

REPORT ON CSR AND SUSTAINABILITY INITIATIVES

[Forms part of the Boards' Report for the year 2024-25 dated 21-May'25]

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. It is being monitored and implemented by a two-tiered Governance Structure comprising of Tier I – Board and CSR Committee of the Board, and Tier II - CSR Team comprising of Corporate Offices and Manufacturing Plants.

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 2022-23, the Committee was reconstituted, and is now comprised of two members, namely, Mr. Sandeep Singh, the Managing Director and Mr. T Onishi, Director. The Committee had formulated the CSR Policy ('Policy') for the Company and reviews the same once in three years for conformity and alignment with its business objectives and dynamic requirements of its identified communities. The Policy states the Company's CSR philosophy and lays down the framework of its CSR projects and programs. These were categorized under (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.
- 3 On 2-May'22, the policy was amended to restructure the categories of these projects in alignment with those listed under Schedule VII of the Companies Act, 2013 (the Act), whereby it is now categorized in to (a) Healthcare [and safety], (b) Education [and skill development], (c) Environment, and (d) Others [all other projects including disaster relief, rural development, etc.]. The policy came up for review of the CSR Committee and Board of Directors, every 3 years to bring it in alignment with the latest changes in the environment, regulations and the governance practices and thus on 21-May'25, it was revised and adopted to bring it in alignment with the Company's environment. The amended policy is hosted on the Company's website www.tatahitachi.co.in at <https://www.tatahitachi.co.in/wp-content/uploads/pdf/corporate-social-responsibility-policy-2023.pdf>.
- 4 During the year 2024-25, the Company worked extensively in the interest of its identified communities residing close to its plants, besides those in a few other operational locations too. The employees volunteered in almost all these spheres 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. It's a matter of great pride that the Company's CSR initiatives were also featured in HCM Sustainability Letter.

HEALTHCARE

- 5 Under Healthcare initiatives, keeping in view the importance of community health, the Company's focus was to support the local administration and the rural communities. At Dharwad, the Company provided support to District Health Office / Primary Health Center with medical equipments and Ambulances. It also conducted camps for Blood donation, Eye-Check Up, Health check-up for students, Cancer screening for Women Safai Karmachari

and Cancer vaccinations to girl students especially at rural areas. At Kharagpur plant, the Company had organized 4 blood donation camps, resulting in 431 units of whole blood by Company's volunteers comprising of employees and contractual personnel. The company had also received public recognition as the highest contribution by a corporate citizen in Kharagpur for organizing such regular blood donation camps which contributed around 500 units of blood in a year. To ensure safe drinking water under SDG 6, 2 water purifiers were installed at Govt. ITI, Jhargram and Rural Self-Employment Training Institute, Debra, which benefited around 900 local youth. In addition to this, the company has also organized Diagnostic health check-up camps in collaboration with the Family Planning Association (FPAI), Kolkata, at Jijarpur and Rupnaryanpur villages which benefitted around 300 people from local rural communities. The company also provided infrastructure support – Binocular Microscope and Universal Gel Card, to the local government hospitals which would be used for blood grouping, cross-matching, antibody screening, thereby enhancing their capacity to deliver the services to the local communities. Further, Corporate Office contributed towards Cataract surgeries for underprivileged rural communities in Bihar through Akhand Jyoti, provided NICU care to Vulnerable newborns through Neonates Foundation and Scoliosis treatment through Rotary Club, Bangalore.

SAFETY AND OCCUPATIONAL HEALTH

- 6 During the year 2024 -25, the Company was committed to maintain a sustainable safe, healthy, and clean environment both inside and outside its factories. It strove to ensure excellence through many initiatives to scale a new height in Safety and Occupational health. Safety reporting system was reviewed and made more transparent and stringent from April, 2024 considering contract workers and non-manufacturing activities into the ambit. Kharagpur plant focused on awareness building activities consisting of Monthly theme-based awareness campaign which was conducted across the plant. Employees including contractual workers were engaged in various motivational activities like safety poster, safety slogan, on-the-spot quizzes, safety ideas, kaizen and safety observations, wherein rewards and recognition for each such activity encouraged employee-engagement in safety. Dharwad plant also focused on safety training activities and stricter implementation of work permit system to strengthen safety culture. At Kharagpur plant, it identified risk of height work as the most critical one and implemented the following initiatives:
- Installation of permanent life-line on roof-tops for safe roof repairing work
 - Establishing height test protocol and test-bench for height workers
 - Deployment of Drone for surveillance of height work
- 7 Safety measures at paint shops were also being implemented, both at Kharagpur and Dharwad plant viz. installation of human static discharge device, dedicated earthing for each equipment and structure in paint booth, training of all paint shop workers. In 2024, the Company also reviewed and revised its Contractor Safety Management System with the incorporation of contractor evaluation and rating system. Risk assessment exercise (KYK) for each work process was reviewed and action plan monitoring was being started at Kharagpur. Both Kharagpur and Dharwad re-emphasized investigation of incidents and implementation of action plan to prevent recurrence. The Company celebrated 54th National Safety Day, Road Safety Week, World Environment Day with participation from all section of employees in all its locations to promote safety culture and safety mindset amongst the employees. Kharagpur plant continued with Skit / Nukkad Natak by its own employees to spread awareness on Road Safety and National Safety. Kharagpur plant also initiated augmentation of Occupational Health Centre services by engaging full time doctors to ensure medical services across the shifts. It has also initiated to maintain health dossier for all employees to monitor occupational illness.

