

## **1. INTRODUCTION:**

Konkan LNG Limited (KLL) recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.

Corporate Social Responsibility (CSR) is the responsibility of the Company that integrates social, environmental and ethical concerns into Company's business process. A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates.

CSR is, therefore, closely linked with the practice of Sustainable Development. The Company is committed to continuously strive to achieve these objectives.

## **2. CSR VISION STATEMENT AND OBJECTIVES**

KLL shall strive to be a leader in the Regasification industry by conducting our business sustainably in a socially and environmentally responsible manner.

### **2.1 VISION STATEMENT**

- KLL affirm commitment to enhance the quality of life of our workforce, their families and the communities we operate in.
- We uphold our commitment to serve and partner to government in national building.

### **2.2 OBJECTIVES**

- Integrate business functions, goals and strategy with planned development agenda.
- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or through implementing agencies take up programs that benefit the communities in & around the areas where the company operates in India and over a period of time, in enhancing the quality of life especially the underprivileged, and wherever possible, interact with identified NGOs and augment their efforts in this direction for overall well-being of the local populace.
- To play a major role in transforming society through education, health and environment awareness.
- To generate, through its CSR initiatives, a community goodwill for KLL and help reinforce a positive & socially responsible image to KLL as a corporate entity.

### **3. COMPOSITION OF CSR COMMITTEE OF THE BOARD:**

- 3.1 The composition of the Corporate Social Responsibility Committee of the Board shall be notified from time-to-time, in terms of the provisions of Sub-section (1) of Section 135 of the Companies Act, 2013.
- 3.2 The composition of CSR Committee shall be as per the requirements of Companies Act, 2012 & other applicable provisions.

### **4. PLANNING**

#### **4.1 RESOURCES**

- 4.1.1 For achieving its CSR objectives through implementation of meaningful & sustainable CSR projects or programmes, KLL will **spend 2% of the Average Net Profit made by the company during the three immediately preceding financial years. (Net profit to be calculated in accordance with the provisions of Section 198 of Companies Act, 2013).**
- 4.1.2 The unspent CSR amount in a particular year would not lapse. It would instead be carried forward to the next year for utilization for CSR activities only.

#### **4.2 IDENTIFICATION OF FOCUS AREAS**

- 4.2.1 KLL shall undertake CSR projects or programmes targeted at upliftment of beneficiaries belonging to the under privileged section of the society. The overarching goal of KLL's CSR initiatives is socio-economic empowerment of people from all disadvantaged groups, as per the intent and provisions of Schedule VI of Companies Act, 2013.
- 4.2.2 KLL shall undertake CSR projects in sectors as identified under Schedule VII of the Companies Act, 2013 with special focus on the areas given below-
- I. Health, Nutrition and Sanitation and Drinking Water Projects
  - II. Education initiatives
  - III. Livelihood Generation and Skill Development initiatives
  - IV. Rural Development
  - V. Women Empowerment initiatives
  - VI. Care of the elderly and differently abled.
  - VII. Environment centric initiatives

**The nature of the CSR Programmes to be undertaken under each of the above focus areas will be as per GAIL’s CSR Operating Guidelines, till KLL makes its own Operating Guidelines.**

- 4.2.3. As a part of the sustainability initiatives within the organization, KLL shall give due importance to environmental sustainability even in normal mainstream activities by ensuring that our operations and processes promote renewable sources of energy, reduce / re-use / re-cycle waste material, replenish ground water supply, protect / conserve / restore the ecosystem, reduce carbon emissions and help in greening the supply chain. However, expenditure towards such sustainability initiatives would not constitute a part of CSR spends from 2% of profits as stipulated in the Act and the CSR Rules.

