

**Subject: Corporate Social Responsibility Policy**

**Application Areas**

Perimeter: *India*

Staff Function: *Legal and Corporate Affairs*

Service Function: -

Business Line: *Enel Green Power and Thermal Generation*

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Director & CEO  
Sandy Khera

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**1. DOCUMENT AIMS AND APPLICATION AREA**

At Enel Green Power India Private Limited (“EGP or “Company”), we believe in pursuing wider socio-economic and cultural objectives. Considering as we strongly believe that businesses can no longer operate with the sole aim of making profits at the expense of the environment, society, economy and employees, it is paramount as to how an organisation can return back to society.

EGP has devised a development strategy in each territory that constantly implements sustainable actions and practices. Our proactive approach is structured to pinpoint opportunities to create shared value between EGP and the territories and communities where we operate. We strive to identify needs of local stakeholders and starting from them we define and implement community development programs aimed at creating shared value for the benefit of the local territories and communities where we operate. These best practices we will now be taking in and including in our CSR initiatives that we pursue as a part of this policy.

EGP’s CSR Policy (“Policy”) framework details the mechanisms for undertaking various programmes in accordance with section 135 of the Companies Act, 2013 (“Act”) for the benefit of the community.

The methods identified in this procedure ensure the overall consistency of each document issued within the company’s organization, as well as its compatibility with the Integrated Management System of Enel Green Power & Thermal Generation Business Line objectives, processes and applicable requirements.

**2. DOCUMENT VERSION MANAGEMENT**

Version	Date	Main changes description
0	29/03/2022	Issuing of new CSR Policy

**3. UNITS IN-CHARGE OF THE DOCUMENT**

Responsible for drawing up the document

- Legal and Corporate Affairs of Enel Green Power India Private Limited
- Sustainability of Enel Green Power India Private Limited

Responsible for authorizing the document

- Board of Directors and Company Secretary of Enel Green Power India Private Limited

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#### 4. RESPONSIBILITY OF BOARD

The Board will play the following role in fulfilling EGP's CSR objectives:

- Formulation and review of the CSR Policy including the annual action plan.
- Approval of the activities to be undertaken by EGP towards CSR initiatives.
- Approval of the amount of expenditure to be incurred on the CSR initiatives.
- Formulation of transparent monitoring mechanism for ensuring implementation of the projects/programmes/ activities proposed to be undertaken by EGP or the end use of the amount spent towards CSR activities.
- Monitor and implement the Policy from time to time.
- Monitoring the status of the CSR activities and contributions made by EGP.
- Constituting Sustainability team to select, execute and spent CSR funds in accordance with this Policy.
- To include the annual report on CSR Activities of EGP and sets out the requisite information in terms of the Act and the CSR Rules
- Any other requirement mandated under the Companies Act and rules framed thereunder.

The Board may alter the annual action plan, at any time during the financial year, based on reasonable justification to that effect.

#### 5. PROCESS DESCRIPTION

##### 5.1 Vision and Mission

Our vision is to create and implement shared value projects that help us to combine our mission to diversify the energy mix with a concrete contribution to the socio-economic development of the people and territories where we operate.

##### 5.2 Purpose

- i) To lay down guidelines and principles for implementing CSR key business processes in the society appropriate procedures and reporting.
- ii) To directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our facilities across the country and society at large.
- iii) To generate goodwill and recognition among all stakeholders of the EGP.

##### 5.3 CSR approach

EGP shall follow the following approach for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan:

- i) In undertaking CSR activities, the EGP shall give preference to the local areas wherein EGP operates or has its offices i.e., areas in the vicinity of its factories, work offices etc. However, this shall not bar EGP from pursuing its CSR objects in other areas.
- ii) Sustainability team will identify suitable projects for implementation in line with the objectives of the CSR Policy and the same will be placed before Board for their approval, along with other relevant details such as, estimated expenditure, areas to be developed and phase wise implementation schedules.
- iii) The CSR projects in priority areas shall be identified on the basis of an assessment surveys for which the sustainability team may engage external professionals/firms/agencies/consultants, if required for the said purpose.

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- iv) EGP shall not discriminate against the beneficiaries of the CSR activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR activities to benefit the economically or socially weaker, or marginalised sections, of the society.
  - v) EGP shall ensure that all CSR activities undertaken directly or indirectly, meet applicable standards of quality as followed by its parent globally.
  - vi) EGP shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR activities.
  - vii) EGP may undertake CSR activities itself or through a registered trust or a registered society or a company established by the Company or subsidiary or associate company under section 8 of the Act or through such other trusts, NGOs, registered societies etc. which have an established track record of three years of undertaking such projects/programmes.
  - viii) EGP may collaborate with other companies for undertaking the CSR projects/programmes subject to fulfilment of separate reporting requirements as prescribed in the Act and CSR rules.
  - ix) EGP shall prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/ activities proposed to be undertaken.
  - x) EGP shall ensure that all the CSR activities are implemented as per the approved Annual Action Plan, authorised by the Board.

**5.4 CSR activities/ Projects/ Programmes**

EGP recognises that CSR is not merely compliance, it is a commitment to support initiatives that measurably improve the lives of the underprivileged by supporting one or more of the focus areas as provided under Schedule VII of the Act.

**5.5 CSR expenditure**

Every year the EGP shall spend atleast 2% of its average net profit as defined under the Act ("CSR obligation") during the three immediately preceding financial years, on the CSR activities as per the approved annual action plan.

CSR expenditure shall include all expenditure for projects or programmes relating to CSR activities approved by the Board but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of the Schedule VII of the Act.

Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profit of EGP and shall be ploughed back into the same project or shall be transferred to the unspent CSR account and it should be spent in pursuance of this CSR Policy and annual action plan of EGP, or EGP may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Where EGP spends an amount in excess of requirement under the Act, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that:

- (a) Excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- (b) Board of the Company shall pass a resolution to that effect.

EGP may incur cost on administrative overheads, provided that, such costs shall not exceed the cap prescribed under Act.

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Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.

In case EGP undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the “**Unspent Corporate Social Responsibility Account**”, and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

**5.6 Evaluation of CSR**

In order to assess the impact of its CSR projects and programmes, maximize outcomes and building sustainability, scalability and replicability, EGP may undertake the following activities:

- a. Survey among beneficiaries through a structured questionnaire, personal interview, telephonic feedback, etc. designed keeping in mind the prior data of baseline survey or need assessment study.
- b. The findings of the survey shall be scrutinized, analysed for deficiencies, if any, and suitable corrective measures will be taken for further improvement in EGP’s CSR initiatives.
- c. Obtaining periodic status reports by Sustainability team around the Key Performance Indicators (KPIs) of the ongoing projects.

**5.7 Review of Policy & amendment**

The Board shall review the Policy every two years unless such revision is necessitated earlier.

**6. REFERENCES**

- GPG IMS Policy: Health, Safety, Environment, Quality and Energy dated 31/05/2021.
- Anti-bribery policy of Enel Green Power India Private Limited dated 16/11/2021.
- Companies Act, 2013.

**7. ORGANIZATIONAL PROCESS POSITION IN THE PROCESS TAXONOMY**

**Process Area:** Legal and Corporate Affairs

**Macro Process:** Corporate Affairs

**8. DEFINITIONS AND ACRONYMS**

Acronym and Key words	Description
EGP or Company	Enel Green Power India Private Limited
Policy	EGP’s CSR Policy
Act	Companies Act, 2013