

The VOLTAS logo is displayed in a bold, white, sans-serif font. The letters are slightly italicized, giving it a sense of motion and modernity. The background of the entire page is a photograph of a Voltas manufacturing plant, showing workers in blue uniforms assembling air conditioning units. The image is overlaid with a diagonal blue line and a yellow-green geometric shape in the bottom left corner.

VOLTAS

www.voltas.com

TOWARDS A **SMARTER TOMORROW**

Sustainability Report
18-19 and 19-20



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TOWARDS A SMARTER TOMORROW

“ Over the last six decades, we have – with a focus on design thinking backed by strong engineering capabilities – created comfort and convenience for our consumers

At Voltas, we are driven by the passion to deliver engineering solutions that build a future where businesses and communities work in harmony, thus striking a perfect balance between people, planet and profit. This approach has been a lever

for our growth for a very long time. It has enabled us to not just build a more efficient business, but also contribute towards building a smarter tomorrow, one that is sustainable, inclusive and prosperous.

Over the last six decades, we have – with a focus on design thinking, backed by strong engineering capabilities – created comfort and convenience for our consumers. While doing so, we have always stayed close to our commitment of preserving the

environment. From energy efficient solutions to constantly minimising the environmental impact of our business and operations, our approach towards sustainability goes beyond the need of compliance, in line with the Tata heritage.

We are also aware of the responsibilities that come with the privilege of serving a wide range of stakeholders across industries and geographies. Recognition of our sustainability efforts has established us as a preferred partner. With a vision to drive value through smart engineering, Voltas' market leadership is underpinned by several proactive measures, of which our sustainability efforts are a dominant driver. We believe our commitment towards combining a six decade-long legacy of corporate citizenship with a future-driven outlook will create a tomorrow that is smart and sustainable.



ABOUT THE REPORT

We are glad to present our second annual Sustainability Report, which outlines our performance on key environmental, social and governance (ESG) parameters for the Financial Years (FY) 2018-19 and 2019-20.



Centred around the theme 'Towards a Smarter Tomorrow', the Report reiterates our commitment towards people and the planet.

It provides qualitative and quantitative disclosures on our stakeholder relationships, and how our leadership and businesses are aligned to contribute towards a sustainable and smarter future, while managing risks and challenges in the external environment. We continue to evolve and enhance the disclosures to meet the requirements of our stakeholders. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It also demonstrates our contribution towards the achievement of the United Nations (UN) Sustainable Development Goals (SDGs). We further take this opportunity to showcase the alignment of UN Global

Compact (UNGC) principles with our strategies, policies and procedures. A detailed index of our disclosures with respect to these frameworks provided with this report.

The Report provides information on our business verticals in India and abroad, and focusses on our business in the fields of air conditioning, refrigeration, engineering service for electro-mechanical projects, and engineering product services for mining, water management and treatment, construction equipment and textile industry for the period between 1st April, 2018 and 31st March, 2020. Our previous report, which detailed our performance in FY 2017-18, was created for internal consumption, and this public report marks yet another step in our journey towards transparent and comprehensive disclosures, which

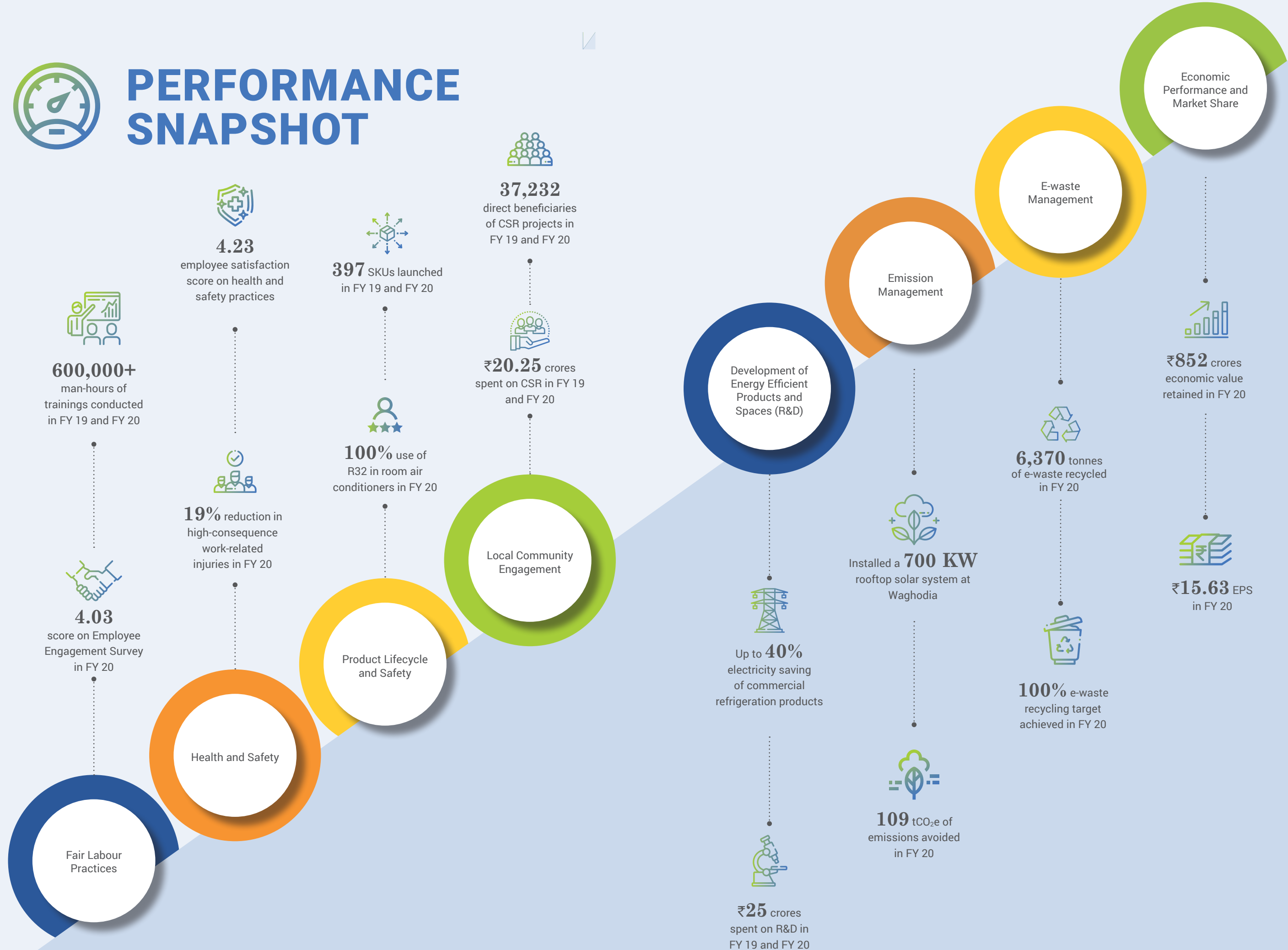
will be published on an annual basis going forward.

It covers our Unitary Products Business Group (UPBG), Domestic Projects Group (DPG), International Operations Business Group (IOBG), Mining and Construction Equipment business, and Textile Machinery Division (TMD). Our locations of operation span the Middle East, South Asia and Southeast Asia. Further details can be found in the 'About Voltas' section of this report.

We view sustainability as a two-way conversation, and believe that your feedback will not only help us improve the quality of our ESG disclosures, but also our sustainability performance. We invite your queries and feedback regarding the Report's content on pradnyashinde@voltas.com



PERFORMANCE SNAPSHOT



MESSAGE FROM THE MD & CEO

“Our interventions in the environmental and social spheres go beyond compliance requirements, and aim to create a lasting, tangible and positive impact on the communities within which we function.”



Dear Stakeholders,

At Voltas, we believe that the success of a business is inextricably linked to the prosperity and wellbeing of the communities within which it functions. This is more relevant than ever in the dynamic business landscape of the 21st century, which is now facing a renewed set of challenges owing to the COVID-19 pandemic. Recognising the role that the nation and its resources have played in our success, we have always worked tirelessly to give back through our approach of 'Engage, Equip and Empower', and will continue to do so, in our collective fight against the COVID-19 crisis. With this in context, I am proud to present our second annual sustainability report titled '**Towards a Smarter Tomorrow**', which details our initiatives during FY 2018-19 and FY 2019-20.

Sustainability has always been deeply rooted in our business operations. From ensuring that our products and solutions are energy efficient to constantly adopting manufacturing and operational practices that minimise our impact on the environment, sustainability has always been a way to innovate and make our business more efficient. We were the first to launch star-rated air conditioners, even before this was made mandatory by the Bureau of Energy Efficiency (BEE). While we have taken a number of environment-friendly initiatives since our inception, FY 2019-20 marked a special milestone for us, owing to the launch of our plant in Waghodia. Capable of manufacturing a wide range of Heating, Ventilation, Air Conditioning and Refrigeration (HVACR) products, the facility boasts of several initiatives such as rooftop solar panels, rainwater harvesting, and energy and resource optimisation measures. Additionally, we are also increasing deployment of female personnel on the shop floor, and making the plant a workplace of choice through training and development initiatives, and the availability of a creche, pond, gym and changing room, among much more.

Sustainability is an asset that goes beyond our business, to build a value chain that is future-ready. Hence, you will see in the report that we have made substantial investments in energy efficient equipment, recycling of

waste, energy labelling, renewable energy and waste management across our operations. Moreover, we are working closely with our partners to help them reduce their environmental footprint.

Our interventions in the environmental and social spheres go beyond compliance requirements, and aim to create a lasting, tangible and positive impact on the communities within which we function. Further, we have aligned our efforts with national and international developmental goals to provide maximum value to all our stakeholders. In a bid to build sustainable communities, we have increased our focus on skilling of beneficiaries and capacity-building of NGOs, to set both our implementation partners and the communities up for success.

Our responsibility towards people also extends to our workforce, whose talent and hard work has been the driving force of our success. While providing our people with a safe workplace has always been of paramount importance to us, we are leaving no stone unturned to ensure their health and safety as lockdown restrictions begin to ease. We also remain committed to supporting our staff with a safe and inclusive workplace that provides them with opportunities for personal and professional development.

I'm pleased to share that we have also reported a strong financial performance in both years, despite macroeconomic challenges. With a focus on customer value, manufacturing and operational excellence, and sustainability, we will continue to enhance our performance. I extend my appreciation to the Government, our customers, business partners and communities. I would like to thank you for instilling confidence and trust in our Company, and assure you that we will continue to earn it.

Warm Regards,
Pradeep Bakshi
Managing Director & CEO, Voltas Limited

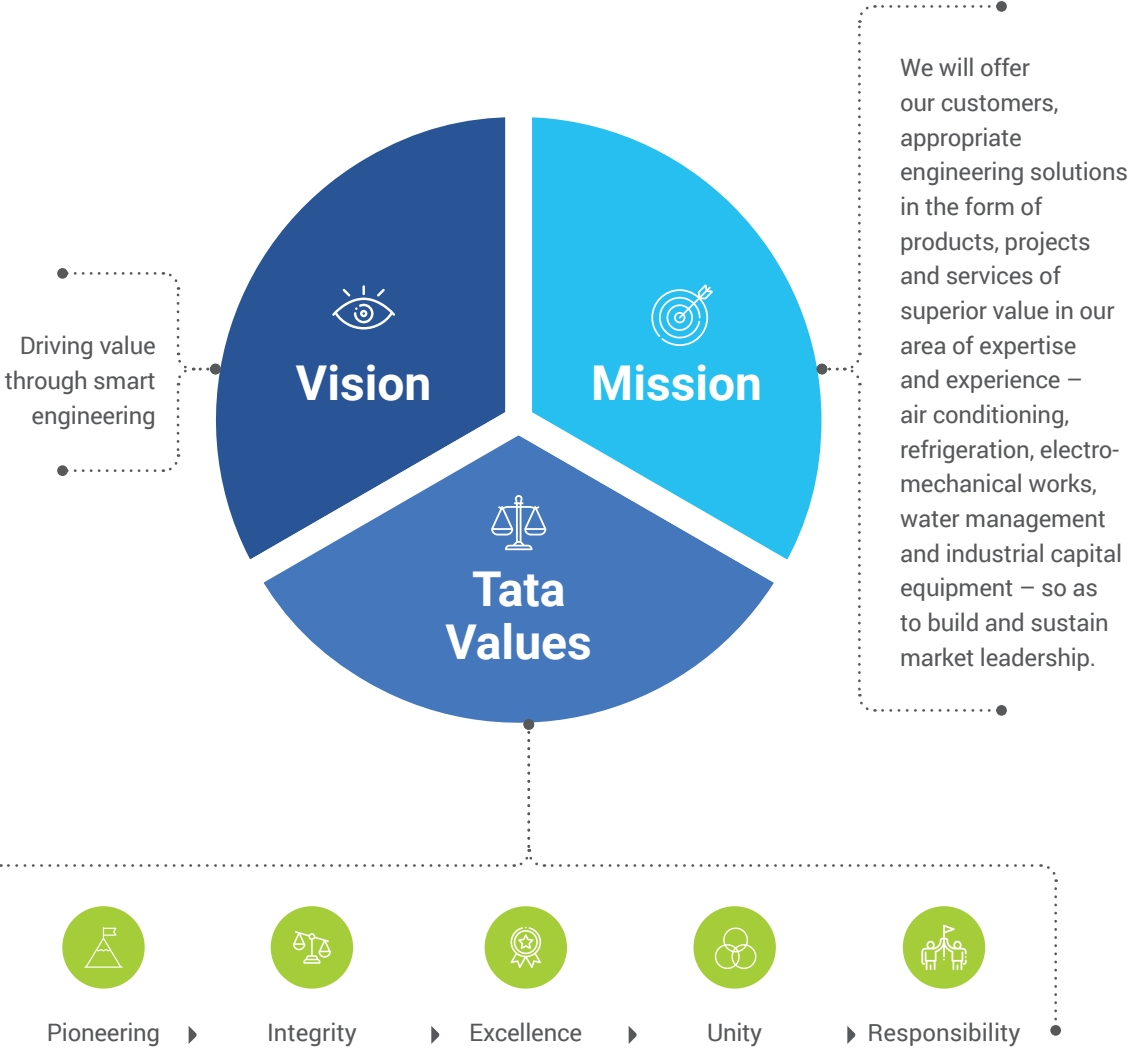


ABOUT VOLTAS

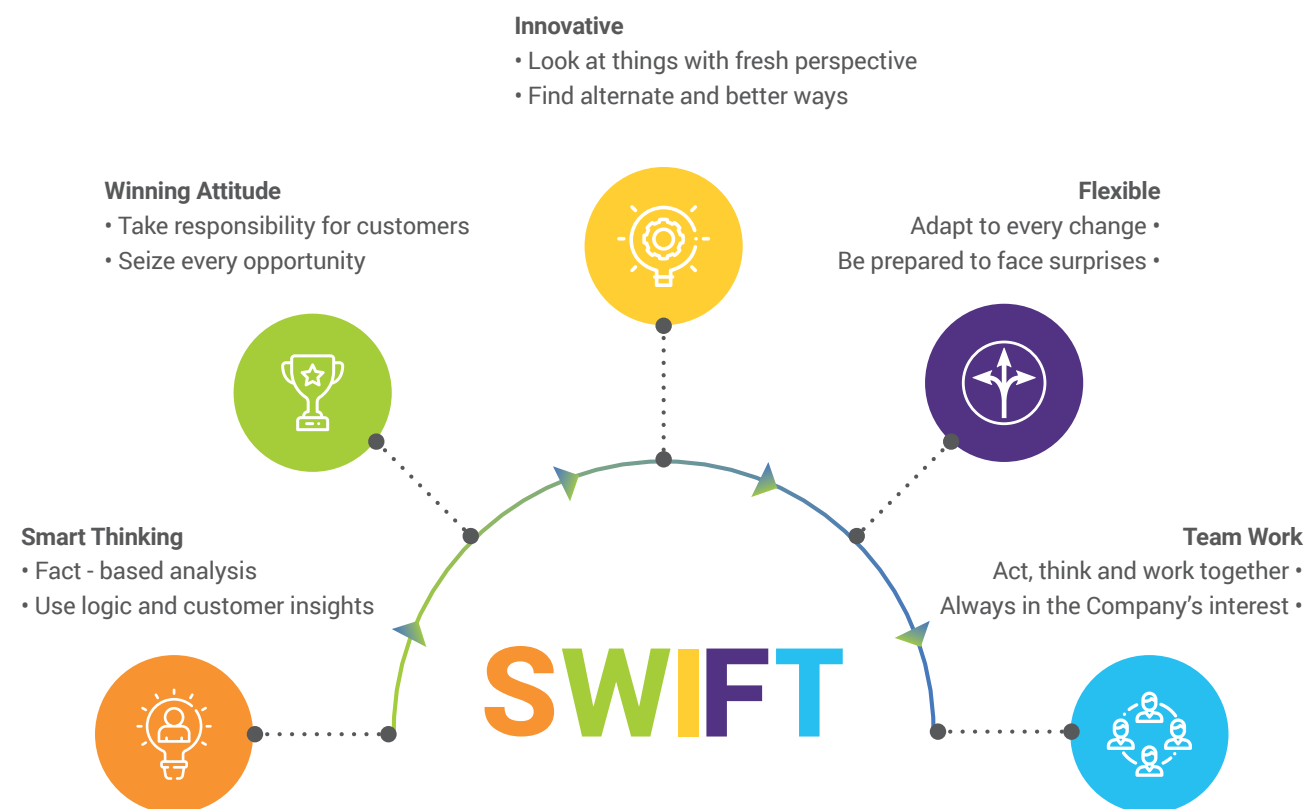
Incorporated in 1954, Voltas Limited, a public limited entity, is India's largest air conditioning company and one of the world's premier engineering solutions providers and projects specialists. At Voltas, our focus is on driving value through smart engineering and providing best-in-class business solutions to consumers and industries.

VOLTAS

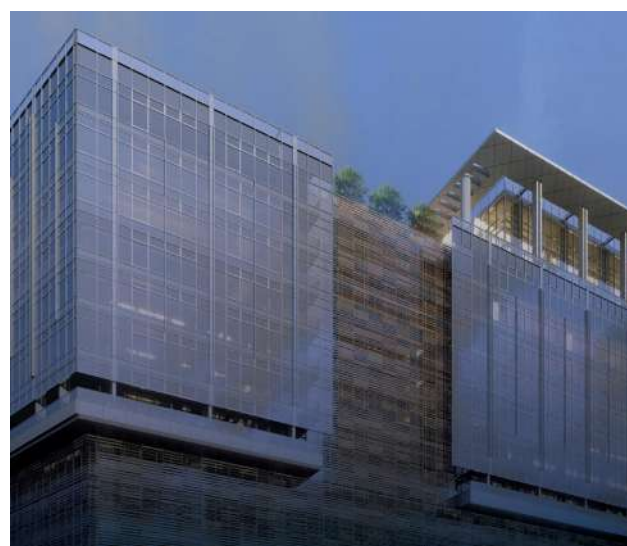
Our vision and mission, combined with the Tata values, are the driving forces behind our commitment to creating a smarter tomorrow.



Our cultural pillars are also instrumental to percolating excellence within the organisation and creating shared value for all our stakeholders. They drive the transformative resilience and customer centricity that Voltas has become synonymous with.



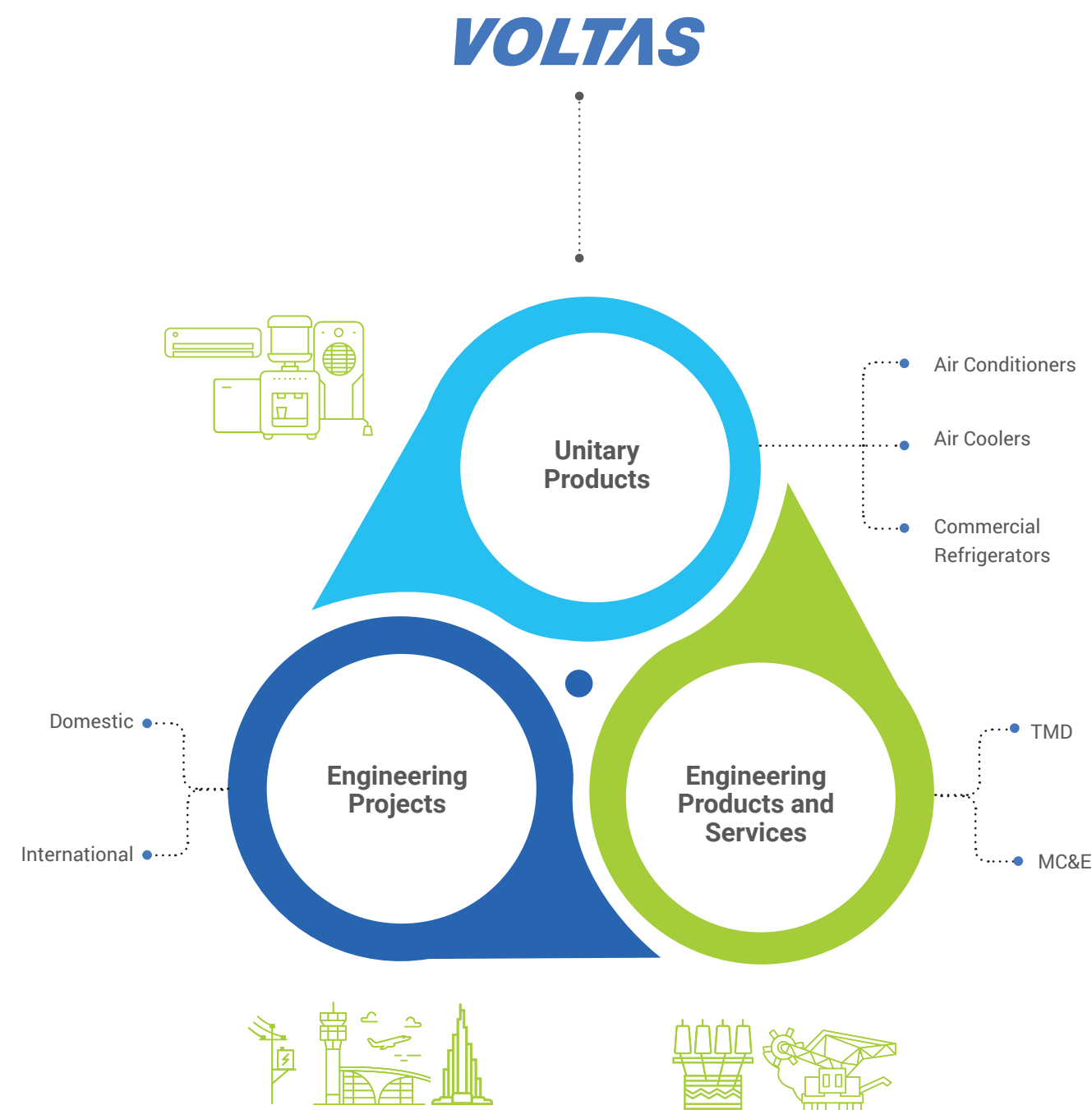
Our Unitary Products Business Group (UPBG) offers a wide variety of cooling appliances such as air conditioners (ACs), air coolers, and commercial refrigeration products including freezers, visi coolers and water dispensers, among others. In the air conditioning space, we provide smart cooling solutions, and our brand continues to enjoy a leading position in the commercial refrigeration and air coolers segments.



In addition to the above, the Engineering Products and Services business has two divisions – Textile Machinery Division (TMD) and the Mining and Construction Equipment Division (M&CED).

The Engineering Projects business has two divisions – Domestic Projects Group (DPG), operating within the country and the International Operations Business Group (IOBG), which operate in overseas market. In DPG, we are executing projects as Mechanical, Electrical and Plumbing (MEP) operators in the areas of infrastructure and built environment, including metros, stations, airports, malls, hotels, hospitals, educational institutions and water management; and as the last-mile contractor in rural electrification. Meanwhile, IOBG is the preferred MEP service provider in the countries within which we operate.

