

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

**TATA POWER SOUTHERN ODISHA DISTRIBUTION LIMITED
(TPSODL)**

(A Joint Venture of Tata Power and Government of Odisha)

Sustainability Policy: Index

1. Preamble

2. Corporate Social Responsibility Policy

Annexure I: Linkage between Corporate Social Responsibility Thrust Areas and Schedule VII of Companies Act, 2013

Annexure II: CSR Programs and initiatives.

ANNEXURE-III: Monitoring, Review & Evaluation.

Tata Power Southern Odisha Distribution Limited -CSR Policy

1.0 Preamble:

TP Southern Odisha Distribution Limited (TPSODL or the Company) is a joint venture between The Tata Power Company Limited (Tata Power) and the Government of Odisha, came into existence on 01.01.2021 (Incorporated on 25th December 2020), with the majority of 51% stake being held by Tata Power. TPSODL serves a population of 94.38 lakh with a Customer Base of 23.69 lakhs and a vast Distribution area of 48,751 sq. Km in 8 districts of southern Odisha namely: Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nabarangpur & Malkangiri. At TPSODL, we prioritize providing a reliable power supply and enhancing customer satisfaction with the best customer services and operational excellence.

TPSODL believes in integrating its business values and operations to meet the expectations of its stakeholders. Our prime concern looms over the socio-economic development of stakeholders covering all 8 districts where we operate. The company has outlined its CSR vision and mission based on its guiding philosophy. The Strategic approach and choices that the Company is making to achieve its CSR vision have been defined. The choices outline the four key thrust areas where it will focus its CSR efforts - the geographical focus will be the immediate vicinity of its operations. There will be common alignment of CSR programs across all locations under these 4 Thrust Areas to ensure common focus and synergy in efforts. The Company may also consider undertaking or supporting CSR initiatives beyond its geography in alignment with the 4 Thrust Areas and Affirmative Action on matters of national importance based on community need and exigencies including natural disasters etc. involving stakeholder's opinion and evaluative process. Based on this thought process, the Company's CSR policy has been framed to drive planning, implementation and evaluation of initiatives and resources.

1.2 CSR Vision:

TPSODL's Vision is "To make TPSODL the Neighbors of Choice of communities and earning the right to co-exist and co-create by working jointly for social well-being and improvement in quality of life."

1.3 CSR Mission:

TPSODL's CSR Mission is to work with communities in the vicinity of its operations or as specially identified, to gain their acceptance of co-existence under 4 Thrust areas including (I) Education, (II) Entrepreneurship, (III) Employability & Employment, (IV) Essential Enabler.

2.0 Corporate Social Responsibility Policy

Guiding Principle:

TPSODL's commitment to Corporate Social Responsibility (CSR) is rooted in the Tata Group's ethos which is aptly expressed in the words of Tata Group's founder Jamsetji Tata, "In a free enterprise, the community is not just another stakeholder in our business, but it is in fact, the very purpose of its existence."

The Key interventions for target communities are focused in the following thematic focus areas:

- Education (Including Financial & Digital Literacy)
- Employability & Employment (Skilling for Livelihoods)
- Entrepreneurship
- Essential Services (Health Services & Environment)

The CSR Committee outlines, reviews and monitors identification of target communities, geographies, thematic focus areas and resource allocation with respect to CSR action plans.

2.1 Approach & Target Communities:

The Company deploys development interventions through its CSR Team and other not for profit partnerships. The objective is to empower women, community collectives, institutions and youth in line with the thematic focus areas in and around operational geographies and strategic regions of business and national importance.

TPSODL also works to minimize ecological imbalances, extend hands for disaster relief apart from

taking care of have-nots with focus on people under Affirmative action. It encourages employees and families to leverage expertise and skills to contribute meaningfully to key communities through volunteering and Company-facilitated projects.

The Company may additionally undertake activities as laid down and periodically updated as per Schedule VII of the Companies Act, 2013 – as outlined in Annexure 1 and as deemed appropriate by its CSR Committee. The Company shall not mark CSR expenditure on activities specifically excluded from the CSR provisions. The Company shall ensure that any surplus arising out of the CSR projects does not form part of its business profit.

