



**CORPORATE SOCIAL RESPONSIBILITY (CSR)
AND
SUSTAINABILITY POLICY OF

J.K. CEMENT LIMITED**

PART-A

CORPORATE SOCIAL RESPONSIBILITY POLICY

Version 2 (amendment on 5.10.2023)

1. Introduction

At JK Cement Limited ('Company') ('JKCL'), we recognize that our responsibility extends beyond producing quality cement; it encompasses a commitment to the holistic well-being of the communities and environment in which we operate. Our Corporate Social Responsibility and Sustainability Policy ('CSR Policy') represents a foundational pillar of our corporate identity and commitment to good governance, guiding our actions and endeavors to create a positive impact on society and foster sustainable development.

We understand that successful businesses must actively contribute to society's growth and welfare. As we embrace this belief, we have aligned our CSR initiatives with the United Nations' Sustainable Development Goals (SDGs) and the national missions, striving to make a meaningful difference in line with Schedule VII of the Companies Act, 2013.

Our CSR and Sustainability Policy is a testament to our dedication to inclusive and responsible business practices. We emphasize empowering marginalized communities, promoting education, enhancing healthcare access, nurturing livelihoods, and ensuring environmental sustainability. We aim to elevate the lives of those around us by actively engaging in projects that reflect our commitment to ethical conduct and societal well-being.

This CSR and Sustainability Policy provides a comprehensive framework that outlines our focus areas, strategies, and goals, aiming to integrate CSR seamlessly into our business operations.

2. Background of JKCL CSR

JKCL began its journey in the realm of Corporate Social Responsibility with a vision to contribute meaningfully to the society it operates in. The roots of JKCL's CSR initiatives can be traced back to its founding principles, which emphasized the importance of giving back to the community being a responsible corporate citizen.

The company was established in the late 20th century by visionary entrepreneur Late Sri Yadupati Singhania, who understood the symbiotic relationship between business success and community well-being. As the company grew and prospered, its leaders recognized the need to create a positive impact beyond profits and growth.

The impetus for formalizing CSR initiatives within JKCL emerged from an evolving understanding of corporate responsibility and a desire to align the company's operations with broader societal interests. This alignment was seen as a way to foster sustainable development, promote ethical business practices, and enhance the quality of life for the communities in which JKCL operated.

The early stages of JKCL's CSR activities involved engaging with local communities, understanding their needs, and identifying areas where the company could make a difference. Initiatives were strategically planned and implemented to address various aspects of societal development, including education, healthcare, environmental conservation, and community development.

As the company expanded its operations and diversified its business interests, so too did its CSR initiatives. JKCL gradually adopted a strategic CSR approach, aligning to the changing CSR paradigm nationally and globally. Over the years, JKCL's CSR activities have evolved and matured, guided by a commitment to creating positive and sustainable change. The company views CSR not merely as a philanthropic obligation but as an integral part of its business strategy. Through strategic investments, partnerships, and engagement with stakeholders, JKCL continues to shape its CSR

initiatives to address the evolving needs of the society while upholding its core values of integrity, social responsibility, and ethical business practices.

3. Scope and Applicability

This CSR and Sustainability Policy shall be applicable to JKCL in India.

The objective of CSR and Sustainability Policy is to interalia give an overview of the CSR of JKCL including:

- Vision / Mission
- Financials
- Governance
- Key thematic/focus area
- Implementation
- Monitoring, evaluation and Impact assessment

4. JKCL CSR Vision and Mission

4.1 Vision

"To be a pioneer in CSR within our industry, committed to shaping a world where sustainable business practices and community well-being converge seamlessly.

4.2 Mission

"Our mission is to integrate ethical, social, and environmental considerations into our business fabric, amplifying our positive impact on society. Through strategic partnerships, community engagement, and sustainable practices, we strive to catalyze transformative change, enhancing lives and nurturing a sustainable future."

