



KNACK PACKAGING LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

CIN: U25200GJ2013PLC073847

**Registered Office: 330/A, Kalasagar Shopping Hub, Opp Saibaba Temple, Satadhar Cross Road,
Ghatlodiya, Ahmedabad, Gujarat, India, 380061**

Name of the Document	Corporate Social Responsibility Policy
Approval Date	25 August, 2025
Effective Date	From the date of Listing

1. Preamble

At Knack Packing Limited (hereinafter referred as “KPL” or the “Company”), we believe that Corporate Social Responsibility (“CSR”) is an integral part of the way we have been doing our business. We aim to integrate sustainability into our core business strategy through meaningful Corporate Social Responsibility (CSR) initiatives. Corporate Social Responsibility is a sense of responsibility of the company towards the community and environment both ecological and social. It is a commitment of the company towards enriching lives of local community and the society at large in which it operates.

This Corporate Social Responsibility Policy (“CSR Policy”/ “Policy”) comprises of the Company’s philosophy of operating its business in a socially responsible way and improving and developing the wealth of the business with the intention to improve the society in which it operates as well as the local community.

The CSR Policy is framed pursuant to the provisions of section 135, Schedule VII of the Companies Act, 2013 (“Act”) and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“CSR Amendment Rules”), as amended from time to time.

(Note: The Act and CSR Amendment Rules are collectively referred to as “Applicable Laws”)

The Board Approved the CSR Policy at its meeting held on 25 August, 2025 and shall become effective from From the date of Listing

2. Objective

The CSR Policy is being documented with the aim to create ‘**Generational Improvement**’ at a person, community, region and country level, thereby creating large-scale social impact. In Pursuit to this Knack Packaging aims to:

- a) To operate the business in an economically, socially, and environmentally sustainable manner with an intention to enhance the quality of life of the communities of the local area and areas in and around where our Company operates and society at large.
- b) To promote development in rural areas, promote education, eradicate hunger and poverty, promote gender equality and empowering women, promote health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, Entrepreneurship and protecting natural heritage and culture and such other matters of common good as permitted under the Act.
- c) Contribution to the prime minister’s national relief fund or any other fund set up by the central government for social economic development, relief and rehabilitation of persons effected by natural calamities, funds for the welfare of scheduled caste and tribes and other backward classes, minority and women.
- d) Promote equitable access to resources by prioritizing those within the community who need it the most and create an inclusive process which facilitates access for all – especially for individuals and communities that are marginalized.
- e) Any other activity as permitted under the Act.

3. Focus Areas, Projects, Programs and Activities

The Company has identified the following focus areas for its CSR programmes as under:

- **Plastic Waste Management & Environmental Sustainability**

Promote collection, segregation, and recycling of BOPP and other flexible packaging waste and partner with local bodies and NGOs for plastic waste awareness campaigns. Invest in R&D or pilot projects for biodegradable alternatives and closed-loop recycling systems. Tree plantation, water conservation, and energy efficiency projects. Environmental sustainability is integral part to our vision of a thriving society. Company is devoted to implementing practices that protect and enhance the natural environment, recognizing that a healthy environment is essential for the well-being of current and future generations. Our sustainability initiatives focus on reducing our ecological footprint, conserving resources, and promoting environmental stewardship within the community. Supporting reforestation and afforestation projects helps restore

ecosystems, combat deforestation, and enhance biodiversity. Our commitment to sustainability supports the broader goal of creating a resilient and vibrant society where both people and nature can flourish together. To provide access to water, sanitation, and awareness of basic hygiene to help uplift communities

- **Education including special education and employment enhancing vocational skills**

We believe that education is a powerful tool for social development and empowerment. Employment enhancing vocational skills bridge the gap between education and employment, equipping individuals with practical skills and training that are directly relevant to the job market. This includes partnerships with educational institutions for skill development workshops, internships, and apprenticeship programs. Company is committed to advancing educational opportunities and vocational training as a means to drive societal progress. Our support extends to initiatives that improve access to education, including special education programs and vocational training that enhance employment prospects.

- **Basic Healthcare and Nutrition**

To enhance general well-being of low-income households in India, company may take up interventions towards improving their health & nutrition, and also support interventions aimed at strengthening India's wider public healthcare eco-system. Company believes in quality of life and fostering sustainable development in communities. We recognize that the well-being of individuals extends beyond the workplace and into the broader community. Our commitment to health care and sanitation is centered to promote not only comprehensive health care services but also preventive measures that contribute to the overall health of the communities at large. By supporting health infrastructure, offering wellness programs, and supporting sanitation standards, the Company aims to foster a healthier society, thereby enhancing the quality of life across the communities we impact.