All of these culminate into superlative performance across each of our business units, which are described below:



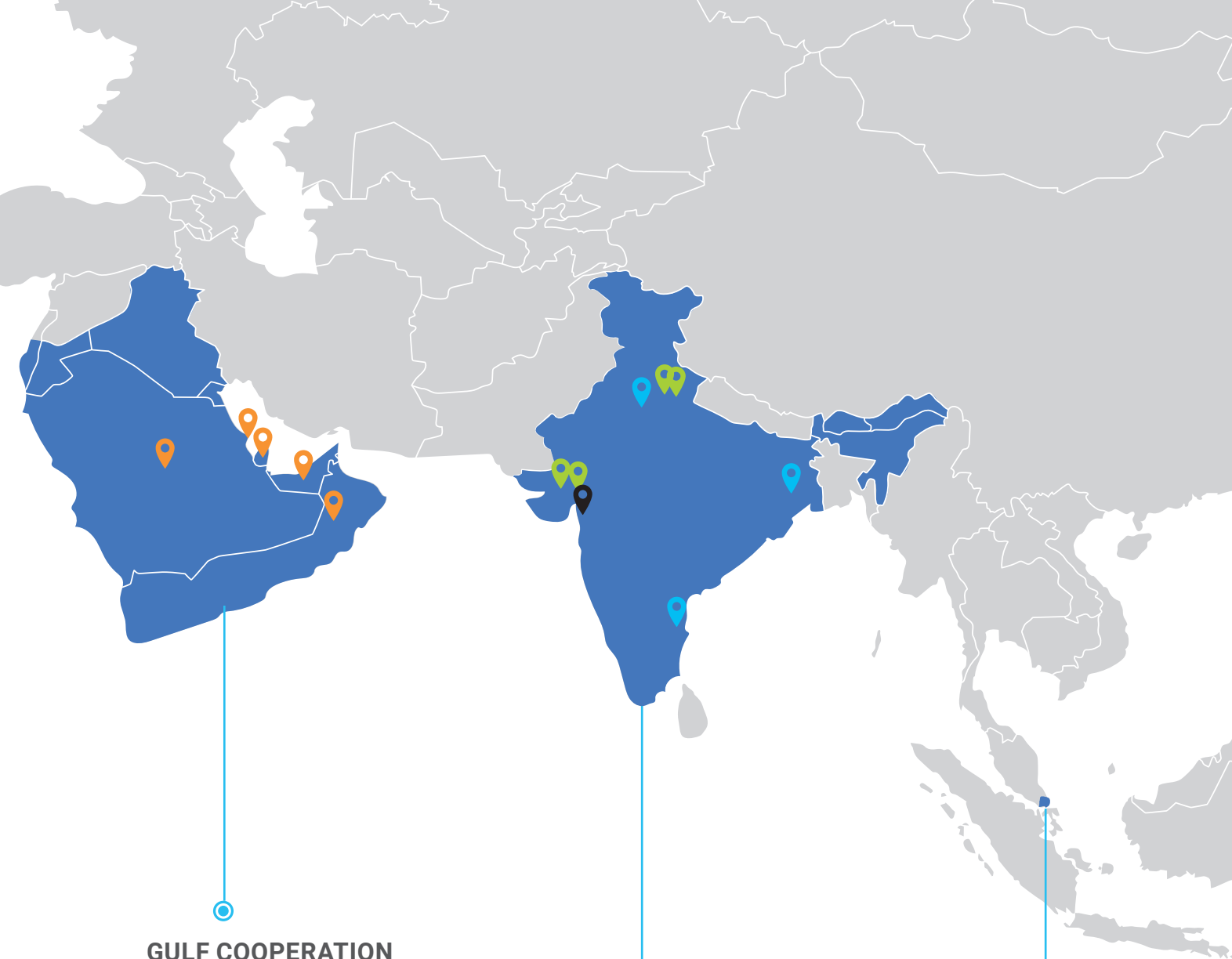
Business Structure of Voltas

Geographic Spread

We are headquartered in Mumbai, India, with three zonal headquarters in Delhi, Kolkata and Chennai.

We operate four manufacturing plants in India - with one each in Waghodia and Sanand, and two in Pantnagar - and have engineering operations spread across 23

locations. In addition to India, our international operations are spread in eight countries across the Gulf Cooperation Council (GCC) and Asia.



GULF COOPERATION COUNCIL

5 Countries

INDIA

- 1 Headquarter
- 3 Zonal Headquarters
- 4 Manufacturing Facilities

LOCATIONS IN GCC AND ASIA

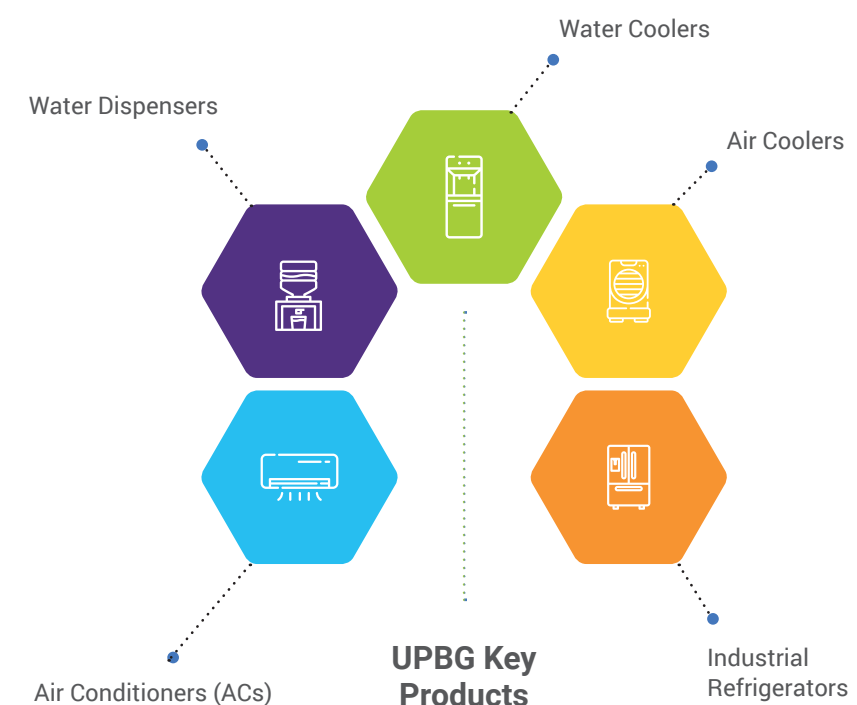
SINGAPORE

1. The UAE
2. Qatar
3. Sultanate of Oman
4. Kingdom of Bahrain
5. Kingdom of Saudi Arabia
6. India
7. Singapore

Unitary Products Business Group

Set up in 2001 with a focus on developing cooling appliances, UPBG has become a market leader in the country over the last six years. This division caters to business-to-business (B2B) and business-to-consumer (B2C) market requirements such as commercial refrigeration, water coolers, air coolers and dispensers. The division sources equipment from both Original Equipment Manufacturers (OEMs) and other overseas manufacturers based on business requirements.

Through the 'Smart Thinking' approach, we have become a pioneer in window inverter and Bureau of Energy Efficiency (BEE) star-labelled air conditioners. Having grown to more than 19,000 delivery points over the nation over 10 years, UPBG has established itself as a leader in after-sales services.



Through continued investments in Research and Development (R&D), the division has improved efficiency of supply chain as well as made service its key differentiator. The research and innovation in unitary

products is aimed at developing products with higher energy efficiency as well as replacement of refrigerant gases with high ozone depletion potential (ODP) to gases with low ODP.

With innovation and advanced technology, we are working to reduce energy consumption of our products throughout their lifecycles. We are also phasing out use of high ODP refrigerant gases in our products.

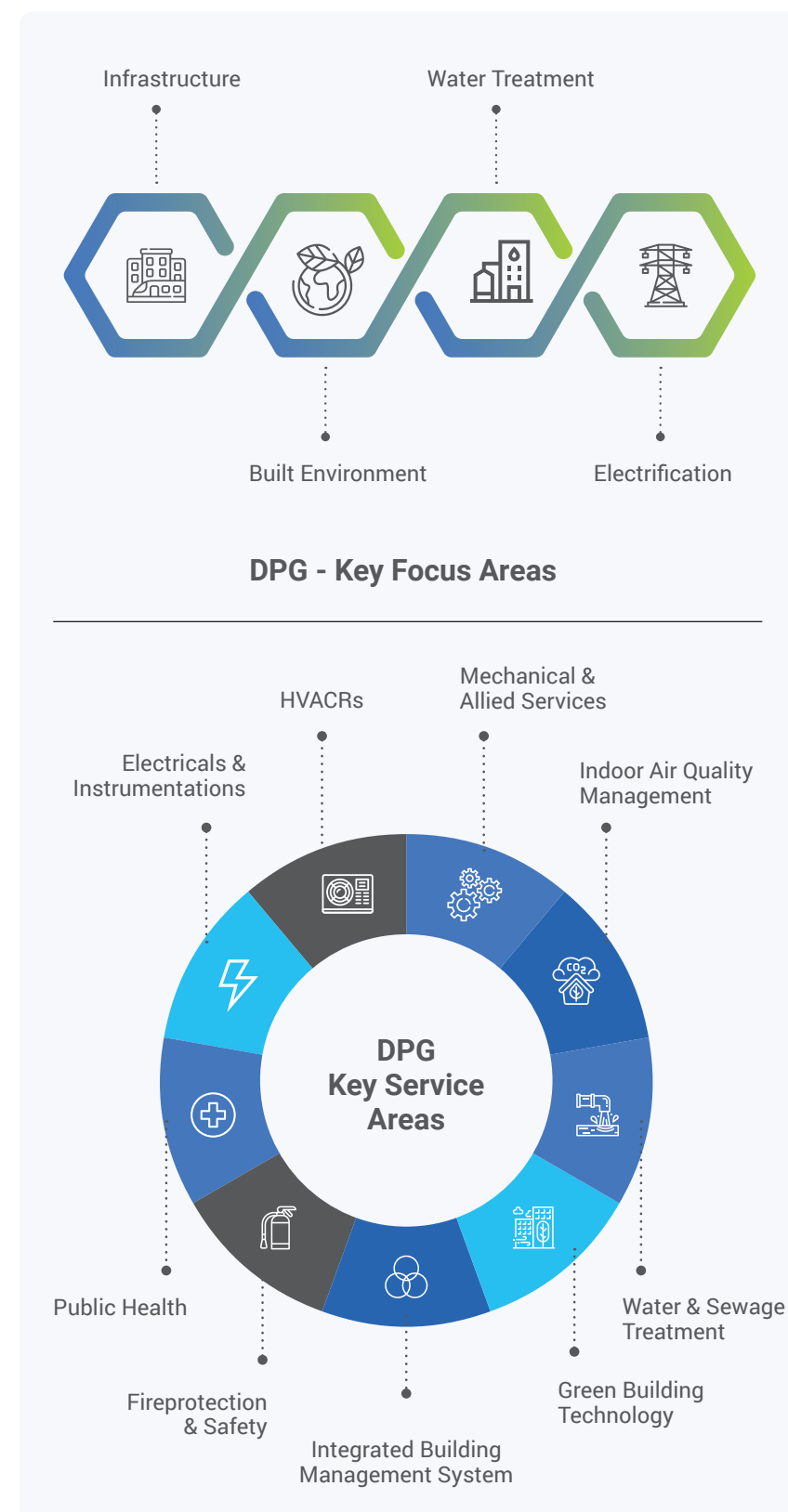


Domestic Projects Group

As one of the leading providers of integrated end-to-end solutions in engineering projects, DPG contributes to nation-building through execution of key infrastructure projects. The division is making its mark in the evolving Indian landscape by successfully providing solutions across infrastructure and service sectors. Our engineering and project management capabilities allow for safe, reliable and on-time implementation of large-scale complex electromechanical projects. We also focus on the application of latest technologies to engineer smarter and sustainable project solutions. The Internet of Things (IoT)-controlled remote monitoring system for predictive maintenance now tracks the performance of over 1,000 chillers in the country. Keeping heating, ventilation and air conditioning (HVAC) services at its core, DPG has strategically focused on government projects. The division maintains over 3 million ton of refrigeration HVACs.

Under the electrification thrust driven by the Central Government's Deendayal Upadhyaya Gram Jyoti Yojana, we have been instrumental in electrifying more than 2,500 villages across the country as a 'last-mile' connector. Consequently, we have been able to ensure uniform complaint resolution and service delivery through the single-window solution.

The Water Management Business Division (WMBD) of the DPG manages the entire water activity chain (from raw water processing to treatment of wastewater) through both products and projects. This



arm manufactures equipment for water treatment as well as takes up turnkey projects.

Rohini Industrial Electricals Limited (RIEL), another part of the DPG, is involved in developing infrastructure for electrification to

rural areas by catalysing access to even the remotest parts. Through government tenders, RIEL has laid down over 2,00,000 connections that benefit irrigation systems, feeder separation units and rural internet. It also provides employment to local communities through these activities.

International Operations Business Group

By executing several prestigious and complex projects in more than 35 countries in diverse segments over 40 years, IOBG has become a leading turnkey electromechanical solutions and services provider. It leads the Tier-I MEP service provider category in about seven GCC countries.

The division recently won multiple projects in infrastructure and built environment in the UAE that helped maintain its leadership position in the region. As the preferred contractor for mid to large-scale projects in the GCC countries, IOBG has been recognised for its thrust on effective execution projects through numerous awards.

Weathermaker Limited (WML), a fully owned subsidiary of Voltas, provides prefabricated MEP modules to projects in the UAE. This helps reduce labour as well as onsite production and assembly, providing an inherent benefit to employee safety at the construction site.





Textile Machinery Division

As the second-largest employer in the country, the textile industry greatly benefits from TMD's services, such as sale of machinery, after-sales support, stock and sale of parts and accessories. Working closely with stalwarts (principals) in the textile machinery sector, TMD adds incredible value by offering strong textile technological solutions. It acts as an intermediary between principals and end users by maintaining close contact with both sides to keep up with the dynamic environment. It provides end-to-end engineering services and represents many global manufacturers. TMD has a presence across 16 locations in India, which includes the textile hubs of Madurai, Ludhiana, Surat, and Coimbatore, which serves as the headquarters. TMD also offers special services such as energy audits, yarn realization and cotton management.



Affected by the recent regulatory changes and reduced demand, TMD has de-risked its business by ramping up after-sales offerings. It has been selectively adding new products to its repertoire from new principals, forging strong partnerships, and focusing on allied machinery.



Mining & Construction Equipment Division

After independence, rapid industrialisation of the country through heavy machineries became important. During this period, Voltas incorporated the MCED as Earthmoving, Mining & Agricultural (EMA) machinery division in 1954.

MCED conducts its operations PAN-India and in Mozambique (in collaboration with Tata Mozambique and Tata Africa). Primarily serving mining companies, this division identifies itself as an engineering solutions provider and is in the trade and service business of heavy earthmoving equipment. MCED is the official product support partner for Joy Global-Letourneau Loaders and Komatsu South Africa.

With increasing investment in infrastructure development, MCED's range of equipment caters to large projects such as roadways, ports, power generation and irrigation. Mozambique operations drive performance by contributing to nearly 90% of total profits. In the Indian context, MCED specialises in providing equipment for mining of iron ore, coal, copper, zinc and limestone. Furthermore, MCED also sells Terex stone-crushers.

Memberships and Trade Associations

Collaboration has been instrumental in keeping us at the forefront, and helping us become the largest air conditioning company and one of the most reputed engineering solutions providers in India. We associate with various think tanks, trade associations and collaboratives for the advancement of public good. Our collaborations are synchronised with our business objectives and aligned with our sustainability agenda.

We are proud to have been associated with key forums such as the India-US Task Force for ODP and GWP substances, organised by the Ministry of Environment, Forests and Climate Change (MoEF&CC) focussed on hydrochlorofluorocarbon (HCFC) phase out. We also contributed to the dialogue for understanding next-generation environment-friendly refrigerants, as part of the forum. Additionally, we have participated in various initiatives by the Bureau of Indian Standards (BIS), by contributing towards upgrading and formulating standards related to refrigeration and air conditioning.

Our association with the Refrigeration and Air-Conditioning Manufacturers Association has been instrumental in providing key inputs to the BEE during the development of Energy Conservation Building Codes (ECBC). The contribution towards development of ECBC is particularly important due to its significant role in meeting India's commitments to the Paris Agreement.

As part of our research on new refrigerants with lower global warming potential and zero ozone depleting potential, we are participating in the Hydrofluorocarbons Phase-out Management Plan (HPMP) of the MoEF&CC Ozone Cell.

As a step forward towards responsible waste management, we are collaborating with the Consumer Electronics Manufacturers Association (CEMA) for addressing Waste from Electric and Electronic Equipment (WEEE).

Apart from this, we are also associated with the Confederation of India Industry (CII) as part of various industry-specific initiatives.

These collaborations and associations provide us with a knowledge-sharing platform, where we can contribute as well as learn from initiatives taken across industries. These platforms also help us in contributing towards solving key challenges related to sustainability, such as impacts of climate change, waste management and circular economy, to name a few.





AWARDS & RECOGNITION



Tata Business Excellence Awards, 2019



Economic Times has recognised Voltas as one of the most **'Iconic Brands of India'**, for 2019-2020



'Trusted Brand' by Readers Digest



Received OHSSAI Annual Excellence Award



Dun & Bradstreet Best Corporate Award, 2018 in the **'Consumer Durables & Appliances'** category



Mint-EY Emerging Technology Award, 2018



Green Building Category Award for the 'Paryavaran Bhawan' project, which is the first 'Net Zero' building in India, with LEED Platinum certification



'Best Brand in Digital Marketing Excellence in Consumer Durables Category' at DigiXX, 2018



Ranked by the Brand Trust Report India Study, 2018 as **'India's Most Trusted Air Conditioner Brand'**



Certified as a **'Preferred Work Place for Women'** by the FICCI industry survey for the Gender Parity Index



Five major honours at Construction Week Oman Award 2019, including Contractor of the Year, Construction Executive of the Year, Hospitality Project of the Year, Sustainability Initiative of the Year and Engineer of the Year



IOBG recognised at the **8th Annual Climate Control Awards**, 2018 and 2019



DPG recognised at the **Indywood Built In India Excellence Awards**, 2018



IOBG won several awards, including the MEP **'Contractor of the Year'** at the MEP Middle East Awards 2019



Awards and Recognition for Safety Practices in FY 2018-19



Best Safety Contractor

– Dhirubhai Ambani International Convention and Exhibition Center (DAICEC), BKC, Mumbai



Best Safety Contractor

– Candor, Noida



Best Safety Contractor

– AIIMS, Delhi



Best Safety Performer

– KPO



2.5 Million Safe Man-Hours Without LTI

Bihar Urban Infrastructure Development Corporation Ltd. (BUIDCO) Water Project



5 Million Man Hours of Safety

without any LTI and the Kavach Award for Team DAICEC DPG

GOVERNANCE AND ETHICS

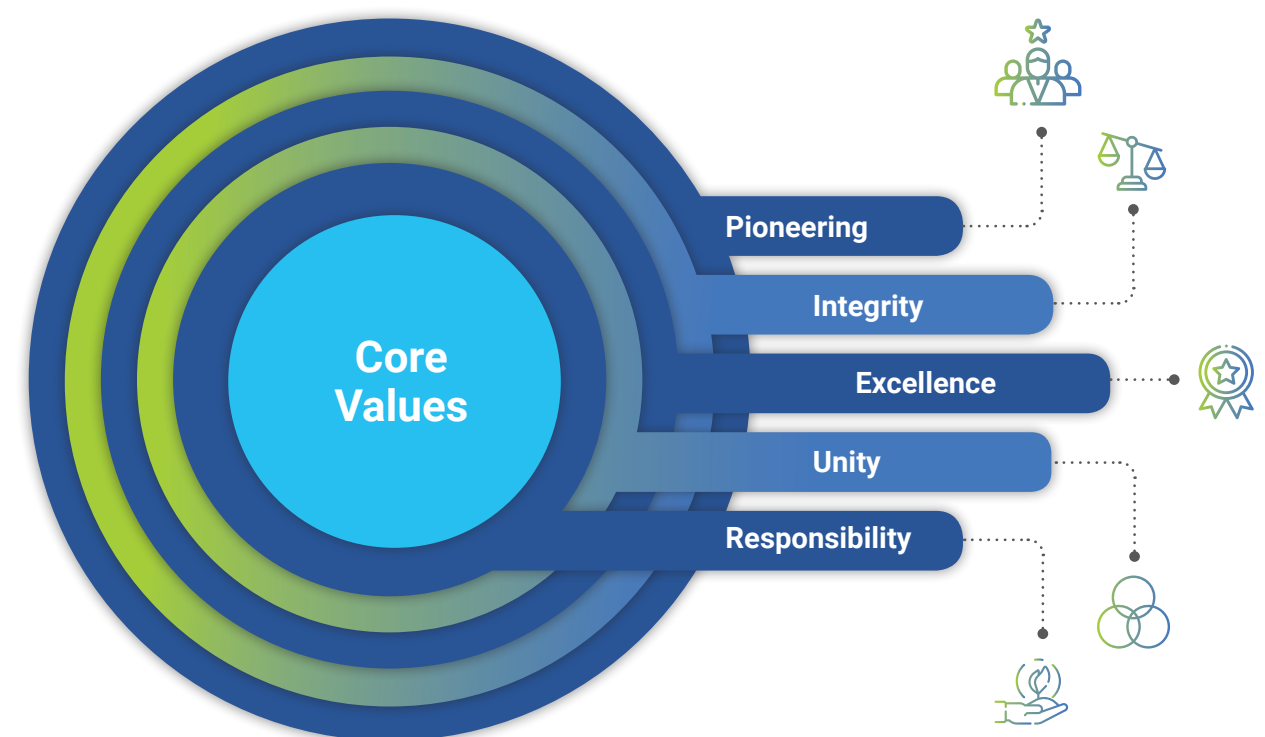
Our commitment to strong corporate governance has helped us build resilience over the years. We uphold the Tata Group's values of Pioneering, Integrity, Excellence, Unity and Responsibility in our business philosophy and aim to achieve the objective of building trust and long-term value creation.



The value system acts as the guiding light for conduct of our businesses and enables us to be fair and transparent to our stakeholders. The principles of independence, integrity, accountability and transparency are embedded into our value system for achieving robust corporate governance and ethical practices.

The Corporate Governance mechanism is duly supported by the well-defined roles of the Board of Directors and various Board Committees. The Board of Directors, being the highest governing body, is responsible for ensuring transparency and independence in the decision-making process.

The Company follows the Tata Business Excellence Model (TBEM) for tracking progress on long-term strategic goals. The overriding objective of the Code of Business Conduct and Governance is that all our employees maintain high ethical standards in their business activities.



The Company has also adopted the Tata Code of Conduct (TCOC), which serves as a guide to every employee on the standards of values, ethics and business principles. We have an established policy on the Prevention of Sexual Harassment (POSH) at the workplace. The policy aligns with the current legal mandates, in particular the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act in India. The Company addresses all employee-related grievances and maintains high ethical standards to cultivate good corporate governance, and also addresses concerns related to human rights. We regularly review and refine our established governance approach

to respond to stakeholders, reflect best practices, and strengthen our Company's culture, business strategy, and management structures. We have constituted an Internal Committee (IC) for all our administrative units, branch offices and factories spread across all geographies to look into and investigate all complaints relating to gender-based disrespectful

The details of composition of Board of Directors as on 31st March, 2020 is as follows:



Noel N. Tata
Non-Executive Chairman



Pradeep Bakshi
Managing Director and
Chief Executive Officer



Anil George
Deputy Managing Director
and Chief Financial Officer



Vinayak Deshpande
Non-Executive Director



Debendranath Sarangi
Independent Director



Bahram N. Vakili
Independent Director



Anjali Bansal
Independent Director



Hemant Bhargava
Non-Executive Director



Arun Kumar Adhikari
Independent Director



Zubin Dubash
Independent Director

At the functional level, we have formed a Corporate Management Group (CMG) comprising members of senior leadership. The composition of CMG, as also given on page 55 of our Annual Report for FY 2019-20, is as follows:



Pradeep Bakshi
Managing Director & CEO



Anil George
Managing Director & CFO



Narendren Nair
Chief Human Resources
Officer



Jayant Balan
Chief Executive
Officer-Voltbek



Dinesh Singh
Chief Strategy Officer

behaviour. We value the significance of gender-inclusive governance for effective employee development. The Whistle Blower Policy provides a mechanism for employees to approach the Chairman of Board Audit Committee or Ethics Counsellor and disclose information that may unveil unethical or improper activity concerning employees as well as work-related issues.

Simplicity, accountability, and good quality are part of our plans to improve efficiency, promote consistency, and

build a more focused Company, which is easier to work for and do business with. The Board plays an important role in strategic supervision, ensuring good governance and functioning of the business operations. All statutory and materially significant information is presented to the Board for review and strategic inputs. The Board of Directors comply with the regulations stated in Section 149 of the Companies Act, 2013. The Board comprises Directors with diverse experiences, qualifications, positive attribute, skill sets and gender, who are aligned with our overall strategy,

including corporate ethics, values and culture. As on 31st March, 2020, the Board had 10 members, including eight Non-Executive Directors, a Managing Director and CEO, and a Deputy Managing Director and CFO. Out of the eight Non-Executive Directors, five are Independent Directors, one of whom is a woman.

Details of the Board of Directors as on 31 March 2019 are available in the Annual Report for FY 2018-19, available on our website.

The Board has constituted eight Committees with defined roles and responsibilities to monitor various activities under its domain. During FY 2019-20, there were nine Board Meetings with specific agendas and rigorous reviews of business performance on quarterly basis. The Board also carries out an annual performance evaluation of all Directors, Committees and Board as a whole. A separate meeting of Independent Directors is held annually to evaluate the performance of Non-Independent Directors, the Board and the Chairman. All observations, decisions and recommendations are placed before the Board for information and approval, if required as per the governance framework.

Corporate governance processes are designed to hold up effective management of multiple business verticals while retaining focus on each of them. To ensure the existence of business accountability and responsibility with the Management, an overall business overview (Annual Operating Plan) is carried out by the Board.