5. Financials

5.1 Total Outlay

In line with the provisions of Section 135 of Companies Act 2013 ('Act') and Rules framed thereunder, JKCL pledges to set apart and spend at least 2% of the average net profits made during the three preceding financial years specifically towards CSR initiatives described in detail in Schedule VII of the Act as amended from time to time.

5.2 Application of fund/Expenditure on CSR Activities

- The CSR and Sustainability Committee shall ensure that the administrative overheads shall not exceed five per cent of total CSR expenditure of the Company for the financial year.
- Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the unspent CSR Account and will be spent in pursuance of this CSR and Sustainability Policy and Annual Action Plan of the Company or shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 upto immediate succeeding three financial years subject to the

conditions that the excess amount available for set off shall not include the surplus arising out of the CSR activities; the Board of the Company shall pass a resolution to that effect.

- The CSR amount spent by Company for creation or acquisition of a capital asset, if any, shall be held by the Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having CSR registration number; or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities, or a public authority

5.3 Transfer of unspent amount:

The unspent CSR amount, unless such amount relates to any ongoing project, if any, shall be transferred by the Company to any fund included in Schedule VII of the Act within a period of six months of the expiry of the financial year.

However, any amount remaining unspent, pursuant to an ongoing project shall be transferred by the Company within a period of thirty days from the end of the financial year to Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the CSR within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year

6. Governance

6.1 CSR team

The CSR and Sustainability Committee will constitute a CSR Team comprising of such members as the CSR and Sustainability Committee may deem appropriate to be headed by Head (CSR) or any other official as may be empowered by the CSR and Sustainability Committee.

Function & Responsibility of CSR team

- Develop the annual action plan aligning with company objectives and CSR and Sustainability Policy for approval by the CSR and Sustainability committee.
- Oversee and ensure effective execution of the approved annual action plan.
- Maintain high project implementation standards within defined outcomes, timelines, and budgets.
- Regularly monitor and evaluate projects, providing progress updates and recommendations to the CSR and Sustainability committee.
- Monitor and report fund utilization, staying within defined budgets.
- Conduct due diligence for selecting and onboarding implementation partners.
- Explore collaborations with other organizations for impactful CSR projects.
- Ensure impact assessment of projects in compliance with the Act and place before the CSR Committee such impact assessment report for its approval/noting.
- Act promptly on CSR and Sustainability committee decisions, keeping them informed of challenges and updates.

6.2 CSR and Sustainability Committee

CSR and Sustainability Committee of the Board is in place comprising of 3 or more Directors with the Chairperson/Chairman being an Independent Director.

Function & Responsibility of CSR and Sustainability Committee

- Formulate/amend and recommend CSR and Sustainability Policy and Annual Action Plan to the Board.
- Approve CSR programs/projects in line with Schedule VII.
- Establish monitoring mechanisms and assess needs and impacts of CSR programs.
- Recommend CSR expenditure and oversee compliance with statutory obligations.
- Monitor expenditure and recommend treatment of unspent amounts.
- Review CSR and Sustainability Policy and Annual Action Plan to ensure alignment with company goals.
- Institute transparent monitoring for CSR project oversight.
- Review the need for impact assessment of CSR projects or programs and undertake the same.

6.3 Function & Responsibility of the Board

- Approve CSR and Sustainability Policy and amendments, along with the Annual Action Plan.
- Ensure that activities as are included in CSR and Sustainability Policy of the Company are undertaken by Company.
- Ensure disclosure of CSR and Sustainability Policy and reports as per legal requirements.
- Verify compliance with the CSR and Sustainability Policy during CSR activities.
- Ensure meeting mandates CSR expenditure and addresses shortfalls appropriately.
- Handle situations w.r.t. excess spending towards CSR as per the Act.
- Verify proper utilization of disbursed CSR funds.
- Modify the Annual Action Plan based on CSR and Sustainability Committee recommendations.
- Oversee project progress and impact assessments as required by the Act.

