

CORPORATE SOCIAL RESPONSIBILITY POLICY

Approved on 4th November 2014

Revised on 29th April 2019

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Objective:

Trent Limited outlines its Corporate Social Responsibility (CSR) policy that integrates economic progress and social commitment. It aspires to always fuse its business values, cultural pillars and operating principles to exceed the expectations of our customers, employees, partners, investors, communities and the wider society.

Our core values form an integral part of our CSR programmes and aim towards responsibly improving the quality of life of our stakeholders.

Tata group Core Purpose: To improve the quality of life of the communities we serve through long term stakeholder value creation.

It may be noted that the policy is aligned under the following guidelines:

- ❖ The requirements of Section 135 of the Companies Act, 2013 (Act) and the corresponding rules made thereunder, as amended from time to time (CSR Rules).
- ❖ Schedule VII of the Act
- ❖ In coherence with the overall long-term Tata group CSR strategy and values

Scope:

This policy comprises a set of rules adopted by Trent's Board of Directors and the CSR and Sustainability committee which applies to all employees of Trent Limited and to all other individuals associated with the Company and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan.

These rules set the standards for the way we interact with society at large and the environment around us. They may be supplemented from time to time by additional policy statements and guidelines.

In case of any inconsistency in the CSR policy and the Act read with the CSR Rules, the provisions of the Act and the CSR Rules would prevail.

Definition:

“Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

“Corporate Social Responsibility” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR Rules.

“CSR programs” would be defined as the activities designed to:

- ❖ Serve – and be seen to serve – society, local and national goals in all the locations where we operate;
- ❖ Create a significant and sustained impact on communities affected by our businesses;
- ❖ Provide opportunities for Trent employees to contribute to these efforts through volunteering.

“Ongoing Project” means a multi-year project undertaken by the Company in fulfilment 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.

Resources:

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

- ❖ **Funds:** At the minimum, what is required by law (2% of average net profits of the past 3 years as per the Act for companies operating in India)
- ❖ **Expertise:** Our employees’ expertise would be leveraged to the optimum through structured volunteering programmes.
- ❖ **Products and services:** The products and services, owned and governed by the Company would be made to be associated to impact necessary activities.
- ❖ **Facilities:** All facilities necessary for implementation of the activities shall be made available at our corporate office and at the stores that we operate.

Sectors and issues:

Under the framework of this policy, the sectors and issues focused by the Company shall fall under the purview of activities specified in the (modified) Schedule VII of the Act and those approved by the CSR and Sustainability Committee and the Board.

The CSR policy and strategy would include the 4 GFIs – Skills, Water, Governance, and Education as outlined by the Tata Group.

The policy also considers abiding and aligning its focus areas as per the guidelines mentioned under the Affirmative Action Initiative, commonly referred to within the Tata group as TAAP (Tata Affirmative Action Programme). The focus areas are Education, Employment, Employability and other key allied social initiatives with an aim to improve the quality of life of those we are associated with.

****NOTE- TATA Affirmative Action Program (TAAP) is focused on reducing inequalities faced by socially backward groups (Ref. Sr. No. iii of Schedule VII of the Act).***

Trent’s CSR activities:

All of the activities mentioned here below under the CSR Policy would flow from a long-term CSR Strategy. The Company’s CSR activities will focus on the following sectors and issues:

❖ Employability	❖ Education
❖ Water	❖ Entrepreneurship
❖ Environment	❖ Health and Nutrition

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

Geographies and target communities:

The geographical focus of the Company’s CSR activities will be where we have a significant presence. We would concentrate our efforts on villages and habitations in close proximity to our stores and offices. The specific locations will be determined at the beginning of each year.

While we will ensure that all communities benefit from our CSR activities, we would focus on those groups that are socially and economically marginalized. These would include underprivileged youth (men and women), socially and economically backward groups (covered by the Tata Affirmative Action Programme), people from low income groups and people with disability.

CSR expenditure:

The Company shall spend, in every financial year, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy.

The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

Any surpluses arising out of CSR projects or programmes or activities shall not form a part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transferred to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

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 conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of the CSR Rules.
- (ii) the Board of Directors shall pass a resolution to that effect.

Implementing mechanism

The Board shall ensure that the CSR activities are undertaken by the Company itself or through -

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR Rules.

Monitoring mechanism:

Each of our CSR projects and programmes would have clearly defined output, outcome and process indicators which will have to be reported on at specified frequencies, which will be at least six-monthly reports.

All projects and programmes will be monitored by the Company CSR team. The monitoring process will cover both programme and financial reviews. The CSR and Sustainability Committee will receive quarterly progress reports of all CSR activities of the Company.

The Board of Directors shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

In case of ongoing project, the Board of Directors shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Terms of reference of the CSR and Sustainability Committee in relation to CSR activities:

The CSR and Sustainability Committee shall:

- ❖ Formulate and recommend a CSR policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in Schedule VII of the Act;
- ❖ Recommend the amount of expenditure to be incurred on the activities indicated in the policy;
- ❖ Monitor the CSR policy regularly;
- ❖ Oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen;
- ❖ Oversee activities impacting the quality of life of various stakeholders;
- ❖ Formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include the following, namely:-
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the CompanyProvided that Board may alter such plan at any time during the financial year, as per the recommendation of the CSR and Sustainability Committee, based on the reasonable justification to that effect.

Composition of the CSR and Sustainability Committee:

The members of the CSR and Sustainability Committee are as follows:

1. Chairperson: Mr. A. Sen – Independent Director (up to 17th November 2020)
2. Chairperson: Mr.N.N.Tata – Non Independent; Non-Executive Director (from 18th November 2020)
3. Member: Mr. B. Bhat – Non Independent; Non-Executive Director
4. Member: Ms. S. Singh – Independent; Non-Executive Director