## **5. IMPLEMENTATION**

- 5.1 CSR programmes will be undertaken by KLL within the defined ambit of Schedule VII of Companies Act, 2013 with special focus on the heads as listed at Clause 4.2.2.
- 5.2 CSR programmes will be implemented in and around the ‘local areas’ (within a radius of 100 kms) adjoining KLL plant.
- 5.3 CSR activities shall be undertaken through various agencies including registered trusts/societies or companies or autonomous bodies/government departments. In case of NGOs/Trust/Pvt. Companies, an established track record of 03 years in undertaking similar projects or programs would be essential.
- 5.4 Implementing agencies shall be selected on the basis of their experience and track record. Physical inspection of the site /facility /service shall be undertaken by the CSR Sub-committee or by members or senior officials of the Company nominated by the Board level CSR Committee prior to, in between and on completion of project.
- 5.5 KLL shall prepare an agreement for the implementing agency clarifying the responsibility of KLL and the implementing partner, the fund release pattern and the expected outcome from the initiative. The monitoring and evaluation time frame shall also be clearly indicated.
- 5.6 Fund utilisation certificate shall be obtained from the implementing organisation upon completion of project along with copies of corresponding invoices/bills. The implementing agencies shall be under obligation to submit audited accounts an appropriate time.
- 5.7 KLL shall generate awareness among the staff about CSR and its activities. The Staff involved with CSR activities shall be provided with adequate training and orientation. The training may also be provided to the implementing partner for their capacity building.
- 5.8 OIC / CEO shall constitute a CSR Support Cell comprising members from HR, Finance and Technical Disciplines.

## 6. MONITORING AND FEEDBACK

6.1 To ensure transparency and effective implementation of the CSR programmes undertaken, a robust monitoring mechanism will be instituted by the company, providing for periodic monitoring using the following indicative medium:

1. Half Yearly Progress report certified by CFO & CEO for information to CSR Committee and Board.
2. Site Visits
3. Documentary evidence including photographs, films and videos
4. Other in-house monitoring mechanisms as determined by CSR Working Committee.

## 7. REPORTING

- 7.1 An Annual Report on CSR containing details about the CSR Policy and programmes implemented by KLL shall be included in the Board of Directors' Report for every FY, as per the format prescribed under the Rules to Section 135 of Companies Act, 2013.
- 7.2 Composition of the KLL CSR Committee will be included in the Annual Report on CSR and also displayed on the KLL website.
- 7.3 The proforma containing the details of CSR activities to be undertaken by KLL will be annexed on an annual basis with the policy document (Sample Format Placed as Annexure-1).
- 7.4 The Board of Directors' Report shall include a **Responsibility Statement** of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of KLL.
- 7.5 If some reason, KLL fails to spend 2% of the avg. net profit of the preceding three FYs on CSR, the reasons thereof, shall be furnished in the report of the Board of Directors under Section 134 (3) (o) of the Companies Act, 2013.

## 8. APPROVING AUTHORITY: -

- 8.1 CSR Support Cell shall evaluate all CSR proposals before forwarding the same for approval.
- 8.2 All the individual CSR Proposals up to 3 lakhs (subject to an annual ceiling of Rs. 20 Lakhs) shall be approved by CEO on the recommendation of CSR Support Cell and concurrence of Local Finance Department.
- 8.3 All the individual CSR proposals above Rs 3 Lakhs shall be put-up to CSR Committee for recommendation to Board for Approval.

## **9. GENERAL PROVISIONS**

- 9.1 KLL shall execute all CSR activities and programmes in terms of the systems and procedures as per GAIL's CSR Operating Guidelines till KLL makes its own operating guidelines, which are aligned / based on the provisions of Section 135 of the Companies Act, 2013, the CSR Rules and the subsequent clarifications and amendments as notified by Ministry of Corporate Affairs.
- 9.2 If necessitated, new CSR activities / projects can be taken up during the course of a year, in addition to CSR activities already incorporated in the CSR policy of KLL on annual basis, with the Board's approval based on the recommendations of the CSR Committee. The same would be treated as amendment to the policy.
- 9.3 The surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the company.
- 9.4 No contribution shall be made to any political party through CSR Fund.
- 9.5 The CSR Projects or programmes or activities that benefit only the employees of KLL and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.
- 9.6 For every CSR project/programmes of KLL, the implementing agency shall abide by the provisions of the KLL's Fraud Prevention Policy as available on KLL's Website.

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**Annexure -1**

**List of CSR Project / Activities / Programs for the Year \_\_\_\_\_**

*(Annexure to KLL's CSR Policy Clause No. 7.3)*

<b>Sr No.</b>	<b>CSR Project or Activity Identified</b>	<b>Sector in which the Project is Covered.</b>	<b>Projects or Programs (1) Local Area or Other (2) State or District where projects or program was under taken</b>	<b>Amount Outlay Budget) Project / Program Wise</b>	<b>Amount Spent on the Project or Programs Subheads: (1) Direct Expenditure on Projects / Programs (2) Overheads</b>	<b>Cumulative Expenditure up to the reporting period</b>	<b>Amount Spent: Direct or Through Implementation Agencies</b>
1							
2							
3							
4							
5							