

# KINGFA

## Kingfa Science & Technology (India) Limited



## Corporate Social Responsibility Policy

*This Policy was amended and approved by the Board of Directors at its meeting held on February 7, 2026 and is effective from February 7, 2026.*

## 1. PREAMBLE

Corporate Social Responsibility (“CSR”) is founded on the principle of inclusive growth and sustainable development, whereby companies contribute to societal and environmental well-being while utilising resources from society.

Kingfa Science & Technology (India) Limited (“the Company” or “Kingfa”) recognises its responsibility towards society and the environment and is committed to conducting its business in a socially responsible and sustainable manner. This CSR Policy is formulated in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and supersedes the earlier CSR Policy approved by the Board in July 2019.

## 2. APPLICABILITY

This Policy applies to all CSR projects and programmes undertaken by the Company in India and provides a framework for planning, execution, monitoring and governance of CSR initiatives.

## 3. DEFINITIONS

- a) **“Act”** means Companies Act, 2013 including any Statutory modification or re- enactment thereof.
- b) **“Administrative Overheads”** means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- c) **“CSR Committee”** means Corporate Social Responsibility Committee of the Board.
- d) **“CSR Expenditure”** means the amount required to be spent by the Company on CSR activities.
- e) **“Implementing Agency”** means any external entity engaged by the Company for execution of CSR projects.
- f) **“Ongoing Project”** means a multi-year CSR project approved by the Board with defined timelines and budgets.

Words and expressions not defined herein shall have the meanings assigned to them under the Companies Act, 2013 and the CSR Rules.

## 4. OBJECTIVE & PURPOSE

The objectives of this CSR Policy are to:

- Deliver sustainable social and environmental impact through structured and measurable CSR initiatives;
- Focus on development of communities in and around the Company’s operational locations;
- Establish strong governance, accountability and monitoring mechanisms for CSR expenditure;
- Promote transparency, documentation and impact measurement of CSR initiatives;

- Ensure that CSR is implemented as a core business responsibility in a practical, measurable and impact-driven manner, and not merely as a regulatory compliance activity.

The Company's CSR initiatives shall be aligned with its Environmental, Social and Governance (ESG) objectives and, to the extent applicable, with the principles of the Business Responsibility and Sustainability Report (BRSR) under the SEBI (LODR) Regulations, 2015 with due emphasis on ethical conduct, social responsibility and good governance.

## 5. CSR COMMITTEE

The Board of Directors of the Company shall constitute a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the applicable law. The CSR Committee will consist of 3 or more directors of which at least one shall be an independent director. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

**Roles and Responsibilities of the CSR Committee:** The CSR Committee shall

- Identify and approve CSR focus areas and projects based on structured need assessment;
- Approve CSR budgets and Annual Action Plan;
- Review implementation progress on a quarterly basis;
- Monitor utilisation of CSR funds and project outcomes;
- Review performance of implementing agencies and vendors;
- Recommend corrective actions, suspension or termination of projects where required;

### **Meeting of CSR Committee:**

The CSR Committee shall meet at least once in a year and at such other times as may be deemed necessary, including through audio or video conferencing. Additional meetings may be convened to review CSR activities, budgeted expenditure, engagement of implementing agencies, service level arrangements, and monitoring of CSR projects and programmes.

## 6. SCOPE OF CSR ACTIVITIES

The Company shall undertake Corporate Social Responsibility (CSR) activities in accordance with the provisions of applicable law and this Policy. CSR activities shall be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013, as approved by the Board based on the recommendations of the CSR Committee.

However, the following activities shall not be considered as CSR activities:

- a) Activities undertaken in pursuance of normal course of business of the company.
- b) Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- d) Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019.
- e) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

- f) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

## **7. IDENTIFICATION AND SELECTION OF CSR ACTIVITIES**

The Company shall identify CSR projects and programmes based on a structured need assessment, baseline survey and stakeholder consultation conducted by the CSR Team or an external professional agency, as appropriate.

The CSR Team may prepare a detailed CSR Need Assessment Report as required, covering local community requirements, socio-economic indicators, environmental concerns and alignment with Schedule VII of the Companies Act, 2013.

Preference shall always be given to projects in local areas and areas surrounding the Company's manufacturing facilities, offices and operational locations.

The identified projects shall be recommended by the CSR Committee to the Board for approval, ensuring that the activities are measurable, outcome-oriented and capable of delivering sustainable social impact.

## **8. SELECTION OF IMPLEMENTING AGENCIES**

The Company shall appoint implementing agencies for CSR projects in accordance with the provisions of applicable law and this Policy. Such agencies shall be selected from entities eligible under the CSR provisions of the Companies Act, 2013 and the rules made thereunder.

The CSR Committee shall ensure that the implementing agencies, wherever applicable, are registered with the Central Government and possess a valid CSR Registration Number.