Separate meetings of various Committees are also held, wherein the Committee spends time on diverse but relevant agenda items, business opportunities and challenges, and reviews the actions taken by the Management on suggestions made by the Committees /

Directors. Details of committee Meetings are given in the Report on Corporate Governance of our Annual Report.

Nomination and Remuneration Committee (NRC)

The Company has in place a fair, transparent and equitable remuneration Policy for its employees and Directors. Appointment of Directors is first discussed at NRC, based on which the recommendation is placed before the Board of Directors for approval. The Directors appointed by the Board are as Additional Directors and are subject to approval of the shareholders at the following Annual General Meeting (AGM). Except the Independent Directors, all other Directors are liable to retire by rotation, including the Managing Director & CEO, but are eligible for re-appointment, subject to their performance evaluation.

The present NRC comprises three Non-Executive Directors, including two Independent Directors. The Chairman of NRC is an Independent Director. One of the important functions of NRC is to identify Directors to be appointed on the Board and the re-constitution of the Board, whenever required.

We exercise perpetual existence of global best ethical and transparent corporate governance practices, which meet all the statutory requirements stipulated by the regulatory authorities. There have been no violations whatsoever in regard to any of the statutory Corporate Governance requirements, as stipulated by the Securities and Exchange Board of India (SEBI) or the Listing Regulations. Information pertaining to related party transactions and shareholding patterns is reported to the Stock Exchanges and also disclosed on our website. Information on General Body Meetings and Annual Reports is shared with all the shareholders and uploaded on the website and submitted to Stock Exchanges in a timely manner.

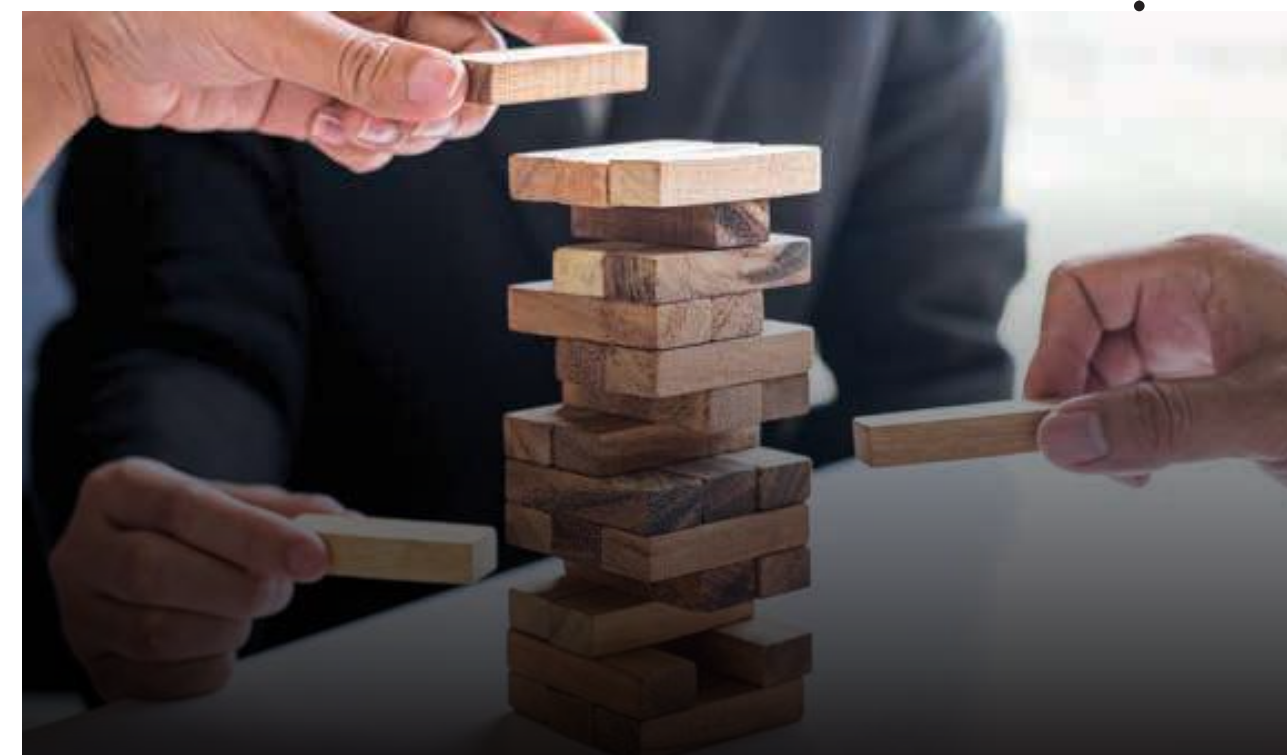
Board Remuneration

The Board has adopted the Remuneration Policy for Directors, Key Managerial Personnel and other employees as disclosed in our Annual Report. The remuneration of the Managing Director and Executive Director (if any)

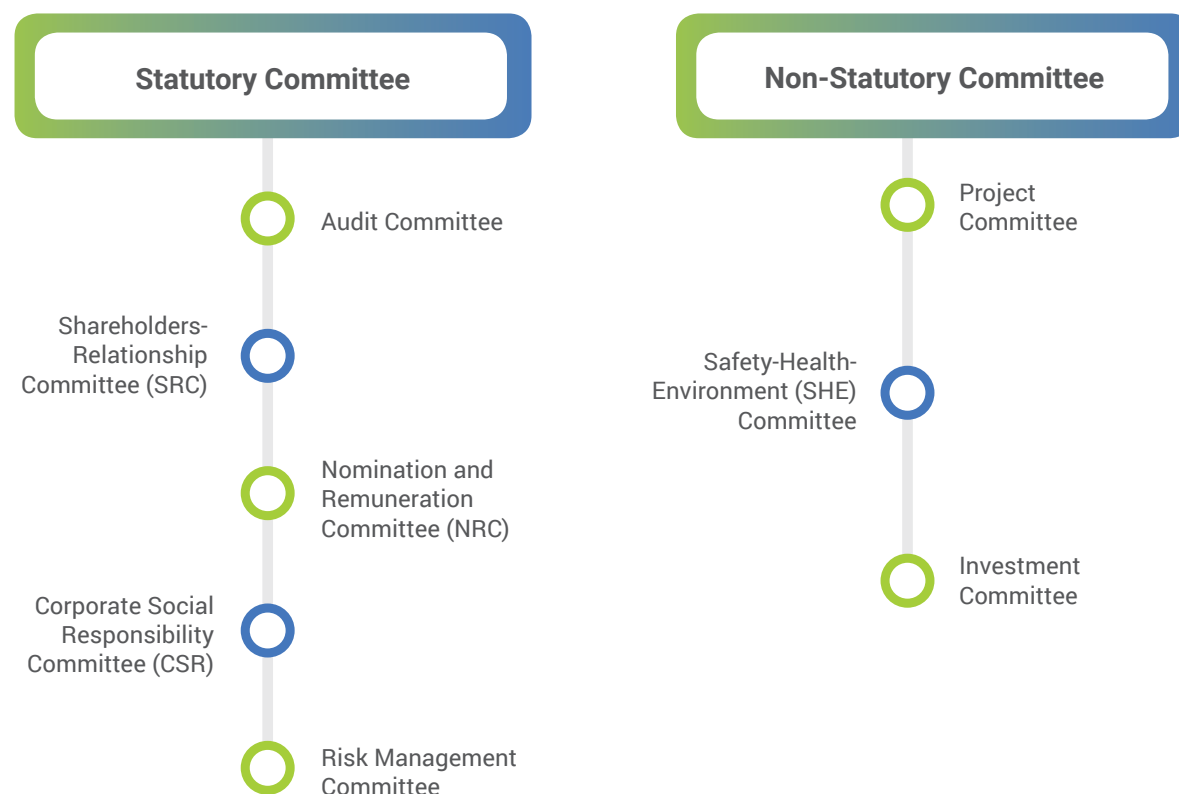
is evaluated by the NRC based on certain criteria, such as industry benchmarks, business performance and the responsibilities executed by them. The compensation of the Managing Director / Executive Director consists of salary, perquisites, allowances and benefits, and commission or incentive remuneration. Annual salary increments, and commission or incentive payment is recommended by the NRC and approved by the Board of Directors within the overall ceilings prescribed under the Companies Act and in line with the terms and conditions approved by the shareholders.

The remuneration paid to Non-Executive Directors, including Independent Directors for attending Board/ Committee Meetings is within the limits prescribed under the Companies Act. A Resolution was recently passed by the shareholders at the 66th AGM to pay commission to Non- Executive Directors not exceeding 1% per annum or 3% per annum (as the case may be) of the net profits of the Company for financial years commencing from 1st April 2020.

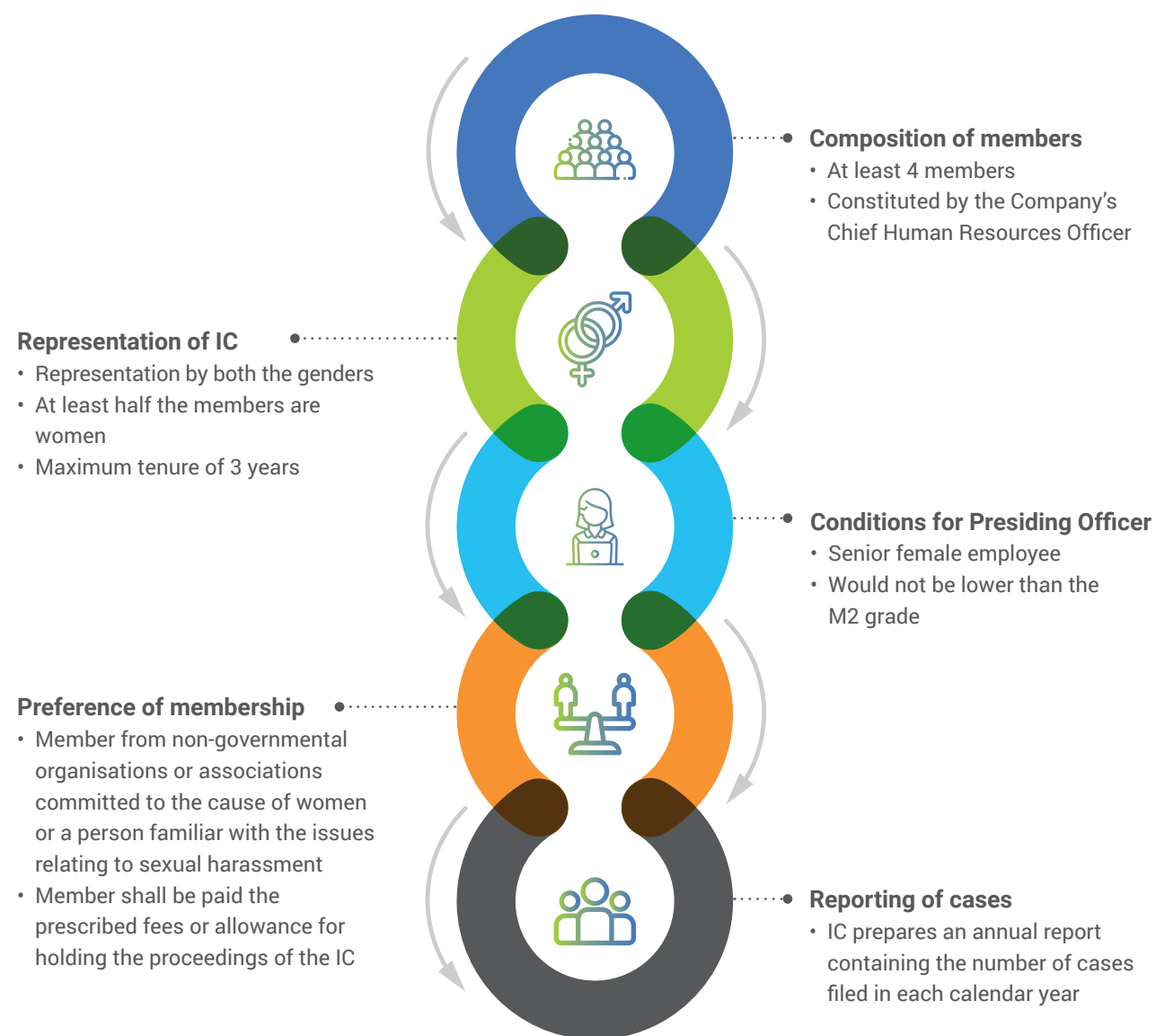
The Board has adopted the Remuneration policy for Directors, Key Managerial Personnel and other employees, as disclosed in our Annual Report.



The Committees of the Board are classified as Statutory and Non-Statutory as under :



A representation of the structure and composition of IC is given below -



Performance Evaluation

We follow the governance guidelines formulated by Tata Group on Board effectiveness, in addition to the regulatory requirements for performance evaluation. This forms the basis to evaluate the performance of Directors, Board as a whole and various Committees. The criteria for performance evaluation of Directors (including Independent Directors) are set up by the NRC.

The parameters for the criteria are the attendance of directors, commitment / contribution at Board / Committee Meetings, integrity and maintenance of confidentiality; independence, independent views and judgment; and guidance / support to Management outside Board / Committee Meetings.

The performance of senior executives directly reporting to the

Managing Director is also evaluated by NRC against their annual goals and targets, basis which the proposals for their salary revision and promotions are discussed and appropriate decisions taken.

Code of Conduct

The Tata Code of Conduct (TCOC) governs the business activities and conduct of all employees of the

The process of grievance redressal for complaint management is as follows -



Company. The Managing Director issues an annual declaration in regard to compliance with the respective Codes of Conduct, as applicable to the Non-Executive Directors and senior management personnel. All our business verticals, including manufacturing units, abide by the TCOC. We have also extended the TCOC to our wholly owned subsidiaries in India - UCPL and RIEL. In accordance with the code,

we did not record any instances of corruption, anti-competitive behavior, or anti-trust and monopoly practices in the reporting period.

We regularly track and resolve stakeholder complaints in a structured manner. During FY 2018-19, we received 14 complaints under TCOC, of which 11 complaints were closed as on 31st March 2019 and

3 were looked into in the next year. During FY 2019-20, we received 19 complaints under TCOC, of which 15 were resolved as on 31st March, 2020 and balance 4 complaints were under investigation at the end of the financial year. The concerns received under the Tata Code of Conduct are reported and discussed at the Audit Committee Meetings.

The vigilance mechanism for Directors and employees is set by the Whistle Blower Policy. This policy provides a mechanism for Directors and employees to approach the Ethics Counsellor / Chairman of the Audit Committee. There have been no complaints received under the Whistle Blower Policy, except for one anonymous letter received by some Directors including Members of NRC, and the same was looked into by NRC. The whistle blower mechanism provides adequate safeguards to employees by ensuring direct access to the Chairman of the Board Audit Committee on concerns relating to financial accounting matters. For all other concerns, if they pertain to employees below the Vice President level, the same gets referred to the Ethics Counsellor. The Whistle Blower Policy has been communicated to all our employees.

To create an empowered work environment and eliminate gender-based challenges and imbalances in the society, policies for POSH and mechanisms for grievance redressal are in place. The policy is to create awareness towards gender-based 'Respect' and 'Disrespect' for both women and men, its consequences and the mechanisms for redressal.

The Internal Committee (IC) has been constituted to address gender-based disrespectful behaviour. Our Chief Ethics Counsellor is the authority who oversees

the independent working and governance of the IC. We ensure confidentiality, fairness and justice while handling and attending to complaints, if any. A report is submitted by IC to the CHRO and Chief Ethics Counsellor on an annual basis.

The Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices was revised after the amendments on Prohibition of Insider Trading Regulations notified by SEBI on 31st December 2018, whereby listed companies have been advised to formulate certain additional policies and procedures. A new policy has been put in place for determination of legitimate purpose and policy for inquiry, in case of leak of Unpublished Price Sensitive Information. The terms of reference (Charters) of Board Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Shareholders Relationship Committee have been suitably revised to comply with the requirements of SEBI Prohibition of Insider Trading and Listing Regulations, 2015. The communication of the TCOC and other policies is extended to suppliers, vendors, dealers and channel partners based on their relevance to these external stakeholders.

As our business grows and reaches more people, we continue to identify and enhance our mechanisms to address the risks and challenges associated with our operations.



STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

We, at Voltas, recognise the importance of engaging with stakeholders on a regular basis, and the need to understand their concerns for long-term business sustainability.



As a result, we engage with them through meaningful dialogue that helps us identify topics that are of high priority to them and consequently, us. The resultant outcome is used to develop Key Performance Indicators (KPIs), align them with our business strategy, and communicate our performance on them to relevant stakeholders.

We carried out the stakeholder engagement and materiality assessment exercise during the process of publishing our first Sustainability Report for FY 2017-18. The material topics identified as a result of the process are being carried forward for the development of this report. This section provides

details of the process followed and identified material topics as the outcome.

Stakeholder Engagement

Our stakeholders include individuals or groups that can influence or are impacted by our businesses. We have a robust stakeholder engagement process to assess and cater to the specific needs of each stakeholder group.

We identified key stakeholders by developing an initial list of interested parties, considering historical concerns and relationships, and

having discussions, where required. This identification was followed by the development of an engagement plan, proportionate to the nature and scale of each stakeholder group. During this engagement, we have sensitised and educated our stakeholders in order to maximise participation. This was followed by meaningful consultations that were facilitated by offering them platforms to freely express their views and opinions, which were addressed appropriately. The following table provides a summary of our engagement mechanism, frequency of engagement, key concerns of our stakeholders and our approach to addressing their concerns:

Stakeholder Group	Engagement Mechanism	Key Concerns	Our Approach
Employees	<ul style="list-style-type: none"> Surveys 	<ul style="list-style-type: none"> Career growth Occupational health and safety 	<ul style="list-style-type: none"> 100% of employees received performance reviews ₹ 3 crores invested on employees for skill development Safety trainings conducted across the organisation

Stakeholder Group	Engagement Mechanism	Key Concerns	Our Approach
Shareholders and Lenders	<ul style="list-style-type: none"> Surveys Quarterly Performance Briefings Annual General Meeting 	<ul style="list-style-type: none"> Business performance ESG performance 	<ul style="list-style-type: none"> Shareholders Relationship Committee to oversee concerns of shareholders Alignment with ESG targets set for the year 2025
Government and Regulatory Authorities	<ul style="list-style-type: none"> Meetings 	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Establishment of Steering Committee to oversee legal compliance
Industry Associations	<ul style="list-style-type: none"> Industry Conferences Press Releases Regional Industry Events Memberships in Associations 	<ul style="list-style-type: none"> Regulatory compliance Business collaborations 	<ul style="list-style-type: none"> Preferred MEP contractor in GCC and India Investments in joint ventures
Customers	<ul style="list-style-type: none"> Net Promoter Score Feedback Surveys 	<ul style="list-style-type: none"> Product quality Product price Product maintenance 	<ul style="list-style-type: none"> ₹ 25 crores invested in R&D for better quality products Launch of exclusive brand outlets (EBOs) 1,218 customer care centres across India
Suppliers	<ul style="list-style-type: none"> Supplier Management Portals Supplier Audits Surveys 	<ul style="list-style-type: none"> Reliable payment schedules Robust procurement policies 	<ul style="list-style-type: none"> Supplier code of conduct under TCOC
Community	<ul style="list-style-type: none"> CSR Initiatives Community Grievance Mechanisms 	<ul style="list-style-type: none"> Contribution to society Livelihood opportunities 	<ul style="list-style-type: none"> CSR Committee overlooking community development efforts 4,97,203 beneficiaries impacted through various CSR interventions Skill development programmes
Dealers and Distributors	<ul style="list-style-type: none"> Feedback Surveys Dealer Meets 	<ul style="list-style-type: none"> Product quality Market fluctuations 	<ul style="list-style-type: none"> Product quality audits SWIFT approach to operations Distribution network of 19,000+ touch points
Contractors	<ul style="list-style-type: none"> Contractor Management Portals Surveys Feedback 	<ul style="list-style-type: none"> Occupational health and safety Fair business practices 	<ul style="list-style-type: none"> Health and safety training for contractors Safety-Health-Environment Policy extending to suppliers and contractors
Media and Academic Institutions	<ul style="list-style-type: none"> Media Briefings Press Releases Feedback 	<ul style="list-style-type: none"> Business strategy Key initiatives 	<ul style="list-style-type: none"> 'Make in India' initiatives, focussing on nation-building Regular company updates on websites and newspapers

Materiality Assessment

Materiality assessment is a detailed analysis that helps us identify critical economic, environmental and social issues that are significant to business performance and stakeholder interest. The analysis showcases the significance of ESG topics, with reference to influence on stakeholders' assessments and decisions.

Material topics are identified based on the results of stakeholder engagement surveys. Additionally, industry research, benchmarks and relevant internal and external conventions are considered to identify these topics. The outcome is then used to develop a materiality matrix, which showcases high priority sustainability topics that are considered as material topics to be integrated into our sustainability strategy.

STEP 1

Identifying the universe of material topics

A universe of material topics that are relevant for our business operations were identified using desk research, review of peer companies, benchmarks available in public domain, and relevant internal and external conventions. These sources helped us identify about 46 topics, which were analysed for impact that they may have on our operations, through detailed discussions with respective business unit heads. Based on the inputs received during these discussions, a list of prioritised material topics was prepared with 13 topics, which were considered for the next step of the assessment.

STEP 3

Analysis of responses received from stakeholders

The feedback received from stakeholders was analysed, considering the influence that each stakeholder group can have on our business and vice versa. Quantitative responses were analysed to prioritise material topics, whereas qualitative responses were analysed to identify the concerns of respective stakeholder groups. Basis the concerns of respective stakeholders, a roadmap was developed to address those concerns.

STEP 2

Interaction with internal and external stakeholders

Our main stakeholder groups are those who are integral to our operations and with whom we interact directly and actively in our day-to-day business. This includes our employees, shareholders and lenders, Government and regulatory authorities, industry associations, customers, suppliers, community, dealers and distributors, contractors, and media and academic institutions.

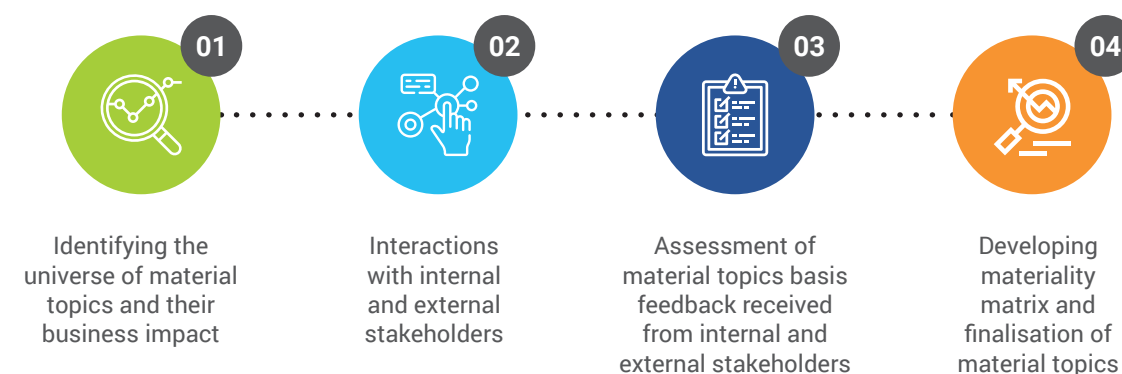
Representatives were selected from each of the identified groups for a detailed interaction. These stakeholders were explained the process of materiality assessment, its purpose and importance through a capacity-building workshop. At the end of the workshop, responses regarding material topics were collected from these stakeholders, with the help of a structured questionnaire involving quantitative and qualitative questions.