EDUCATION

- 8 The Company is committed to improve the quality of education in the schools of Kharagpur and Dharwad, where its factories are located. The focus was to improve the learning environment in schools by providing basic infrastructure support. The Company identified schools in these locations to implement its projects based on

need assessments, and most of these requirements were serviced during the year. At Kharagpur, the Company provided school bus facilities to more than 100 rural students to facilitate access to quality education. To provide safety and protection to the students of India Girls High School, it constructed a new boundary wall. Further, it has also constructed a new shed at Rupnaryanpur Junior High school to enable the students to have their Mid-Day Meals in a better environment. In addition to this, it has also constructed a new pathway at the Kuchalatchi Primary School to improve the learning environment and safety within the school campus. It provided the kitchen utensils and dining furniture to the Pingla Adarsh Ashram Hostel for 50 children from the Affirmative Action communities. It has also provided interactive digital panel to St. Paul's School and Rural Self-Employment Training Institute, Debra. Due to these interventions, many students were benefitted with quality education. In addition, Corporate Office also contributed towards education of under-privileged rural children through Each One Educate One Foundation at Chikkaballapur and Christel House, Bangalore and provided structured coaching to PU & KCET students at rural government and aided colleges through Rotary Club, Bangalore.

- 9 The Company had through its Dharwad Plant, constructed Toilet and provided infrastructure support at Jeerigwad school, Water purifiers for rural schools, Digital screens for schools at Belur, Mummigatti, Kurubgatti etc. and it had also set up Science lab at Kurubgatti Govt. school. It also prepared and levelled the playgrounds for the schools at Mummigatti benefiting more than 500 students. It participated along with rural students in Independence and Republic day celebrations. The Company provided infrastructural support including classroom desks at the government schools in Hebballi and pure drinking water facility to Village schools nearby. It also provided free mini-bus service facility for commuting especially for rural students of Neeralkatti and Mummigatti schools. In addition, it also completed innovative painting in 4 schools for educational purposes.

SKILL DEVELOPMENT AND VOCATIONAL TRAINING

- 10 The Company developed the communities that belonged to the scheduled caste and scheduled tribes in the areas of employability, education, employment, and entrepreneurship, and reaffirmed its commitment to the cause of 'affirmative action' (AA). About 15% of the Company's employees at the operative levels belong to AA communities. Its Operator Training Centers (OTC) at Kharagpur and Dharwad have been training candidates to make them employable. This helped them operate and maintain the Excavators and wheeled equipment and find job opportunities in Construction and Mining industries. At its OTC in Kharagpur, the Company conducted 5 batches of Excavator Operator Training, benefiting 117 rural youth who successfully completed the training program. The company provided on-the-job training in fitter and welder trades to the students of Govt. ITI, Jhargram and Govt. ITI Midnapore under the Dual System of Training (DST) to make them industry-ready for joining the Manufacturing Industry as Apprentices. To promote sustainable livelihoods for the differently abled, the company has installed a paper plate making and Agarbatti making machine for 67 deaf and dumb students of Sasanka Sekhar Bodh Niketan School, Baragarh, Debra. For enhancing digital literacy, the Company provided computers (6 nos.) to DAV Public School, Midnapore & Kajla Primary School. Besides, it has also provided the infrastructure support and kits for conducting Beautician Course for around 400 rural women at the Rural Self-Employment Training Institute, Debra. At Dharwad, the Company had in association with reputed NGO's conducted self-sustainable courses for rural women (mostly AA community) such as Tailoring, personality development, Branding workshop etc. in 8 batches, benefitting over 240 rural women. It also provided digital infra support to NGO to support women for their training programs. Further, it also conducted 3 batches of machine Operator trainings (60 persons) for rural youth for their self-employment. In addition, Corporate Office also contributed towards improving employability Skills of youngsters through National Cadet Corps, NCC-EXPA.

