

K.P. ENERGY LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

TABLE OF CONTENTS

Sr. No.	Particulars	Page Nos.
1	Corporate Social Responsibility (CSR) – Philosophy	3
2	CSR Vision	3
3	Constitution of CSR Committee	3
4	Definitions	4
5	CSR Objectives and Projects	6
6	Identification of CSR Projects	7
7	Implementation of CSR projects	7
8	Monitoring Mechanism	8
9	Fund Allocation and Others	9
10	Duties and Responsibilities	10
11	Review Periodicity and Amendment	10

1. CORPORATE SOCIAL RESPONSIBILITY (CSR) – PHILOSOPHY

K.P. Energy Limited ('KPEL' or 'Company') is deeply committed to Corporate Social Responsibility (CSR), guided by the principles outlined in the Companies Act, 2013. Our CSR philosophy reflects our belief that business success is intertwined with the well-being of the communities we serve. We are dedicated to fostering inclusive and sustainable development by actively supporting initiatives that address social, economic, and environmental issues. Our efforts focus on uplifting marginalized and underserved communities, including women, children, and the unemployed, while contributing to broader societal progress.

In accordance with Section 135 of the Companies Act, 2013, and related rules, the Company has adopted a CSR policy to align its business objectives with the greater good. We define Corporate Social Responsibility as the way we balance economic growth with social and environmental responsibilities while addressing stakeholder expectations and enhancing long-term shareholder value.

2. CSR VISION

We strive to create a healthier world by reducing carbon footprints and also to improve the quality of life of all communities at large through our CSR initiatives.

3. CONSTITUTION OF CSR COMMITTEE

Keeping in line with section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as 'the Act'), the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee'), to inter alia, carry out the following functions:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the Corporate Social Responsibility Policy of the company from time to time and implementation of framework of CSR Policy.
- To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

4. DEFINITIONS

In this Policy, unless the context otherwise requires:

1. “**Act**” shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
2. “**Agency**” (or Agencies) means any Section 8 Company or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/NGO/institution/Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
3. “**Approved Budget**” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. “**Board**” shall mean the Board of Directors of the Company.
5. “**Company**” shall mean K.P. Energy Limited and wherever the context requires, shall signify the Company acting through its Board.
6. “**CSR Annual Plan**” shall mean the annual plan detailing the CSR expenditure for the year.
7. “**CSR Committee**” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
8. “**CSR Expenditure**” means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
 - a. contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - b. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by KP Human Development Foundation or any other Agency;
 - c. Any other contributions covered in areas or subjects specified under the Schedule VII to the Act.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR Expenditure.

9. **“CSR Officer”** shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.
10. **“CSR Policy”** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company [areas or subjects] as specified in Schedule VII to the Act and the CSR Expenditure thereon.
11. **“CSR Projects”** or **“Projects”** means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

12. **“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
13. **“Group Companies”** means holding, subsidiaries and associates of the Company.
14. **“KP Human Development Foundation”** means a company incorporated under section 8 of the Companies Act, 2013 on March 20, 2015 and is a Group Company of KPEL.
15. **“Net profit”** shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
16. **“Rules”** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

5. CSR OBJECTIVES AND PROJECTS

I. Education Promotion and Development:

- Distribution of education kit to children in government schools.
Development of smart classrooms and provision of computers, printers, and other necessary equipment to rural schools.
- Repair and enhancement of school boundary walls, classroom construction, and provision of potable drinking water.
- Upgradation of educational infrastructure to enhance learning environments.
- Establishment of libraries and learning centers to foster a reading culture.
- Provision of internet-enabled devices to support remote learning.

II. Plantation Drive and Animal Welfare:

- Promoting environmental conservation through mass tree plantation drives.
- Supporting the preservation of local flora and fauna.
- Providing medical facilities for the treatment and well-being of animals.
- Collaborating with local authorities and environmental organizations for large-scale afforestation projects.