Further, while selecting implementing agencies, the Company may consider the following:

- Proven track record and experience in undertaking similar activities;
- Technical capability and ability to execute the project;
- Compliance with applicable laws; and
- Capability to undertake the project within the approved timelines.

## **9. MODE OF CARRYING CSR ACTIVITIES**

CSR activities may be undertaken by the Company:

- Directly; or
- Through eligible implementing agencies registered as per applicable law.

## **10. CSR BUDGET**

The CSR Committee shall recommend the annual CSR budget to the Board based on the CSR obligation calculated under the Companies Act, 2013. The CSR Committee shall ensure that the annual CSR expenditure is aligned with the approved Annual Action Plan. Administrative overheads shall not exceed five percent (5%) of the total CSR expenditure of the Company for the relevant financial year.

## **11. ANNUAL ACTION PLAN**

The CSR Committee shall formulate and recommend to the Board an Annual Action Plan which shall include the following:

- (a) the list of CSR projects or programmes to be undertaken in areas or subjects;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if applicable.

The Board may alter the Annual Action Plan at any time during the financial year, as per the recommendations of the CSR Committee, based on reasonable justification.

## **12. TREATMENT OF SURPLUS**

Any surplus generated from CSR projects undertaken by the Company will be treated in any of the below mentioned manner:

- (f) Shall be ploughed back into the same project or
- (g) Shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or
- (h) Transfer such surplus amount to a Fund specified in Schedule VII within 6 (six) months from the expiry of the Financial Year.

These funds i.e., the surplus, if any, generated from CSR Activities, will not be added to the normal business profits, under any circumstances.

## **13. CSR REPORTING**

The Board's Report of the Company shall include an Annual Report on CSR Activities in the format as may be prescribed. In case the average CSR obligation is INR 10 Crore (Rupees Ten Crore Only) or more, in the 3 (three) immediately preceding Financial Years, the Company shall undertake Impact Assessment, through an independent agency, of their CSR projects having outlays of INR 1 Crore (Rupees One Crore Only) or more, and which have been completed not less than 1 (One) year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR Activities.

Provided that the Company undertaking impact, assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

**Excess Spent:** Where a Company spends an amount in excess of requirement provided under the Act, such excess amount may be set off against the requirement to spend up to immediate succeeding 3 (Three) Financial Years' subject to the conditions:

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

Such set-off shall be disclosed in the Board's Report.

#### **14. UNSPENT CSR AMOUNT**

If the Company, in any financial year, fails to spend the CSR Obligation amount, the same shall be reported in the Board's Report, specifying the reason for not spending the amount and such amount shall be transferred within a period of 6 (Six) months of the expiry of the financial year to a Fund specified in Schedule VII to the Act. If unspent amount relates to any Ongoing Project, such amount shall be transferred within a period of 30 (Thirty) days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account", and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 (three) financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 (Thirty) days from the date of completion of the 3<sup>rd</sup> (Third) financial year.

#### **15. CSR GOVERNANCE, RISK MANAGEMENT AND ETHICAL OVERSIGHT**

The Company shall implement a structured CSR governance framework with oversight by the CSR Committee and execution by the designated CSR team. The Company shall conduct due diligence of CSR projects and implementing agencies and identify financial, operational, reputational and compliance risks. The CSR Committee shall periodically review risks and mitigation measures and place key matters before the Board, as required.

Proper documentation, including project approvals, agreements, utilisation certificates shall be maintained. CSR activities and fund utilisation may be subject to internal audit or external assurance.

The Company shall ensure transparency, stakeholder engagement and grievance redressal through the existing grievance or whistle blower mechanism. All CSR activities shall be carried out with integrity, and any misuse or diversion of CSR funds shall be dealt with in accordance with applicable laws and the Company's Code of Conduct.

#### **16. MONITORING PROCESS**

The CSR Committee shall monitor the implementation of CSR projects and programmes on a periodic and real-time basis through progress reports, field visits, digital dashboards and third-party verification mechanisms, as applicable.

The CSR Team shall submit quarterly progress reports to the CSR Committee detailing financial utilisation, project milestones, deviations, challenges and impact indicators.

The Board shall satisfy itself that the CSR funds disbursed have been utilised for approved purposes, and the Chief Financial Officer or the person responsible for financial management shall certify the same.

The CSR Committee may recommend suspension, modification or termination of any CSR project or implementing agency in case of non-performance, non-compliance or misuse of funds.

#### **17. DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE**

The Company shall disclose CSR-related information, including the composition of the CSR Committee, the CSR Policy, CSR projects and programmes approved by the Board, and impact assessment reports, on its website and in its statutory reports.

**18. AMENDMENT(S)**

The Company or the Board reserves its right to amend or modify this Policy in whole or in part, at any time. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.