

Corporate Social Responsibility Policy

Table of Contents

1. Purpose	2
2. Definition.....	2
3. Sustainable and Inclusive CSR strategy	3
4. Governance Structure and Responsibilities	3
5. CSR Budget Allocation.....	4
6. CSR Focus Areas	4
7. CSR Project Planning and Annual Action Plan.....	5
8. Implementation of CSR Projects / Programs	6
9. Monitoring Mechanism	6
10. Treatment of excess amount arising from CSR activities	7
11. Transfer of Unspent CSR Amount.....	7
12. Impact Assessment.....	7
13. CSR Reporting, Disclosure and Transparency	7
14. Review and Amendment.....	7

Policy Control Document

Field	Description
Policy Number	CSR/01
Effective Date	13 th November, 2025
Policy Owner	CSR Department
Approving Body	Board of Directors

1. Purpose

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

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

2. Definition

In this Policy unless the context otherwise requires:

- 1) "Act" means the Companies Act, 2013, as amended from time to time.
- 2) "Administrative Overheads" means the expenses incurred by the company for general management and administration of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or program.
- 3) "Board" means the Board of Directors of the Company.
- 4) "Company" means Voltas Limited.
- 5) "CSR Committee" means Corporate Social Responsibility Committee of the Company constituted by the Board.
- 6) "CSR Rules" means Companies (Corporate Social Responsibility Policy) Rules, 2014 and any amendment and re-enactment thereto.
- 7) "CSR Policy" means this Policy.
- 8) "CSR Expenditure" shall include all expenditures including contribution to the corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee.
- 9) "Net profit" shall have the meaning ascribed to it in the Act.
- 10) "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
- 11) **Focus Areas** are the **broad themes** under which CSR work is planned such as Education, Skill Development, Health, Biodiversity, Disaster Relief and such other areas as permissible under Schedule VII to the Companies Act.
- 12) **Thrust Areas** are the **specific priorities** within those focus areas where extra emphasis is placed based on strategic need, community impact, or long-term value.

3. Sustainable and Inclusive CSR strategy

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

The Company has suitably leveraged its wealth of experience across its businesses and utilized its technical expertise and volunteering spirit as and when required.

Voltas recognizes that its CSR initiatives form an integral part of the broader Environmental, Social, and Governance (ESG) framework. While the CSR Policy and its implementation are governed in accordance with the Companies Act, 2013, the Company will endeavour to ensure that its CSR efforts are strategically aligned with its ESG roadmap—particularly contributing to the Social Pillar.

Wherever relevant, CSR priorities and impact metrics will be harmonized with the Company's ESG goals to foster greater synergy, integrated reporting, and long-term value creation for stakeholders.

4. Governance Structure and Responsibilities

4.1 CSR Committee

- The CSR Committee shall comprise three or more directors of which, at least one will be an independent director.
- The CSR Committee of the Company shall be responsible for:
 - (a) Formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII to the Act.
 - (b) Recommending to the Board, the CSR expenditure to be incurred.
 - (c) Monitoring the implementation of the CSR Policy from time to time and reporting mechanism.
 - (d) Formulating and recommending to the Board, an annual Initiative and Action Plan in pursuance of the CSR Policy.
 - (e) Help the Board in ensuring proper disclosure of CSR initiatives in the Board's Report and on the company's website.
 - (f) The Committee should track fund utilization, especially for ongoing projects where amounts are transferred to a CSR Unspent Account.

4.2 Board Responsibility

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

5. CSR Budget Allocation

The amount to be spent by the Company shall be as stipulated under the Companies Act, 2013, as amended from time to time and approved by the Board.

[Presently, it is 2% of Average Net Profit Before Tax for last 3 preceding financial years, calculated in accordance with Section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014].

6. CSR Focus Areas

➤ Vocational Skill Development Programs

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

➤ Education

- (a) Voltas will undertake initiatives for imparting training to develop language skills to enhance individual employability of youth in marginalized and deprived sections of Society. These Programs will also

VOLTAS

incorporate awareness and advocacy modules on values and ethics, intended to benefit the community at large, by preparing young people to be better corporate citizens.

- (b) Supporting projects and programs for Quality Education and Development of Children from weaker sections of society, as considered necessary.