2.2 Governance Mechanism:

We follow structured governance procedures to monitor CSR activities. Our CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee comprising four directors out of whom one director is Independent Directors who shall monitor the Policy and the programs from time to time. Pursuant to the Shareholders' Agreement, the Chairperson of the CSR Committee shall be appointed from amongst the Independent Directors unless specified otherwise in the Companies Act, 2013.

The Board monitors and reviews the performance and impact of the CSR programs, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it. The CFO shall certify to the fact that CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board. The CSR team shall also institute appropriate governance systems to ensure that there is adequate oversight and checks and balance in the processes to ensure desired outcomes.

2.3 Implementation & Monitoring:

The annual action plans follow all required guiding principles for selecting, implementing, monitoring the CSR activities and lays out the key outcome indicators that are measurable and time bound.

The CSR Programs of the Company are implemented & monitored through a three-tier structure:

- Local level CSR & volunteer teams take up implementation of key initiatives, in association with TPCDT/Govt./Not for Profits/like-minded experts/partners.
- CSR Team shall be responsible for integrated program design, budgeting, review and communications. Project monitoring shall include periodic field visits & comprehensive documentation.

- CSR Committee at Board level provides strategic direction for CSR planning and conducts quarterly monitoring & review meetings to ensure desired impact. The CSR Committee shall periodically review the CSR project reports, impact assessment reports and further keep the Board apprised.
- All CSR spends will be closely monitored and audited in an accountable and transparent manner.

The custodian of this policy is the CSR team and any deviations or changes will be with the recommendation of the CSR team to the Board CSR Committee.

Date: 09/04/24.



Chief Executive Officer
Amit Kumar Garg

Annexure I:

Linkage between CSR Thrust Areas and Schedule VII of Companies Act, 2013.

Schedule VII Activities List Section 135 of Companies Act, 2013	TPSODL Thrust Areas			
Mapped as per the latest amendments of January 2021	Education	Employability & Employment	Entrepreneurship	Essential Services
(i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.				
(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.				
(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.				
(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.				

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.				
(vi) measures for the benefit of armed forces veterans, war widows and their dependents;				
(vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports				
(viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;				
(ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organization (DRDO), Department of Biotechnology (DBT),				

Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);				
(x) rural development projects				
(xi) slum area development				
(xii) disaster management, including relief, rehabilitation and reconstruction activities.				
(xiii) Any other activity as may be prescribed from time to time.				

ANNEXURE II: CSR Programs and initiatives

<i>Thrust Areas</i>	CSR Program/Intervention	Reference Sr. No. of Schedule-VII
Education	Digital Literacy Campaign	ii
	Aadhikar Project	I,iii
	Club Enerji Program	Ii, iv
Entrepreneurship	Scholarship for economically weaker/ meritious students.	ii
	Livelihood Enhancement Program (Non-Farm)	I, ii, x
	Livelihood Enhancement Program (Millet Promotion)	I, ii, x
Employability & Employment	Anokha Dhaaga	I, ii, iii,
	Livelihood Enhancement Program (Farm based)	I, ii, iii, x
	Vocational Training program for women and students	I, ii, iii
Essential Enablers	Vocational Training Program for Youths	I, ii
	Mobile Health Dispensary	I, x
	Sports for Inclusivity	vii
	Employee volunteering & Stakeholder Engagement	I,ii,iii, iv, v, vii,

ANNEXURE-III: Monitoring, Review & Evaluation

There are 3 levels of Monitoring and Review process for CSR Initiatives.

Level 1: Local reviews; dissemination of MIS and reports by Execution teams and by the Corporate Social Responsibility team respectively.

Level 2: Senior Leaders review on the progress, effectiveness; action plans and support required.

Level 3: Board committee on CSR Review on quarterly basis.

Evaluation:-

- Internal Evaluation - CR Team using Community Engagement Index and other tools annually for assessment.
- External Evaluation - It is also undertaken with reputed academic institutions/industry association/consultant/market research agencies once in 3 years to assess the overall impact on community

Besides evaluation, the basis for engaging with community is undertaking thorough socio-economic baselines studies to assess the community needs and priorities and align the community development programs, to meet the objectives. For community development project, baseline study to be undertaken prior to developing programs and implementing programs within a defined geography in vicinity of operations.

Note- CSR Committee from time to time will further apprise the TPSODL board.