



# CSR POLICY

KPCL-2014-15



## **Karnataka Power Corporation Limited** **-CSR Policy**

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## 1. INTRODUCTION

- Karnataka Power Corporation Limited, along with its subsidiary companies, which have been set up as special purpose vehicles (SPVs), (herein after collectively referred to as “KPC”) is Karnataka’s largest power Generation Company in the public sector.
  - Its generation project portfolio includes projects based on conventional (coal-based, gas-based (under process), large hydro) and renewable energy (solar and wind) technologies.
  - Most projects and operating plants are located in remote / rural areas, where basic infrastructure is inadequate and socio-economic profile is relatively weaker. Our mission is to contribute towards improving the quality of life of the communities living in these areas. We believe that our success in executing and operating large-scale generation projects is critically dependent on following a participatory development-oriented approach that strengthens our bond with the local population.
  - Karnataka Power Corporation Limited has undertaken and shall continue to undertake appropriate Corporate Social Responsibility (CSR) measures having direct, measurable and positive economic, social, and environmental impact on the community with particular emphasis on the local area and areas around where it operates.
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## 2. CSR Policy

- ❖ To direct KPC's CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports.
- ❖ To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
- ❖ Adopt an approach that aims at achieving a greater balance between social development and economic development.
- ❖ To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies towards "Enterprise Social Responsibility (ESR)" activities and to spend such monies through ESR Cells of such administrative bodies of the government or directly by way of developmental works in the local areas around which the Company operates.

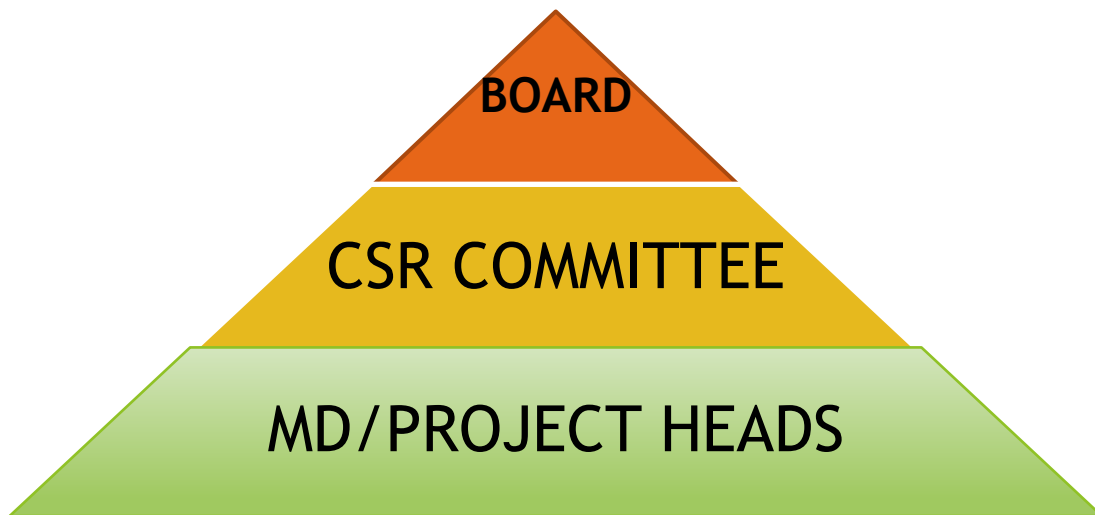
### 3. Focus Areas

KPCL CSR areas targets inclusive growth of all stakeholders under eight categories, mentioned under Sch. VII of The Companies Act, 2013. These primarily fall under:

- drinking water,
- sanitation,
- education,
- healthcare,
- social development,
- livelihood opportunities and environment protection.
- Rural Development Projects
- Healthcare including sanitation and drinking water
- Education & Vocational Skills (incl. Educational Infrastructure)
- Any other additional items under Sch. VII of The Companies Act, 2013 as may be prescribed from time to time.

## 6. Governance Structure

- A three-tier governance structure is responsible for implementing CSR activities at KPCL and its subsidiaries and this includes the CSR Committee of the Board.



## 7. Roles and Responsibilities

- CSR Committee shall consist of three or more directors of which at least one shall be an independent director. CSR committee shall be responsible for:
  - a. Formulation of CSR Policy
  - b. Regular monitoring of implementation of CSR policy
  - c. Identify key initiatives pursuant to the CSR policy
  - d. Recommend to the Board CSR expenditure to be incurred
  - e. Recommend to the Board, modifications to CSR policy as and when required.

## 8. Implementation

To implement the Company's CSR Programmes through Company personnel or through external implementing agencies or through Section 8 companies that may be established by the Company from time to time. In such cases, the Company will specify the CSR Programmes which may be undertaken by those Section 8 Companies/NGO's in accordance with their Objects and administrative and accounting processes laid down in the respective Deeds/ Byelaws / Memoranda and Articles of Association.

## 9. Governance

1. Every year, the CSR and Sustainability Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
2. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back to the Committee on the progress thereon at such frequency as the Committee may direct.
3. The CSR Committee shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
4. At the end of every financial year, the CSR Committee will submit its report to the Board.