

CORPORATE SOCIAL RESPONSIBILITY POLICY
(CSR POLICY)

1. TITLE AND APPLICABILITY

- a. The document describes the Corporate Social Responsibility (“CSR”) Policy of Shapoorji Pallonji Energy Private Limited (the “Company”).
- b. The CSR policy encompasses the Company’s philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful activities or projects or programmes (“Projects”) for the welfare & sustainable development of the community at large.
- c. The CSR policy has been formulated in accordance with the requirements and applicable provisions of the Companies Act, 2013 (“Act”) and the CSR Rules framed thereunder with applicable Schedule and the relevant amendments/modification(s)/notifications and circulars thereof.
- d. The CSR Policy includes the Company’s vision and other relevant attributes of CSR. The Company’s CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.
- e. The CSR policy shall apply to all the forthcoming CSR projects of the Company.

2. VISION STATEMENT AND OBJECTIVE

CSR builds a dynamic relationship between the Company, society, and the environment. The Company’s CSR is traditionally driven by a moral obligation, philanthropic spirit and to improve the quality of life for all our communities through integrated and sustainable Development.

The main objective of the CSR Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its CSR.

3. AREAS OF CSR ACTIVITIES

The Company shall identify and bifurcate projects as ongoing or non-ongoing. The Company is devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on social causes, including but not limited to the following areas:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), 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.
Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

Apart from the above-mentioned activities, the Company may consider any other activity specified in schedule VII or permissible under the Act, from time to time.

The CSR activities do not include any expenditure on an item not in conformity or not in line with activities stated under Act read with the Rules and Annexures thereof.

4. IDENTIFICATION OF CSR PROJECTS

- a. CSR Projects need to be identified and recommended by the CSR committee, if any, and with the approval of the Board of Directors of the Company, with estimated expenditure and implementation mechanism.
- b. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

5. IMPLEMENTATION MECHANISM

The company shall conduct/implement CSR projects in any of the below ways:

- a. Directly by Company, wherein, a company undertakes the CSR projects by itself.
- b. By engaging implementing agencies as prescribed in Companies (CSR Policy) Rules, 2014.
- c. By contributing to various Funds as specified in Schedule VII or permissible under the Act, from time to time.
- d. By contributing to incubators and R&D projects and institutes/organisations/universities, engaged in research and development activity, as specified in Schedule VII or permissible under the Act, from time to time.

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

6. MONITORING OF CSR PROGRAMS

To ensure the effective implementation of the CSR projects undertaken at various locations, a monitoring and evaluation mechanism shall be put in place, which, majorly as below:

- a. All projects undertaken by the company shall be monitored on a regular basis.
- b. Onsite monitoring would also be undertaken, if required, at least once a year to ensure the implementation. The Company shall be empowered to appoint an external third party monitor/review/audit the progress (financial and programmatic) of the CSR projects, if required.
- c. The report on progress of the CSR projects undertaken by the Company will be put forward to the CSR Committee, if any, and the Board of Directors of the Company.
- d. Appropriate documentation of the Company's CSR activities, executing partners, and expenditures entailed will be undertaken on a regular basis.
- e. CSR initiatives of the Company will be reported in the Annual Report & the Board's Report in compliance with Section 135 of the Act and rules made thereunder.

7. FUND ALLOCATION AND OTHERS

- a. The Company, in every Financial Year, may 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 a minimum of such percentage as required under the Act and rules made thereunder.
- b. The Board of Directors shall approve a CSR Annual Action Plan for the above, which shall be recommended by CSR Committee, if any and the CSR Annual Action Plan shall include the below details and others, if any, specified under the Act and rules made thereunder, from time to time;
 - i. the list of CSR projects or programmes that are approved to be undertaken;
 - ii. the manner of execution of such projects or programmes;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company:
- c. The total CSR expenditure shall be approved by the Board upon recommendation by the CSR Committee, if any.
- d. In case the Company fails to spend the statutory minimum requirement under the Act and Rules thereunder, in any given financial year, the Board of Directors of the Company shall specify the reasons for the same in its report in terms of provisions under the Act and transfer such unspent amount to a Fund/ account specified under the Act within the prescribed period.
- e. Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under the Act for such number of succeeding financial years and in such manner, as may be prescribed under the Act and applicable rules thereunder.

8. RESPONSIBILITY OF THE BOARD OF DIRECTORS

The responsibility of the Board of Directors shall be as under:

- a. To approve the CSR Policy which shall be recommended by CSR Committee, if any, & disclose the contents of such policy in its report and also place it on the Company's website (if any);
- b. To ensure that the activities proposed in the CSR Policy are undertaken;
- c. The Board of Directors of the Company shall disclose the approved CSR Policy, composition of the CSR Committee and Projects approved by the Board on their website, if any, for public access.

- d. The Board may extend a non-ongoing project beyond one year based on reasonable justification.
- e. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized 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.
- f. In case of ongoing project, the Board of the Company 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.
- g. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, if any, based on reasonable justification to that effect.
- h. The Board shall ensure that the administrative overheads shall not exceed the limit prescribed under the Act and applicable rules made thereunder.

9. CSR COMMITTEE

The Board of Directors of the Company may constitute or re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The quorum, meetings, terms of reference and other powers of the CSR Committee shall be as approved by the Board of Directors of the Company and pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

10. EFFECTIVE DATE

The CSR Policy shall be effective from the date of its approval by the Board of Directors.

11. AMENDMENTS TO THE CSR POLICY

CSR Policy may be updated to align with the changing requirement or changes in the legal and regulatory framework. Any revision in the CSR Policy shall be approved by the Board of Directors of the Company.

CSR POLICY APPROVED ON BEHALF OF BOARD OF DIRECTORS ON THIS 17TH DAY OF MARCH, 2023 AT MUMBAI