III. Common Infrastructure Development:

- Constructing basic amenities in rural areas to enhance living standards.
- Providing infrastructure support to resource-scarce communities with limited government aid.
- Developing pavements, all-weather roads, and strengthening existing road networks.
- Constructing cross-drainages, bridges, and walkways to mitigate flood risks.
- Enhancing sanitation facilities and ensuring access to clean water connections.
- Actively participating in various government-led infrastructure programs.
- Installing solar-powered street lighting in rural areas to promote sustainable energy use.
- Developing sewage treatment plants and improving waste management systems.

IV. Security, Safety, and Well-Being:

- Providing healthcare facilities in rural areas to ensure accessible medical services.

- Combating hunger through the distribution of grains, food packets, and vegetables to underprivileged families.
- Implementing need-based initiatives, such as the distribution of pandemic safety kits.
- Facilitating access to medical education to enhance healthcare knowledge.
- Ensuring the availability of clean drinking water for communities.
- Empowering women with livelihood opportunities and skill development programs.
- Upgrading infrastructure for primary healthcare and hygiene promotion.
- Establishing community utility infrastructure to support local needs.
- Providing essential amenities, nutritious meals, healthcare, and shelter for elderly individuals.
- Establishing homes, hostels, and shelter facilities for women, orphans, and senior citizens, including old-age homes and daycare centers.

V. Local Development via Employment & Enrolment

- Promoting vocational skill development and entrepreneurial initiatives, particularly among local populations.
- Creating employment opportunities for rural communities through sustainable projects.
- Engaging local students in environmental initiatives, such as mass plantation drives.
- Enhancing digital access for rural entrepreneurs through tools and platforms.
- Encouraging sustainable agricultural practices to support local farmers and improve productivity.

6. IDENTIFICATION OF CSR PROJECTS

- CSR Projects need to be identified and planned for approval of the CSR Committee, with estimated expenditure and phase wise implementation schedules.
- The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

7. IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR Projects by the following means:

I. Direct Method:

- The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Policy;

- The Company may also implement the identified Projects presently through KP Human Development Foundation which is involved in CSR activities, within the scope and ambit of the Policy;
- The CSR Officer, if any, may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
- The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

II. Indirect Method:

The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

- The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided;
- The Agency has an established track record of at least three years in undertaking similar programs or projects.
- The Company has specified the Project to be undertaken through the Agency, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism.

The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

8. Monitoring Mechanism

The CSR Committee will oversee the implementation of CSR initiatives through a structured review and monitoring process. Regular meetings will be conducted to evaluate project progress, assess impact, and ensure alignment with the organization's objectives. The committee will establish measurable indicators to track effectiveness, identify areas for improvement, and maintain accountability. The CSR Committee will regularly update the Board on the progress of initiatives.

9. FUND ALLOCATION AND OTHERS

A. Fund Allocation

- The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.
- The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
 - a. Identified CSR Projects
 - b. CSR expenditure
 - c. Implementation Schedules
- Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
- In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of subsection (3) of section 134 of the Act.

B. Others

- The CSR Committee shall ensure that major portion of the CSR shall be for the Projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
- The Board of Directors of the Company is authorized to decide on Projects to be implemented within the allocation as per the Annual Plan.
- Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

10. DUTIES AND RESPONSIBILITIES

A. Board of Directors:

- The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

B. CSR Committee

- The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet atleast twice a year.
- In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting for Board review and finalization.

The CSR Committee shall place before the Board a report/statement on the CSR activities, outlining the implementation and monitoring carried out in accordance with the objectives and provisions of the Company's CSR Policy, for inclusion in the Board's Report.

- The CSR Committee shall ensure that the CSR Policy is displayed on the Company's website.

11. REVIEW PERIODICITY AND AMENDMENT:

CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit. This policy shall remain in force unless modified by the Corporate Social Responsibility (CSR) Committee.