STEP 4

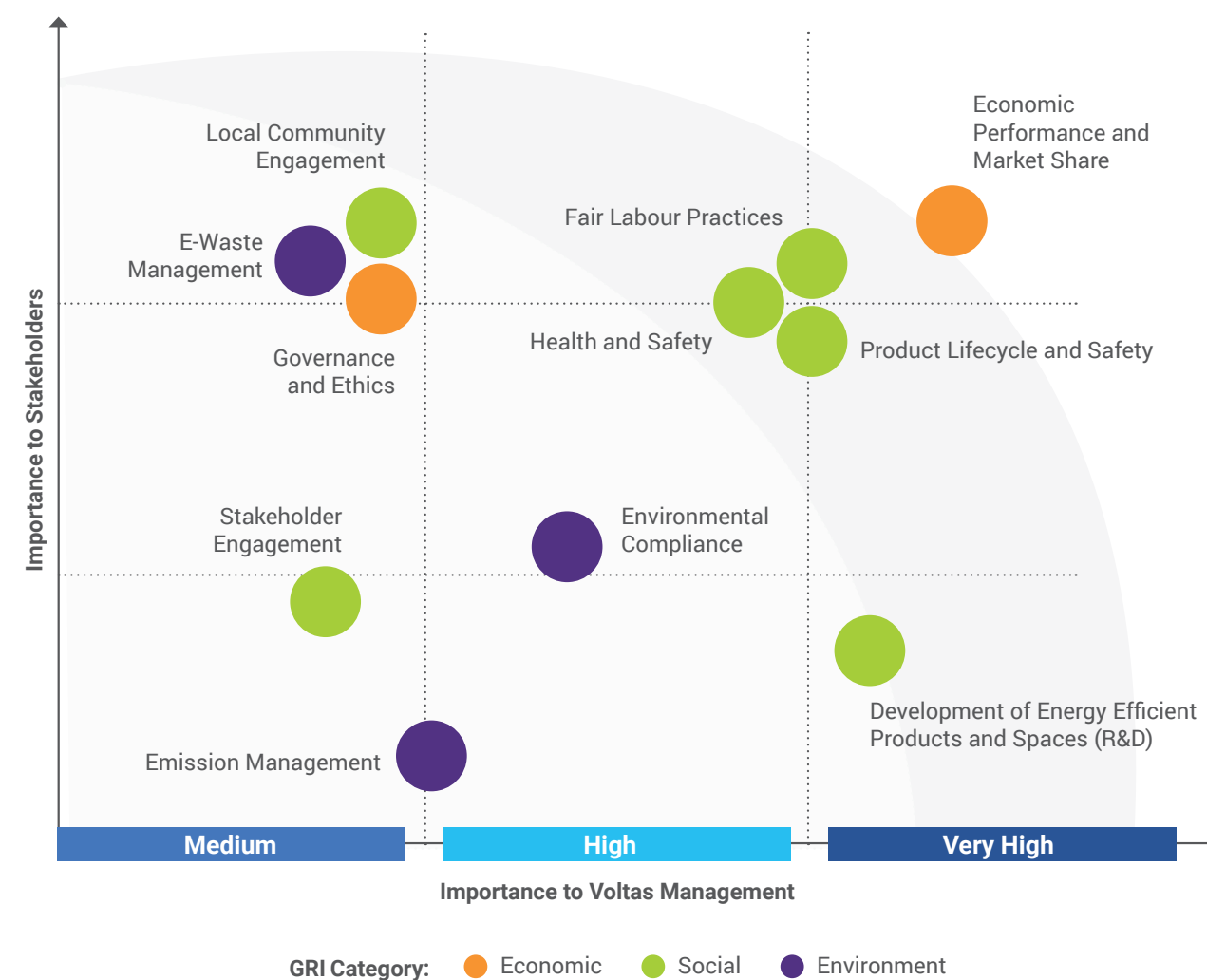
Developing the materiality matrix

The results of the aforementioned survey were used to develop a materiality matrix, which mapped each of the thirteen topics on the importance scale with importance to stakeholders mapped on the Y-axis and importance to management mapped on the X-axis. The topics rated as high on importance scale by both are identified as material topics.

We have followed a four-step approach for the determination of material topics.



Materiality Matrix



The following table indicates the material topics identified as a result of this exercise and the relevant sections of the Report where they have been addressed. There have been no changes to our material topics and their boundaries since our last report, published for internal consumption.

Material Topics	GRI Topic	Mapping with Report Section	Strategic Objective	Approach
Economic				
Economic Performance and Market Share	GRI 201: Economic Performance	Commitment to Our Investors	To continue to build on our leadership position and give our investors better returns	Investments in joint ventures to increase product portfolio
Governance and Ethics	GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour	Governance and Ethics	Create a transparent environment and continue to build trust amongst our stakeholders	Adoption of TATA Business Excellence Model
Social				
Fair Labour Practices	GRI 402: Labor/ Management Relations	Commitment to Our People	To strengthen relationships with our workforce	Adhere to a robust contract management system as well as the backing of TCOC
Health and Safety	GRI 403: Occupational Health and Safety	Commitment to Our People	To provide best-in-class working environment	Institutionalising steps to improve safety culture by training and awareness around safety
Local Community Engagement	GRI 413: Local Communities	Commitment to Our Communities	To empower local communities and strengthen our relationships with them	Boost community development by focussing on education, water, health and hygiene

Stakeholder Engagement	General Disclosure – Stakeholder Engagement	Stakeholder Engagement and Materiality Assessment	To understand and address the needs of our stakeholders	Established Stakeholder Relationship Committee
Product Lifecycle and Safety	GRI 416: Safety	Commitment to Our Customers	To provide customers with superior products and services	Conducting consumer surveys and training technicians for better customer service
Development of Energy Efficient Products and Spaces (R&D)	GRI 416: Customer health and safety	Commitment to Our Customers	To continue our efforts in R&D and develop energy efficient products and spaces	Starting a state-of-the-art manufacturing plant at Waghodia and continued investments in R&D
Environment				
Emission Management	GRI 305: Emissions	Commitment to Our Planet	To decrease our environmental impact	Transition to green and eco-friendly refrigerants and energy efficient product and service offerings
E-Waste Management	GRI 306: Effluents and Waste	Commitment to Our Planet	Safe disposal of e-waste through recycling	Abide by our e-waste policy to recycle materials through authorised vendors
Environmental Compliance	GRI 307: Environmental Compliance	Commitment to Our Planet	To comply with all statutory standards to mitigate any regulatory challenges	Regular testing of environmental parameters with complete adherence to regulatory standards



COMMITMENT TO OUR INVESTORS

Our investors are our principal business partners. We are committed to providing accurate, comprehensive and transparent information to help them make informed decisions. We have intensified our focus and dialogue with our investors on material issues.



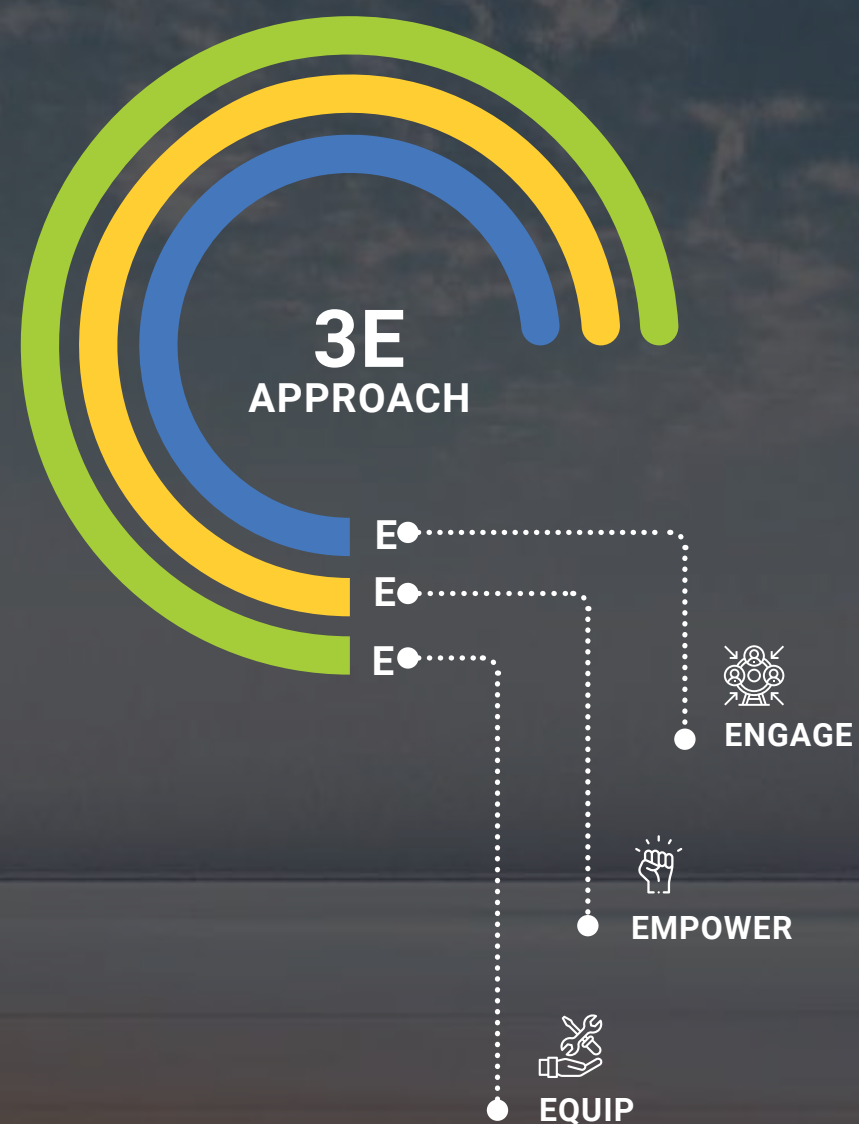
Though the businesses perform very well through partnerships with governments and other corporates through our large infrastructure projects, as well as by providing solutions, we cater to the needs of large segments of the population.

The table below highlights the financial performance of Voltas Limited and its subsidiaries over the last few years. Our revenue generated has shown an increase over the last few years, along with an increase in employee benefits as well as community investments.

Particulars	FY 18 (₹ crores)	FY 19 (₹ crores)	FY 20 (₹ crores)
Direct economic value generated			
Revenue	6,602.00	7,310.32	7,888.68
Economic value distributed			
Operating costs	5,214.77	5,927.46	6,352.76
Employee wages and benefits	586.73	641.86	671.72
Community investment	11.22	12.26	12.21
Economic value retained			
Economic value retained	789.28	728.74	851.99

Our Earnings Per Share (EPS) was higher in FY 20, standing at ₹ 16 as opposed to ₹ 15 in the previous year. We intend to serve our society through the economic value we create, while also fulfilling our regulatory obligations in a timely manner.

The world over, investors and financial partners of various businesses expect companies to conduct themselves responsibly. Hence, we have been championing the cause of global sustainability. Our core philosophy is based on the 3E approach – Engage, Equip and Empower. We believe in uplifting the lives of the underprivileged by making them self-reliant through our business models, designed in a way that empowers local communities and translates to indirect economic impacts.

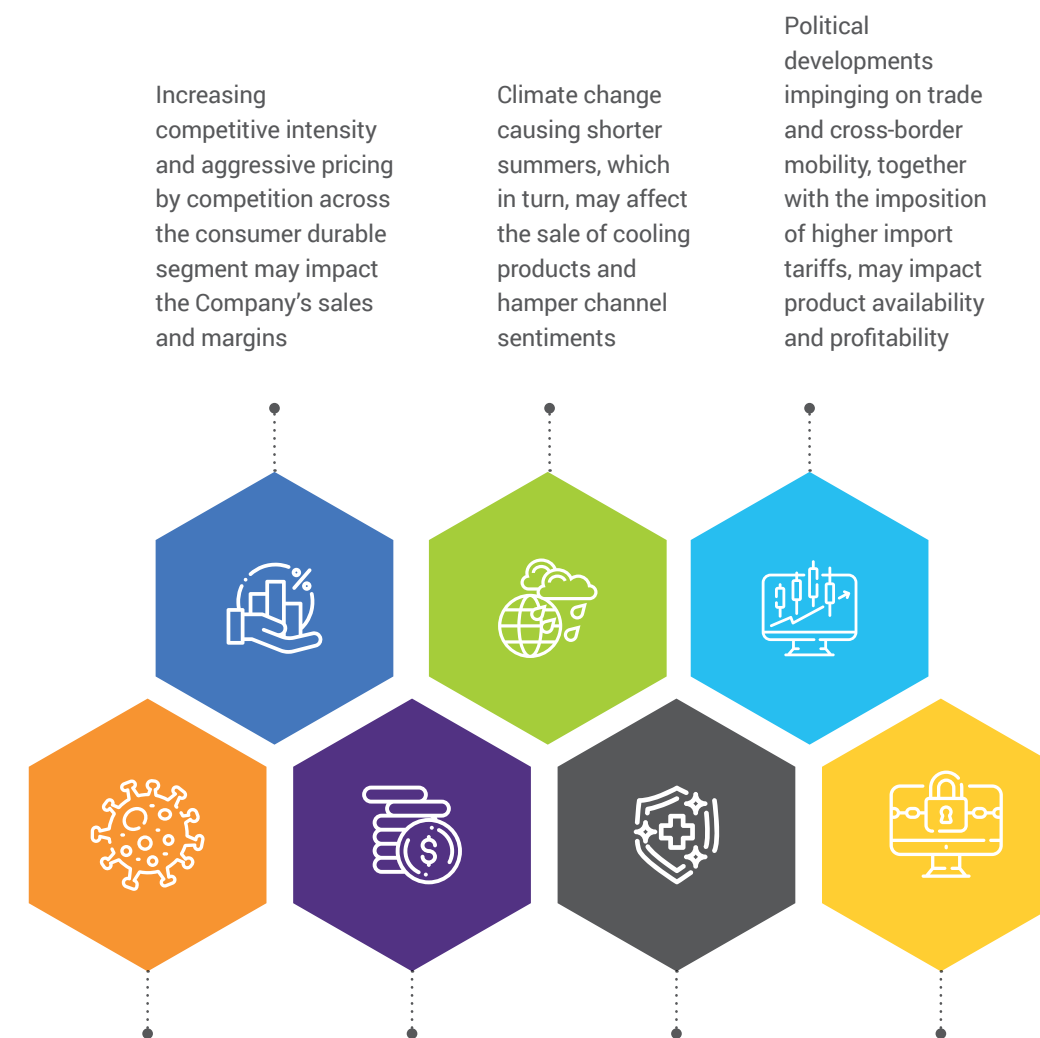


At Voltas, we believe in maximising the return on investments by optimising costs, without compromising on the quality of the products and services that we deliver. In FY 2019-20, Return on Capital Employed has improved to a healthy 18%, and even in these difficult and uncertain times, we have stayed committed to our investors, ensuring a 400% dividend. We have a long-term vision for Environmental, Social and Governance (ESG) performance. Accordingly, we have set targets for the year

2025, performance against which is monitored through a balanced scorecard approach.

In order to enhance the value-add provided to our investors, we have a robust strategy in place that focusses on attaining 'profitable sustainable growth'. Each business periodically reviews major risks and formulates action plans accordingly.

Some of the prominent business risks facing our businesses have been captured below:



Towards the end of the reporting period, we added risks arising due to the COVID-19 pandemic to our risk register:

- 1 Economic slowdown
- 2 Loss of business during peak season (Q1 2020-21)
- 3 Disruption in supply chain and constraints in interstate movement
- 4 Changes in buying trends of consumers amidst liquidity concerns
- 5 Lower infrastructure spends by Government and private entities

Indirect Economic Impacts

At Voltas, we aim to make a positive economic and social contribution to the development of the communities in which we operate. Our operations are often of considerable importance in terms of employment in the local community. Our community development initiatives have contributed immensely to society by developing infrastructure, like quality libraries and skilling centres for youth and women. Our business portfolio spans three broad categories: products, projects and services. Through our project divisions, we work with project contractors and develop skills through project contracts in public infrastructure, HVAC solutions and customer care.

Our RIEL subsidiary works with the Government of India to provide electrification to rural and last-mile areas of the country. It also provides solar power generation systems in remote areas. A major part of the labour force comprises of the local community and hence, helps empower the nearby communities. Our Waghodia plant in Gujarat, which employs over 500 workers, has created opportunities for women and migrant workers. Similarly, other divisions spread across locations have provided employment opportunities to various segments of communities, along with value creation.

Consistent high performance in a competitive landscape means that we provide stable employment to the underprivileged, ushering in inclusive growth for our businesses. The infrastructure, equipment and training in use in mining operations often have wider benefits to communities beyond their immediate economic impact.

Investing in community-centric initiatives results in the overall economic growth of the geographies we operate in. The indirect economic impacts of investment in social infrastructure are generally outside of their immediate sphere of operation. Often, this takes the form of partnerships with national or regional governments or community organisations, so that investments are aimed at meeting the needs of the locals. By operating and managing our business responsibly on the social, economic and environmental fronts, we can continue to consistently provide direct, indirect and induced jobs through low or thriving market demand.

We deploy our pool of monetary resources at attractive rates of return to grow our revenues faster, as part of our value creation business model. We create value by taking various inputs and transforming them through business activities and interactions to produce outputs and outcomes for our organisation, investors, society, business partners and the environment. Our capitals are combined, transformed and leveraged through our business activities and interactions in order to produce outputs and outcomes that represent value creation for stakeholders. A detailed business model can be found in our Annual Report for FY 2019-20.



**COMMITMENT
TO OUR PLANET**

Our initiatives towards environmental conservation are guided by the Tata Climate Policy, which is aimed at promoting actions to mitigate global concerns related to climate change.



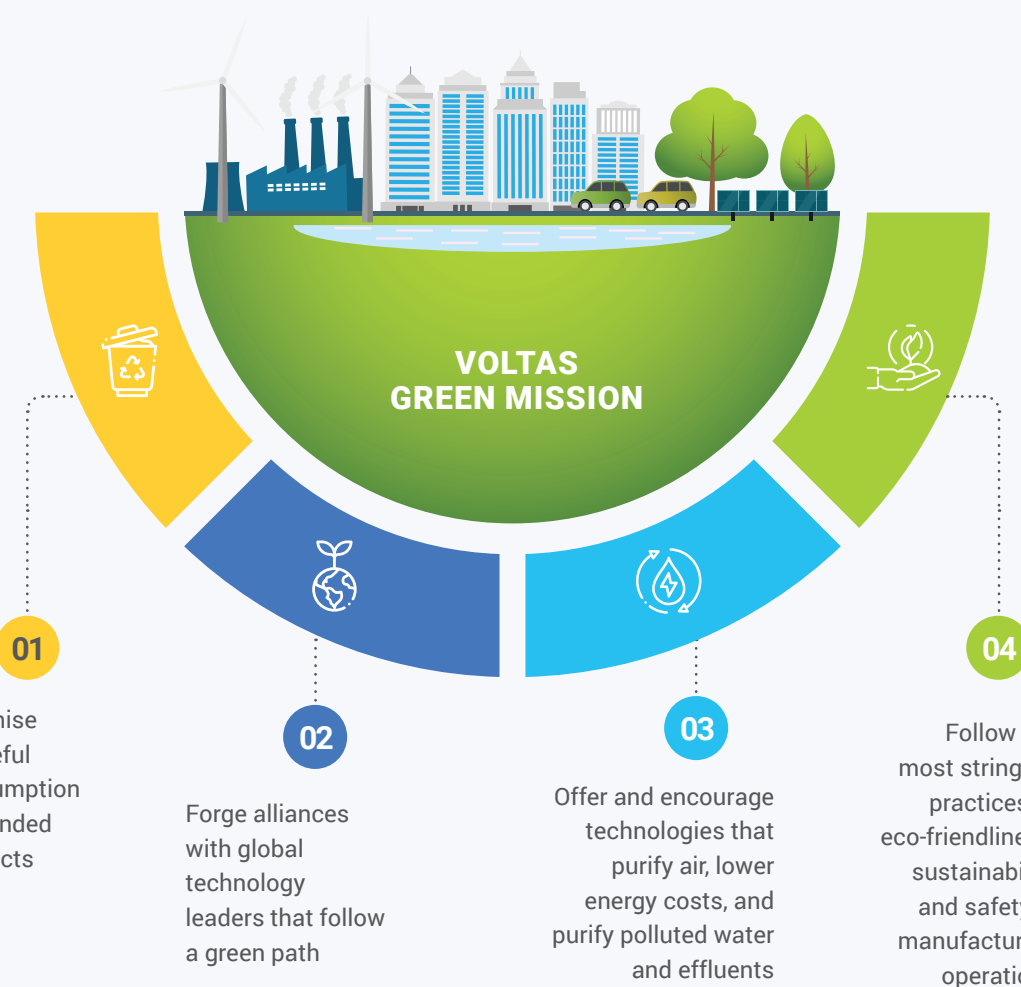
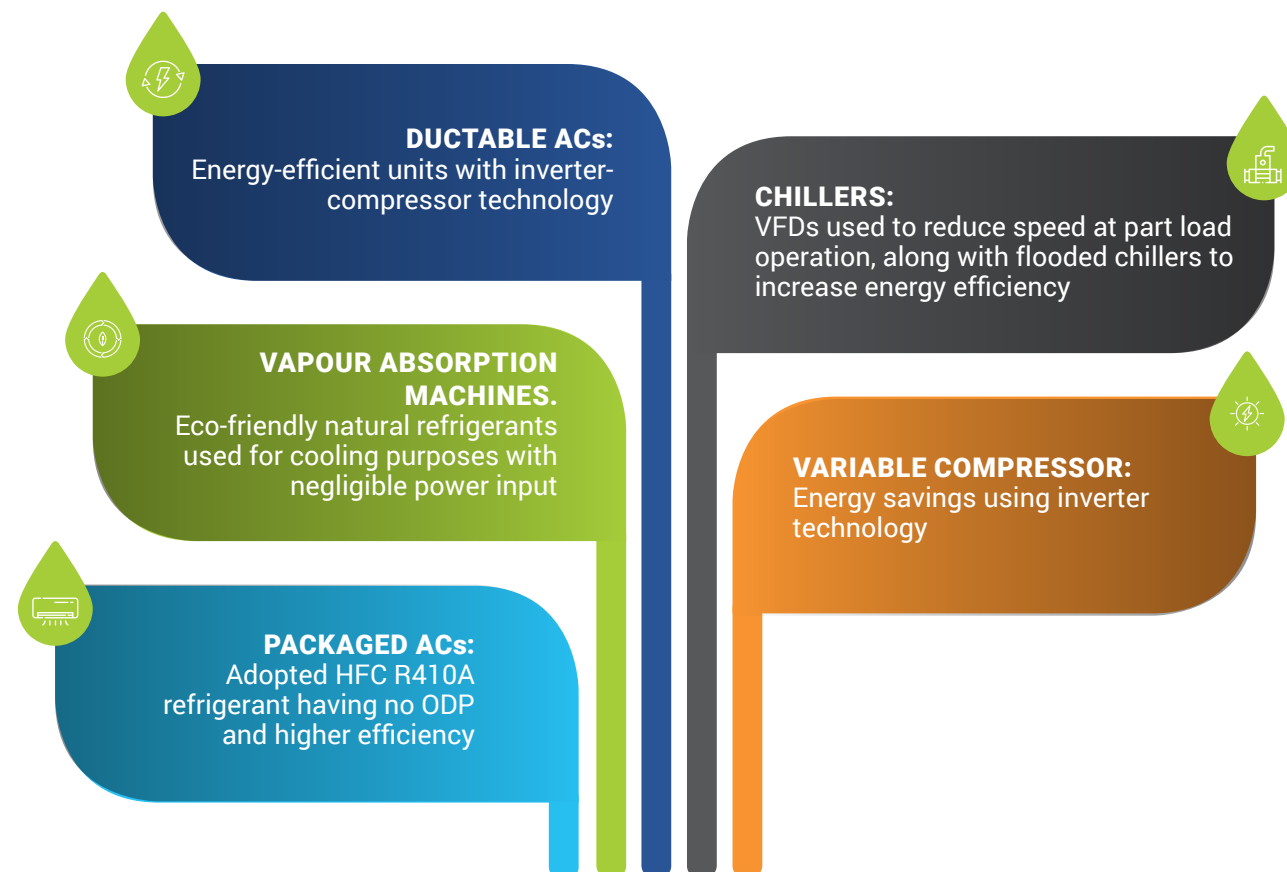
At Voltas, we are committed to protecting and preserving the environment. Our initiatives towards environmental conservation are guided by the Tata Climate Policy, which is aimed at promoting actions to mitigate global concerns related to the Climate Change. Our commitment is also evident in our

adoption of the Green Mission – our statement for saving energy and protecting the environment. To this end, we prioritise the efficient management of natural resources in our operations. As part of our efforts, we undertake various interventions related to waste management and streamlining of

business operations with a focus on minimising resource consumption.

We have an SHE Policy that serves as the foundation of various initiatives. It is aided by the Sustainability Policy and the E-waste Policy, developed with

Some examples of our products having lower environmental impacts are presented in the infographic below:



focus on specific sustainability and waste management initiatives. The initiatives are implemented across our operations, including the engineering services as well as manufacturing facilities. The planning, implementation and monitoring of various environmental initiatives is spearheaded by business-specific environment management programmes.

We are cognizant of our wide reach, the size and impact it translates into and, therefore, take the appropriate precautionary measures to mitigate the impact of our business activities on the environment. We adhere to industry best practices and are in conformance with all the latest environmental management systems. We encourage the use of solutions and ideas that promote

better air quality, lower energy costs, clean water and effluent treatment.

Our commitment to a low-carbon future is reflected in our endeavour to minimise our energy requirement and the use of renewable energy at our manufacturing plants. The commitment goes beyond this effort, as we continuously provide energy efficient products and services to our end customers, thus ensuring we contribute to a more sustainable future.

Our efforts in reducing the environmental impacts of our products are reflected in the innovative solutions offered to our customers.

Adopting the management systems across our businesses help us track regulatory requirements and

compliances related to the same. Our teams at various locations ensure that we comply with all the applicable regulatory requirements. During the reporting period, we did not identify any incidents of non-compliance with applicable environmental laws and regulations.

The Voltas Green Mission

The Voltas Green Mission was designed to optimise our energy consumption, preserve ecology and minimise our carbon footprint, and we have been an active participant in preserving the ecosystem. We are leveraging our proficiency in building a framework of actions, which acts as a guide to reduce our carbon footprint and overall impact on the ecosystem.

Material Consumption

Raw material consumption across our operations takes place primarily at manufacturing locations. These include UPBG, DPG and UCPL. Our other business segments primarily involve service-oriented operations. In these businesses, the material consumed and other environmental impacts are under operational control of our client entities.