ENVIRONMENT

- 11 Working towards reduction of environmental load and encouraging global stability, the Company took several initiatives in the year 2024-25. Solar power generation for Kharagpur plant was 77% of its total power

consumption, and the same for Dharwad plant was 95%. In addition to various administrative measures like plant shutdown to optimize production capacity, some key projects on sustainability were successfully implemented:

- Intermediate coat elimination in Topcoat- HG Black in Sheet Metal Paint Shop
 - Elimination putty sanding from top side of EX-200/210/ SC and ZX-220/370/ 470 Hydraulic & Fuel Tanks IN Sheet Metal Paint Shop
 - Reduction in LPG and Paint Cost through Low-bake taxi yellow Paint at Attachment Paint shop
 - CO2 reduction through cooling zone running time optimization in Attachment and Frame paint Shop
 - Reducing CO2 emission by conversion of LPG to PNG at Dharwad paint shop
 - Introduction of low-temperature degreasing in Attachment paint shop
 - Installation of advanced gear shaper machine
 - Installation of Variable Frequency Drive at plasma dust collection unit, 1000T press motor and rolling machine at Kharagpur plant
 - Optimizing shift timings to reduce power and fuel consumption at both plants
- 12 The Company is committed to conserve ground water and therefore achieved reduction in ground water abstraction by 12% & 8% at its Kharagpur and Dharwad Plant respectively. It undertook various measures, e.g., reusing treated water from effluent and sewage treatment plants by installing piping network for gardening and cleaning. Both plants focused on reducing the use of paints and eliminating wastage to reduce volatile organic compound (VOC) which is harmful for human beings. Initiatives like paint sludge recycling reinforced its commitment to sustainability with 163 tonnes of paint sludge being sent for cement manufacturing contributing towards circular economy for both the plants. Our machine refurbishing business also contributed to circular economy by recycling 1035 Ton of Excavator parts in 2024 from Dharwad plant.
- 13 Kharagpur plant successfully completed a pilot project of conversion of waste plastic to plastic granules which are used for road re-surfacing work and the same will be adopted as regular practice. During the year, the Company planted over 1250 trees in total at its factories as well as outside in Dharwad and Kharagpur, as an environmental initiative. Dharwad plant continued its contribution to the society by desilting and cleaning of lakes, nallas, and other water bodies for Bio-diversity conservation. Kharagpur plant has been adjudged as the Winner in SHE Excellence Award '2023 among Large scale manufacturing companies in Eastern India by CII. Dharwad plant also received the ESG Excellence Award in Western Region by CII.

RURAL DEVELOPMENT

- 14 The company has renovated 2 nos. dilapidated Integrated Child Development Services (ICDS) centers at Rupnaryanpur Village to ensure the safety of the 500 beneficiaries comprising children in 0-6 years age group, expecting mothers, adolescent girls, and women requiring health and nutrition support in their pre- natal and post-natal care stages of pregnancy. To address the acute need for supply of safe drinking water, the company installed 2 borewells with platforms at Rupnarayanpur village, which has benefited around 500 needy people from the village communities. The company renovated the veranda of Baradiha Primary School to improve the learning environment for their 100 pre-primary students. Under rural development, the Company at Dharwad constructed Community multipurpose Hallat Mummigatti Thanda to support rural AA community. Also, it had constructed 25 Farm ponds for rural farmers in and around Haliyal to support their livelihood.

EXTERNAL ALLIANCES

- 15 During the year 2024-25, the Company received active support from reputed institutions and the organizations for mobilizing candidates for its initiative towards Excavator Operator Training at Kharagpur reputed ITIs, our vendor partners, and even customers in 5 batches. Apart from this, it also Collaborated with Family Planning Association of India (FPAI), Kolkata for conducting diagnostic health check-up camps for the rural communities at kharagpur. At Dharwad, the Company worked with NGOs such as FPAI for Health Check Up camps, Cancer

Screening for women, Cancer Vaccination for girl students. It also worked with NGOs for Farm Ponds development, women livelihood trainings etc. and also provided Solar energy inverters to school/Hostel.

EXPENDITURE ON CSR

- 16 The Company was required to spend Rs. 298 lakhs on CSR as mandated by the provisions of section 135 of the Act, being 2% of the average net profits for the preceding three financial years. However, considering the excess of 32 lakhs and in view of programs and initiatives already committed and /or scheduled, the Company had spent a sum of Rs. 268 lakhs, details of which is provided below in Schedule-1, as against the budget of Rs. 266 lakhs. The excess of Rs.30 lakhs brought forward from the previous year, would be set off to the extent against the shortfall. The CSR Committee in its meeting held on 02-May'25, reviewed the average profits for the preceding 3 years at Rs.305.35 Cr, noted the mandatory spend of Rs.6.11 Cr and approved a budget for Rs.6.11 Cr, towards CSR projects for the financial year 2025-26. The annual report on CSR pursuant to section 135 of the Act, read with the Companies (CSR Policy) Rules, 2014 is enclosed as Annexure-A.

