

Business Responsibility Report

Kalpataru Power Transmission Limited ("KPTL" or "the Company") views sustainability as being socially responsible and believes in inclusive growth of all sections of the society. Foundations of economic growth can be strengthened only if the entire society is a part of the growth story. Sustainable growth is embedded in and inseparable part of our culture.

This Business Responsibility Report has been prepared in accordance with Regulation 34(2)(f) of the Securities Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015 and the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) released by Ministry of Corporate Affairs, Government of India. This Report provides a broad overview of the activities carried out by the Company against the nine principles outlined in the NVG.

Section A: General Information about the Company

1. Corporate Identity Number (CIN)	: L40100GJ1981PLC004281
2. Name of the Company	: Kalpataru Power Transmission Limited
3. Registered Address	: Plot No. 101, Part – III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382028, Gujarat, India
4. Website	: www.kalpatarupower.com
5. Email ID	: cs@kalpatarupower.com
6. Financial year reported	: 01 April, 2021 to 31 March, 2022

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Kalpataru Power Transmission Limited (KPTL) is engaged in the business of power transmission and infrastructure EPC space executing projects that deliver complete solutions covering design, testing, manufacturing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis. The Company is also engaged in High voltage substation business both in air insulated (AIS) and gas insulated (GIS) segment in domestic as well as international markets. The Company has also set up two Biomass power generation plant in Rajasthan.

Industrial Group	Description
251	Manufacture of structural metal products, tanks, reservoirs and steam generators
421	Construction of roads and railways
422	Construction of utility projects
351	Electricity Power Generation, Transmission and Distribution

As per National Industrial Classification – The Ministry of Statistics and Programme Implementation

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

- Design, Testing, Fabrication and Manufacturing of Transmission Line Towers and erection, procurement and construction of transmission lines and sub-station on a turnkey basis.
- Railways EPC services for executing civil infrastructure, Bridges, new track laying, Track rehabilitation, Gauge conversion, signaling & telecommunication, over-head electrification, traction sub-station projects for Railways and manufacturing of Railway Structures.
- EPC contracting services for cross-country pipelines, terminals and gas gathering stations across diverse territories.

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5)

KPTL is undertaking business activity in about 67 international locations. The major locations include Turkmenistan, Dubai, Saudi, Tanzania & Tajikistan.

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(b) Number of National Locations

KPTL is undertaking business activity in about 150 national locations. The Company's manufacturing plants are situated at Gandhinagar and Raipur.

10. Markets served by the Company: Local/State/National/International: All

Section B: Financial Details of the Company

1.	Paid up capital (INR)	: ₹ 29.78 Crores
2.	Total turnover (INR)	: ₹ 7,061.80 Crores
3.	Total profit after taxes (INR)	: ₹ 515.36 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:	: 1.53% (including amount deposited in a separate bank account for incurring on multi year projects)

5. List of activities in which expenditure in 4 above has been incurred:

The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. It has various long term multiyear as well as short term projects and programs under its CSR Policy. KPTL focuses not just on developing the communities around Plant locations but also the various sites that are in remote locations across the country, thereby leaving social footprints behind. Our focus areas are Healthcare, Education, Skilling/livelihood, disaster relief and Community Development that includes Animal Welfare, WaSH and other need based interventions.

For detailed information regarding CSR Activities of the Company, you may refer [Annexure A](#) to Directors' Report.

Section C: Other Details

1. Does the Company have any subsidiary company/companies?

Yes, the Company has 27 subsidiary companies (including step-down subsidiaries) in India and abroad as on 31 March, 2022.

2. Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

The subsidiaries have their own BR initiatives which are influenced by the Company. The Company encourages all its subsidiary companies to participate in group wide BR initiatives to the extent that they are material in relation to the business activities of the subsidiaries. In addition, JMC Projects (India) Limited, Listed subsidiary of the Company has its own Business Responsibility initiatives which are reported in its Business Responsibility Report as a part of Annual Report.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. KPTL engages with relevant Stakeholders for sustainability initiatives. The suppliers, contractors and Vendors are sensitised on Sustainability through various KPTL Policies and Programs. KPTL actively engages with several stakeholders' like local communities, government and other entities in the value chain and promote BR initiatives in its value chain. At present, the number of entities, which directly participate in the BR initiatives, would be less than 30%. With respect to ethical and non-corrupt practices, almost all of KPTL's vendors and contractors confirm to the adoption of KPTL principles.