In the manufacturing plants, materials like sheet metal parts, plastic parts, gaskets, stainless steel tanks, copper cooling coils and water cooler panels are procured from local vendors and suppliers. Considering the nature of our businesses, we make sure that all material procurement processes are carefully designed to provide high quality products to customers, while optimising the overall impact on resources. This is ensured by regular visits and audits to the local vendors' premises to review their operations and design of the procured materials. In a bid to promote more sustainable packaging of our products, we have reduced the usage of wooden packaging and started using cardboard. The practice of sustainable packaging also extends to our vendors, who are encouraged to eliminate the use of plastics in their packaging operations. They are provided with technical support from our own operations teams to increase their capability and help us deliver high quality innovative products. Moreover, evaluation and training of the vendors is carried out periodically to ensure continuous quality improvement.

The materials procured are then assembled together by our OEMs and manufacturing locations for the end product. The OEMs for air conditioners are integrated in

The following table indicates material consumption and specific material consumption for the three business divisions.

Business Unit	FY 18 (MT)	FY 19 (MT)	FY 20(MT)
UPBG	77	67	75.89
DPG	1,064.85	1,395.37	1,710.93
UCPL (Nos.)	17,12,598	13,71,270	12,68,440

Business Unit (Specific Consumption)	FY 18	FY 19	FY 20
UPBG (MT/Crore)	0.023	0.021	0.0188
DPG (MT /Crore)	0.69	0.67	0.85
UCPL (Nos/Crore)	1,545.6	1,484.058	1,021.288

a backward manner to increase control of the entire supply chain which, in turn, increases efficiency. This integration has helped in reducing the transportation cost of material per unit and in increasing productivity. A streamlined assembly line, which includes the use of special purpose machines as well as process automation, has sped up the manufacturing process. Due to increased production in our Waghodia Plant, there was an increase in the consumption of material in the DPG division. We have, however, made a conscious effort to reduce material consumption across divisions, and streamlining our supply chain has led to a decrease in procurement of indoor unit kits at our UCPL plant, despite an increase in production.

Energy Performance

In line with global agreements such as the Paris Agreement, we endeavour to contribute to the mitigation of climate change through multiple energy efficiency initiatives. This is based on our

commitment to drive value through smart engineering, which is reflected across our organisation.

Energy consumption is a direct function of fuels used. The main sources of energy across businesses were diesel, grid electricity and liquefied petroleum gas (LPG). While calculating energy consumed, we made use of the calorific values for various fuels, as mentioned in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. On average, over 75% of our energy needs are met through purchased electricity.

Our energy demands have followed the trend of our production, which has increased significantly. We seek opportunities continually to reduce our energy consumption and lower our emissions by adopting innovative energy efficiency measures and using renewable energy. The installation of 700 KWp solar panels at our Waghodia manufacturing plant is another step in our commitment for using cleaner energy.

A breakdown of business-wise energy consumption can be found below.

Business Unit	FY 18 (GJ)	FY 19 (GJ)	FY 20(GJ)
UPBG	6,409	6,878	7,582
UCPL	5,809	5,622	6,770
DPG	13,021	11,121	11,618
Total Energy Consumption	25,238	23,621	25,970

Specific Energy Consumption

Business Unit	FY 18	FY 19	FY 20
UPBG (GJ/Crore)	1.99	2.18	1.87
UCPL (GJ/Crore)	1.80	1.78	1.67
DPG (GJ/Crore)	8.45	5.39	5.81

Various energy conservation initiatives at our UCPL and UPBG manufacturing plants have led to a decrease in the specific energy consumption in FY 20. Product mix and its subsequent demand in the market is also a contributing factor towards change in specific energy consumption. For DPG, in FY 19 , chillers that use lower power while testing were manufactured, due to increased market demand and hence, there is a decrease in specific energy consumption. In

FY 20, commissioning and higher production at our Waghodia Plant led to a slight increase in our specific energy consumption.

Energy Efficiency Initiatives

During the year, our DPG business invested in and implemented a range of energy conservation initiatives. This comprised the utilisation of energy efficient equipment and lighting, and high-volume, low-speed fans. Our efforts also include

the replacement of conventional Compact Fluorescent Lamps with Light Emitting Diode (LED) lights at our Thane plant and the regulation of our office air conditioners to save energy. In our UPBG plant, installation of 50 solar lights at our shop floor and setting up a higher efficient pump for lifting water has saved 6,834 KWh of electricity. Other initiatives at our UCPL plant like installation of LED lights on our shop floor and solar lights in the backyard has led to electricity savings of 592 KWh.

Our efforts for energy efficiency not only involve in-situ initiatives, but also help our customers decrease their energy consumption. The introduction of adjustable inverter ACs in the 1.5-ton category have led to better cooling capacity and energy efficiency than normal inverter ACs for our customers. Our project groups segments have won accolades for providing solutions to clients in the realms of energy efficiency and clean energy. Our Paryavaran Bhawan project, which was the first 'Net Zero' building in India with LEED Platinum certification, won an award in the Green Building category.

The Textile and Machinery Division of our company has always leveraged

Our Paryavaran Bhavan project, which was the **first 'Net Zero' building in India with LEED Platinum certification**, won an award in the Green Building category.



its core competency and added value to customers' businesses by providing them energy efficient solutions and services like machinery and energy audits. The transition to relatively energy efficient IE3 motors in inverters has not only helped adapt to the workings of the textile industry but also contributed to energy savings of up to 5%. These solutions and services have reduced our clients' energy needs and, in turn, their impact on GHG emissions.

Emissions

We are cognizant of the growing concerns of climate change, and as industry leaders, we seek to set a benchmark for our peers. We strive to contribute to the national emission reduction targets through our products, services and operations. The energy we consume directly governs our Scope 1 and Scope 2 GHG emissions, which are captured in the table. The emission factors used in these calculations were taken from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Electricity emissions factor was assumed to be 0.82 tCO²e/MWh, as per the CO² Baseline Database for the Indian Power Sector User Guide developed by the Central Electricity Authority, Government of India. Since electricity accounts for most of our non-renewable energy consumption, our Scope 2 emissions are significantly higher than our Scope 1 emissions

The bulk of the emissions is contributed by DPG, as the company has had a steady growth in the HVAC solutions segment, with most of the manufacturing process taking place at our Dadra plant. Our new state-of-the-art manufacturing unit at Waghodia will further cater to the growing demand for higher tonnage cooling products such as Variable Refrigerant Flow products and

Partnership with EESL

We have collaborated with Energy Efficient Services Limited (EESL), the world's largest public energy service company, to manufacture and sell 50,000 5-star inverter ACs under the "Super Energy Efficient Air Conditioning Program". These best-in-class energy efficient ACs with an efficiency ratio of ISEER:5.4 were distributed to customers of BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) and TATA Power Delhi Distribution Limited.

As the temperature soars in the capital during the summers, the need for energy efficient AC increases to offset the rise in cooling demand. This program will help in providing residential and institutional customers in the national capital with technologically advanced and energy efficient inverter ACs. This, combined with the use of R-32, a zero ozone depletion potential and low global warming potential refrigerant, further decreases the environmental impact of the product in comparison to conventional ACs.

Business Unit	Emissions Scope	FY 18 (tCO ² e)	FY 19 (tCO ² e)	FY 20 (tCO ² e)
UPBG	Scope 1	100	117	92.3
	Scope 2	1,152	1,208	1,443.3
UCPL	Scope 1	296	201	307.77
	Scope 2	1,158	1,155	1,404.3
DPG	Scope 1	1,423	351	70.6
	Scope 2	1,951	1,985	2,429

Specific Emissions

Business Unit	Emissions Scope	FY 18	FY 19	FY 20
UPBG (tCO ² e/ Crore)	Scope 1	0.031	0.037	0.023
	Scope 2	0.357	0.383	0.356
UCPL (tCO ² e/ Crore)	Scope 1	0.267	0.218	0.248
	Scope 2	1.045	1.250	1.131
DPG (tCO ² e/ Crore)	Scope 1	0.923	0.170	0.035
	Scope 2	1.27	0.96	1.22

	FY 18	FY 19	FY 20
Total Scope 3 Emissions (tons of CO ² e)	1312.6	3798	3824

chillers. Being a green establishment, the plant at Waghodia will not only help in producing best-in-class products, but also establish a more sustainable production unit.

We used The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard to calculate our Scope 3 emissions. Components of Scope 3 emissions included inbound and outbound logistics and our business travel. We started tracking business travel data from FY 2018-19, which is why there is an upward trend in emissions in FY 19 and FY 20.

To calculate emissions avoided, it was assumed that all initiatives would have run on grid electricity, and the corresponding emissions factor was considered. We avoided 109 tCO₂e through our energy efficient initiatives in FY 20. Standard electricity emissions factor was assumed in accordance with the CO₂ Baseline Database for the Indian Power Sector User Guide.

Air Emissions

We monitor our air emissions, including NOx, SOx and PM, and are in complete compliance with pollution standards.

Only DG sets are operated in our manufacturing locations, with no use of other process stacks. The DG sets are used only on a need-basis, like in case of power outages or for conducting trial runs. The emissions from these DG sets are within the permissible limits, with monitoring and reporting of the equipment's emissions done regularly by a third party. Due to better reliability on power supply from the grid and reduced dependency on DG sets, emissions from them have reduced considerably at our UPBG and DPG manufacturing locations. A major

Emissions during the last three years are represented as follows.

UPBG

Parameters	FY 18 (KGs)	FY 19 (KGs)	FY 20 (KGs)
SOx	9.82	21.88	8.37
NOx	4.00	6.42	3.29
PM	5.82	10.03	3.61

DPG

Parameters	FY 18 (KGs)	FY 19 (KGs)	FY 20 (KGs)
SOx	14.63	8.69	5.10
NOx	10.30	6.76	2.20
PM	16.70	10.60	8.90

UCPL

Parameters	FY 18 (KGs)	FY 19 (KGs)	FY 20 (KGs)
SOx	7.12	4.62	2.80
NOx	16.14	9.46	7.25
PM	6.20	4.84	3.03

overhaul of DG sets at our UCPL site has led to an increase in efficiency resulting in decreased emissions. Our air emission interventions are not limited to our manufacturing locations; we also try to reduce the emissions from our products by making enhancements in technology and product quality. A new cartridge type of filter named PM 2.5 used in our indoor unit of room air conditioner segments can reduce the particulate matter in a closed room. The special air filter, which uses natural passive ventilation, is effective in protecting indoor air quality.

Ozone-Depleting Substances

The Kigali Amendment emphasises the need to phase out many ozone-depleting substances and India, as

a developing nation, has applied for an extended timeline. As an industry leader, we were proactive in phasing out HCFC to reduce our environmental impact well before the timeline and also actively participated in Hydrofluorocarbons Phase Out Management Plans (HPMP) under the guidance of the Ozone Cell. We realised this transition was important to set a benchmark in the industry and a more sustainable future. One of the pivotal steps that was achieved in the Room Air Conditioners segment was the 100% use of R-32, a zero ODP refrigerant.

We are working together with government authorities and regulators by participating in forums like the India-US Task Force for ODP and GWP Substances.

A big role is played by our in-house R&D department in achieving this timeline, keeping the operational and financial perspective in sight throughout the transition towards environment-friendly refrigerants.

Our R&D team, in collaboration with certain chemical manufacturers, has been exploring the use of efficient and green refrigerants that will result in lower CO₂-equivalent emission. We are further experimenting in the use of L20 (a blend of R32, R125, and R1234yf), a refrigerant with a much lower global warming potential and zero ozone depletion potential.

In our chest freezer and visi cooler products, the R&D team has already started testing the use of green refrigerants such as R600a (GWP 3) and R290 (GWP 20) in small quantities ahead of rest of the industry, which is in the initial stages of research. The modification required in the assembly line in anticipation of such products has been established at our manufacturing locations.

The use of water as a refrigerant in our solar hot water Vapour Absorption Machine (VAM-10 TR) shows our commitment to using more eco-friendly refrigerants to decrease our environmental impact.

Our commitment to transitioning to an alternate and eco-friendly refrigerant has led to a decrease in ODS consumption and we intend to further reduce it.

Water Management

We understand the criticality of water, which is used in all operations and manufacturing processes, as a natural resource. Our main source of

Our business-wise ODS consumption has been shown in the below table.

Business Unit	FY 18 (ODP-tonnes)	FY 19 (ODP-tonnes)	FY 20 (ODP-tonnes)
UPBG	0.61	0.44	0.44
UCPL	29.94	19.52	6.44
DPG	2.28	2.39	2.92
Total ODS (ODP-Tonnes)	32.83	22.35	9.80

water is the direct supply received from various state governments. To maximise water use efficiency, we employ best-in-class technology. The increase in the consumption of water is due to the additional consumption from Waghodia plant, which became operational this year, and increased production from UCPL and UPBG division.

We make efforts to recycle water across our businesses through various initiatives. At Waghodia, our plans for using rainwater harvesting have been fruitful, with a pond and recharge points placed at

strategic locations, and catchment areas to increase the water collection. We are hopeful to use more such sustainable practices to meet our water requirements in the future.

Wastewater generated at various plants is treated as per government guidelines. Some treated water is used for domestic purposes, such as horticulture, while the rest is discharged in a responsible manner. The increase in water discharge can be correlated to the increase in the water consumption. We send all our effluents

Business Unit	FY 18 (m³)	FY 19 (m³)	FY 20 (m³)
UPBG	7,449	6,160	9,447
UCPL	7,523	6,452	9,158
DPG	23,233	24,153	39,487
Total Water Consumption	38,205	36,765	58,092

Specific Water Consumption

Business Unit	FY 18 (m³)	FY 19 (m³)	FY 20 (m³)
UPBG	2.31	1.95	2.33
UCPL	6.79	6.98	7.37
DPG	15.08	11.70	19.75

responsibly to the nearest common effluent treatment plants (CETPs).

The Water Management Business Division is involved in providing advanced solutions on water and effluent treatment for both private and public institutions. We received recognition from the Government of India for the sewage treatment plants we constructed on the banks of the river Ganga.

Our other contributions to government water projects also include the, Bihar Public Health Engineering Department, Rural Drinking Water Supply and Sanitation and Bank Note Paper Mill India.

Our recycled water trend can be found below.

Business Unit	FY 18 (m³)	FY 19 (m³)	FY 20 (m³)
UCPL	656	690	720
DPG	1,338	1,344	4,262.7
Total Recycled Water	1,996	2,036	4,982.7

Business Unit	FY 18 (m³)	FY 19 (m³)	FY 20 (m³)
UPBG (Water is sent to CETP)	1,751	1,815	2,487
UCPL (Part of water is recycled and rest is sent to CETP)	1,156	1,200	1,383
DPG (Part of water is recycled and rest is sent to CETP)	1,620	1,500	3,750
Total	4,527	4,515	7,620

Namami Gange Project

The River Ganga has significant economic, environmental and cultural value in India. Rising in the Himalayas and flowing to the Bay of Bengal, the river traverses a course of more than 2,500 km through the plains of north and eastern India. Rapidly increasing population, rising standards of living and exponential growth of industrialisation and urbanisation have exposed water resources, and rivers, in particular, to various forms of degradation and the mighty Ganga is no exception. The deterioration in water quality impacts people immediately. The threat of climate change, the effect of glacial melt on Ganga flow, and the impacts of infrastructure projects in the upper reaches of the river raise issues that created the need for a comprehensive response.

Namami Gange, an integrated conservation mission was approved as a flagship programme by the Union Government in June 2014 with a budget outlay of ₹20,000 crores to accomplish the twin objectives of effective abatement of pollution, conservation and rejuvenation of River Ganga.

Marking a major shift in implementation, the Government is focusing on involving people living on the banks of the river to attain sustainable results.

Drawing from the lesson learned from the previous implementation, the program also focused on involving the states and grassroots-level institutions such as urban local bodies and panchayati raj institutions in implementation. The programme is implemented by the National Mission for Clean Ganga (NMCG), along with its state counterpart organisations, i.e. RUIDP, UPJN, BUIDCO.

WMBD group was selected for the execution of two prestigious projects at Patna amidst high competition from Bihar Urban Development Corporation Limited (BUIDCO). A 43 MLD sewage treatment plant in Berur and 37 MLD Sewage treatment plant in Patna were built on a complete EPC basis with an O & M contract for 10 years. The complete design of the plant was validated by IIT-Mumbai and involves contemporary technology of sequential batch reactor in complete auto-operation through PLC system. The treated water from the plant meets the discharge norms of the state pollution control Board and is in line with the objectives of the Namami Gange Plan. The construction and erection of the plant was done in the scheduled time and trial runs were successfully completed.



Ganga Jal Project

The Ganga Jal Project of the Central Government of India was a flagship project to provide drinking water to the tourist city of Agra in Uttar Pradesh. The project, which involved the rehabilitation of a 144 MLD water plant, was jointly executed by Uttar Pradesh Jal Nigam and Voltas Limited as the main Engineering, Procurement and Construction (EPC) provider. This state-of-the-art energy efficient facility was

executed by adhering to standard engineering practices, and was commissioned and operated for three months on a trial basis. During this period, raw water was transported through a huge pipeline from the Ganga and Yamuna rivers to the plant, and was treated to use as potable water.

On 10th January 2019, Prime Minister Narendra Modi inaugurated the Ganga Jal Project, which would bring 140 cusecs of Ganga water to meet the growing drinking water demands of the residents and tourists of Agra.

Waste Management

In line with the 3Rs of waste management, we strive to minimise waste at the source by stringently and methodically monitoring processes that lead to its generation. A small proportion of the annual waste generated is hazardous in nature, while the rest is non-hazardous and e-waste. During the years, various initiatives – such as collaboration with Producer Responsibility Organisations (PROs) and customer buyback schemes – were undertaken to bring down our

overall waste generation. Through these initiatives, we achieved 100% of our e-waste recycling targets for the reporting period. Owing to the E-waste Policy, we have recycled 6,370 tonnes of e-waste in FY20 against a target of 6,300 tonnes through our vendors. All hazardous waste is handled as per relevant government guidelines and regulations. Hazardous waste is only disposed of through government-authorised recyclers or agencies. Due to increased production at our UCPL plant, the consumption of compressors increased, which

led to an increase in the generation of packaging waste. The reduced production at our Thane plant has also led to a decrease in the generation of hazardous waste for our DPG division.

Our efforts in effective waste management have decreased our production of hazardous waste. While conducting our operations, we abide by local and international standards, such as the Hazardous Waste Management Rules, Water Act, Environment Protection Act and

A breakdown of our waste generation can be found below.

Non-Hazardous Waste:

Business Unit	FY 18 (MT)	FY 19 (MT)	FY 20 (MT)
UPBG	452	441	437
UCPL	722	613	909
DPG	286	292	227
Total Non-Hazardous Waste	1,460	1,346	1,573

Specific Non-hazardous Waste

Business Unit	FY 18 (MT)	FY 19 (MT)	FY 20 (MT)
UPBG	0.14	0.1398	0.10
UCPL	0.65	0.66	0.73
DPG	0.185	0.14	0.113

Hazardous Waste:

Business Unit	FY 18 (MT)	FY 19 (MT)	FY 20(MT)
UPBG	0.866	0.35	1.026
UCPL	7.0	0.378	1.323
DPG	27.2	32.5	9.288
Total Hazardous Waste	35.15	33.2	11.6

Specific Hazardous Waste

Business Unit	FY 18 (MT)	FY 19 (MT)	FY 20(MT)
UPBG	0.00031	0.0001	0.00025
UCPL	0.006	0.0004	0.001
DPG	0.0162	0.014	0.0046

E-waste:

	FY 18 (MT)	FY 19 (MT)	FY 20 (MT)
Total E-waste	2.91	1.54	0.42

Air Act. Similarly, our products and services are aligned with international agreements and standards such as the Montreal Protocol, Energy Labelling, Britvic Lab Certification and MNS Montreal Protocol.

Biodiversity

We are cognizant of the importance of biodiversity and the need for its conservation. Our environment management teams at manufacturing facilities work proactively towards preservation and management of biodiversity in and around the facilities.

Our manufacturing facility located in Thane has a landscape comprising of various trees, and 1,500 trees were planted in FY 2019-20. Efforts from our team at the plant have resulted in prosperous green cover across the premises. We have also actively been involved in tree plantation drives across our manufacturing locations. This green cover attracts many species of birds and animals, even while being situated in an urban landscape. Our employees and visitors often spot various species of birds such as bulbuls, robins, owls, pigeons and kites, along with animals like monitor lizards and squirrels. We ensure that these species of trees, birds and animals are protected by maintaining their natural habitat.

Environmental impact assessments carried out during the commissioning of plants and subsequent studies indicate that operations at our manufacturing facilities have not resulted in any kind of damage to the natural habitat at respective locations. Further, we do not operate any manufacturing facilities in areas that are adjacent to protected areas or areas of high biodiversity value.

Commissioning the State-of-the-Art Manufacturing Facility at Waghodia



This year marked a major milestone for us, owing to the launch of the Waghodia plant, which is a further testament to our commitment to building a self-reliant nation. We take pride in providing Indian consumers with the finest homegrown HVACR products, a wide range of which will be manufactured at our newest facility. Moreover, it has also opened up a host of opportunities for local employment and community engagement, allowing us to give back to even more communities.

The state-of-the-art facility produces equipment ranging from 1.5 TR to 650 TR, with the help of a workforce comprising of over 500 talented personnel. It is equipped with AHRI-certified testing beds for chillers, and the products manufactured here undergo stringent testing in psychometric laboratories.

In our continued endeavour to minimise our environmental impact, the factory has been equipped with a number of green building initiatives, including but not limited to:

- **700 KWp rooftop solar panels, 450 KWp of which have already been approved**
- **Usage of high-volume, low-speed fans**
- **LED lighting**
- **Variable refrigerant flow in the office's air conditioning system**
- **Rainwater harvesting**
- **Tree plantation**

We are also committed to ensuring the health, safety and career progression of the staff that works out of this plant. Towards this end, we provide a number of facilities such as a gym, creche, sports ground, occupational health center and emergency lighting, in addition to complying with statutory requirements related to health and safety.

All this, combined with our focus on digitisation, is a part of our push to increase output and minimise defects in our products, and serve our customers in a sustainable manner.

**COMMITMENT
TO OUR PEOPLE**

At Voltas, we recognise that a company's products and services are only as 'smart' as its people. The wellbeing and development of our personnel is of paramount importance to us, and we strive to foster a safe and open workplace that allows our people to innovate. Our Human Resources (HR) strategy has, therefore, been devised with a 360-degree approach that strives to build a conducive work environment, source, develop and reward the right talent, and streamline processes for efficiency.



