

SOLEX ENERGY LIMITED

Corporate Social Responsibility Policy

*(Reviewed & Revised by the Board of Directors in its Meeting
dated August 7, 2025)*

1. Philosophy

Solex Energy Limited believes that true corporate excellence stems not only from commercial success but from a commitment to social and environmental progress. CSR is deeply embedded in the core of our business values and operations. We recognize our duty to contribute towards creating a just, equitable, and sustainable society. The Company is committed to undertaking socially impactful projects in and around its areas of operation and beyond, aligning CSR initiatives with national development priorities and local needs.

2. CSR Vision

To uplift and empower communities by supporting inclusive growth and sustainable development, while contributing to the overall improvement in quality of life through ethical and impactful CSR practices.

3. Core Values Driving CSR

- **Innovation:** Embrace new and creative solutions for social change.
- **Integrity:** Conduct CSR activities with transparency, accountability, and honesty.
- **Sustainability:** Focus on long-term benefits and ecological balance.
- **Community-Centricity:** Place community welfare at the heart of all initiatives.
- **Empowerment:** Enable individuals and communities to become self-reliant.

4. CSR Governance Structure

- The Board of Directors shall constitute a CSR Committee as per Section 135 of the Companies Act, 2013.
- The CSR Committee shall consist of at least three Directors, including one Independent Director.
- The Committee shall formulate and recommend the CSR Policy and annual action plans, propose CSR expenditure, and monitor project implementation.

5. Definitions

The following definitions shall apply within the context of this Policy:

- **Act:** Companies Act, 2013 and any amendments thereto.
- **CSR Committee:** Committee constituted by the Board under Section 135 of the Act.
- **CSR Projects:** Activities undertaken in alignment with Schedule VII of the Act, excluding those done in the normal course of business or those benefiting employees.
- **CSR Expenditure:** All direct and indirect spending on CSR initiatives approved by the Board.
- **CSR Annual Plan:** A detailed plan including project names, budgets, timelines, and implementing partners.
- **Agency:** Registered Section 8 Company, Trust, or Society with at least a 3-year track record in similar projects.
- **Net Profit:** As defined under Section 135 of the Act for CSR computation.

6. Thrust Areas

Solex Energy shall focus on the following areas in line with Schedule VII of the Companies Act, 2013:

1. **Promoting Education & Skill Development**
 - Supporting quality education, especially for underprivileged children.
 - Encouraging skill-building and vocational training to enhance employability.
2. **Healthcare & Sanitation**
 - Organizing health check-up camps, awareness programs, and supporting healthcare infrastructure.
 - Promoting hygiene and access to clean drinking water and sanitation facilities.
3. **Environmental Sustainability**
 - Supporting initiatives in renewable energy awareness, afforestation, and eco-friendly practices.
 - Encouraging the use of clean energy solutions at the community level.
4. **Road Safety & Traffic Education**
 - Creating awareness about road safety rules and sponsoring traffic education initiatives, particularly through partnerships with traffic education trusts.
5. **Rural Development**
 - Undertaking infrastructure development, electrification, and community welfare activities in rural areas.
6. **Support During Natural Disasters or Emergencies**
 - Extending relief support in times of natural calamities or public health emergencies.

7. CSR Objectives and Projects

- To contribute towards nation-building by addressing critical development challenges.
- To support need-based projects that bring long-term benefits to communities.
- To promote inclusive growth through education, health, environment, and livelihood projects.
- To conduct programs in partnership with Government, NGOs, and community institutions.

8. Project Identification & Planning

- Projects are identified through stakeholder consultation, community needs assessment, and field surveys.
- Priority is given to areas near manufacturing plants, warehouses, or solar farms.
- The CSR Officer may engage qualified agencies to conduct feasibility studies and formulate proposals.
- Each project proposal must be aligned with the Company's thrust areas and have defined objectives, timelines, and budgets.

9. Implementation Strategy

I. Direct Mode

- Implemented directly by Solex Energy or through its designated CSR Officer or internal team.

II. Indirect Mode

- Executed via credible external partners including NGOs, Section 8 Companies, Trusts/Societies.

III. Collaborative Mode

- In partnership with Group Companies or other corporates for joint projects.

All partnerships will be formalized through MoUs/agreements detailing responsibilities, fund utilization, timelines, and reporting obligations.

10. Monitoring and Evaluation

- A site-level CSR monitoring team comprising plant heads, community representatives, and CSR coordinators will conduct timely reviews.
- Progress reports will be submitted to the CSR Committee, highlighting key metrics, milestones achieved, and challenges faced.
- External evaluations and impact assessments will be carried out for major projects.
- Feedback loops will be created with beneficiaries to ensure community satisfaction and adaptability.

11. CSR Budget and Expenditure

- Minimum of **2% of the average net profits** of the last three financial years shall be allocated towards CSR.
- The CSR Committee shall prepare and present an Annual CSR Action Plan to the Board with:
 - Identified projects and beneficiaries
 - Fund requirements and sources
 - Implementation timelines
- In case of shortfall in spending, reasons will be reported in the Board's Report.
- Surpluses from CSR activities shall be ploughed back into CSR funds, not counted as business income.
- Expenditure for building CSR capacity (internal/external) shall not exceed 5% of the total CSR spend.

12. Roles and Responsibilities

Board of Directors

- Ensure disclosure of CSR activities in the Annual Report.

- Approve CSR Policy and Action Plan.

CSR Committee

- Formulate CSR Policy and recommend projects and budgets.
- Monitor implementation and report performance to the Board.
- Ensure compliance with legal and policy requirements.

CSR Officer/Team

- Facilitate execution and field-level coordination.
- Prepare timely progress and financial reports.
- Liaise with external partners, government, and communities.

13. Transparency and Disclosures

- CSR Policy and project details will be published on the Company's website.
- Annual disclosures shall follow the format prescribed in CSR Rules and form part of the Board's Report.
- Details of unspent funds (if any) shall be transferred to specified accounts/funds as per applicable law.

14. Review and Amendments

- The CSR Policy shall be reviewed every three years or as and when required by law.
- Any changes shall be recommended by the CSR Committee and approved by the Board.
- Interim amendments may be made for regulatory changes, new thrust areas, or strategic alignment with business objectives.