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Section D: BR Information

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/ policies:

DIN Number	: 01229696
Name	: Mr. Manish Mohnot
Designation	: Managing Director & CEO

b) Details of the BR head:

Name	: Mr. Ram Patodia
Designation	: Chief Financial Officer
Telephone Number	: +91 22 3064 5000
Email ID	: ram.patodia@kalpatarupower.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Ethics, Transparency and Accountability	Sustainable & safe Goods and Services	Well-being of all employees	Interests of disadvantaged and marginalised Stakeholders	Promote human rights	Protection of Environment	Policy Advocacy	Inclusive growth and equitable development	Provide value to their customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify?	All the policies are compliant of respective principles of NVG guidelines, the Companies Act, 2013 and confirm to International standards of ISO 9001, ISO 14001, ISO 45001 and ISO 37001 as applicable to respective policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	-	Y	Y	Y	-	Y	Y	-
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All the policies except HR Policies can be viewed at www.kalpatarupower.com . HR Policies are restricted to employees of the Company and uploaded on the Company's Intranet								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal Stakeholders. Further, respective policies, as applicable has also been communicated to external stakeholders. The communication is an ongoing process to cover all internal and external stakeholders.								

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Sr. No.	Questions	Ethics, Transparency and Accountability	Sustainable & safe Goods and Services	Well-being of all employees	Interests of disadvantaged and marginalised Stakeholders	Promote human rights	Protection of Environment	Policy Advocacy	Inclusive growth and equitable development	Provide value to their customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	-	Y	-	Y	Y

(b) If answer to Sr. No. 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	Not Applicable								
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

3. Governance related to BR:

- (i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Company's Business Responsibility performance is assessed annually.

- (ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

KPTL published a separate Sustainability report for the financial year FY 2020-21 published during Q4 (January – March) of FY 2021-22. This report comprises the Company's 6th Business Responsibility Report as per the NVGs and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is published as a part of Annual Report. The Company publishes BR Report annually.

This report also includes an Integrated Annual Report, to showcase company performance under Environmental, Social and Governance initiatives using the <IR> framework.

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The Hyperlink for viewing this report is www.kalpatarupower.com.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

At KPTL, a value system has been built that serves as a moral compass which guides the Company and its stakeholders in their business practices. It is the KPTL's Policy to conduct all its business activities with honesty, integrity and highest ethical standards. KPTL has adopted Code of Conduct ("KCoC") and framed Anti Bribery and Anti Corruption policy to remain consistently vigilant and ensure ethical conduct of its operations. KPTL is an ISO 37001:2016 certified organisation. ISO 37001:2016 specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system. It is a benchmark for corporate compliance program with focus on anti-bribery and anti-corruption practices and is the new international standard designed to help organisations implement an anti-bribery management system.

The Anti Bribery and Anti Corruption Policy is extended to the KPTL workforce, subsidiaries, joint ventures, Suppliers, Contractors and NGO's working with KPTL and all other individuals or entities with which KPTL deals or enters into Transactions in India or abroad.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company strongly emphasises on adherence of Business Ethics by all its stakeholders and during the year under review, the Company received five complaints from its investors and shareholders and all of them were satisfactorily resolved. Further, a vigilance mechanism is in place for Directors, employees and third parties to report their concerns about actual or suspected fraud, unethical behavior or violation of the Company's ethics

and Code of Conduct. This is ensured through the Whistle-Blower policy. During the year under review, no complaint was received under Whistle-Blower policy.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

- I. Reduction during sourcing/production/distribution achieved since the previous year through the value chain?
- II. Reduction during usage by consumers (energy, water) achieved since the previous year?

At KPTL, its management ensures that environment, health and safety aspects are taken into consideration at the inception stage itself, while manufacturing products or providing services to customers.

The state-of-the-art manufacturing facilities deploy leading manufacturing practices to ensure continuous reduction in consumption of energy and resources. A new project was implemented this fiscal to re-design the raw material and finished goods yard layout by combining them to reduce the movement of the mobile cranes and transportation trailers being used for material handling. Further KPTL employed a Gasoline Management System that includes RFID tags in fuel tanks to prevent leakage during refilling and to automatically record refill data in the system for better monitoring and management across sites. The Company has introduced individual oil chillers & oil coolers for CNC machines against old cooling towers, which will enhance Hydraulic Oil life with less machine maintenance and also save litres of water every day. At Raipur Plant, KPTL introduced Encapsulated Pickling rooms to reduce energy consumption. Earlier electrical load of Scrubber with Open area was 110 Kw which after installation of Encapsulated pickling rooms reduced to 75 Kw. The Company has replaced mechanical loading and unloading governor in air compressors with Electrical pressure switch. This

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will save electrical energy of compressor motor in no load condition and reduce carbon emission. For angle bending operation, KPTL switched to Induction heating as against Light Diesel Oil (LDO). Induction heating is fast, precise, clean and energy efficient. The Company introduced Drying/preheating oven with indirect hot air heating through thermal recovery from galvanising furnace flue gas which leads to reduced energy consumption during galvanising process. The Company is continuously working for improving energy efficiency either through improved operations or through adoption of better technologies.