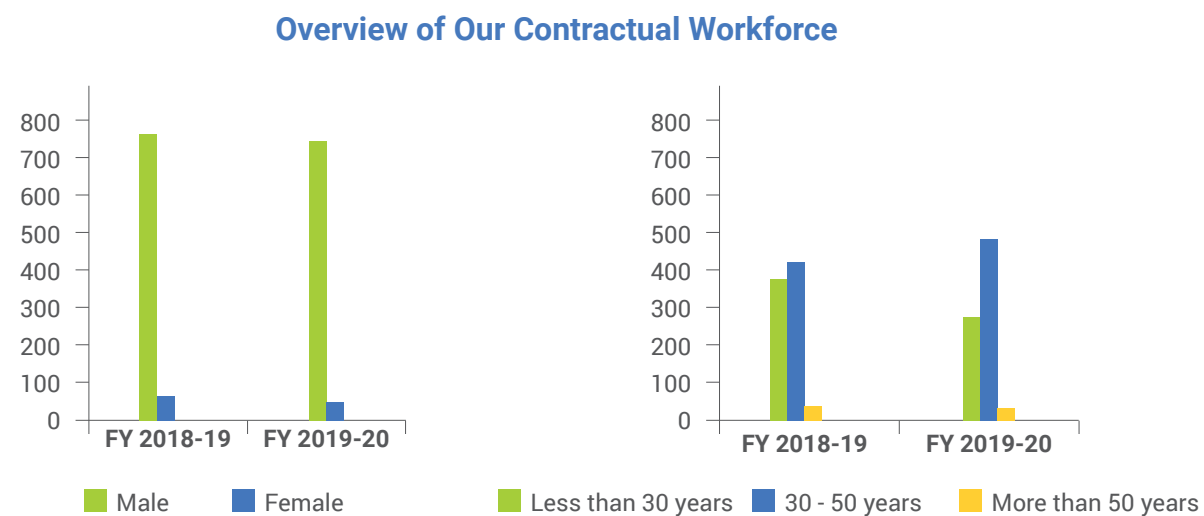
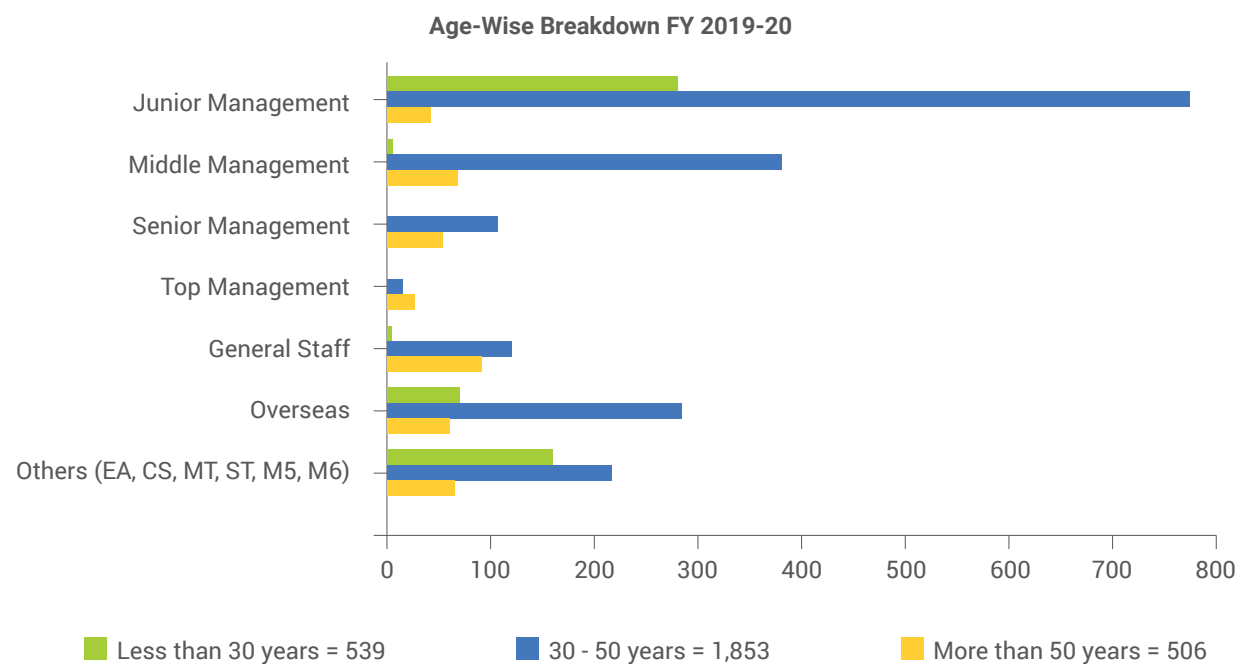
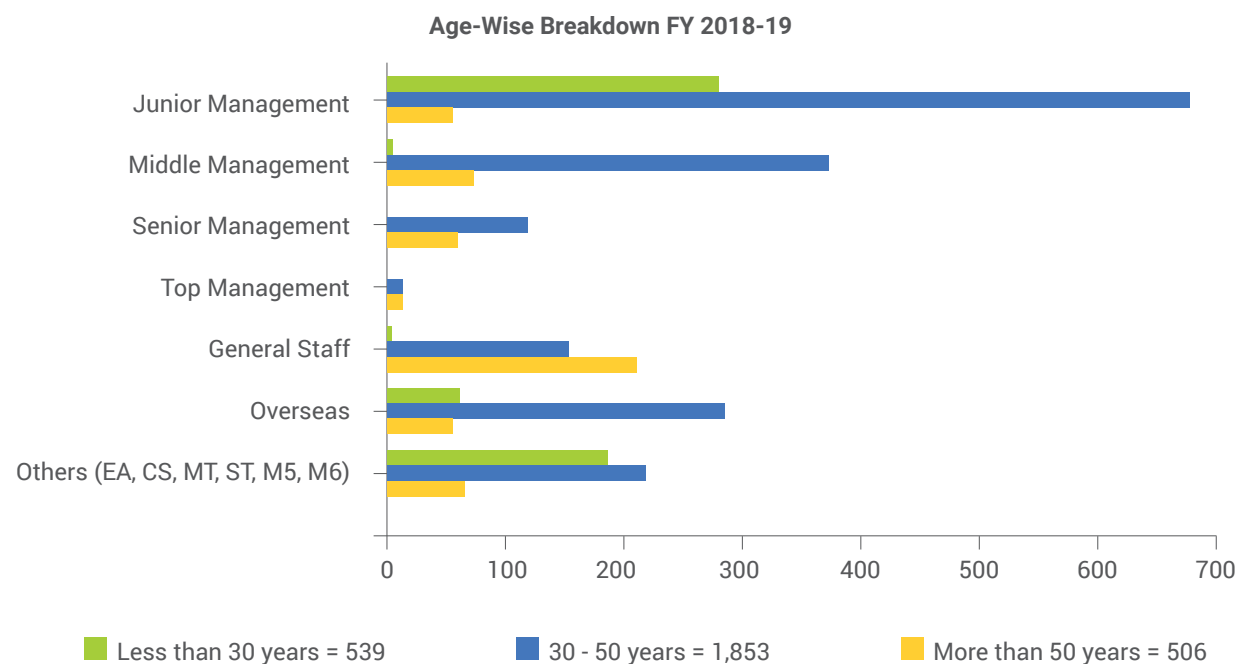
We engage with talent within the communities that we operate in through social media and campus events. This is supplemented with tireless work to make the Company an attractive place to work by aligning the business' goals and targets with those of our employees. Cultivating a diverse employee mix also contributes towards this end by not only increasing inclusivity, but also providing us access to a wide range of skills, competencies and experience. These unique skillsets are further enhanced by our extensive learning, development and succession initiatives, which facilitate individual and organisational growth. This, combined with comprehensive reward

programmes, simplified HR processes and employee engagement, has helped us attract and retain some of the keenest minds in the spheres that we operate in.

Our people management efforts are aligned with the Tata Code of Conduct. We have a zero-tolerance approach towards any discrimination based on age, gender or sexual orientation, among other parameters. The TCOC also ensures fair labour practices, in adherence to which, we did not record any cases of forced or child labour in the reporting period.

Overview of Our Permanent Workforce

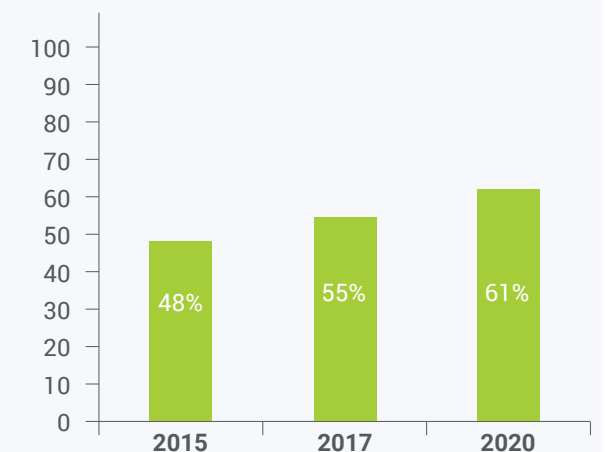




Our overall attrition for both years stood at 12%, which was lower than the industry average of 13.4%. This is a direct result of our retention efforts, which focus on individual development through leadership programmes, role-specific training, job rotations and role enhancement. We also engage with our employees using formal and informal channels, which are detailed later in this section, and are constantly working to modernise our office spaces. Additionally, we conduct compensation benchmarking exercises and review our people policies once every three years, to ensure that they are in line with industry best practices.

We provide our employees with a reasonable notice of at least 21 days before implementing any changes that could substantially affect them. We also respect their right to collective bargaining. As on 31st March, 2019, 13.16% of our personnel in India, excluding Dadra, were union and federation members. At the end of FY 2019-20, meanwhile, 6.96% of our permanent employees in India were covered by the employee association.

Percentage of Actively Engaged Employees



Employee Engagement

An engaged workforce is of paramount importance when it comes to boosting employee productivity and consequently, delivering best-in-class products and services to our customers.

At Voltas, we believe that people are our greatest strength, and are committed to ensuring their safety, well-being and happiness. We periodically undertake

Our employee engagement score has risen steadily to **4.03** in 2020, up from **4.01** in 2017 and **3.96** in 2015.



A total of **133** events were organised for our employees in the reporting years, with a cumulative attendance of over **10,000** people.

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Voltas at the Tata Mumbai Marathon

Since its inception, the Tata Mumbai Marathon has raised over ₹266 crores, benefitting over 700 NGOs and supporting a range of causes.

At Voltas, the journey towards fitness started in 2018, when 17 runners participated in the marathon, and the number has only grown in the years since. Employees from our Chinchpokli and Thane offices participated in Dream Run (6.6 km) and the 10k run category, with a few of our people individually registering in the half marathon category as well. In 2020, over 100 Voltasites participated in the Tata Mumbai Marathon, coming together to strengthen the culture of fitness and achieve the 'possible dream'.



Engaged from Home



Employee Engagement Surveys to gauge how connected and satisfied our personnel are. These findings are communicated across levels, and improvement plans are developed and implemented at the Manager and Business Unit levels. Our overall score has risen steadily to 4.03 in 2020, up from 4.01 in 2017 and 3.96 in 2015. This is despite an increased employee coverage, with 99.96% of our personnel responding to this year's survey, as opposed to 94% and 91% participation in 2017 and 2015, respectively.

The findings of this survey are instrumental in designing our employee engagement initiatives, which cater to employees across geographies and levels, and cover the categories of sports, culture, well-being and volunteering. A total of 133 such events were organised in the reporting years, with a cumulative attendance of over 10,000 people.

Our employee engagement efforts also seek to reward and recognise employees whose performance, behaviour and hard work have contributed towards the Company's success. In FY 2018-19, we introduced appreciation cards for spot recognition, in addition to pre-existing rewards such as badges, cards and t-shirts. Hi5 awards, meanwhile, celebrate achievements, efforts, behaviour, subject matter expertise, leadership and CSR contribution. 406 Hi5 awards were given out during the reporting period to celebrate the triumphs and contribution of our people.

Learning and Development

We believe that the first step in working towards a smarter tomorrow is equipping our personnel with the skills that the future calls for. Training is integral to our HR efforts and our focus lies on inculcating a 'continuous learning culture'. This begins with the identification of organisational focus areas with individual needs through performance reviews, career development conversations and managers' inputs. We assess these findings to provide different types of trainings such as leadership development, organisation-related learning, technical training, functional training and behavioural training. These are imparted through classroom training, e-learning, on-the-job training and action-based learning.

We have also introduced the following digital interventions to make learning a constant, on-the-go and seamless process within the organisation:

- **Skillsoft** is an e-learning portal that is available to Voltas employees across geographies on the web

and as a mobile application. It offers a wide range of courses, e-books and videos on leadership and other relevant topics. In FY 20 alone, our people recorded over 1.3 lakh learning hours on this portal.

- **Handytrain** is a mobile application that seeks to hone employees' technical skills. It allows users to refresh their knowledge of servicing, troubleshooting and product training, and keeps them abreast of relevant product updates. Close to 10,000 technicians from UPBG have benefitted from this initiative.

All these interventions resulted in our personnel across India and overseas operations devoting more than a cumulative 2 lakh manhours towards training and development in FY 19. Our thrust for learning and development led to a further increase in the following year, wherein our people dedicated over 4 lakh manhours towards these ends. This included both technical and behavioural training, which were imparted across the workforce, right from our workmen to the top management.

Leadership Development and Succession Planning

Building a healthy succession pipeline is the key to a sustainable business. Our HR teams at the corporate and business unit levels work closely with various business heads to identify critical roles across the firm. Succession plans are then drawn up, spanning a two to five-year period, wherein prospective employees are groomed for said roles. They are then put on an accelerated career track that helps them develop leadership skills in a hands-on manner, preparing them for rich and fulfilling careers at Voltas.

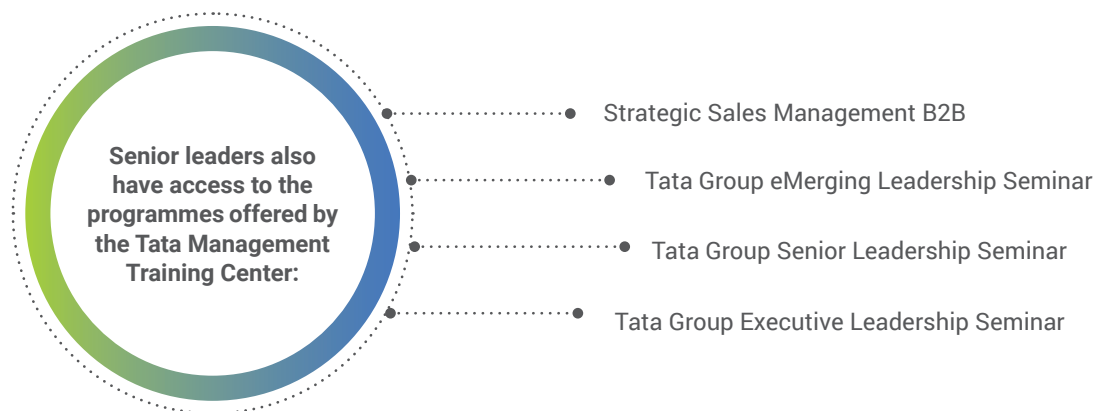
We have also forged strategic partnerships with leading educational institutions to impart the skills that are needed for leadership development. The Junior Management Leadership Programme (JMLP) is carried out in association with the SP Jain Institute of Management, Mumbai and National Institute of Construction Management and Research, Pune. Meanwhile, we have tied up with IIM-Ahmedabad to facilitate our Middle Management Leadership Programme (MMLP). We also offer the Online Global Ivy League Programme for senior leaders through top-ranked B-schools like INSEAD, MIT, Columbia, Berklee and Tuck, in association with Emeritus.

At Voltas, our commitment to our people extends far beyond their tenure with the Company. We are always looking out for the individuals whose hard work and talent

Tata Young Expressions 2019

In 2019, children of Voltas' personnel participated in the annual Tata Young Expressions contest. The theme for the year was 'Superpower for a Better World'. 24 children between the ages of 5 and 16 participated in the contest, and one of our employees' daughters was awarded a prize in creative writing.





has been the driving force behind our continued success. Our training and development efforts not only work to ensure fruitful careers for our personnel, but also seek to set them up for rich and fulfilling lives post-retirement. In 2016, we introduced a financial literacy workshop for all our employees over the age of 50, to ensure that they are prepared for the transition from corporate life to post-retirement life. The programme was a resounding success, and has since been conducted 25 times, covering a total of 128 employees as on 31st March 2020.

Employee Health, Safety and Wellbeing

We offer our employees a host of benefits to ensure their overall wellbeing. Through an annual health check-up and multiple wellness programmes, we strive to prevent any ill health from befalling our personnel. However, should the circumstances arise, we stand by them and have provided them with safety nets in the form of term life insurance and personal accident insurance, in addition to medical coverage for themselves and their families. Our employees also have

access to Voltas' holiday home facilities across prominent locations in India, to allow them to unwind and strike a work-life balance. As part of our push for holistic wellbeing, we have also tied up with a leading hospital chain to provide mental health support to our employees.

Meanwhile, occupational health and safety has been identified as a material issue for Voltas. We are cognizant of the fact that the nature of our businesses is accompanied by inherent risks for our personnel and are striving continuously to mitigate them.

Highlights of Our Leadership Development Initiatives

FY 2018-19 was a milestone year for our leadership development efforts, marking the shift from physical to digital learning journeys. A full-fledged JMLP, with an online assessment centre, was launched in the year.

112 JM employees were shortlisted for classroom Leadership Development Programme at two well-known management institutes, as part of the second phase. Their development journeys were tailored to meet the needs of the personnel and the Company, after discussion between our senior leadership and the institutes' faculties.

Of the total Junior Management (JM) band employees, a cumulative 433 were nominated for the assessment centre, following the results of which, the L&D team structured development in two phases. The first phase was on the digital learning app iDev from our development partners, Jombay. A total of 308 employees from JMLP and MMLP were shortlisted for this customised development journey on the mobile leadership development app.

In FY 2019-20, we also initiated the Senior Management Leadership Programme journey with 90 participants. All participants went through a virtual assessment, following which a curriculum was designed and their digital learning journeys were flagged off. We leveraged external partnerships with global business schools to ensure state-of-the-art learning for our senior leaders. Moreover, using the virtual learning platform has allowed us to increase the number of participants in this programme from between 30 and 35 to 90 in the most recent year.

The Tata Group Safety Standards govern our safety practices, policies and measures at Voltas. We have also formulated an SHE Policy that serves as a comprehensive framework to prevent injuries and boost wellbeing at the workplace. A dedicated SHE Committee is tasked with ensuring superlative performance across the three parameters within the Company. It comprises of three Directors, including the Managing Director.

We also have a Steering Committee in place, which reports to the Board Committee, and comprises of the Corporate Management Group (CMG) and Business Unit Heads. It is responsible for reviewing the Company's safety performance and ensuring compliance with legal and other relevant requirements at every location. The Steering Committee also works with our partners across the supply chain to ensure alignment with Voltas' objectives. Additionally, both the SHE Committee and the CMG review the policy on a periodic basis to ensure that it remains up to date with the requirements of a constantly evolving regulatory and risk landscape. They also ensure that it is aligned with the best practices outlined by ISO 45001:2018.

Apart from putting the necessary governance controls and mechanisms in place, we are also working to foster a safety-focussed culture across the organisation. We seek to involve our workforce in health and safety management, and encourage their participation through reward, recognition and consequence management guidelines that have been put into place. Our Employee Engagement Survey seeks feedback on the Company's health and safety-related initiatives, and a satisfaction of 4.23 was recorded with the safety processes in projects.



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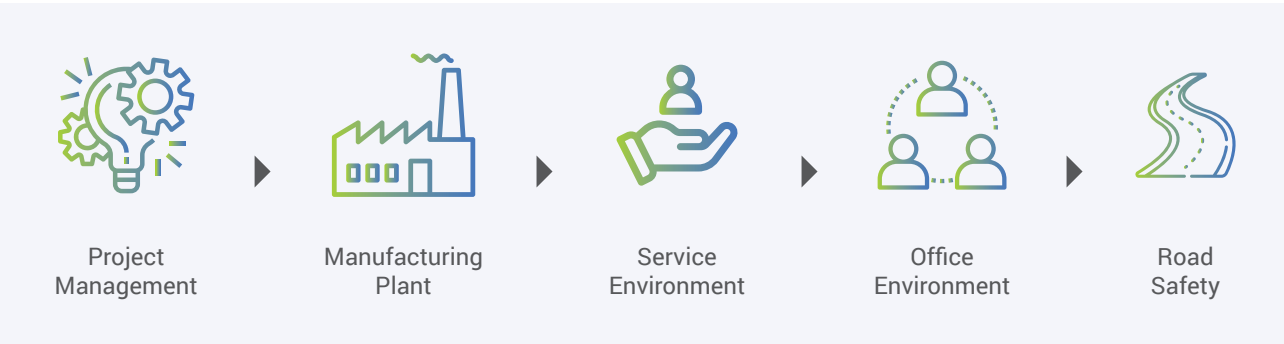
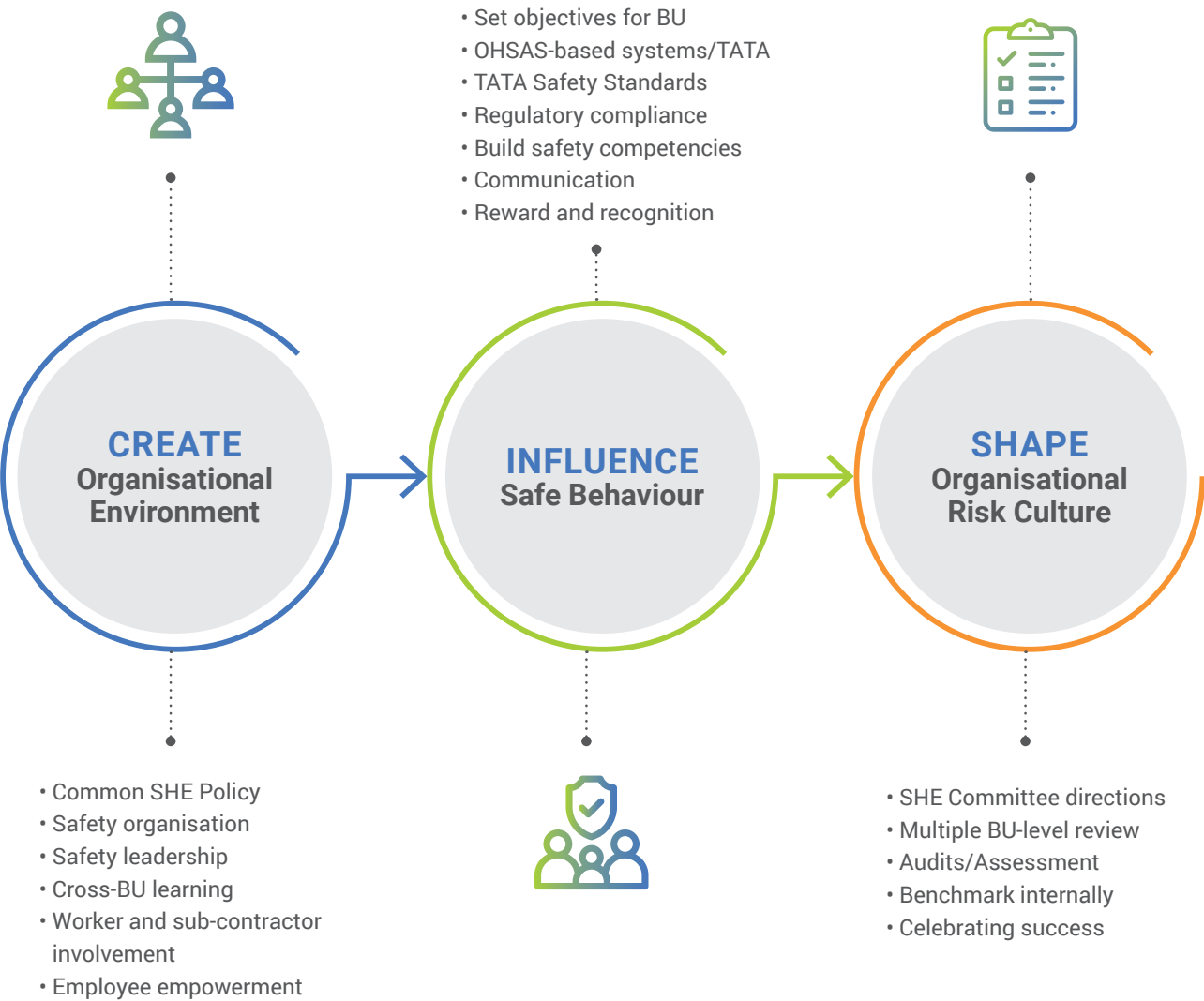
We are also leveraging the power of digitisation to raise awareness about issues related to health and safety. Platforms like Lesson Learnt Bulletin, Tool Box Talks, email and SMS are used to share information about incidents and learnings from them. We have also created a designated

portal called Safety@Voltas to capture SHE observations and take timely action on them. We have also rolled out a mobile application that increases the ease of reporting, to supplement the desktop interface that is already accessible through the Employee Self Service portal.

Launch of Our Safety Mascot, Vol-ty, at National Safety Day Celebrations



Three-Level Safety Culture Model



Regular comprehensive safety trainings are imparted to our employees on topics ranging from scaffolding and first aid to fire safety. This is in addition to communication on relevant topics such as road safety, environment, personal hygiene and dietary requirements, to ensure the well-being of employees. These are rolled out across office locations and in local languages to maximise their reach. We also offer L1, L2 and Train the Trainer certification training programmes to our personnel at RIEL, to enhance their awareness regarding the relevant issues. In FY 19, 13 employees were certified on the Tata Safety Standards by the National Institute of Standards and Technology, bringing the total number of certified employees to 336. We regard emergency preparedness with the utmost seriousness and have put a plan into place to handle unexpected situations and incidents. The Emergency Response Plan

details the immediate actions that can be taken until the relevant emergency service intervenes. It seeks to control the incident, localise it, and if possible, eliminate the threat, while minimising the loss to life and property. Business continuity is also factored in, and the Plan clearly details steps that can be taken to restore normalcy following incidents such as fire explosions, accidents and heat strokes. Emergency drills are conducted on a biannual basis for each of the incidents covered by the Plan to ensure awareness and relevance.

Furthermore, we have identified the work-related health hazards that face our employees by studying the material safety data sheets and work procedures. This has allowed us to put the relevant safeguards in place, and we are happy to report that there were no recordable cases of work-

In FY 19, **13** employees were certified on the Tata Safety Standards by the National Institute of Standards and Technology, bringing the total number of certified employees to **336**.

related ill health or fatalities related to them in the reporting period. A similar assessment was conducted for work-related injuries, and we have zeroed in on the key risks facing our workforce. These include, but are not limited to, fire, handling of chemicals and gases, work at height, slip and trip, ergonomic risks and electrocution. We have, therefore, taken measures like pre-project start-up checklists, manpower screening, health check-ups, safety inductions and inspections, in addition to the aforementioned policies and practices. A breakdown of work-related injuries recorded in this period is provided below.

