

VOLTAS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Purpose:

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

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

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

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

2. Guiding Principles:

- CSR Projects will be 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 impact measurable in terms of outputs and outcomes.
- The Company will adopt a suitably structured, evidence based CSR Implementation strategy and all projects will be monitored through in-house / third party evaluations.
- To the extent possible, projects and various CSR initiatives will focus on the issues of Gender and Affirmative Action.
- Voltas will suitably leverage its wealth of experience across its businesses viz. Textiles, M&CE, Air Conditioning and Refrigeration, whilst utilizing its technical expertise and volunteering spirit as applicable.

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

3. Responsibility of the Board of Directors:

The Board shall be responsible for:

- Approving the CSR policy as may be recommended by the CSR Committee, subject to necessary changes / modifications as the Board may deem fit.
- Ensuring that in each financial year, the Company spends such amounts for CSR.
- Activities as may be stipulated in the Companies Act, 2013, as amended from time to time.
- Ensuring that the activities included in the CSR Policy are undertaken by the Company.

4. CSR Committee:

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

5. Composition of Board CSR Committee:

- Mr. N. N. Tata (Chairman)
- Mr. B. N. Vakil (Independent Director)
- Mr. Sanjay Johri (Managing Director)

6. CSR Budget:

The amounts to be spent by the Company shall be as stipulated under the Companies Act, 2013, as amended from time to time (presently 2% of the average net profits of the Company for the preceding three financial years), and as approved by the Board.

7. Focus areas:

(i) Vocational Skill Development Programs:

- (a) Unemployment and the lack of a stable source of income is often the result of skill vs. job requirement mismatch. Apart from inadequate training facilities, the ease of accessibility to available training is also an issue for large sections of the marginalized population. Therefore, Voltas intends to strengthen its focus on Skill Development to address critical national and state level skill training gaps. These interventions are expected to assist and result in income generation and social inclusion for youth coming from underprivileged sections of the community. The Company has vocational training arrangements with implementing partners like the GMR Varalakshmi Foundation, ICICI, JCTS and Tata Strive. Working with these and other like-minded partners, the skilling initiative will 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.).
- (b) Voltas will also address the critical needs of the community around its areas of operation and in locations where skill development interventions are necessary. The objective of these initiatives is to holistically address various socio-economic needs and aspirations of the community.

(ii) Education:

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

(iii) Health:

- (a) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs, including projects and programs aimed at supporting differently abled children including rehabilitation of mentally challenged people.
- (b) Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting pediatric and cancer patients, people suffering from AIDS, the Blind, Deaf and Mute.

- (c) Voltas will promote health care including preventive measures and sanitation. It will undertake programmes to promote comprehensive sanitation and address availability of safe drinking water.

(iv) 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.

8. Geographies and Target communities:

Target communities for the Company's CSR activities would be where Voltas has a significant presence, or typically in the vicinity of its operations or manufacturing plants (currently Pantnagar, Dadra and Thane).

9. Implementation:

CSR projects will be implemented in suitable arrangement with credible and competent partners, who have an understanding of local socio-political-economic issues and challenges and vetted through the due diligence process.

The CSR Partners / Collaborators could be:

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

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

The Company shall endeavor to increase employee participation at all levels of the organization by encouraging employees to participate in the Company's CSR activities and will also involve the spouses of Voltas executives. In addition, Voltas will also encourage employee engagement through volunteering activities, with

appropriate recognition mechanisms for their demonstrated spirit of serving and caring for the community.

10. Monitoring:

Voltas will have a separate CSR set up headed by a CSR Manager, duly supported by local HR team and other volunteers.

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

The Company will conduct site-visits and periodical reviews of projects to verify goal congruence. Annual financial review and audit of programs will also be ensured, before fund disbursement is continued.

Project selection and progress of projects will additionally be reviewed by the CSR committee on a half yearly basis.

Overall cost of administration including salaries is intended to be contained within 5% of annual CSR spend.

11. Modifications in Policy:

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

12. Reporting:

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

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

The annual report of CSR activities along with the contents of the CSR policy of the Company shall be displayed on the Company's website.

2.8.2016