KPTL executes Transmission Line Projects globally on EPC basis which requires the Company to carry out range of Project execution activities like Bush clearing and Construction of Access Roads, Soil investigation, Foundation work including Pile, Earthing, Erection of Tower, Stringing of Conductor & OPGW etc. Transportation of materials for the above is done across the Globe. Hence, it becomes imperative on part of the Company to ensure protection of environmental, biophysical, cultural archaeological and socio-economic values within the project area as well as in the Manufacturing Units. To achieve this, on a case to case basis, the Company adheres to a Generic as well as detailed site specific Environmental and Social Management Plan to avoid, minimise and mitigate any construction/Manufacturing effects on the environment and surrounding communities. Through this plan, KPTL monitors to maintain Air Quality, Water Quality, Soils Disturbance, Terrestrial Vegetation, Avian Wild Life, Noise level, Quality of Life of surrounding community including Flora and Fauna etc. Construction/Manufacturing waste are disposed-off in accordance with the approved environment plan for the project. Furthermore, in addition to Environment & Social Impact Assessment (ESIA) Study carried out by Clients, KPTL also carries out the same as per requirement. As an EPC contractor, during the project execution, KPTL ensures strict compliances to ESIA guidelines as per the norms.

The Company is also engaged in the business of EPC contracting services for laying Oil and Gas pipelines. Cross-country Pipeline Engineering incorporates both social & environmental concerns while designing the

yield/tensile strength, depth/cover and wall thickness of pipes. The potential environmental and social risks related to project execution are identified through ESIA conducted before commencing onsite work. Pipeline route selection also incorporates both social as well as environmental concerns to ensure that local population gets employment opportunities while safe distance is maintained and necessary equipment & techniques are used to minimise dust and noise pollution during construction. We use a recycling unit while Horizontal Directional Drilling (HDD) to reduce consumption and wastage of bentonite mud, hence ensuring less environmental impact on land. Despite approvals for open-cut methodology, we adopt the trenchless method while crossing roads during pipeline installation. This minimises social impact by avoiding road damage and traffic diversions. We promote minimal usage of corrosion inhibitor chemical during hydrotest activity to reduce environmental impact during discharge.

Rail electrification is an important part for De-carbonization. Electric trains generally perform better than equivalent diesel vehicles and contribute in pollution free atmosphere and reduced noise and air pollution. In FY 2021-22, KPTL has done electrification work for almost 1,800 track km helping Indian Railways get rid from Fossil Fuel use.

The Company also has two dedicated Biomass power generation plants of 7.8 and 8.0 MW respectively which generate carbon neutral renewable form of energy which in its entirety contribute positively to a greener environment by converting waste materials into clean energy and Carbon Emission reductions. These plants use agriculture waste and crop residues as inputs and generate power. Both the plants are registered with UNFCCC and have achieved Gold Standard Certification. At both the plants, our activities are aimed towards minimum Auxiliary Consumption, Minimum Water Consumption and minimum raw material consumption per unit of power generation.

2. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

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The Company has laid adequate emphasis on sustainable sourcing practices such as consolidation of requirement, coordination with planning team to reduce material wastage, optimise inventory, maximise equipment efficiency and manage the life cycle cost of procured items. These steps are reinforced in the supply chain processes right from requirement gathering, vendor development, RFQ management, value engineering, awarding of the order, successful order execution, and a periodic vendor evaluation mechanism. The Company also conforms to responsible sourcing with respect to emissions, safety, human rights and ethics, apart from the economic considerations as part of the sourcing procedure. The major suppliers of the Company have obtained national and international certifications with respect to environment management systems etc. Conformance to labour principles and related laws are mandatory qualification requirements for all supply and services.

3. **Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

Yes, a number of items for projects and Plant are sourced from local and small producers surrounding the place of work. KPTL's ambition is to create more societal value through creating more and more opportunities – directly and indirectly for local and small producers.

At manufacturing plants, MSME vendors are supported with business volume, are assisted on Quality and process improvement set up by our QC team to minimise rejections, are encouraged and guided to upgrade technology and productivity for scope enhancement, and are supported with timely payment thereby making them real partners in our growth journey. KPTL promotes small fabricators to work inside the plant under supervision of its engineers. Regular audits are also conducted to ensure sustenance of product quality standards. We also employ people from surrounding communities to improve their skills, livelihood & involvement in nation building. We focus on working in collaboration with local communities by respecting their customs and traditions. Our holistic stakeholder engagements result

in unlocking synergies with the local communities and administration.

With similar mindset, across our project sites, special emphasis is given to employ people from surrounding communities, including Project Affected Persons (PAPs), in project construction activities. Regular trainings are imparted to the locally hired personnel to make them self-sufficient for future projects and operations & maintenance. We also conduct periodical Health Check-ups and various awareness programs on Health, Safety and Environment to educate the locals. Furthermore, various equipment's, transportation vehicles etc. are hired locally to ensure income generation opportunities for surrounding communities. At pipeline projects, KPTL engages with local markets to cater its non-critical requirements viz. structural steel, wood, consumables, office set up, yard set up etc. It engages with small vendors for various works of field viz. HDD and boring works for small crossings, concrete coating, civil work, painting work etc. wherein they can invest in small equipment, earn a livelihood and poise for growth in upcoming projects in near vicinity or surrounding states of their geography. For Civil and Erection work in Railway projects, we are developing new vendors focussed at establishing a good competitive market while also creating new employment opportunities.