Work-Related Injuries Sustained by Permanent Employees

Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Number of fatalities due to work-related injuries	0	0	0
Rate of fatalities due to work-related Injuries	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	7	3	2
Rate of high-consequence work-related injuries (excluding fatalities)	0.32	0.14	0.088
Total man-hours worked	22,107,765	21,810,687	22,696,198

Work-Related Injuries Sustained by Contractual Employees

Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Number of fatalities due to work-related injuries	1	2	1
Rate of fatalities due to work-related Injuries	0.03	0.06	0.005
Number of high-consequence work-related injuries (excluding fatalities)	18	13	11
Rate of high-consequence work-related injuries (excluding fatalities)	0.61	0.40	0.319
Total man-hours worked	29,502,259	32,808,141	34,407,630

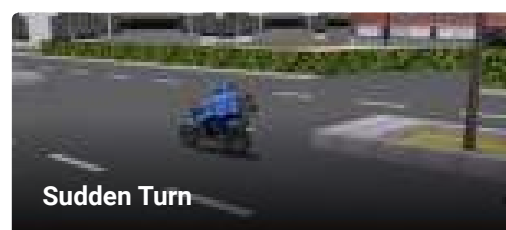
We are unwavering in our commitment to lowering rates of safety-related incidents at our sites, and are constantly working to foster a safe working environment. This commitment is also reflected in our senior and line managers' hands-on approach to health and safety, and regular communication with our personnel on their importance. Their efforts to raise awareness have been supplemented by the observance of events like National Safety Day and Road Safety Week. This has been combined with a more robust risk assessment process, increased safety training and effective contractor safety management.

We are also constantly monitoring and enhancing our performance to align our efforts with global best practices. As we make a concerted effort to shift from reactive mode to proactive mode on the Bradley Curve, we have a number of initiatives in the pipeline, including expanding the scope of health screening and introducing

a visitor induction programme. All this, combined with our efforts to reduce health risks related to lighting and seating at our corporate offices, is going a long way to ensuring the well-being and consequent productivity of our most valuable asset, our people.

Video-Based Safety Training for UPBG Services

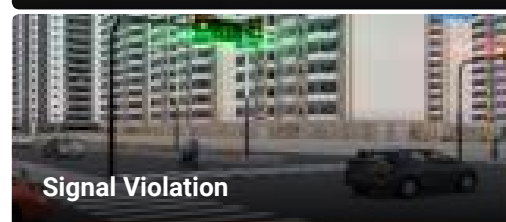
High-definition 2D animated videos are used to impart knowledge about safety issues to UPBG employees. These cover all the issues technicians may encounter, right from when they depart from their homes to their return at the end of the workday. Featuring a Hindi voiceover and English subtitles, the videos encompass subjects such as road safety, electrical safety, safety during installation of indoor and outdoor units, refrigerant gas charging and work at height, to name a few.



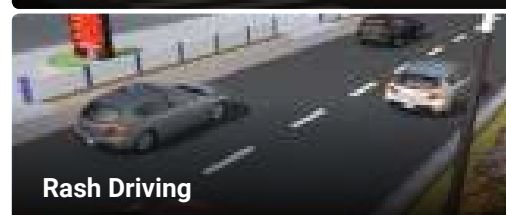
Sudden Turn



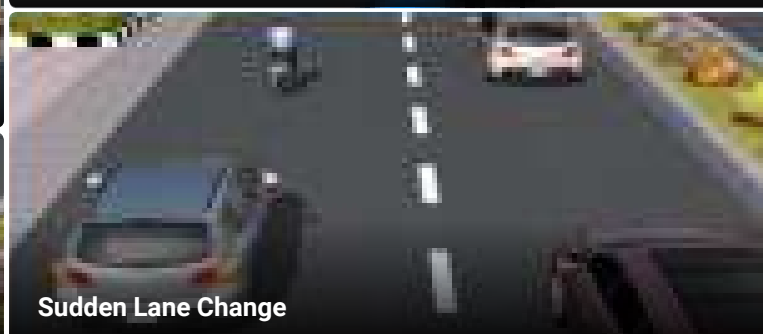
Road Rage



Signal Violation



Rash Driving



Sudden Lane Change



Report of service / installation information along with any observation and incidents.

Our Response to COVID-19

Despite the current health crisis we remain committed to ensuring business continuity, while also ensuring the health, safety and wellbeing of our personnel. Towards this end, we have taken a number of measures, including but not limited to:

Raising employee awareness about social distancing, Personal Protective Equipment and personal hygiene

Ensuring health and hygiene requirements are met at the workplace

Equipping our personnel with the right tools and technologies to work remotely, where possible

Regular communication with our staff

Retooling the manpower mix to optimise productivity and ensure health and safety





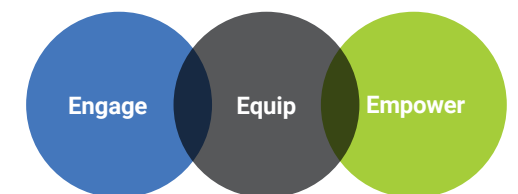
COMMITMENT TO OUR COMMUNITIES

Our commitment to communities is structured around the three key focus areas of Sustainable Livelihood, Community Development and Issues of National Importance.



At Voltas, our approach towards engagement with communities is based on the three Es of Engage, Equip and Empower. We recognise that the communities within which we function have been instrumental to our success in a multitude of ways, and are constantly working to earn their trust and support through our community development programmes.

Our commitment to communities is structured around the three key focus areas of Sustainable Livelihood, Community Development and Issues of National Importance. The developmental programmes are executed in a structured and systematic manner through our CSR initiatives, and are driven by the CSR Policy.



Approach to engagement with communities

Sustainable Livelihood

Community Development

Key Focus Areas

Issues of National Importance

In FY 20, we reviewed our CSR initiatives to best assess the realms towards which we could contribute. During the reporting period, we dedicated a host of efforts towards the capacity-building of our implementation partners, helping them maximise their reach and impact. Special emphasis was also placed on our sustainable livelihood initiatives, which are in line with our approach of the three Es, while also providing us access to a greater talent pool. Our commitment to gender parity, meanwhile, remains stronger than ever, as we ensure that women have equal access to our skill development programmes, some of which are detailed in this chapter.

Our CSR initiatives aligned with the three focus areas contribute to the achievement of the UN Sustainable Development Goals (SDGs).



The CSR Committee comprises of the Chairman, Managing Director and two independent directors.

Governance Structure

We follow a bottom-up approach while designing our CSR programmes, and a top-down approach to monitor progress at regular intervals. The interventions are developed based on need assessment studies that are carried out from time to time. These studies help us understand and prioritise the needs of these communities, and leverage our networks and competencies to design programmes aimed at them. These programmes are then undertaken through credible implementation partners, which are primarily not-for-profit organisations.

The CSR projects under implementation are regularly monitored through our internal team, led by the head of corporate sustainability, and backed by a robust monitoring framework. Progress is reviewed by the Management through the Board-level CSR Committee. The CSR Committee comprises of the Chairman, Managing Director and two Independent Directors. The Committee meets twice a year, and provides inputs on the progress of various initiatives and the way forward. Insights received from the Committee help us effectively achieve the objectives of our initiatives.

Programme Design and Implementation

In order to identify the needs of communities surrounding our operational locations, we carried out a comprehensive need assessment study in FY 2014-15. This was conducted across three key locations – Pantnagar in the state of Uttarakhand, Thane in the state of Maharashtra and Dadra in the union territory of Dadra and Nagar Haveli.

The study comprised in-depth interviews with community members as well as other stakeholders, including local NGOs, government representatives and our employees at respective locations. Focus Group Discussions (FGDs) were held to facilitate open dialogue among community members, and inputs were taken to arrive at community needs. The results of in-depth interviews and FGDs were validated through a ground-truthing exercise carried out at respective plant locations by an external agency, under the guidance of the CSR Team.

The programmes are implemented across 100% of our manufacturing locations through not-for-profit implementation agencies. We follow a due diligence process that involves evaluation on various compliance and credibility assessment parameters to identify and select these partners. Apart from implementation agencies, we also collaborate with various corporate foundations with the common objective of making a positive impact on communities. Partnerships with implementation agencies such as NGOs having expertise and experience in the subject matter, strong connect on ground, and collaborations with like-minded corporate foundations help us leverage the collective strength of everyone and reach out to a wider beneficiary base, ensuring optimum resource utilisation.

Based on the outcome of the study, the following interventions were considered for development of CSR programmes at respective locations:



The CSR programmes were structured keeping in view the following criteria:

- 1 Proximity to our establishments
- 2 Capacity to contribute to social development
- 3 Projects aimed at self-reliance of the underprivileged and deprived sections of society



We contributed a cumulative **INR ₹ 20.25** crores towards CSR projects across various initiatives, directly benefitting **37,232** beneficiaries in FY 20.

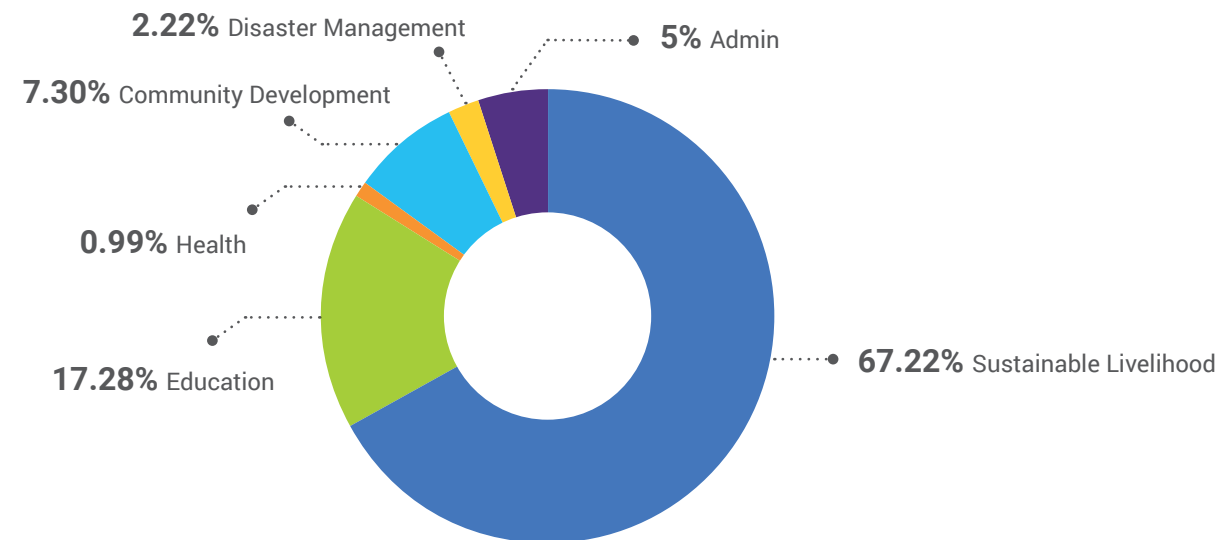
We have a structured monitoring process for each programme, which involves assessment of its impact on communities as well as for the quality of implementation process. Field visits, regular project updates, and interaction with key stakeholders involved in the process

are inherent components of our monitoring framework. We conduct impact assessment of individual initiatives internally as well as through external agencies at the end of project tenure, which in most cases is about three years.

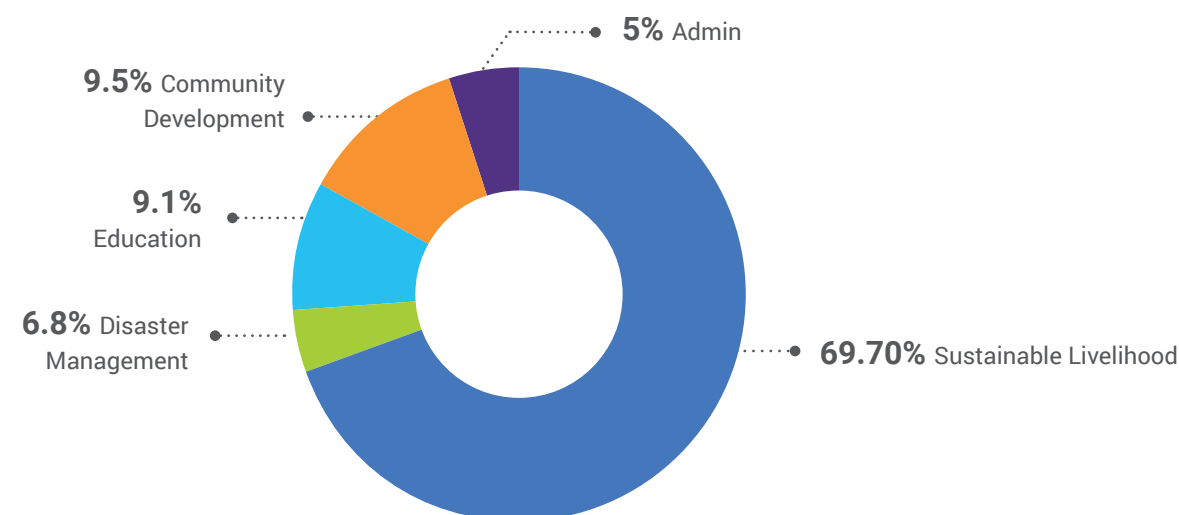
The spread of our expenditure across various thematic areas is as indicated below.

	FY 2018-19	FY 2019-20
Vertical/Intervention	Spend (in ₹ Lakhs)	Spend (in ₹ Lakhs)
Sustainable Livelihood	682.09	703.68
Community Development	74.07	95.70
Education	175.32	91.53
Health	10.00	-
Disaster Management	22.50	68.55
Admin	50.77	50.56
Total	1,014.76	1,010.02

CSR Expenditure During FY 2018-19



CSR Expenditure During FY 2019-20



SUSTAINABLE LIVELIHOOD

We understand the importance of economic independence in holistic social development of any society. We seek to enhance the employability of youth in the age group of 18 to 25 years through various skill development programmes. These are coupled with on-the-job training and suitable placement.

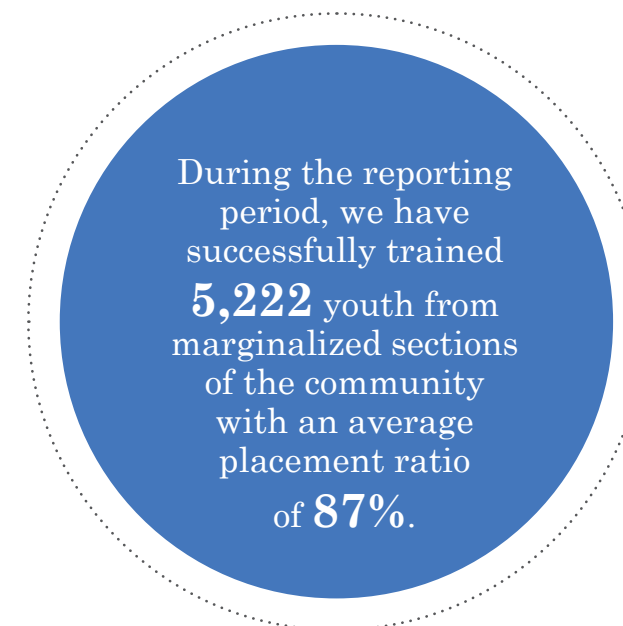
The programme is implemented in 12 states across India with the help of 13 NGO partners and delivered through 28 technical and 3 non-technical skill development centres. This makes it one of our flagship programmes. We have collaborated with reputed organisations like GMR Varalakshmi Foundation, Tata STRIVE, ICICI

Academy for Skills, Tech Mahindra Foundation, Pratham Education Foundation, Joseph Cardijn Technical School and Bosco Boys' Home to ensure effective implementation. Most of the courses offered under our skill development programmes are in line with the norms prescribed by the National Skill Development Corporation (NSDC). The collaborations and partnerships enable us to identify deserving candidates, and mobilise resources to provide well-equipped training infrastructure, roll out quality training, assessments, certification and job placements for them.

During the reporting period, we have successfully trained 5,222 youth from marginalised sections of the community, with an average placement ratio of 87.27%.

With a view to enhance employability of youth and women from marginalised sections of society, we also conduct non-technical, short-term courses in the areas of banking and finance, retail, IT-enabled services, sewing and tailoring and customer care. Through our non-technical training centres in Thane, Bhubaneswar and Panvel, we were able to train 786 candidates through these courses during the reporting period.

Being an industry leader, we channel our technical expertise and experience in designing and updating the course curriculum and syllabus of the Room Air



Launching Careers in HVAC

Raza, who had long been interested in working in the HVAC field, first found out about the Voltas Tata STRIVE training programme from his brother. Though he had tried to gain some insight into the field by working at local AC shops, he could not learn all the requisite technical skills to work in the field. However, he quickly picked up on all the subject matter upon signing up for the AC & R Operator course, owing to his sincerity and hard work.

His enrolment in the programme also helped Raza overcome his fear of presentation, and helped him hone his social skills. Activities geared at boosting entrepreneurship helped him overcome his stage fright and develop self-confidence. Raza, who has called this platform the right launchpad for his career, is now working in Abu Dhabi. On-the-job learning is helping him sharpen his technical skills, and support from his teammates and superiors is contributing further towards this end.



Conditioning (RAC) and Central Air Conditioning (CAC) courses. This has helped us make this course industry-oriented and relevant to market requirements. During FY 2018-19, we developed an updated training module for CAC course. In FY 2019-20, meanwhile, we introduced a multiskilling course that covered the areas of CAC, plumbing and electrical training. The modules, which were developed with active involvement and support of DPG leaders, not only offer theoretical knowledge, but also share perspectives based on real-life experience.

Training and capacity-building of technical trainers through an initiative titled 'Train the Trainers' (TTT) has



Through our non-technical training centres in Thane, Bhubaneswar and Panvel we were able to train **786** candidates through these courses during the reporting period.

also been an important feature of our skill development efforts. The objective of this initiative is to provide holistic inputs and build trainers' prowess. TTTs are organised and conducted with a view to upgrade the skills and knowledge of the trainers in the domain area, so that they are better equipped to deliver industry-relevant trainings to students. During the reporting period, we organised TTT programs in the domain of AC and Refrigeration, benefitting 52 trainers.



In addition to the need for skilling youth from marginalised groups for sustainable livelihood, we also recognise the need to address skilling requirements of the existing workforce or technicians on ground, who were never formally trained or certified. This stakeholder group has picked up their skills through observation and on-the-job learning over time. We took a systematic approach of mapping their skilling needs to develop a short but effective skilling programme for these technicians. This initiative is called Recognition of Prior Learning (RPL), and is being run in partnership with the Sector Skill Council under NSDC. It upgrades the knowledge and skills of existing technicians, and

During the reporting period, a total of **4,194** existing technicians across different locations in the country were trained and certified under RPL.

incorporates safety training and customer care to give them 360-degree training. RPL has had a positive impact on trainees by boosting their confidence and self-esteem, and earning them better emoluments post-training. Additionally, this programme helps them with root cause analysis, making their work much more productive and efficient. During the reporting period, a total of 4,194 existing technicians across different locations in the country were trained and certified under RPL.

To take our skilling interventions to the next level and increase our reach, we have partnered with various states' Directorates of Vocational Education and Training. In the reporting period, we have built capacities of 320 ITI trainers (RAC domain) from Uttar Pradesh and Maharashtra on the latest technical knowledge and market-relevant practices. The Company has, thus, expanded its domain knowledge to students beyond Voltas' training centers.



Taking forward the Tata Group's Affirmative Action Policy, we are committed to providing and promoting access to quality skill training and competency building for people belonging to Scheduled Castes and Scheduled Tribes. Voltas has put into place interventions for social inclusion, which strive to further the AA mandate in a focussed and integrated manner. This includes programme design, implementation approach, and regular sensitisation and capacity-building of the implementation team. The Company also strives to reach out to the desired number of students from AA communities, who made up 25% and 28% of the students in FY 19 and FY 20, respectively.



Taking forward the Tata Group's Affirmative Action Policy, we are committed to creating and promoting access to quality skill training and competency building of the communities.

To address the issue of employability of tribal youth and help families become economically self-sufficient and improve their quality of life in a sustainable manner, Voltas started its residential Skill Training Centre in August 2017.

The Company has also initiated plumbing and electrical courses for youth coming from the districts of Raigad, Thane and Palghar, based on an assessment of the market requirement. These courses were deemed suitable to generate gainful employment opportunities for youth in these areas, based on their comfort levels, in addition to harnessing Voltas' technical expertise to provide best-in-class training.

In the reporting period, 606 students were trained in the plumbing and electrical trades at the Voltas Skill Development Centre, Panvel. Of these, 342 students (56%) belong to AA communities. In order to support students who want to start their own enterprises or be self-employed, a well-designed tool kit is also provided as seed capital. A total of 501 tool kits were provided to students from the plumbing and electrical trades in the two financial years.



Boosting Employability of AA Communities

Born and raised in an ST community in Dongripada, Pankaj Gaikwad was restricted in his career options due to the challenge of commuting to Mumbai. He enrolled for a programme at the Voltas Skill Training Centre, which makes learning easier by providing facilities such as food, accommodation and placement assistance. Though Pankaj encountered some challenges during the course, the staff's counselling helped him stick to it. He soon made new friends and developed a keen interest in electrical wiring, home equipment repair and safety measures. After completing his training, he was hired by a telecommunications company as a technician.

Pankaj said that the skills he acquired will help him grow, as he can easily explore new avenues after garnering some work experience. Unlike with his previous job at a hospital, Pankaj sees a larger scope for growth, both financially and career-wise.



501
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financial years.

COMMUNITY DEVELOPMENT

The need assessment exercise carried out across our key operational locations indicated the need to focus on community development initiatives. These are structured around key issues such as water and sanitation, health, education and employability enhancement, and aimed at people in areas surrounding our Dadra, Mumbai and Thane plants.

One of our community development projects has been implemented in five

villages with tribal people around our plant located in Dadra. It is structured around four components, viz. water for irrigation, agriculture, livelihood promotion, and sanitation, health and hygiene. The project has directly benefitted about 60% of the target population of 824 households and 4,797 individuals, all of them belonging to the ST category, in line with our Affirmative Action efforts.

One of the key highlights of this project was the construction of

toilets for the communities. During the baseline study, it was identified that about 70% of the households did not have access to toilets. The project has helped construct about 201 toilets, 130 of which were constructed during FY 2018-19. The remaining households were supported in availing the benefit from the Government-run programme. As a result, all the target habitations were made free of open defaecation. In addition to this, awareness camps and sessions related to health and hygiene have been organised.

Our community development efforts are structured around water and sanitation, health, education and employability enhancement.



Enhancing the Quality of Agricultural Produce

Bholenath Malikarjun Birajdar, a farmer from Osmanabad, attended a training programme on watershed management and organic farming conducted by us as part of the Participatory Groundwater Management Programme.

He successfully adopted the learnings for crops like wheat, jawar and betel leaf, leading to a drastic decrease in the cost of cultivation. He was also able to eliminate the use of chemical fertilisers and pesticides, owing to the decomposer unit that Voltas provided him with, enhancing the quality of his produce.



Our close association with the tribal community in Dadra and Nagar Haveli has been instrumental in promoting sustainable agriculture practices, along with water harvesting and conservation, goat rearing, poultry farming, cultivation of mushrooms and organic vegetables, and kitchen gardens. One such initiative during the reporting period included the construction of farm ponds and capacity-building of farmers to improve water availability, helping resolve the acute water shortage.

Improving the quality of education and English language proficiency is another focus area for us. Our

A total of about 10 awareness sessions were organised, benefiting more than 500 community members including school children.

English Language Development Programme has reached 138 zilla parishad schools, providing high quality standardised English learning through the digital teaching platform. Known as E-teach, this platform uses videos created by Tata Interactive Services (TIS) to strike a balance between

education and entertainment. Over 6,000 children benefitted from this programme in the two reporting years. As part of our focus on affirmative action, over 50% of the beneficiaries of this initiative belong to SC and ST communities, to open up a plethora of opportunities for them.

This smart and joyful learning method-which includes cartoon characters, animation, music and graphics, coupled with fun activities-immensely helps students grasp concepts better and helps teachers in facilitating the teaching-learning process. It is implemented with the local NGO, Learning Space Foundation (LSF).

We onboarded Mukhtangan as a knowledge partner to ensure quality delivery and sustainability of programme outcomes, by helping build the capabilities of LSF facilitators. They also got an opportunity to understand and implement the 'Active Constructive Learning' (ACL) approach through Mukhtangan training, which stressed

the need to appreciate a child's personality, along with the knowledge and experience s/he already has, and further build upon it. Due to collaborative efforts, the strengths of the two organisations compounded to benefit both students and teachers in improving their English language skills.

To continue to enhance teachers' skills, all the zilla parishad teachers were trained in person as well as through the mobile application-based methodology on E-Teach and ACL approach. They are also receiving guidance and instruction from LSF facilitators during their monthly training programmes called Shikshan Parishads at the cluster level.



Inculcating the Joy of Reading

Kole Zilla Parishad Primary School in Thane district has seen a fascinating turn of events over the past two years. This school opened up a new 'Room to Read' library, which ignited an interest in books and reading among its students. The initiative, supported by Voltas and situated in one of the school's refurbished rooms, is a child-friendly, colourful space. It is filled with books containing poetry, pictures, rhymes, and stories in both Marathi and English.

Darshan Pundalik Dohare is one of the most frequent users of the library. There aren't many reading opportunities available at home, and so, the school library has accorded Darshan a great opportunity to check out books, improve his reading skills and lead storytelling activities for his class. His teachers are extremely impressed by the improvement he has shown in his reading skills. Darshan says, "This change has happened through colourful and interesting storybooks. Because of library books and activities, I can now confidently read and express my thoughts."

