

CORPORATE SOCIAL RESPONSIBILITY
(CSR POLICY, 2021)

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Approved by:

- (i) CSR, Safety and Sustainability Committee Meeting dated – June 4, 2019 and**
- (ii) Board Meeting dated – April 30, 2020**
- (iii) CSR Committee Meeting dated – April 23, 2021**
- (iv) Board Meeting dated – May 3, 2021**

Purpose:

Tata Chemicals is committed to upholding **the highest standards of corporate social responsibility**. We endorse the Tata Group Purpose of **improving the quality of life** of the communities we serve through long term stakeholder value creation. We believe in **positively impacting the environment** and supporting the communities we operate in, **focusing on sustainability of our programs and empowerment of our communities**.

Applicability & Scope:

The policy is applicable across Tata Chemicals Limited. The scope of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan by the Board of the Company, after taking into account the recommendations of its CSR Committee.

The policy is to be read in alignment with the requirements of Section 135 of the Companies Act, 2013 (the Act) and the corresponding rules made thereunder, as amended from time to time ('CSR Rules'), Schedule VII of the Act and the Tata group's philanthropy & CSR values.

Our CSR programs shall be designed to:

- Serve – and be seen to serve – society, local and national goals in all the countries where we operate.
- Create a significant and sustained impact on communities affected by our businesses.
- Provide opportunities for our employees, our customers and partners to contribute to these efforts through volunteering.
- Play a significant role in promotion of inclusive growth through empowerment of farmers, women and socially and economically weaker sections of society.
- Build partnerships and promote innovation through incubation of ideas and technology to address societal needs

Sectors & issues:

Our CSR initiatives are a part of global sustainable development goals (SDG). Specifically, we address the following SDGs through our program – SDG 1: No poverty, SDG 2: Zero Hunger, SDG 3: Good Health and Well-being, SDG 4: Quality Education, SDG 5: Gender Equality, SDG 6: Clean Water and Sanitation, SDG 7: Affordable and Clean Energy, SDG 10: Reduced Inequality, SDG 13: Climate Action, SDG 14: Life Below Water, SDG 15: Life on Land, SDG 17: Partnerships to achieve the Goal.

These relate to poverty alleviation, food security, good health and wellbeing, education, clean water & sanitation, Gender equality, reduced inequality, sustainable energy, climate change, resource and Bio-diversity conservation.

In addition, we will respond to any disasters, depending upon where they occur and our own ability to respond meaningfully.

Resources:

We propose to deploy the following resources for our CSR activities:

- Funds: At the minimum, 2% of average net standalone India profits of the past 3 years as per Companies Act, 2013.
- Services and Expertise of our employees through structured volunteering programme HOPE.
- Facilities of our offices and plant sites.
- Resources from our business partners.
- Resources from other organizations within and outside the Tata group.

Geographies and target communities:

The geographical focus of the Company's CSR activities will be where we or our subsidiaries have a significant presence. In these geographies, we would concentrate our efforts on villages and habitations within a 50 km radius of our plants and offices. We have identified a few areas of work where we would like to impact at scale across the country. These include work through our centres of excellence - Sustainable agriculture and farm excellence and Coastal and marine biodiversity conservation, reducing malnutrition, providing clean drinking water and impacting livelihoods through our social enterprise organizations. The specific locations will be determined at the beginning of each year.

CSR expenditure, treatment of surplus and setting off of excess spent:

The Company every financial year, spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the company.

Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to the certain conditions.

Implementation & monitoring:

Implementation

The Company will implement its CSR activities in a number of ways i.e. Directly through our in-house teams and through qualified implementing agencies including our own Trusts, societies and section 8 companies, TCL's subsidiaries, The Tata Trusts, Tata Strive and organisations set up to implement Tata Group Focus Initiatives, and through external expert agencies and partners.

The Company may also collaborate with other companies for undertaking projects or CSR activities.

Monitoring

The Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee of the Board which formulates and recommends to the Board the CSR policy and the annual action plan.

The CSR committee to monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.

The funds to be disbursed shall be utilised for the purposes and in the manner as approved by the Board. The Chief Financial Officer or the person responsible for financial management shall issue the certificate to the Board every year certifying that the funds disbursed are utilized for the purpose and in the manner as approved by the Board.

The Management Review Committee of the Company will receive quarterly progress reports of all CSR activities of the Company. Implementation of this policy will be monitored and reviewed periodically through a three tier structure comprising: CSR committee of the Board, Management Review Committee and CSR teams at the corporate offices and manufacturing plants. The monitoring process will cover both programme and financial reviews.