The Biomass power generation plants procure the bio waste from surrounding Farmers, thereby leading to economic upliftment of local community. Further, a lot number of local workers get employment benefit in relation to logistics of the Biomass. More than 3,700 farmers and more than 12,000 logistics workers were benefitted from additional income, created by Biomass power generation plants by purchasing their bio wastes every year.

Being an EPC Company, project procurement involves Technology Oriented supplies which have to be sourced from client approved vendors, majority of which are not located near place of work of the Company. However, KPTL keeps venturing with new Vendors, taking their services while also representing them for client approval, thereby enabling them to participate in the nation's growth journey.

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4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Reduce, Reuse and Recycle is the way to drive optimal resource efficiently. The Company has a "Focus" strategy for continual reduction of natural resources usage, recycling the waste and ensure embedding sustainability across the value chain.

- a) STP Plant has been setup for treating sewage water and using it in gardening.
- b) ETP Plant has been setup with neutralising process to Treat diluted acid and use it for Gardening.
- c) Fumes generated post processes discharged through properly monitored extracting and scrubbing system to ensure minimal environmental impact while ensuring adherence with all statutory norms.
- d) The Company recycles 100 percent of the water used as either a process or rainwater harvesting and does not discharge any water.
- e) Further waste water generated at Biomass plants is treated in ETP and then re-used in ash quenching and dust suppression.
- f) In-process consumables, majorly steel wire is reused before it loses its strength; hence minimising the material consumption.
- g) Molten Zinc recovery plant used for recovering the zinc from the hazardous waste as Zinc Oxide resulting into improving the yield of Zinc & reduce the quantity of hazardous waste.
- h) The Metal scrap from the manufacturing plants sold to authorised vendor to recycle the waste to use again as raw material.
- i) Zinc Ash/Dross sent to authorised recycler for further use in their processes.
- j) Lean Manufacturing:

- a. Continuous improvement in Yield resulting into reduction in wastages of Natural Resources like Steel/Zinc/Copper.

- k) Re-layout to reduce minimum transportation of material in manufacturing. Bed Ash and Fly Ash generated from burning Agriculture waste at Biomass power plant is used for manure additives in the fields & for land filling and in Cement industries respectively.

Our products are 'engineered to order' based on specific customer requirements, limiting the scope for material recycling. The Company complies with all applicable regulatory requirements pertaining to waste disposal as prescribed by the regulatory agencies.

Principle 3: Business should promote the wellbeing of all employees

1. Please indicate total number of employees:

The Company has a total of 3,072 employees as on 31 March, 2022.

2. Please indicate total number of employees hired on temporary/contractual/casual basis:

The Company has a total of 10,177 employees hired on temporary/contractual/casual basis as on 31 March, 2022.

3. Please indicate the number of permanent women employees:

The Company has 95 permanent women employees as on 31 March, 2022.

4. Please indicate the number of permanent employees with disabilities:

The Company has 11 permanent employees with disabilities as on 31 March, 2022.

5. Do you have an employee association that is recognised by the Management?

No, there is no employee association which is recognised by the management of the Company.

6. What percentage of permanent employees are members of this recognised employee association?

Not Applicable

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7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labor/forced labor/involuntary labor	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

- (a) Permanent employees
- (b) Permanent women employees
- (c) Causal/subcontracted employees
- (d) Employees with disabilities.

KPTL's in house Learning Centre "**Kalpa-Vriksha Learning Centre**" with state-of-the-art facilities has been our lighthouse in skilling and preparing our teams for future requirements. With the launch of various leadership development and functional/technical skill building initiatives, KPTL is continuously preparing for the future in addition to nominating senior leaders and key role holders to leadership development programs at IIM, ISB, Harvard etc.

To provide learning platform to employees on their desk ("**LMS**"), an e-learning platform is created and made available. Various new Technical & Behavioural modules have been added to the well-stocked repository of tools already available on LMS. Further LMS learning is extended through mobile Application, where employee can learn and avail benefits of various training programs uploaded in LMS through Mobile, TAB and PAD.

Please refer to the Human Capital section on page 56 of this report.

The employees and labourers of the Company were also imparted various types of Safety awareness trainings like:

- Safety while working with earth moving equipment
- Behavior based safety
- Work at Height & Fall protection

- Environment Aspect and Impact Studies
- Excavation safety
- Fire Prevention and Fire Fighting Training
- Defensive driving
- Material handling
- Emergency Preparedness/Disaster Management
- Railway track Safety
- OHE Work Safety
- Transmission line Erection safety
- Transmission line Stringing Safety
- Hot work safety (Welding work/Gas cutting work Grinding Work)
- Electrical safety
- First Aid
- Risk Management and Control at Workplace

KPTL has also setup a safety park for their employees and workers. It is conceptually designed to suit the safe work culture and its global approach towards occupational, Health and safety to develop the aspirants who could translate their potential power of knowledge into actual practice.

