

Kerala Minerals and Metals Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

1) Philosophy

Social and Environmental responsibility has always been at the forefront of KMML's operating philosophy and as a result the company consistently contributes to socially responsible activities. KMML being located amidst dense population comprising lower and middle class families, functioning of a Chemical Plant demands maximum involvement in CSR activities. Through active CSR programs, the company plays a key role for betterment of the society by doing social, environmental and ethical responsible activities in its governance.

As a responsible corporate entity, KMML contributes for social and environmental causes on a regular basis. The company adopts a long term sustainable approach while planning various CSR activities. It shall extend the project management and monitoring skills available with company to the local administration agencies for implementing various CSR projects.

2) Vision

Through sustainable measures, KMML contributes to the Social, Economic and Environmental Development of the community in which the company operates, ensuring participation from the community and thereby create value for the nation.

3) Mission

Ensuring socio-economic development of the community through different participatory and need based initiatives in the best interest of different sections of the society so as to help them to build a better tomorrow.

4) CSR Committee

Pursuant to Sec.135 of the Companies Act, 2013 (hereinafter referred to as "Act"), the Board of Directors of the company constituted a Corporate Social Responsibility Committee (hereinafter referred to as "CSR Committee") consisting of 4 Directors, at its meeting held on 03.06.2014. The CSR Committee shall be responsible to;

- Formulate and recommend the CSR policy to the Board in compliance with Sec.135 of the Act.
- Identify the activities to be undertaken as per Schedule VII of the Act.
- Recommend to the Board the amount of expenditure to be incurred on CSR activities.
- Recommend to the Board, the modifications to CSR policy as and when required.
- Monitor the implementation of the CSR policy from time to time.

5) Internal Committee

An Internal Committee for CSR activities, consisting of following personnel of the company be constituted to support the Board's CSR Committee. Its main functions shall be screening out the relevant proposals to be placed before Board's subcommittee, as well as, to review the implementation of activities and apprising the same to Board's CSR committee.

- 1) General Manager (P&A/EDP) – Co-ordinator
- 2) DGM (TS & RD)
- 3) AGM (Operations-MS)
- 4) Head of Department (Finance-TP)
- 5) Manager (Production-TSP)
- 6) Manager (Welfare)
- 7) Manager (Internal Audit)
- 8) Public Relation Officer
- 9) Company Secretary

6) CSR Activities

The CSR activities of the company shall be in line with stated Vision and Mission. This policy relates to those activities which are being undertaken by the company in consonance with provisions of Schedule VII of the Act and the Expenditure thereon.

Being the company located amidst thick population, the primary target area of CSR activities is surrounding areas/wards. However, in the interest of the community, the company shall extend its CSR activities as far as possible to cover the entire community, block, district and state in which the company operates.

KMML shall consider the following parameters for identification and selection of CSR activities;

- I. Thrust shall be given, wherever possible, to those areas which are related to natural corollary to the business of KMML.
- II. Investment in CSR activities shall be in consonance with provisions of the Act and Rules thereon.
- III. CSR activities shall generate community goodwill, create social impact and visibility
- IV. CSR activities should help in building a positive image of the company in the public perception
- V. CSR projects may be closely linked with the principles of Sustainable Development based on the immediate and long term social and environmental consequences of company's operations.

7) Focus areas

The following areas are identified as focus areas for CSR activities of the company. This list is indicative and not exhaustive and subject to change;

- a. Augmenting drinking water facility
- b. Education, Vocational training, Scholarship for students belonging to SC, ST, OBC and disabled / deserving categories for meritorious achievements
- c. Electrification
- d. Promotion of Non-conventional Energy sources like Solar lighting
- e. Irrigation, water & soil conservation, enrich surrounding area through plants
- f. Activities for preservation of the environment/ecology and for sustainable development
- g. Sanitation and Public Health
- h. Promotion of Yoga, Family Welfare etc.
- i. Pollution Control and prevention
- j. Promotion of Sports, Games, Arts and Culture
- k. Promotion of livelihood of economically weaker sections through forward and backward linkages
- l. Supplementing Development Programs of Government
- m. Construction of Community Centre, Library, Knowledge centre.
- n. Infrastructure development like construction and maintenance of Roads, Pathways, Drainages, Bridges etc.
- o. Relief to victims of natural calamities
- p. Disaster management activities including those related to amelioration and mitigation
- q. Activities pertaining to palliative care for senior citizens and disabled people
- r. Apprenticeship training programs for qualified youth and Scholarship for students from families including families evicted from company's Mining sites.

8) Implementation

The company may establish Trust, Society or Sec. 8 Company from time to time to carry out CSR activities. In such cases, the Company will specify the CSR Programs which may be undertaken by those entities in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deed/ Memorandum and Articles of Association. Either the company directly or through said entities shall carry out the CSR activities. The company may also carry out the CSR activities through external registered entities having established track record of 3 years in undertaking similar activities.

Project activities under CSR scheme may be implemented through registered specialized agencies viz., Voluntary agencies, Non-Governmental Organizations (NGOs), Self-help groups, Community based organizations, Academic Institutes / organizations, Trusts, Societies etc. having established track records of minimum 3 years and good reputation.

KMML shall take adequate care to avoid duplication of CSR activities undertaken by the company with that of the programs run by Government. Due preference shall be given to those programs which send out strong messages of KMML's commitment towards environment. Awareness about CSR activities shall be generated among its employees at various levels.

9) Annual Plan

Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR activities and programs 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.

10) Governance and Monitoring

All proposed CSR activities should be in line with the Annual CSR Plan approved by Board of Directors. If any CSR activities which are outside the purview of Annual Plan, prior approval on the same should be secured either from CSR Committee or Board of Directors before implementation. If any such activities implemented based on approval from CSR Committee alone, the same shall be placed before Board Meeting for its ratification.

The concurrence for CSR activities with cost upto Rs.25,000/- is to be taken from Executive Director and with cost upto Rs.1,00,000/- from Managing Director. All remaining CSR activities with cost above Rs.1,00,000/- is to be placed before CSR Committee for its approval.

The Internal Committee will assign the task of implementing CSR activities within specified budget and timeframe to such persons or bodies as it may deem fit and the assignee shall carry out such CSR activities as determined by the Internal Committee.

The Internal Committee shall review the implementation of the CSR Programs periodically and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programs in accordance with this Policy.

Atleast once in every six months, the Internal Committee will provide a status report to the CSR Committee on the progress of implementation of the approved CSR activities carried out during six month period. The primary responsibility of monitoring the CSR policy and activities thereon is vested upon the CSR Committee.

The CSR Committee shall review such reports and keep the Board apprised of the status of implementation of the same. At the end of every financial year, the CSR Committee will submit its report to the Board.

11) CSR Expenditure

CSR expenditure shall include all expenditure, direct and indirect, incurred by the Company on CSR Programs / activities undertaken in accordance with the approved CSR Plan, but does not include any expenditure on any activity not in conformity or not in line with activities within the purview of Schedule VII of the Act (enclosed as **Annexure**).

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company. Accordingly, any income arising from CSR Programs will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

SCHEDULE VII OF COMPANIES ACT, 2013

(See section 135)

ACTIVITIES WHICH MAY BE INCLUDED BY COMPANIES IN THEIR CORPORATE SOCIAL RESPONSIBILITY POLICIES

Activities relating to:—

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) promotion of 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;
- (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 arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects.