Where Education Meets Entertainment for Impact

Nayan, a student of class four at the Zilla Parishad School, Shivanagar in Bhivandi Block, was constantly distracted in school. He demonstrated little to no interest in class proceedings, until an English language facilitator spotted him standing outside her class, intently watching the animated videos being projected. Noticing his interest, the teacher invited him in.

Later that day, Nayan asked the teacher to conduct similar classes with animated videos for his classmates as well. Not only did the teacher ensure that this technology was made available to class four students, but Nayan himself was put in charge of assembling his classmates for the sessions. This responsibility, as well as the interesting class content, has changed Nayan's outlook towards schooling, and today, he is a regular and responsible student.



ISSUES OF NATIONAL IMPORTANCE

Our CSR Policy places emphasis on serving local, societal and national goals. In line with the thrust on responding to the issues of national importance, we lay emphasis on disaster management, affirmative action and sanitation.

As part of our disaster management efforts, we undertake several drought mitigation activities. One such project is supporting groundwater recharge activities in the drought-affected districts of Osmanabad, Beed and Latur in Maharashtra. Due to the high frequency of droughts, the people of these districts face major challenges with respect to water availability, ultimately impacting the agricultural community.

Ensuring people's participation during every phase of the programme has been a key factor for sustainability of the outcomes. Apart from the focus on groundwater

management and increasing water storage, we also place emphasis on training and capacity-building of farmers on organic farming and improved agricultural practices. The objective of these programmes was to equip participants with information and easy-to-use, improved farming techniques and consequently, reduce the production cost and enhance productivity.

In FY 19, 336 farmers from the 15 project villages received trainings on watershed management, organic farming and improved agriculture techniques. Of the attendees, 59 who participated in the advanced training on organic farming and watershed management also learned to produce organic fertilisers and pesticides.

We have undertaken water resource development activities like farm pond construction and recharging of borewells to address immediate needs of the community in Beed. In FY 2019-20, 22 farm ponds were constructed in 5 project villages, and borewell recharge work was completed at 12 sites.

To ensure sustainability of the outcomes and amplify the programme's impact, capacity-building of farmers and women was an important aspect of this intervention. A training programme for women on poultry and goat-rearing was organised, in which 61 women participated. Additionally, five trainings - in which 165 farmers participated - were organised, covering topics like integrated nutrient management, integrated pest and disease management, and seed treatment.



Around 200 farmers benefitted from on-field demonstration-cum-training on integrated pest management and water conservation. These sessions raise awareness on simple pest management techniques, production of organic fertilisers, better crop cultivation practices, understanding the water needs of various crops at crucial times and water budgeting, among much more.

In FY 19, 68 farmers participated in an exposure visit to understand the impacts of organic farming techniques used by Vidya Baburao Rudraksa, a successful farmer from Maharashtra's Beed district. Apart from the micro-irrigation system and farm-level water management plan, the participants were also given a chance to learn more about the organic production of turmeric as well as its marketing.

In line with the Tata Group's philosophy towards affirmative action, the inclusion of SC and ST communities in the development process has been an important aspect of all our CSR interventions. Under one such initiative, we are supporting the Bethany Society, an NGO working in 20 villages of Panvel since 2008. The initiative involves

providing a wholesome mid-day meal to tribal students from nursery to class ten. In FY 2018-19, we reached 60 students through our support of this programme.

Regular engagement with women in the project villages and a need assessment study revealed that these women wanted opportunities to add to their meagre income through their own enterprises or self-employment. Following discussions and a feasibility analysis, we have collaborated with the Women's India Trust to offer a six-month certificate course in basic stitching and tailoring. In FY 2018-19, 23 tribal women were trained in tailoring and stitching under the women's empowerment programme and 10 tribal girls/women were trained

in auxiliary nurse midwife and para-medical courses. Successful completion of these courses has helped the girls and women build a sense of confidence and achievement in their respective communities.

In addition to being provided with a space to undertake entrepreneurship activities and foster team spirit, the women also received technical training as well as training to achieve holistic personal development and economic development. They have been successfully completing tailoring assignments during their training and have delivered other work orders. We have also started a crèche facility, where a dedicated caretaker watches over the women's children, putting their minds at ease, as they work.

In FY 2018-19, **23** tribal women were been trained in tailoring and stitching under the women's empowerment programme and **10** tribal girls/women were trained in auxiliary nurse midwife and para-medical courses.

Employee Response to COVID-19

Our employees stepped up to serve their communities following the COVID-19 outbreak and consequent lockdown.



The safety officer on our AIIMS project took it upon himself to create handmade masks for his team members, who were converting standard hospital wards into COVID isolation wards.



An employee from DPG in Delhi, meanwhile, worked with a local group in Haryana to raise funds to provide relief to daily wage earners in the area. The group of 15 people worked for over 6 hours each day for three weeks to prepare and distribute food packets, and distribute masks.



At the Pantnagar factory, our personnel conducted an awareness session on COVID-19 for truck drivers. Five of our employees worked to put together and distribute 400 relief material kits.



A Mumbai-based member of our CSR team also knew tribal communities would be among the worst hit by the lockdown that was levied after the COVID-19 outbreak. She joined forces with four of her neighbours to raise funds and provide groceries to people in Yeoor village, in addition to the security and housekeeping staff of her own residential complex.

Meanwhile, a member of our Administration team collaborated with his neighbours to distribute food packets to migrant workers as well as the staff in his building. They reached 100 people through this activity, and also arranged daily doctor visits and a medical camp for these labourers. Over 200 people contributed to these efforts, which raised more than ₹1,00,000!



**COMMITMENT
TO OUR
CUSTOMERS**

In the dynamic business landscape of the 21st century, crafting smart, innovative and efficient solutions for our customers is integral to long-term business success.



As part of our business operations across all divisions, we focus on understanding insights shared by our customers. This helps us design products and services that are meeting customer requirements, while ensuring a smooth transition towards a sustainable and smarter future. Our aim is to achieve optimum by creating more value for our customers and consumers, the communities we operate in, and for our company at a reduced environmental footprint.

to ensure customer health and safety, and did not record any incidents of non-compliance during the reporting period. We also work to ensure that any concerns related to customer privacy and loss of customer data are appropriately addressed. We have a robust framework concerning customer privacy and have not encountered any complaints regarding thefts and leaks of the customer data.

For our UPBG division, proper authorisation of consumer data is maintained, with well-categorised data in applications. Only relevant stakeholders have access to the data, depending upon the service request. Even for our DPG division, authorisation is in place for consumer data. Internal audits are conducted to ensure resilience and robustness of processes adopted. Comprehensive audits at regular

India's First 5-Star Rated Washing Machines

We have always been on the forefront when it comes to technologically advanced products in the market. We strive to develop products that are customer-centric, made for India, environment-friendly and technologically superior. Pioneering the era of smart washing machines we are proud to have launched India's first 5 Star-rated washing machines as a product line from Voltbek, our joint venture with Arcelik, a leading European standing consumer durables company. The washing machine is known for its ProSmart™ Inverter Motor Technology, which provides lower friction, less noise production, energy efficiency as well as improved durability. The machine gives superior wash quality and is equipped with smart features, which makes it easy to operate in the comfort of one's home.

Such technologically advanced and environmentally viable products have given an edge to our company by catering to the needs of customers. With the launch of the IoT-enabled washing machine, we have stepped into the green technology market.

intervals ensure effective monitoring from time to time.

We offer an exclusive range of cooling products, including air conditioners, air coolers and refrigerators to various consumer segments. The products have evolved over time and proved excellent for our brand. Our brand proposition of 'Made in India' has gained recognition and momentum for consumer durable products. Our smart products, embedded with IoT, are not only personalised to match Indian preferences, but also priced at attractive levels to gain significance. We have also taken digital initiatives such as handheld devices to replace paper-based service reports and IoT devices to monitor industrial chillers. The end-to-end IoT solution enables real-time health diagnosis of chillers through a live dashboard, which helps identify anomalies in



We offer an exclusive range of cooling products, including air conditioners, air coolers and refrigerators to various consumer segments.

▼ Manufacturing plant at Waghodia



Our modern and technologically advanced 32-acre manufacturing plant in Waghodia, Gujarat has been fully operational to produce a wide range of HVACR equipment, ranging from 2TR to 2000TR, which caters to public, commercial buildings and industrial infrastructure.

The manufacturing unit houses advanced psychometric laboratories and certified labs for chillers that are not only used by us, but also by our peers for product testing. This helps peers who don't have the facilities and the technology to test their products and ensures collaborative growth.



the equipment parameters, and facilitates alerts and notifications to field engineers for proactive maintenance.

In order to provide our customers with more convenience and energy-saving, we have launched high-end products like Fresh Air Coolers, which adjust the humidity automatically. The powerful air throw cools up larger spaces, and the pre-soaking honeycomb feature cools the pads beforehand to ooze out fresh air. Our Voltas Beko home appliances have refrigerators with StoreFresh+ Technology that keeps food fresh for up to 30 days. The Dual Cooling as well as Blue Light Technology maintains consistent temperature and keeps food fresh throughout. The products have been designed

to cater to the expectations of wide audiences.

Initiatives with in-built technology have reduced downtime for both industrial and individual customers, and enhanced cost efficiency. Data monitoring also serves the additional purpose of helping us reduce energy cost for customers. Leveraging big data and analytics to increase equipment availability has led to a significant improvement in customer satisfaction. Our services have also garnered a lot of appreciation for our commitment, attitude and behaviour. Along with products that cater to diverse segments of the population, our campaigns are developed in a way that builds a connect with people through effective social media presence.

Moreover, brand tagging like #VoltasMahaAdjustableInverterAC has helped cement our products' place in consumers' minds. The clutter-breaking marketing campaigns are backed by consumer offers like comprehensive warranty periods, financing schemes and cashback offers. Towards this end, we also ensure that our marketing campaigns convey the right information to diverse stakeholders. Information regarding our products and services is disclosed to the public, to allow end users to make informed decisions.

We believe in maintaining long-term relationships with our customers. Our ever-upgrading services reflect our customer focus and deeper customer connect at multiple levels.

Industry-First Adjustable Inverter ACs

Today, energy saving is not just an additional feature to offer, but a necessity in the thriving and competitive air conditioning market. Creating a synergy between sustainability and comfort for our customers, we came up with the all-new range of adjustable inverter ACs. Available in two tonnages (1 and 1.5), they

adjust according to the number of people in the room. The PM 2.5 filtration enhances air quality and ensures dust-free air. Embedded with smart technology and eco-friendly refrigerants, these ACs are not only energy efficient, but also reduce humidity in the air through the super-dry functionality. The smart technology quotient helps

optimise the cost of electricity consumption, leading to cost-saving and sustainability.

A CO₂ filter is attached in addition to the dust filter, which reduces the carbon dioxide content in a room. This filter is treated with special antibacterial amines and helps filter out particulate matter in the surroundings. This filtration technique helps protect from harmful allergens, and maintains an odour-free ambience. This energy efficient proposition has elevated the brand position several folds and widened the customer base to those who value environmentally sustainable solutions, along with comfort.



Our vision for a smarter tomorrow not only involves providing our customers with technologically advanced solutions, but as a segment leader, also setting a standard for our peers. Our strong presence in the infrastructure as well as consumption sector has laid a foundation for our long-term vision and goals.

- Remote operation for large facilities like airports, IT buildings, power plants, etc.
- Virtual witnessing
- Commissioning of VAM chiller in Saudi Arabia over VC
- Virtual commissioning
- Witnessing of factory testing at overseas manufacturing facilities
- Webinar-based training facilities

Customers of TMD (Textile Machinery Division) are primarily the current and prospective investors in the textile industry. Customer relationship management of TMD revolves primarily around the touch points made with the frontline sales team, service team and back office support executives, and through contact programmes of principals and TMD's top management.

We have a pool of qualified and trained customer service personnel. Our product solutions include:

- Call management for service
- Call centre automation
- Spare and inventory management
- Reverse logistics and defectives handling
- Field service personnel capability development

In light of the COVID-19 pandemic, we have adapted our customer care techniques to include:

- Remote operation of chillers



TMD is present in each part of the value chain in the textile industry, right from spinning to garmenting, and we are market leaders in each of the segments.

We have our footprint across the country, with branches located in 16 different locations, which are strategically positioned closer to various textile clusters. In order to provide services at a rapid pace, our service engineers are also located in different parts of the country, which enables us to respond to customer needs promptly.

Symposiums and seminars are conducted to improve customer engagement and create awareness about our products through presentations. Networking with technical teams helps enhance our relationship with them and makes customers feel comfortable with sharing their needs in an informal way.

Visits by sales personnel not only for the sales, but after the sales as well helps exchange the inputs on industry. This is supplemented by visits from top management to key customers.

We are the largest employer of Textile Engineers in the country. TMD has a structured training process in place for them, keeping in mind the ever-evolving explicit and implicit needs of the customers. This team takes care

of all the service-related requirements of the customers. The service personnel visit the customers for erection, commissioning and troubleshooting, based on customer needs, with time target as 24 hours for response, 48 hours for deputation and 72 hours for resolution of the issue.

We have also expanded our offerings by rendering special services to all our customers. We have a bouquet of such services, which deliver outcomes related to the productivity, quality, power conservation and the recurring cost. They have garnered appreciation from our customers, and TMD has introduced Premium and Premium Plus special services, which have garnered appreciation from customers. These special services recently won the Making the Customers Smile contest for creating best value for customers.

Additionally, we have 10 stock centres across the country, wherein routine consumable items such as ring travellers, lubricants, knitting oil, needles and spares are stocked and sold to customers. This enables customers to have the items delivered at the fastest pace and with least cost of inventory.

Our project management efforts also include pre- and post-installation services to help customers execute the project at a faster pace. Post-installation services



Introduction of Maha Adjustable Inverter AC Range in 2020

We are continuously adapting to customer requirements, keeping customer-centricity as our core focus area. To provide the most efficient method of cooling, we launched the new Voltas Maha Adjustable Inverter AC, which is both affordable and accessible. The product features multi-adjustable mode, with intelligent switching between tonnages, environment, friendly

green refrigerant, humidity control super-dry mode and high ambient cooling, which is built to enhance comfort. The flexible air conditioning feature is unique to this inverter AC range and the ability to switch between 1, 1.5 and 2 tonnage is commendable. This feature, in turn, optimises the cost and saves energy as the technology adjusts to the number of people and ambient heat.

and project handing-over are given through an experienced team of technologists, who understand their needs on quality and productivity parameters.

Continuous technical / technological updation of products throughout their lifecycles through Performance Enhancement Kits (PEKs) of the principals is also undertaken. Moreover, highly experienced and skilled personnel from P&S team visit the mills to periodically monitor the performance of new products and proactively upgrade the machines to address customer needs.

We aim to achieve sustainable growth by mitigating and managing our risks. Our vision for a more sustainable model drives everything we do at the projects group. From customising an energy management solution for our clients to leveraging our knowhow of plant operations and maintenance and skills in troubleshooting, sustainability is embedded throughout the lifecycles of our projects. With strong after-sales service for all our customers in the fields of textile machinery and mining and construction equipment, we have become the preferred choice of partner.

a responsible manner. There is a three-bin system of domestic waste at project sites. Our department is also encouraging companies to take back the packaging material in a bid to encourage sustainable solutions. These have made procurement both customer-centric and cost-effective..

We are cognizant of the fact that the conscious consumer of the 21st century appreciates sustainable products. At DPG, the design of integrated product solutions is carried out after considering the energy consumption, water system, firefighting system solutions and the scale of the project, in addition to the energy efficiency of the product. Star-labelling programmes (green certification) will be rolled out for chillers, and our target for 2022 is to deploy only greenhouse gas-compliant systems. We have moved away from R-22 refrigerant, and 70% of our products are based on the green gas platform. We are also striving to make our products more cost-effective, and focussing heavily on technology transfer and upgradation.



The M&CE Division offers engineering solutions, and is in the trade and service business of heavy earthmoving equipment. Training of the workers, improving their skillsets and hiring expert manpower are key focus areas of the division. Since a majority of our workforce is contractual, trainers are hired to impart technical trainings to increase workers' domain expertise. Various trainings like refresher trainings, classroom trainings and on-the-job learning are imparted to

enhance their skills. This allows us to provide our mining customers with technically viable quality solutions at cost-effective rates compared to other players in the market.

Research and Development

As a products and services provider, we are dependent on our R&D department to effectively improve, innovate and enhance our existing products, and develop commercially

viable and sustainable new products. They also work to make process and operational improvements that can improve manufacturing cycle time, product quality and cost efficiency. R&D supports the activities of various businesses through new product and process development, process intensification, absorption of technologies and establishing technologies at a commercial scale. Our research and development teams work diligently to devise solutions that make the workplace safer

and improve our customers' quality of life. Our recently inaugurated R&D facility in Faridabad houses state-of-the-art testing laboratories for room ACs, air coolers, air purifiers and commercial refrigeration products, further contributing to enhancing our offerings.

To stay at the forefront of innovation and meet ever-evolving customer demands and requirements, we continue to reinvent and redesign our commercial products like water coolers, compressors, battery efficient refrigerants and air conditioners, which can sense room temperature and modulate air flow. We have invested ₹5.06 crores (including capital expenditure of ₹0.06 crore) towards our R&D efforts in FY 2018-19 and ₹20 crores (including capital expenditure of ₹11.61 crores) in FY 2019-20, as part of our continuous efforts to enhance the quality of our products and operations.

In a bid to promote energy efficient appliances, we offered energy efficient 5 Star-rated ACs to our consumers at

discounted prices. This initiative led to energy savings and reduction in electricity bills for consumers. In view of this, we were recognised at the Smart Cities India Awards 2018 in the Green Building category for the Indira Gandhi Paryavaran Bhawan. We encourage the use of sustainable technologies that purify the air, lower energy costs, and purify polluted water and industrial effluents. Our green energy projects are a testament to our strong foundation in R&D. This has also led to the development of a new product using an environment-friendly gas (R-32), which has lower ODP and GWP than existing refrigerants.

Supply Chain Management

Sustainable supply chain is a very important component for corporate responsibility and operations. Our supply chain partners include contractors, business partners, sales representatives, distributors and suppliers who operate in an economically, environmentally and socially responsible manner.

Some of our smart engineering solutions and initiatives include:



Ruks CoiloTron is an **energy efficient and environment-friendly** cooling coil with improved heat efficiency. It ensures total elimination of microbes.



We partnered with **Energy Efficiency Services Limited (EESL)** to manufacture and sell **5 Star-rated Inverter Air Conditioners**.



Handheld is a germicidal product used for surface **disinfection, killing 99.9% of germs**.



PRODUCT AND SYSTEM SUPPLIERS

Supply of products and systems



SUB-CONTRACTORS

Performing labour-oriented activities in manufacturing with or without material



MATERIAL SUPPLIERS

Supply of materials



CHANNEL PARTNERS

Book and fulfill orders, Product delivery service



PRINCIPALS

Product manufacturing and delivery of the same





Our suppliers and contractors are associated with us in almost every step of our operations – and are often key to achieving successful outcomes and making a positive impact on the community. Ensuring that we have sustainable and healthy supply chains is essential to our financial performance and resilience. Our supply chains represent important commercial and employment opportunities for the communities and geographies in which we operate. Their skills and innovation are part of what can make it possible for us to adapt for a lower-carbon future. We make sure that our supply chain partners are assessed on their environmental performance, and their grievances are addressed properly. During the reporting period, we onboarded a new delivery partner as part of our supply chain. We encourage good governance practices throughout the lifecycles of our goods and services. Towards this end, we collaborate with suppliers for innovative products and encourage them to use ethical business practices throughout the supply chain. The Tata Code of Conduct (TCOC) serves as the foundation for this.

There should be no conflict of interest in our business engagements, and suppliers should act with utmost

fairness and integrity. Our suppliers and service providers are expected to maintain the highest levels of transparency and act responsibly in all operations. Any gifts or hospitality received or given to our suppliers or vendors should be in compliance with our policy on gifts. We procure goods and services from local and small producers, including communities surrounding our operations. Certain measures like regular trainings and visits to local producers' premises are undertaken to review design and processes involved in manufacturing the components.

We work in collaboration to help them comply with our requirements, improve their practices and together, raise industry standards. With respect to addressing the risks incurred in the supply chain, proper monitoring is done to clarify expectations from our suppliers. Technology is used to monitor compliance and improve our joint processes and use a defined set of criteria to identify potential supply chain risks and ensure they are mitigated before awarding a contract. Any cost-saving is shared with the supplier, which is a win-win situation for both the parties.

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Our Contribution to SDGs



Glossary of Abbreviations

Sr. No.	Abbreviation	Full Form
1	AA	Affirmative Action
2	AC	Air Conditioner
3	ACL	Active Constructive Learning
4	AGM	Annual General Meeting
5	AIIMS	All India Institute Of Medical Sciences
6	B2B	Business-to-Business
7	B2C	Business-to-Consumer
8	BEE	Bureau of Energy Efficiency
9	BUIDCO	Bihar Urban Infrastructure Development Corporation
10	CAC	Central Air Conditioning
11	CEMA	Consumer Electronics Manufacturers Association
12	CEO	Chief Executive Officer
13	CFO	Chief Financial Officer
14	CHRO	Chief Human Resources Officer
15	CII	Confederation of Indian Industry
16	CMG	Corporate Management Group
17	CS	Company Secretary
18	CSR	Corporate Social Responsibility
19	DAICEC	Dhirubhai Ambani International Convention and Exhibition Center
20	DG	Diesel Generator
21	DPG	Domestic Projects Group
22	EA	Executive Assistant
23	EBO	Exclusive Brand Outlet
24	ECBC	Energy Conservation Building Codes
25	EESL	Energy Efficiency Services Limited
26	EMA	Earthmoving, Mining and Agricultural
27	EPC	Engineering, Procurement and Construction
28	EPS	Earnings Per Share
29	ESG	Environmental, Social and Governance
30	FGD	Focus Group Discussion
31	FICCI	Federation of Indian Chambers of Commerce and Industry



Sr. No.	Abbreviation	Full Form
32	FY	Financial Year
33	GCC	Gulf Cooperation Council
34	GHG	Greenhouse Gas
35	GRI	Global Reporting Initiative
36	GWP	Global Warming Potential
37	HCFC	Hydrochlorofluorocarbon
38	HPMP	Hydrofluorocarbons Phase-out Management Plan
39	HR	Human Resources
40	HVAC	Heating, Ventilating and Air-Conditioning
41	HVACR	Heating, Ventilating, Air-Conditioning and Refrigeration
42	IC	Internal Committee
43	IDU	Indoor Unit
44	IIM	Indian Institute of Management
45	IOBG	International Operations Business Group
46	IoT	Internet of Things
47	IR	Investor Relations
48	ISO	International Organization for Standardization
49	JM	Junior Management
50	KPI	Key Performance Indicator
51	L&D	Learning and Development
52	LED	Light Emitting Diode
53	LEED	Leadership in Energy and Environmental Design
54	LPG	Liquefied Petroleum Gas
55	LSF	Learning Space Foundation
56	LTI	Lost Time Injury
57	M&CE	Mining & Construction Equipment
58	MD	Managing Director
59	MEP	Mechanical, Electrical and Plumbing
60	MIT	Massachusetts Institute of Technology
61	MMLP	Middle Management Leadership Programme
62	MoEF&CC	Ministry of Environment, Forests and Climate Change
63	MT	Management Trainee
64	NGO	Non-Governmental Organisation
65	NRC	Nomination and Remuneration Committee
66	NSDC	National Skill Development Corporation



Sr. No.	Abbreviation	Full Form
67	ODP	Ozone Depletion Potential
68	OEM	Original Equipment Manufacturer
69	PAN	Presence Across Nation
70	POSH	Prevention of Sexual Harassment
71	PRO	Producer Responsibility Organisation
72	R&D	Research and Development
73	RAC	Room Air Conditioning
74	RIEL	Rohini Industrial Electricals Limited
75	RPL	Recognition of Prior Learning
76	SDG	Sustainable Development Goal
77	SEBI	Securities and Exchange Board of India
78	SHE	Safety, Health and Environment
79	SKU	Stock Keeping Unit
80	SMS	Short Message Service
81	SRC	Shareholders Relationship Committee
82	ST	Student Trainee
83	SWIFT	Smart Thinking, Winning Attitude, Innovative and Initiative, Flexibility and Agility, Team Work
84	TBEM	Tata Business Excellence Model
85	TCOC	Tata Code of Conduct
86	TIS	Tata Interactive Services
87	TMD	Textile Machinery Division
88	TTT	Train the Trainer
89	UAE	United Arab Emirates
90	UCPL	Universal Comfort Products Ltd.
91	UN	United Nations
92	UNGC	United Nations Global Compact
93	UPBG	Unitary Products Business Group
94	UPSI	Unpublished Price Sensitive Information
95	VAM	Vapour Absorption Machine
96	VRF	Variable Refrigerant Flow
97	WEEE	Waste from Electric and Electronic Equipment
98	WMBD	Water Management Business Division
99	WML	Weathermaker Limited
100	YoY	Year on Year