During FY 2021-22, 100% of permanent employees including permanent women employees and employees with disabilities and 100% of Casual/Subcontracted employees were imparted safety trainings on continuous basis.

The efforts of the Company towards skill upgradation of its employees and overall safety culture was recognised and Company was conferred upon with various Awards in this regards, details of which are provided in Director's Report.

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Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company had already mapped its internal and external stakeholders along with vulnerable, marginalised and disadvantaged stakeholders. In order to further engage more effectively with such stakeholders, during the year under review, the Company has deepened the engagement through One to One discussion/Online survey to obtain feedback on their expectations from the Company. This enables KPTL to understand that its stakeholder's comprise a large and mixed community with varied expectations and KPTL always strives to match their expectations to foster strong relationships with them. We conduct business professionally to create value for all stakeholders ensuring that we are

a responsible partner that serves the wider interests of society.

For details regarding the key categories of stakeholders and the medium through which KPTL engages with them, please refer to the Stakeholder Engagement section on page 32 of this report.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes. The Company acknowledges that it is very important to engage proactively with marginalised stakeholders to demonstrate a sincere commitment as it can take a long time to build trust with these stakeholders. The Company runs specific programs under Corporate Social Responsibility (CSR) umbrella focused on benefitting the disadvantaged, vulnerable and marginalised communities.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so

Yes, the CSR initiatives of our Company are aimed towards socially and economically empowering the lesser privileged sections of the society. Few such activities are listed below:

Disadvantaged, marginalised and lesser privileged Beneficiaries	Initiatives/Projects
Lesser privileged sections of society (both at urban and rural locations)	<ul style="list-style-type: none"> - State-of-the-art MRI machine is set up for catering to lesser privileged communities in Gandhinagar, Gujarat on a subsidised rate - Running of dispensary (Kalpa Seva Aarogya Kendra) with visiting Specialists. - Expansion of existing hospital infrastructure - Providing Free Cataract surgeries; Early detection of Cancer in children - Interventions to combat COVID-19, by way of conducting vaccination programs, setting up of COVID facility for children, distribution of dry ration to the needy
Youth and women from less privileged sections	Employment linked and industry specific trainings like General Duty Assistants, Retail, Data Entry Operators, Welders, Electricians, etc.
Local Communities in rural areas	Construction and renovation of burial grounds and Dasgatra Sheds
Elderly Care	Support towards construction of additional rooms in elderly care home
Children with Special Needs	Providing Equipment and other infrastructure support towards the upliftment of these institutes
Patients' suffering from Parkinsons	Rehabilitation sessions conducted for caregivers and patients' suffering from Parkinsons

An Annual Report on such activities carried out by the Company for well-being of community at large is annexed as **Annexure A** to the Director's Report.

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Principle 5: Business should respect and promote human rights

1. Does the Company's policy on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

KPTL is committed for 'Protection of Human Rights' across its value chain including of its employees, workers, and other key stakeholders involved in its operations and has established system and practices for maintaining transparency, fairness and equity. KPTL's Corporate Human Rights Policy specifies guidelines, which the parties should observe while doing business with KPTL like comply and adhere to all the applicable human rights laws and national laws, avoid human rights abuses, respect the rights of people in communities impacted by the business activities, Treat everyone fairly and without discrimination etc. The Corporate Human Rights Policy extends to subsidiaries and Joint Ventures of KPTL and Suppliers, Vendors, Contractors etc. of KPTL.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

The Company has not received any stakeholder complaints in the past financial year.

Principle 6: Business should respect, protect, and make effort to restore the environment

1. Does the policy pertaining to this Principle cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

KPTL, Environmental, Occupational Health & Safety (EOHS) Policy is a testimony to the utmost commitment towards Environment, Health & Safety concerns throughout the organisation operations and processes. KPTL is committed towards improving its environmental footprint through conservation of natural resources, proactive environmental initiatives and minimising potential harmful environmental effects resulting from its manufacturing and construction activities. KPTL EOHS policy is committed to protect our environment and prevention of injury & ill occupational health of all employees, workers and their representative, including but not limited to, contractor and its staff. The EOHS Policy guides the Company to consolidate and improve

environmental performance through formulation and implementation of environment protection procedures and practices in its Operations. Environment protection and the conservation of natural resources are part of KPTL's business philosophy. A separate Code of Conduct has been extended to vendors and service providers, which covers the need for compliance with environmental regulations, health and safety.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, as a responsible Company, KPTL tracks and carries out initiatives to address global long-term challenges such as climate change and diminishing resources in a socially, ecologically and economically responsible manner. The Company has and is further developing internal capabilities to track of all the developments in national and global Environmental, Social and Governance (ESG) and aims to align with the global best practices.