Schedule-1

CSR Expenditure for the year ended 31-Mar'25 (Rs. Cr)

[Enclosed to the Report on CSR and Sustainability Initiatives dated 21-May'25]

Sl.	CSR Project or activity	Item from the list of activities in Schedule VII to the Act	Projects or programs (1) Local area or other & (2) Specify state and district where the 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	Implemented Direct or through implementing agency
1	Infrastructure support to hospitals, Medical /blood donation camps	Health Care (and safety)	Hubli-Dharwad & Bengaluru (KN), and West Midnapore (WB) Districts	0.41	0.56	0.56	Both
2	Stationaries, Infrastructure support to schools, teaching aids and training in Operator Training Centers	Education (and skill development)	Hubli-Dharwad, Chikkaballapur, Bengaluru (KN), West Midnapore (WB) Districts	1.55	1.475	1.47	Both
3	Desilting of lakes, cleaning of nallahs	Environment	Hubli-Dharwad, Bengaluru (KN), Jalna (MH) district	0.27	0.32	0.32	Both
4	Construction of farm ponds for rural farmers	Others (Rural development, Disaster relief, etc.)	Hubli-Dharwad (KN), West Midnapore (WB) Districts	0.43	0.33	0.33	Direct

Annexure-A

Annual Report on Corporate Social Responsibility

(Disclosure pursuant to sec-135 of the Companies Act, 2013
read with the Companies (CSR Policy) Rules, 2014)

[Enclosed to the Report on CSR and Sustainability Initiatives dated 21-May'25]

- 1 Brief outline on CSR Policy of the Company: A brief outline on CSR policy is furnished in the Report on CSR and Sustainability Initiatives dated 21-May'24 (CSR Report), ref sections 1~3.
- 2 Composition of CSR Committee: The composition of CSR Committee is furnished in the CSR Report, ref section 2.
- 3 Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: The weblink is furnished in the CSR Report, ref section 2.
- 4 Details of impact assessment of CSR projects carried out in pursuance of subrule 3 of Rule 8 of the Companies (CSR Policy) Rules, 2014 (Rules), if applicable (attach the report): No such projects were carried out by the Company, and hence not applicable.
- 5 Details of the amount available for set off in pursuance of subrule (3) of Rule 7 of the Rules, and the amount required for set off for the financial year 2024-25, if any:

Sl No	Financial Year	Amount available for set-off from preceding financial years (in Rs Cr)	Amount required to be set-off for the current Financial Year, if any (in Rs Cr)
1	2021-22	0.17	0.17
2	2022-23	0.15	0.13
3	2023-24	-	-

- 6 Average net profit of the Company as per section 135 (5): Rs.149.01Cr.
- 7 (a) Two percent of average net profit of the company as per section 135 (5): Rs.2.98Cr
(b) Surplus arising out of CSR projects, programs, or activities of the previous financial years: Nil
(c) Amount required to be set off for the financial year, if any: 0.30
(d) Total CSR obligation for the financial year (7a+7b-7c): Rs.2.68Cr

- 8 (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (Rs.Cr)	Amount unspent (Rs.Cr)				
	Total amount transferred to Funds Account u/s 135 (6) Amount	Unspent CSR Date of transfer	Amount transferred to any fund specified in Schedule VII as per 2nd proviso u/s 135 (5) Name of Fund Amount Date of transfer		
2.68	-	-	-	-	-

- (b) Details of CSR amount spent against ongoing projects for the financial year: Nil
- (c) Details of CSR amount spent against other than ongoing projects for the financial year: Rs.2.68Cr
(The details are furnished in Annexure-1 to the CSR Report.)
- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the financial year: (8b+8c+8d+8e): Rs.2.68Cr.

(g) Excess amount for set off, if any: Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Cr)	Amount spent in the reporting Financial Year (in Rs. Cr).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Name of the Fund	Amount (in Rs. Cr).	Date of transfer	Amount remaining to be spent in succeeding financial years. (in Rs. CR)
1.	2021-22	-	-	-	-	-	-	-
2.	2022-23	-	-	-	-	-	-	-
3.	2023-24	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-

(b) Details of CSR amount spent in the current financial year for ongoing projects of the preceding financial year(s): Nil, same as specified in 8 (b) above.

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year: NA

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

On behalf of the Board of Directors

sd/-

Sandeep Singh, Managing Director
And Chairman-CSR Committee (DIN: 01234858)

sd/-

Toshiki Onishi, Director
(DIN: 09672267)

Place: Bengaluru

Date: May 21, 2025