7. Key thematic/thrust Areas

JKCL will undertake CSR initiatives which will fall in the purview of the Schedule VII of Act (as modified from time to time).

For integrated impact these interventions will be further allocated in the thematic areas as per the objectives defined below.

Sl	Focus areas	Objectives
1.	Education	To promote inclusive and equitable education for all, with a focus on enhancing access to quality education, improving education outcomes, and promoting skill development amongst children, woman, elderly and differently abled to have better livelihood opportunities.
2.	Livelihood	To promote sustainable livelihoods and economic opportunities, with a focus on enhancing capacities for self-reliance/ resilience and to help eradicating hunger, poverty and malnutrition.

3.	Health	To improve accessibility to affordable and quality healthcare services, with focus on promoting better health outcomes and reducing health disparities.
4.	Rural transformation	To improve access to basic infrastructure and services in rural areas, with a focus on enhancing the quality of life and promoting sustainable development in rural communities including rural sports.
5.	Environment and sustainability	To promote sustainable practices and protect and enhance the natural environment, with a focus on ensuring the well-being of current and future generations. Further to maintain ecological balance by way of conserving natural resources and maintaining quality of soil, water and air.
6.	Disaster relief	To improve the preparedness, responsiveness, and resilience of communities and institutions in the face of emergencies and disasters, with a focus on saving lives, reducing suffering, and restoring dignity.

** Other initiatives (need based) -in special cases with prior approval, to undertake other need-based initiatives in compliance with Schedule VII of the Act.*

8. Implementation

JKCL CSR initiatives will be implemented either directly by the company, or indirectly through implementing agencies or through partnership or collaboration.

JKCL will take Projects/Programs/Initiatives with a time frame of not more than 3 years (excluding the year of commencement). All the CSR interventions/project/programs will entail the following components;

- Need assessment/baseline assessment/feasibility assessment
- Detailed project proposal with indicators, theory of change and deliverables
- Details of beneficiaries, geographical reach out, and project start and end date
- Detailed Monitoring, evaluation and reporting plan
- Detailed budget allocation plan

Additionally, if the implementation is to be carried out by an implementing partner/agency, certain components will be integrated fulfilling the criteria mentioned in the Act. This will involve a meticulous Due Diligence process to select appropriate implementation partners/agency capable of acting as a CSR agency for executing CSR initiatives. The partner/agency selected following the Due Diligence process must meet specific criteria as stipulated in CSR Policy Rules, 2014:

- ❖ A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- ❖ Entity established by the Central Government or State Government – a company established under section 8 of the Act, or a registered trust or a registered society.
- ❖ Statutory bodies – any entity established under an Act of Parliament or a State legislature.

MoUs/agreements will be executed with implementing agencies qualified to undertake CSR activities under the Act with clear project outlined, deliverables, timelines and budget.

JKCL will also explore collaborating with other corporates/foundations in order to synergize its efforts and maximize financial resources as well as outcomes and impact, subject to the approval of the CSR and Sustainability committee. If any intervention is undertaken in collaboration, all the parties should be in a position to report separately as per reporting requirements under the Act and rules for CSR framed thereunder.

9. Monitoring and evaluation

Monitoring and evaluation will be a continuous process which will be done throughout the project cycle by the CSR team. The Monitoring mechanism will ensure that all programs/projects are duly implemented within stated timelines, deliverables and budget. A comprehensive monitoring mechanism will be devised by the Company to ensure that the CSR process functions as mandated by the Act and the rules are being followed and same will be updated by CSR team to the CSR and Sustainability committee on timely manner.

The monitoring system devised by the Company will include:

- ❖ Regular field visits by designated staff and teams will be conducted to project sites, enabling firsthand observation of progress and challenges.
- ❖ Comprehensive field reports, including visual elements like pictures and videos, will be documented, providing a clear picture of on-ground activities.
- ❖ An established mechanism will facilitate regular interaction with beneficiary communities to gather feedback on project outcomes and experiences
- ❖ Verifying timely utilization of fund to ensure adherence to budget allocations and planned expenditures will be done as a part of monitoring.