The Company is monitoring its Carbon emissions and is planning and implementing mitigation measures to reduce its Scope 1 & Scope 2 emissions. The Company is continuously improving its energy mix through increasing its renewable energy consumption. The Company's automation drive embodies environmental issues in its considerations. KPTL has reduced carbon emission by reduction in Diesel consumption through strategic re-location of raw material yard at one place and reduced material handling of Mobile crane and Transportation of trailers. The Company invested and deployed special fuel-efficient excavators, which consume about 20% less fuel than conventional excavators. We have replaced Light Diesel Oil (LDO) with alternate fuel LPG and are also undertaking electrification of our fossil fuel combustion based operations.

The Company is maximising its rainwater harvesting to reduce the consumption of fresh water in its operation. We have created artificial ponds along with several rainwater harvesting structures like tubes and pits to conserve rainwater during rainy period across our plants. The water holding capacity of the ponds and

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have now reached approx. 1,00,000 liters. This will help us harvest about 15,000 liters of water per hour during rainy season.

Waste water is managed with Effluent Treatment Plants and Sewage treatment plants and the treated water is used for plantation, gardening, toilet flushing purposes. Waste management at our plants is taken care by minimising waste the optimal material use and process honing. The recyclable waste generated is recycled to the maximum extent and efforts are underway to recycle the municipal waste generated through composting for using at our plantations and thus avoiding landfilling.

The management system of all our manufacturing plants are ISO 14001:2015 certified which provides reasonable assurance that the outputs from the system will have minimal negative environmental impact and improved environmental performance due to resource efficiency, reduction in wastage and assurance that environmental impact is measured and mitigated appropriately.

Further, in order to contribute to sustainable development and renewable energy, the Company has two Biomass power generation plants and both the plants have been registered with UNFCCC under the Clean Development mechanism and both the projects has contributed to a great extent over years in reducing carbon intensity of emissions and have earned Gold Standard Certifications.

Please refer to the Natural Capital section on page 74 of this report.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company, in its different businesses, does identify and assess potential environmental risks and adopts a formal approach to mitigate and minimise any potential damage to the environment viz. in Transmission Line business funded by multilateral funding agencies and export credit agencies, Environment & Social Impact Assessment (ESIA) Study is carried out by KPTL clients prior to floating tenders. The scope of ESIA is to identify, evaluate & report the environmental and socio-economic effects of the project. The process includes identification of mitigative measures, that will be used to reduce or eliminate potential adverse effects, where

appropriate. KPTL ensures that Mitigative measures are implemented during the course of project construction under the supervision of competent authority from the government. The authority provides required certification for operation of the project, upon satisfactory implementation & compliances of mitigative measures. In certain contracts, KPTL itself conducts ESIA study.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

Yes, the Company has two projects registered as Clean Development Mechanism (CDM) projects under United Nations Framework Convention on Climate Change (UNFCCC), the details of which are as under:

- (a) Biomass Power Generation Project at Ganganagar, Rajasthan registered under fixed crediting period (10 Years) from 01 August, 2003 to 31 July, 2013. The project Registration Number is 0058. The link of the project at UNFCCC is <https://cdm.unfccc.int/Projects/DB/TUEV-SUED1112801052.32/view>. The total number of Carbon Emission Reductions approved by UNFCCC during aforesaid 10 years' period were 339755/t CERs. Further, since the fixed crediting period has expired, the Company is exploring other avenues for offsetting Carbon credits generated at Ganganagar plant in the International market.
- (b) Biomass Plant Project at Tonk registered under renewable crediting period (7 years x 3). First crediting period was 07 October, 2008 to 06 October, 2015. The project registration number is 1774. The second crediting period is 07 October, 2015 to 06 October, 2022. The link of the project at UNFCCC is <https://cdm.unfccc.int/Projects/DB/TUEV-SUED1207570579.37/view>. The total number of Carbon Emission Reductions approved by UNFCCC during said first 7 years period were 276281/t CERs. In the Second Crediting Period the number of Carbon Emission Reduction approved by UNFCCC during 07 October, 2015 to 31 March, 2017 were 57229/t CERs. For the period of 01 April, 2017 to 30 September, 2018, Gold Standard

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Organisation labeled the 68627/t CERs. For the next period of 01 October, 2018 to 31 December, 2019, the number of Carbon Emission Reduction approved by UNFCCC were 63157/t CERs. The verification process for 54975/t CERs for the period 01 January, 2020 to 31 December, 2020 is under process.

Both the above projects have achieved Gold Standard Certification. Gold Standard is the only premium quality standard for carbon emission reduction projects with added sustainable development benefits and guaranteed environmental integrity.

