appropriate oversight mechanism. Starting with the collection of critical baseline data, the focus is on review of progress across specific Indicators and desired milestones.

The CSR team conducts site-visits and periodical reviews of projects to verify goal congruence. Annual financial review and audit of programs are also carried out, if required,

Project selection and progress of projects is reviewed by the CSR Committee on a half yearly basis.

Overall cost of administration, including salaries would not exceed 5% of annual CSR spend. Administrative overheads will include only 'general management and administration' of CSR functions. Expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular CSR project or program shall be excluded.

11. Annual Action Plan:

The annual Action Plan shall include the list of CSR projects/programs that are approved; manner of execution of such projects; modalities of utilization of funds and implementation schedule; details of need and impact assessment, if any, for the projects undertaken by the Company. The Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on reasonable justification to that effect.

12. Treatment of surplus amount arising from CSR activities:

Excess amount incurred on CSR activities in any financial year may be set off against the requirement to spend under Section 135(5) up to immediately succeeding 3 financial years provided that the excess amount available does not include the surplus arising out of the CSR activities and the Board of Directors pass a Resolution to that effect and such other conditions as may be prescribed under the Rules.

13. Impact Assessment:

The Company shall undertake Impact Assessment through an independent agency of its CSR projects, as and when applicable, in pursuance of CSR Rules, as amended from time to time. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. The expenditure on impact assessment for a financial year shall not exceed 5% of the total CSR expenditure for that financial year or Rs.50 lakhs, whichever is less.

14. Reporting:

CSR reporting will form part of the Company's Director's Report. The reporting would be in the format prescribed under the Companies Act, 2013 and the Rules in respect thereof.

15. Display of CSR activities on Company's website:

The annual report of CSR activities along with the composition of CSR Committee, CSR policy of the Company and CSR projects/programs approved by the Board shall be displayed on the Company's website.

16. Modifications in CSR Policy:

The Policy shall be reviewed by the CSR Committee from time to time for any modifications or amendments, including due to changes in the Companies Act, 2013 / Companies (Corporate Social Responsibility Policy) Rules, 2014. The modifications/ amendments in the Company's CSR Policy, as recommended by the CSR Committee shall be subject to approval of the Board.

6.8.2021.