The efficient implementation, diligent monitoring, and thorough evaluation will collectively enable JKCL to fulfill its CSR commitments, ensuring that projects are executed within stipulated timelines, budgets, and in a manner that maximizes positive outcomes for the communities involved.

The CSR and Sustainability Committee and Board will half yearly review and monitor the CSR project progress with reference to the outcomes, approved timelines and year-wise spend.

10. Impact assessment

JKCL will conduct an impact assessment of its CSR projects/intervention as provided in the Act read with the rules made thereunder, by one or more independent agencies identified through a transparent, accountable process

Impact assessment at any location will be carried out by an independent agency with the support of Central CSR team.

Impact assessment report will be presented to the CSR and Sustainability committee for appraisal.

11. Disclosure

Disclosure on JKCL CSR will be in accordance with the Act read with the rules made thereunder and as applicable from time to time

PART -B
SUSTAINABILITY POLICY

J.K. Cement Ltd. is committed to maintain and innovate JKCL operations and processes to remain in harmony with nature, society and economy. We are focused on responsible governance that integrates various dimensions of sustainability towards betterment of stakeholders and nurtures the legacy of future generations.

1. The Company is committed to:

- Safeguarding the values of Environmental, Social and Corporate integrity ingrained in the working practices.
- Adopting resource efficient technology, identify processes, equipment & systems to reduce consumption of fuel, raw materials, energy, water etc.
- Working towards Climate Change, monitoring and mitigating our emissions through innovation and scientific acceptance.
- Promoting use of alternate fuel sources and use of renewable energy.
- Reduce water footprint through effective implementation of conservation strategies, efficient wastewater management system and creating awareness within the organization and to the society.
- Adopting sustainable mining practices including quarry rehabilitation, biodiversity management and stakeholder interactions.
- Maintaining transparency in reporting disclosures and integrity in our communications with our stakeholder.
- Implementation of Sustainable Supply Chain Management system through innovative supply chain systems and logistics.
- Addressing social responsibility towards inclusive growth and welfare of the local community through regular involvement and engagement programs.
- Implementation of OH&S standards and guidelines through providing training, resources and education to employees, workers, and visitors.
- Capacity building of our employees and stakeholders for recurring advancement in quality of products, productiveness, and profitability.
- Conducting rigorous audits, evaluations, and self-assessments of the implementation of this Policy.
- Providing a safe and pleasant workplace free from hazard & risk.
- Reduce energy consumption by ensuring the responsible use of energy throughout the organization.
- Increase the share of renewable energy throughout the organization.
- Working with suppliers who promote best environmental & sustainable practices.
- Enhancing awareness among our employees, volunteers and users-education and motivating them to act in an environmentally responsible manner.
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2. **CSR and Sustainability Committee**

CSR and Sustainability Committee of the Board would monitor governance of Sustainability Policy of the Company and its implementation.

Function & Responsibility of CSR and Sustainability Committee

- Formulate/amend and recommend Sustainability Policy and Annual Action Plan to the Board.
- Approve programs/projects.
- Establish monitoring mechanisms and assess needs and impacts.
- oversee compliance with statutory obligations.
- Review Annual Action Plan to ensure alignment with company goals.
- Institute transparent monitoring of project oversight.
- Review the impact of projects or programs.

7.1 Function & Responsibility of the Board

- Approve Sustainability Policy and amendments, along with the Annual Action Plan.
- Ensure that initiatives be undertaken by ESG Team.
- Ensure disclosure in BRSR and also Integrated Reporting of Annual Report as per legal requirements.
- Modify the Annual Action Plan based on CSR and Sustainability Committee recommendations.
- Oversee project progress and its assessments.

This Policy shall be reviewed periodically for its suitability and updated as necessary

Date: 5.10.23



MANAGING DIRECTOR