Periodical Compliance Reports, as applicable are submitted to CPCB and SPCB from time to time.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyperlink to web page etc.

The Company has a 350 KW roof top solar plant at Gandhinagar factory (Main Plant) which has generated ~2.9 lakh units equivalent to CO₂ reduction of about 238 Ton in FY 2021-22. The Company also has four windmills installed to generate renewable energy for captive consumption. In FY 2021-22, the four windmills generated renewable energy of more than 11 Lakhs units, which has led to reduction in CO₂ emissions of about 1,077 Ton in FY 2021-22. The Company is continuously working for improving energy efficiency either through improved operations or through adoption of better technologies.

The Company is focused on maximising energy-efficiency and reducing greenhouse gas (GHG) emission intensity. At various office locations and manufacturing locations, the Company on continuous basis is replacing conventional light fittings with energy efficient LED Lights. We have also replaced Light Diesel Oil (LDO) with alternate fuel LPG. Company is also undertaking electrification of its fossil fuel combustion based operations.

Please refer [Annexure D](#) to Director's Report and Natural Capital section on page 128 and 74 respectively, for further details of steps taken by the Company for Conservation of energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

There are no show cause/legal notices received from CPCB/SPCB which are pending as of end of financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

Yes, the Company is a member of the following key associations:

- Confederation of Indian Industry
- Federation of Indian Chamber of Commerce and Industry
- The Associated Chambers of Commerce and Industry of India
- Indian Electrical & Electronics Manufacturers' Association (IEEMA)
- Gujarat Chamber of Commerce and Industry
- Project Exports Promotion Council of India
- EEPC India
- International Pipeline & Offshore Contractors Association
- Cable and Conductors Manufacturers Association of India
- Central Board of Irrigation & Power (CBIP)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

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KPTL doesn't engage in any form of lobbying activities. However, it actively works for improvement of public good and therefore engages with business forums and trade associations. KPTL's Senior executives are active members of industry bodies that participate in the development of public policy that addresses issues affecting industry, business and clients. Advocacy policy is in place to ensure that advocacy positions

are consistent with the principles and core elements contained in "Our Values" of the Company and various policies of the Company, which enhances business responsibility and transparency.

KPTL is broadly involved in Governance and Administration, Economic Reform and Energy security areas for advocating public good.

Principle 8: Business should support inclusive growth and equitable development

1. Does the Company have specified programme/initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.

Yes, currently the Company runs below CSR Projects under its Corporate Social Responsibility Policy.

CSR PROJECT NAME	PROJECT ACTIVITIES
Kalpa-aRogya SEva (KARE)	The project aims towards providing services to the needy poor in the area of preventive, promotive and curative healthcare. Three dispensaries are run for the urban and rural needy patients. It includes running a state-of-the-art MRI centre with specialised doctors visiting it daily. The outreach camps and rehabilitation centres supported cater to people suffering from Parkinsons and cataract. The project also supports early detection of cancer in pediatric cases.
Kalpa Aapada Seva	As the name suggests, the project focuses on providing relief and rehabilitation through multitude of activities during any disaster. The past two years have witnessed the impact of COVID-19 pandemic on the lives of the lesser privileged. The project focused on providing preventive healthcare initiatives besides helping the needy communities through distribution of dry ration.
Kalpa Vidhya Kalpa Kaushal (KVKK)	With better education in the formative years to providing the right kind of skills that are linked to employability is the focus of this project. A better infrastructure by creating additional rooms, setting up of innovative learning models like Mini Science Labs and Digital solutions in classrooms have helped the children in government schools to bridge the learning gaps as a result of the pandemic. Special interventions are planned for children with special needs by way of creating infrastructure and donating equipment for better learning outcomes. The Skilling initiative focuses on giving youth and women an opportunity to become socially and economically empowered. The project focuses on supporting Apprentices training as well as vocational skills.
Kalpa Gramodaya	The project focuses on providing need based rural interventions focusing on creating infrastructure for the community. This entails refurbishment of burial grounds, constructing community halls amongst others. The project also focuses on promoting health and hygiene practices amongst school children with a focus on providing water filters, refurbishing handwash stations and drinking water stations.
SAVe our envlrOnment save oUR animals (Project SAVIOUR)	Animals are an integral part of our society. Just like humans, animals do need support and protection. As a part of this project, special interventions are supported by KPTL for protection of animals and their rights. This is done through providing support towards shelter and other welfare activities
Other Projects	Need based interventions are taken up near the Plant locations. This year the focus was on enhancing and providing additional infrastructure for the elderly. The additional construction in an elderly care home will help providing for safe shelter to the needy population.

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2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Govt. structure/any other organisation?

The Company believes in a partnership approach thereby leading to impactful work and larger outreach. Majorly the CSR activities are implemented through Kalpataru Foundation and Kalpataru Welfare Trust. These are not-for-profit organisations established by KPTL. There are certain projects that are undertaken by the Company directly.

