

TATA SONS PRIVATE LIMITED

CSR & ESG Policy

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“In a free enterprise, the community is not just another stakeholder in business, but is in fact, the very purpose of its existence.”

- *Jamsetji Tata – Founder, Tata group.*

1. PREAMBLE

- A. The Businesses are powerful constituents of society and the most successful, respected and desirable businesses exist to do much more than make money; they exist to use the power of business to solve social and environmental problems.
- B. Tata Sons Private Limited (“Tata Sons” or “the Company”) was incorporated in the year 1917, *inter alia*, with the following objectives:
- To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purposes or for any exhibition.
 - From time to time to subscribe or contribute to any charitable, benevolent or useful object of a public character (the support of which will, in the opinion of the Company, tend to increase its repute or popularity among its employees, its customers, or the public).

The Tata culture of giving back flows from the tradition of nation and community building sowed more than a century back by Jamsetji Tata, the Founder of the group. Tata companies are involved in a wide variety of community development and environment preservation projects. The Tata group's social activities relate to health, primary education, skills training and entrepreneurship, livelihoods, women empowerment and strengthening services for the differently-abled.

- C. The Company is a Non-Banking Financial Company and registered with the Reserve Bank of India as a Core Investment Company (CIC). The Company is the Promoter of various operating companies in Tata group which includes subsidiary, associate and joint venture companies in India and overseas engaged in diversified industries, e.g., IT, Automobile, Steel, Financial Services, Consumer & Retail, Power, Aerospace & Defence, Infrastructure, etc. The independent Board of these operating companies have adopted Corporate Social Responsibility Policy, separately.

D. Majority of the equity capital of the Company is held by various philanthropic Tata Trusts, the largest being Sir Dorabji Tata Trust and Sir Ratan Tata Trust. The Tata Trusts have played a pioneering role in transforming traditional ideas of charity and introducing the concept of philanthropy to make a real difference to communities. Through grant-making, direct implementation and co-partnership strategies, the Trusts support and drive innovation in the areas of healthcare and nutrition; water and sanitation; energy; education; rural livelihoods; natural resource management; urban poverty alleviation; enhancing civil society and governance; media, arts, crafts and culture; and diversified employment. The Trusts engage with competent individuals and government bodies, international agencies and like-minded private sector organizations to nurture a self-sustaining eco-system that collectively works across all these areas.

2. PURPOSE

The Company envisages that Tata group evolves and executes strategies to support communities in partnership with governments, civil society and relevant stakeholders. Tata companies work towards empowering people by helping them develop the skills they need to succeed in a global economy and equip the communities with information, technology and the capacity to achieve improved health, education and livelihood.

The purpose is to document the policy and principles of the Corporate Social Responsibility (“CSR”) obligations of the Company, in compliance with the requirements of Section 135 of the Companies Act, 2013 read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time (collectively referred as “the Act”).

3. CONTEXT

The Company being an investment holding company and a CIC, most of its revenue are generated from the dividend income, which do not constitute “Net Profit” within in the meaning of the Act and consequently do not make the Company liable to comply with the requirements of the Act. However, as a responsible corporate citizen, the Company through its various initiatives have been engaged in several CSR activities.

CSR in India relate to the activities as laid down in Schedule VII to the Act, as amended from time to time.

Other areas as reviewed and deemed appropriate by the Board and the CSR & ESG Committee may also be included in the list of CSR programs that the Company undertakes, from time to time.

4. APPROACH AND FOCUS AREAS

The CSR programs of the Company will be synergized by having a “One Tata” approach amongst Tata Trusts, Tata Sons and Tata Operating Companies. While identifying the CSR projects, priority and focus shall be on the areas where there is a strong need.

The Company will be at liberty to choose its CSR programs as considered and included in the list of CSR activities in Schedule VII to the Companies Act, 2013. However, the focus on four thrust areas – Health, Environment, Education & Skill Development and Women Empowerment shall be the key focus areas. Besides, it will also undertake initiatives in the areas of sports, improving livelihood of the underprivileged community, etc. The list of CSR activities that may be additionally undertaken is enclosed in Annexure - A, as per Schedule VII to the Act, as amended from time to time.

5. GOVERNANCE MECHANISM

Implementation of the CSR programs / initiatives of the Company shall be reviewed and monitored by the duly constituted CSR & ESG Committee of the Board as per the requirements of the Act.

