



KEC International Limited

Sustainability Policy

1. Objective

KEC, as a responsible corporate citizen, believes that Sustainability and ESG (i.e. Environmental, Social, and Governance) are critical pillars in the construct of its purpose and are vital links for building resilience and creating long-term value in and around the whole organization.

Also critical is the principle of shared value creation, which pertains to how an organization's long-term success is tied to the value it creates for all its stakeholders, natural environment, and the society at large. A lot of the value so created may be long-term, non-monetary, or intangible, but there is growing evidence that it plays an important role in an organization's business outcomes, sustainability, reputation, etc.

The Company is proud to have these principles deeply ingrained in its value system. Examples of these are many – sustainable use of natural resources, fostering a culture of safety, empowering its people to outperform, and positively impacting many lives by building sustainable communities.

This Policy will help in formalizing the Company's sustainability aspirations, targets, and strategic roadmap for a short to long-term horizon.

2. Regulatory framework

As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is mandated to include in its Annual Report a Business Responsibility and Sustainability Reporting ('BRSR'). The Policy and framework will act as guidelines for BRSR, wherever principles of BRSR and this policy overlap.

3. Principles and Focus Areas

The Company seeks to ensure that Environmental, Social, and Governance initiatives are well ingrained into all aspects of its business operations and processes and will work towards:

- 3.1 Focusing on transforming its businesses and processes in a sustainable manner.
- 3.2 Stakeholder engagement to achieve measurable targets as part of its strategic sustainability roadmap.
- 3.3 Optimal utilization of scarce natural resources and reduce waste in its operations.
- 3.4 Reduce the overall carbon footprints from the operations through the reduction in greenhouse gas emissions intensity, enhancing energy efficiency, promoting renewable energy use, and contributing towards a greener and more sustainable society and planet.
- 3.5 Strive to achieve and review the progress towards the Net-zero path or any such voluntary commitments on carbon emissions aligned to national or global goals.
- 3.6 Provide a safe and healthy working environment for all employees and the workforce across all locations.
- 3.7 Ensuring equal opportunities to all based on meritocracy and without any discrimination.
- 3.8 Support communities to lead purposeful, happy & dignified lives, thereby driving "holistic empowerment" and overall well-being of the community. Ensure quality standards in all its design, and process, and provide safe, quality, and sustainable products of international standards to its customers.
- 3.9 Invest in research and development of environmentally sustainable products or services that have a low ecological footprint.
- 3.10 Imbibe and follow the highest standards of ethics and transparency in all business dealings.
- 3.11 Mitigate risks related to Sustainability and ESG in its areas of operation.
- 3.12 Engage with vendors and partners across the value chain to collaborate towards creating a sustainable and green value chain.
- 3.13 Report sustainability and ESG performance through various mandatory and voluntary disclosures via appropriate communication channels to all stakeholders.
- 3.14 Comply with all applicable legal, environmental & social requirements.

4. Governance Structure and responsibilities

4.1 Board of Directors

The Board of Directors is responsible for ensuring the alignment and incorporation of ESG practices into the Company's long-term vision toward sustainability.

4.2 Sustainability and Corporate Social Responsibility Committee ('SCSR Committee')

The SCSR Committee constituted by the Board of Directors helps to enhance the focus on the ESG and sustainability agenda. The Committee is *inter-alia* responsible for the following:

- 1) To formulate and recommend to the Board, a Sustainability Policy *inter alia* covering Environment, Social, and Governance ('ESG') principles and to recommend appropriate changes/modifications to the policy, from time to time.
- 2) To review performance on Sustainability goals, targets & strategy and provide guidance to achieve the same.
- 3) To review and recommend Sustainability Report to the Board.

4.3 Company's Executive Committee (ExCom)

At the Corporate level, ExCom oversees the progress of ESG and sustainability agenda and ensures implementation and adherence to the sustainability roadmap.

4.4 Steering Committee

At the Business level, the Steering Committee comprises of business & functional heads and members drawn from corporate functions like investor relations, corporate secretarial, corporate strategy, and corporate communications. The Steering Committee drives and implements the sustainability roadmap of the Company.

4.5 Execution Team

At an Operational Level, the unit level team comprises of sustainability coordinators of respective business units including members of EHS, HR, Finance, and Operations. The team is responsible for implementing various initiatives and achieving defined targets for their respective businesses and functions as per the directions of the Steering Committee.

The authority to decide on Disclosure on Management Approach in Sustainability Reporting and to drive Sustainability Performance will rest with the MD and CEO of the Company.

5. Budgeting

All expenditures related to Sustainability will follow regular budgeting and expenditure processes. An additional consideration concerning Sustainability will be given while approving these expenditures if needed.

The Steering Committee is responsible for getting budgets approved and also for ensuring expenditure with budgetary control.

6. Reporting

Progress on Sustainability goals and other initiatives shall be reported to the SCSR Committee. The SCSR Committee shall provide an annual update to the Board and details of progress on various sustainability initiatives may be published in the Annual report / BRSR Report, wherever relevant.

7. Miscellaneous

The power to interpret and administer this policy shall rest with the SCSR Committee whose decision will be final and binding. The SCSR Committee is also empowered to make any supplementary policies/rules/orders for effective implementation of ESG and sustainability goals of the Company or at its discretion, authorize MD and CEO to do so.

In the event of any conflict between the provisions of this Policy and of any statutory enactments, rules, the provisions of such statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification in the applicable laws in this regard shall *mutatis mutandis* apply to /prevail upon this Policy.

Document History

Approved /Amended by:	Board of Directors
Approved on:	August 03, 2022