3. Have you done any impact assessment of your initiative?

The Company receives project outcome reports for the initiatives that are supported through not-for-profit organisations. There is a continuous assessment of on ground activities through regular monitoring visits and mechanisms.

4. What is the Company's direct monetary contribution to community development projects - Amount in INR and the details of projects undertaken?

The Company's direct monetary contribution to community development projects in FY 2021-22 was ₹ 787.87 Lakhs (including funds parked for Ongoing projects). An Annual Report on details of projects undertaken as CSR activities is annexed as **Annexure A** to the Director's Report.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words or so.

The Company believes that involving the community in any social project is the key to attaining long term impact sustainable impact. The projects are selected through a bottoms-up approach. This results in larger community engagement, participation and better utilisation of resources being deployed. The involvement of community is sought in every stage of project implementation. This ensures high participation and ownership of the project. This participatory process has helped us build and co-create some replicable project models. Most of the projects that are implemented on ground are through Non-government/not-for-profit organisations that have several years of experience

of working in the communities with different kind of stakeholders.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. What Percentage of customer complaints/consumer cases are pending as on the end of financial year FY 2021-22?

There are no customer complaints/consumer cases pending as of end of financial year FY 2021-22. Also, the Company is not providing/selling its services/products to end consumers. The product and services supplied/provided by KPTL are generally industrial inputs which are used for commercial purposes and not by end consumers.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Towers manufactured by KPTL carry adequate labelling and codes thereby providing adequate information to Clients. The Company also displays Client specified information viz. Client name, project name for which the Tower is being supplied etc.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of Financial year? If so, provide details thereof, in about 50 words or so

There are no cases filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customer Centricity and Quality are the core values of KPTL, which are integrated into DNA of KPTL. KPTL is committed to provide products and services which consistently comply with agreed specifications and contractual requirements and in a manner that results in high degree of customer satisfaction. Various Clients and customers of the Company has repeatedly recognised satisfactory professional performance of KPTL, quality

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of work, Project Execution skills and ethical business dealings. KPTL's unremitting effort is to deliver project completion ahead of time with best quality in each of our business.

KPTL seeks feedback from its Clients on completion of project.

In EPC business, Customer satisfaction is noted at "Project Completion Certificate" and various clients across all businesses have issued satisfactory Project Completion Certificates during FY 2021-22.

Furthermore, below appreciations/certificates were received by KPTL from its client during FY 2021-22:

- KPTL received appreciation letter from one of its Client for remarkable performance in execution of NEGG Project Part – A of Guwahati – Numaligarh Pipeline Project as the pipeline traverses through difficult terrains and execution entails work amidst adverse climate conditions. KPTL achieved a remarkable milestone of about 174 welding joints (2168 mtr.) in a day which was appreciated by Client as extraordinary performance amongst all contractors.
- The project management consultant of our client in one of the Railway Project issued appreciation letter for implementing best SOPs for all the site activities and for adhering to Zero Rework Policy, by which KPTL's execution Team have saved time of rework.
- Various Clients of KPTL recognised its ESG practices and provided below certificates of appreciation
 - GAIL (India) Limited granted Certificate of Appreciation to KPTL for observing excellence in safety standard practices during construction and laying of 226.6 km * 24" Steel Gas Pipeline Mumbai – Nagpur Pipeline Project.
 - Engineers India Limited appreciated KPTL on achieving 2 Million safe man hours without any Loss Time Accident between May, 2018 to July 2021 during the execution of Kochi – Salem LPG Pipeline Project.

- Bharat Gas Resources appreciated KPTL on achieving 1 Million safe man hours between January, 2021 to 04 February, 2022 during pipeline laying and Associated works in Ahmednagar and Aurangabad district of Maharashtra State.
- Mecon Limited working as consultant on GAIL Project appreciated KPTL on achieving 3.5 Million safe man hours without any LTI between April, 2018 to March, 2022 during the execution of Bokaro – Angul – JHBDPL Pipeline Project.
- Tractebel Engineering issued certificate of appreciation for maintaining High Standard of Environmental & Social Compliances at 220 kV GEITA-NYAKANZAI Transmission Line Project at Tanzania
- Ministry of Environment and Sustainable development, Senegal, as well as CIMA International recognised KPTL's efforts in the monitoring, control and supervision of construction work in St. Louis and Tobene transmission line and substation works and maintaining and following the high standard of Environmental & Social Compliances.
- The Passage Home of Saint Augustin for the Children in the Street Situation appreciated KPTL for its social intervention during execution of Burundi Project by carrying out various community development initiatives.

KPTL have also won various other accolades from its clientele at both domestic and international front for execution of well-planned strategy and deftly laid out business processes. This clearly depicts the satisfaction trends amongst the customers of KPTL.

On behalf of the Board of Directors

Place: Mumbai
Date: 14 May, 2022

Mofatraj P. Munot
Chairman
DIN: 00046905