The CSR & ESG Committee of the Board will be responsible, inter-alia, for the following:

- ❖ recommending to the Board a CSR & ESG policy, indicating the activities to be undertaken by the Company,
- ❖ recommending the expenditure to be incurred on the CSR activities,
- ❖ monitoring the implementation of the activities included in the CSR & ESG policy,

- ❖ monitoring the spends on CSR activities by the Company in each financial year, in terms of the Act,
- ❖ Formulating and recommending to the Board, an Annual Action Plan in pursuance of its CSR & ESG Policy including the list of CSR projects (as per Schedule VII), the manner of execution (as per rule 4(1)), the modalities of utilization of funds and implementation schedules, monitoring and reporting mechanism and details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board shall be responsible for:

- ❖ Approving the CSR & ESG policy of the Company as may be recommended by the CSR & ESG Committee, subject to necessary changes/modifications as the Board may deem fit.
- ❖ Ensuring that in each financial year the Company spends such amounts for CSR activities as may be stipulated in the Act, as amended from time to time.
- ❖ Ensuring that the activities as are included in the CSR & ESG Policy are undertaken by the Company itself or through the entities recognized for CSR implementation under the Act.
- ❖ Satisfying itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.
- ❖ Monitoring the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and making modifications, if any, for smooth implementation of the projects within the overall permissible time period.
- ❖ Approving an Annual Action Plan as may be recommended by the CSR & ESG Committee, subject to necessary changes/modifications as the Board may deem fit.
- ❖ Reviewing the Impact Assessment Reports.

6. COMPOSITION OF THE CSR & ESG COMMITTEE OF THE BOARD

The Board of Directors of the Company at its meeting held on November 16, 2018 constituted a CSR Committee of the Board (renamed as 'CSR & ESG Committee' at the Board Meeting held on May 25 & 26, 2021) comprising of the following members*:

Mr. N. Chandrasekaran, Chairman of the Committee

Mr. Ajay Piramal, Member

Mr. Vijay Singh, Member

**Board of Directors at its meeting held on November 8, 2023 had reconstituted the CSR & ESG Committee.*

7. REVIEW OF POLICY

This CSR & ESG Policy document will be reviewed from time to time and any changes, if necessary, will be recommended by the CSR & ESG Committee and approved by the Board.

8. EXECUTION / IMPLEMENTATION

CSR programs of the Company shall be implemented through a combination of (i) contribution towards initiatives of Tata Trusts and/or Tata group companies and/or reputed outside agencies including any entity eligible under the law, and (ii) participation in the CSR projects and initiatives with Tata Trusts and/or Tata group companies and/or the NGOs, other public charitable trusts, government bodies, educational institutions, other corporates and industry associations and other suitable implementing organizations.

The operational procedure will be aligned with the requirements of the Act. Proposals for new CSR activities, as and when received, shall be evaluated in terms of appropriateness and alignment with the CSR & ESG policy of the Company. Upon clearing the proposals through an internal evaluation process, the same shall be put up to the CSR & ESG Committee for its recommendation to the Board, unless the said initiative is already approved as a part of Annual Plan. The Board may approve/alter/reject such proposal as it may deem fit.

Every program will be monitored for specific output and outcomes. Wherever required in line the requirements of the Act, an impact assessment will be carried out and the details of the same will be part of the Annual Report.

As per the CSR & ESG policy, a budget for the approved projects and the projects in the pipeline shall be placed before the CSR & ESG Committee for approval. The actual expenditure vis-à-vis the budget shall also be placed before the CSR & ESG Committee for review at least once in every six months. The surplus for each Financial Year shall be

deployed in further CSR activities and the same will not form part of profits of the Company.

An Annual Action plan would be formulated basis the available CSR budgets and shall include the list of CSR projects or programs which company plans to undertake during the financial year, manner of utilization of funds, further specifying modalities of execution of such project or programs, their implementation schedules, monitoring and reporting mechanism for such projects and need of impact assessment, if any for the said projects. The Board may alter such action plan at any time during the financial year, as per the recommendation of CSR & ESG Committee.

The Company shall undertake Impact Assessment through an independent agency, of its CSR projects, as and when applicable, in pursuance of sub-rule (3) of rule 8 of the CSR Rules, as amended from time to time. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

9. REPORTING

An annual CSR Report and plan will be prepared in the format prescribed under the Act, as amended from time to time, and shall be included in the Board's Report (in the format prescribed in **Annexure - B**) to the Members of the Company after approval by the CSR & ESG Committee and the Board of Directors.

SCHEDULE VII
(Pursuant to Section 135 of the Companies Act 2013)

Activities which may be included by companies in their Corporate Social Responsibility Policies
Activities relating to:—

1[(i) Eradicating hunger, poverty and malnutrition, 2[“promoting health care including preventive health care”] and sanitation 4[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.

(x) rural development projects]

3[(xi) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

Annexure B

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER THE 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company
2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.
5. (a) Average net profit of the company as per sub-section (5) of section 135.
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135.
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.
 (d) Amount required to be set-off for the financial year, if any.
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)].
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).
 (b) Amount spent in Administrative Overheads.
 (c) Amount spent on Impact Assessment, if applicable.
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)].
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
				Amount (in Rs)	Date of Transfer			
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380] (Wherever applicable)."
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