➤ Health

- (a) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs, including projects and programs aimed at supporting differently abled children including rehabilitation of mentally challenged people.
- (b) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting pediatric and cancer patients, people suffering from AIDS, the Blind, Deaf and Mute.
- (c) Voltas will promote health care including preventive measures and sanitation. It will undertake programs to promote comprehensive sanitation and address availability of safe drinking water.

➤ Biodiversity Conservation & Water Harvesting

Voltas is committed to environmental stewardship through the protection and enhancement of biodiversity and the promotion of sustainable water harvesting practices to foster ecological balance and support resilient communities.

- (a) Biodiversity Conservation:
Support afforestation, native species plantation, and habitat restoration projects.
Promote biodiversity awareness through employee volunteering and educational campaigns.
- (b) Water Harvesting:
Implement water harvesting projects for long term sustainability and impact and recharge of groundwater through creating structures like loose boulders, contour trenches, de-silting and deepening existing water bodies.

➤ Disaster Relief

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

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

7. CSR Project Planning and Annual Action Plan

7.1 Identification of CSR Projects / Programs

CSR Projects / Initiatives need to be identified and planned for approval of the CSR Committee, particularly in Thrust Areas, with estimated expenditure and phase wise implementation schedules.

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

As a cardinal principle, the CSR Projects / Programs in Thrust Areas shall be need-based, which can be validated by the available secondary data or other forms of research conducted in the chosen geography.

The CSR Team may engage external professionals/firms/agencies if required for the purpose of identification of CSR Projects / Programs.

7.2 Annual Action Plan

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

8. Implementation of CSR Projects / Programs

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

The Company shall implement the identified CSR activities by the following means:

- (1) The Company may itself implement the identified CSR activities.
- (2) The Company may undertake the CSR activities through eligible implementing agencies prescribed in the Act.
- (3) The Company, may collaborate with other entities, if required, for fulfilling its CSR objectives provided that the CSR committees of respective companies are in a position to report separately such CSR activities.

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

9. Monitoring Mechanism

Voltas recognizes that regular and robust monitoring is essential to ensure the effectiveness and accountability of its CSR initiatives.

- Voltas has a Dedicated CSR Department led by CSR-Head and supported by CSR / HR teams and employee volunteers. CSR Department is responsible for the structured implementation and monitoring of CSR projects / programs. CSR Projects / Programs are monitored through a result-based management approach with an appropriate oversight mechanism. This begins with the collection of critical baseline data, the focus is on review of progress across specific indicators and desired milestones.
- It includes defined Process Owners for each process, program, and/or different levels within each thrust area.
- It covers, baseline, Impact measurement, on quality parameters including social upliftment, improved quality of life and benefits to the community
- The CSR team conducts site-visits and periodical reviews of projects to verify goal congruence. Annual financial review and audit of programs are also carried out, if required,
- Project selection and progress of projects is reviewed by the CSR Committee on a half yearly basis.
- Administration overheads, including salaries and other general management costs related to CSR function will not exceed 5% of stipulated annual CSR spend. However, expenses directly incurred for the designing,

implementation, monitoring and evaluation of a particular CSR project or program shall be excluded.

10. Treatment of excess amount arising from CSR activities

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

11. Transfer of Unspent CSR Amount

- (a) In case of Ongoing Project, Unspent amount, if any, shall be transferred to a special account opened by the Company within 30 days from end of financial year and such amount shall be spent by the Company within 3 financial years from date of transfer, failing which, the Company shall transfer the same to a fund specified in Schedule VII, within a period of 30 days from the date of completion of the 3rd financial year.
- (b) In case of Unspent amount pertaining to other than ongoing projects, the same shall be transferred to a fund specified in Schedule VII within 6 months from end of financial year.
- (c) Any surplus arising from CSR project shall be ploughed back to the same project or transfer to Unspent CSR account and spent in pursuance of CSR policy and annual action plan or transfer such surplus amount to a fund specified in Schedule VII, within 6 months from end of financial year.

12. Impact Assessment

The Company shall undertake Impact Assessment through an independent agency of its CSR projects, as and when applicable, in pursuance of CSR Rules, as amended from time to time. The expenditure on impact assessment for a financial year shall not exceed 2% of the total CSR expenditure for that financial year or Rs.50 lakhs, whichever is higher.

13. CSR Reporting

CSR reporting will form part of the Company's Board report. The reporting would be in the format prescribed under the Act and the rules in respect thereof.

14. Review and Amendment

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

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.
