

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Forms part of the Directors' Report for the year 2020-21 dated 21-Apr'21]

CSR AND COMMUNITY INITIATIVES

- 1 The Company has adopted the triple-bottom-line approach in all its operations, i.e., Economic, Environmental and Social, with a view to improving the quality of life of the people, sustaining a healthy and prosperous environment, and optimizing all stakeholders' satisfaction with minimum business risks for the Company and its Business Partners. The above is achieved through its corporate initiatives, employee volunteering, and nurturing the spirit of social entrepreneurship in the areas in which it operates. The Company provides opportunity to its employees to volunteer their managerial, technical and specialized skills and services, through which it achieves its objectives of building strong communities and creating a sustainable environment in and around its facilities, besides enriching their lives as well.

CSR COMMITTEE AND POLICY ON CSR

- 2 The Board of Directors had at its meeting held on March 4, 2015 constituted the Corporate Social Responsibility (CSR) Committee as a Board sub-committee. During the year 2018-19, the Committee was reconstituted, and is now comprised of two members, namely, Mr. Sandeep Singh, the Managing Director and Mr. S Nakajima, Director. The Committee had formulated the CSR Policy for the Company and reviewed the same on an annual basis for conformity and alignment with its business objectives and dynamic requirements of its identified communities. During the year 2020-21, the policy was amended to cover the aspect of multi-year projects and transfer of moneys, if any, to Unspent CSR Funds Account. The amended policy is available on the Company's website www.tatahitachi.co.in.
- 3 The CSR Policy states the Company's CSR philosophy, and lays down the framework of its CSR projects and programs in the following spheres, namely, (a) education and literacy, (b) safety and healthcare, (c) environment and rural development, and (d) skill development and vocational training, with a special emphasis on AA (affirmative action) communities, viz., scheduled castes and tribes. During the year 2020-21, the Company worked extensively in the interest of its identified communities, residing close to its plants, besides those in other operational locations too. During the year 2020-21, the employees volunteered in almost all these spheres, though in a restricted manner in view of the restrictions relating to Covid-19 and the lockdown. During the year, the Company continued working on aligning its CSR activities to various social welfare and environmental initiatives promoted by the Government of India, creating an effective linkage with national and global efforts towards nation building.

EDUCATION AND LITERACY

- 4 The Company is committed to improve the quality of education in the schools of Kharagpur. Due to the pandemic and prolonged lockdowns, the schools and colleges were closed. Only in H2 /2020-21, some of the planned CSR projects could be executed. The key focus area was to improve the learning environment in the schools by providing basic infrastructure support to the schools, through construction of classrooms and toilets. The Company identified 8 schools

and educational institutions to implement its projects, based on their respective need assessments. Only the critical and urgent needs could be serviced during the year. The Company could complete the renovation of buildings in two schools, namely, Rupnarayanpur Junior High School in Rupnaraynpur Village, and Sasanka Sekhar Bodh Niketan School for deaf and dumb children at Baragarh, Debra.

- 5 During the year, the Company provided financial support to SOPAN, an educational initiative of the Kharagpur Local Police Station, which provides quality education to 300 children from underserved communities at Mawa Village in Kharagpur. It provided 6 steel chairs, carpets, course books, stationery items, 2 ceiling fans, and 300 school bags for these children. The Company also provided classroom furniture, ceiling fans, and water purifiers in seven other schools. Due to these interventions, around 2000 students from underserved communities were benefitted. The Company's e-learning centre in Jafala Adarsha Vidyalayan School, the teachers were able to take online classes for the children during the lockdown.
- 6 The Company had through its Dharwad plant provided the renovation and construction support to Garag Jayakeerthi School. During the year 2020-21, it provided scholarship support to poor students under Vivek Scholar Program through Swamy Vivekananda Youth Movement (SVYM). It also provided infrastructure support to Police Public School of Gangebhavi, Shiggavi and Shivamogga regions in Karnataka.

HEALTHCARE INITIATIVE

- 7 Under CSR healthcare initiatives, the Company's main focus was to enable the local administration and the rural communities to combat Covid-19 pandemic as much as possible. It distributed emergency survival kits to 600 rural household near its Kharagpur plant, comprising of basic dry grocery and condiments. It also distributed Covid-19 hygiene kits to around 5000 rural household with the help of village panchayats near the Kharagpur plant, comprising of masks, sanitizer, soap and detergent powder, along with the Company label. The aim was to promote appropriate behavior in the village communities towards response to the pandemic. Apart from the pandemic related interventions in the village communities, the Company had also provided support to SF Hospital, Kharagpur supplying critical PPE kits. Infrastructure and equipment support was provided to N.G.K. Mandir, KGP (Baby Care Centre), SD Hospital, Kharagpur Blood Bank, and St. John's Ambulance, which enhanced the capacity of these institutions. During the year, the Company undertook the renovation of THCM Blood Donation Center at its Branch Office in Jamshedpur. At Kharagpur, the Company had organized a blood donation camp on the Founders Day on 3-Mar'21, in which 108 whole blood units were collected from the volunteering employees and contract workforce.
- 8 At Dharwad, in response to Covid-19, the Company provided support to the civil hospital with disinfectant tunnels, blood bank equipment, anesthesia workstation, etc. Other support initiatives included donation of masks, sanitizers, face shields, thermal scanners, hygiene kits, etc., that were provided to District Administration. Further, The Company provided

infrastructure support to Primary Health Centres and constructed toilets in village schools, as a joint support with SVYM.

SAFETY AND OCCUPATIONAL HEALTH

- 9 During the year 2020-21, the Company was committed to a safe, healthy and clean environment both inside and outside the plants, especially in the pandemic situation. The Company took all possible measures to prevent infection among its employees. The Company's plants were operating accident /incident free since Aug'19. Occupational health and safety ranked No. 1 in the Company's Business and Quality Objectives, with the target of achieving "Zero accidents in all operations". It strove to ensure excellence in safety through many initiatives and best practices, and in May'20 it completed migration from OHSAS 18001 to ISO45001 certification at both plants. The Company complied with the relevant norms and standards, and strictly ensured the use of personal protective equipment within its plants. It also conducted mock drills and focused on capturing near-miss incidents, fire-fighting exercises, third-party safety audits, road safety training, mandatory awareness and health-check programs and general safety training for employees and contractors as per schedule. To create safe working environment across the operations, it started KYT (Kiken Yochi Training) whereby the operators are involved in evaluation of risks and implementation of mitigation measures. It reviewed the route-cause analysis (RCA) of all near-miss cases to ensure deployment of preventive measures across the plants regularly.
- 10 On special occasions like Founder's Day, birth anniversary of JRD Tata and during the Tata Volunteering Week, the employees organized special medical and blood donation camps. At Kharagpur, a Health Awareness Campaign was organized amongst the employees. The Company celebrated 50th National Safety Day and Road Safety Week across its locations to promote the safety culture and safety alertness among all employees. On this occasion, it organized several competitions like slogans, essays and suggestions, wherein the employees from different sections had actively participated.

RURAL ENVIRONMENT AND CLIMATE CHANGE

- 11 Working towards reduction of environmental load, the Company took several initiatives in the year 2020-21, and achieved the set target of Co2 reduction by 1.5%. Holding ISO 14001:2015 EMS certification at both plants, the Company ensured compliance with the relevant norms and standards through recertification audits, surveillance audits and internal audits. Environment experts from HCM reviewed the Company's environmental load on a monthly basis through web meetings. The Company was also involved in various initiatives on climate change through awareness programs on bio-diversity, mapping of carbon footprint and abatement measures for reduction of Co2 emission. On Environment Day, it organized a tree plantation program in both plants, 1200 trees were planted inside the Kharagpur plant.
- 12 The Company's plant at Dharwad had taken an initiative to de-silt tanks and lakes in the nearby villages in North Karnataka, which is declared to be a drought hit area. Small Nallas, lakes and water bodies in these villages could not feed the flora and fauna throughout the year. De-silting

had increased the storage of water in these lakes and tanks meeting the need for water throughout the year. Under rural infrastructure development, the Company had taken up construction of outpost, toilets and bus stand in local villages.

SKILL DEVELOPMENT AND VOCATIONAL TRAINING

- 13 Due to the pandemic, all training centers were closed in the year 2020. The government granted permission to operate these centers only in Q4. Hence, the Company was able to organize one batch of excavator operator training in its Operator Training School at Kharagpur. The batch had 15 participants from Rama Krishna Mission Shilpapitha, West Bengal.

EXTERNAL ALLIANCES

- 14 During the year 2020-21, the Company received support from institutions like RK Mission Shilpapitha, West Bengal, Samekit Jan Vikas Kendra, Jamshedpur, and Moupal Deshpran Vidyapitha, West Bengal, for mobilization of participants for the Excavator Operator Training. This has enabled us to proactively mobilize more than 100 participants for the future batches. St Joesph's hospital Jamshedpur and Jamshedpur Diocesan Education Society had also supported the Company's skill development initiatives.

EXPENDITURE ON CSR

- 15 The Company was required to spend expenditure of Rs.3.51Cr on CSR as mandated by the provisions of section 135 of the Act, which requires 2% of the average net profits for the preceding three financial years to be spent on CSR. During the year, the Company could spend Rs.3.32Cr, details of which is provided below, as against its budget of Rs.4.50Cr. Some of the multi-year projects, especially those relating to infrastructure support to schools, could not be completed during the year as the schools were closed for the pandemic. A sum of Rs.1.12Cr is proposed to be transferred to the Unspent CSR Funds Account in this regard, to be incurred in the current financial year 2021-22. Also, the CSR Committee had on 20-Apr'21, approved a budget for Rs.2.60Cr towards expenditure on CSR for the current financial year 2021-22. The actual incurrence will however depend on the progress of the various projects identified by the Company for its CSR activities.

CSR Expenditure for the year ended March 31, 2021 (Rs. Lakhs)

[Enclosed to the Report on Corporate Social Responsibility dated 21-Apr'21]

Sl.	CSR Project or activity	Sector in which the project is covered	Projects or programs (1) Local area or other & (2) Specify state and district where project is undertaken	Amount of outlay (budget) Program wise	Amount spent on projects (1) Direct expenses & (2) Over-heads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Uniforms, books & scholarships to students, and Infrastructure support to schools	Education & Literacy	East Singhbhum (JH), and Hubli-Dharwad (KN) Districts	222.00	137.52	137.52	Direct
2	Medical camps in schools and Immunization program	Health Care & Safety	East Singhbhum (JH), and Hubli-Dharwad (KN) Districts	114.00	127.89	127.89	Direct
3	Irrigation projects and Repairing of tube wells	Environment & Rural development	East Singhbhum (JH), and Hubli-Dharwad (KN) Districts, Pune (MH)	54.00	21.08	21.08	Direct
4	Skill training in Operator Training Schools, Sponsor for vocational trades, and Livelihood enhancement for differently abled	Affirmative Action, Skill Development & Training	East Singhbhum (JH), Hubli-Dharwad (KN), and West Midnapore (WB) Districts	60.00	45.44	45.44	Direct