- **Lives Livelihoods , Promoting gender equality and Women empowerment**

Creating sustainable livelihoods is an overarching theme that is pursued to contribute to poverty alleviation and integrated development, especially in some of the most socio-economically disadvantaged regions of the country. Company also endeavours to promote women empowerment through such activities by providing them skills and livelihood assets which can contribute to improvement in their socio-economic status. Company can implement programs that provide education and skill development opportunities for women and girls, ensuring they have the knowledge and abilities to pursue their career goals. CSR activities can also support women's entrepreneurship by offering funding, resources, and training for female-led businesses. By supporting these initiatives, Company not only empower women but also drive social change, contributing to economic growth and the creation of a more just and balanced society.

- **Humanitarian and Relief Activities**

To support humanitarian activities that augment efforts to save lives, address malnutrition and support preventive or curative healthcare, or alleviate human suffering. Company may support relief and rehabilitation measures during natural and other calamities or otherwise including contributing to the Prime Minister's National Relief Fund (PMNRF) or any other eligible national funds.

4. **Definitions**

- a) **"Corporate Social Responsibility (CSR)"** means the activities means such programs and projects as may be approved by the Board in terms of this CSR Policy
- b) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- c) **"CSR Policy"** means a statement containing the approach and direction given by the board of a company, considering the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- d) **"CSR Rules"** means the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- e) **"CSR Expenditure"** means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.

- f) **“Director”** means a member of the Board of the Company.
- g) **“Implementing Agency”** means an implementing agency as defined under paragraph IV (3).
- h) **“Implementation Group”** means an implementation group as defined under paragraph IV (2).
- i) **“Net Profits”** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include (i) any profit arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); and (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- j) **“Society”** means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
- k) **“Trust”** means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Words and expression used but not defined in this Policy but defined in the Act and the Rules shall have the same meaning respectively assigned to them in the Act and the Rules.

5. Implementation

The Company's CSR activities will be implemented by itself or through:

- (i) a company established under section 8 of the Act or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (**“IT Act”**), established by the Company, either singly or along with any other Company, or
- (ii) a company established under section 8 of the Act, or a registered trust or a registered society, established by the Central Government or State Government;
- (iii) an entity established under an Act of Parliament or a State legislature;
- (iv) a company established under section 8 of the Act or a registered public trust or a registered society, registered under section 12A and 80 G of the IT Act, and having an established track record of at least three (3) years in undertaking similar activities.

Further, the Company may also collaborate with other companies for undertaking CSR projects/ programmes or CSR activities. However, the CSR committees of the respective companies should be in a position to report separately on such projects / programmes / activities in accordance with the Applicable Laws.

6. The responsibility of the Company and Board of Directors (“Board”)

- a) Approving the CSR Policy, annual action plan, CSR activities/projects and associate Budget , after reviewing and considering the recommendations of CSR Committee. The Board shall also ensure that the CSR Policy or any modification there under is disclosed in Board's Report and uploaded on the company's website, as required by Law.
- b) The Board may retain the Authority to revise or modify the Annual Action Plan at any time during the financial year, based upon recommendation of CSR Committee supported by reasonable justification .
- c) Ensure the Company spends, in every financial year at least 2% of average net profits of immediately preceding 3 financial years on CSR activities, as per CSR Policy. In the event of shortfall in the prescribed CSR expenditure , the Board's Report prepared as per section 134 of the Act, shall specify the valid reasons for not spending the amount and ensure that the unspent amount is transferred in accordance with applicable statutory provisions.
- d) Ensure that CSR activities undertaken by the Company are in line with the areas specified in under Schedule VII of the Companies Act, 2013, and as outlined in the CSR Policy.
- e) Ensure that the CSR activities are implemented either directly by the Company or through eligible implementing agency, as permitted under CSR Rules.
- f) In case of ongoing CSR projects, oversee the execution in accordance with the approved timelines and year-wise budget allocations. The Board is also authorized to approve any necessary modifications within the permissible project duration.

- g) Ensure that administrative overheads related to CSR activities do not exceed the limits specified under the Applicable Laws and CSR rules.
- h) Ensure that any surplus arising out of the CSR activities is not treated as business profit of the Company and is either be reinvested back into the same project or transferred to Unspent CSR Account or or transfer surplus amount to the Fund specified in Schedule VII of the Companies Act within the Statutory time limits.
- i) Ensure that surplus or unspent amount are treated in accordance with the provisions of Section 135 of the Companies Act, 2013 and relevant CSR Rules.
- j) Approve the Carry-forward (set off) of any excess CSR expenditure incurred in a financial year, against CSR obligations of the next 3 immediate financial years, subject to compliance with applicable conditions
- k) Ensure that Directors' Report includes following mandatory CSR disclosures:
 - Summary of CSR Policy and Composition of the CSR committee;
 - An annual report on the CSR activities in the prescribed format;
 - Reasons for not spending the prescribed CSR amount.

7. CSR Committee

The Board of Directors of the Company shall constitute the Corporate Social Responsibility Committee (CSR) in pursuance to the provisions of Section 135 of the Companies Act 2013 and the Rules made there under. The CSR committee will oversee the implementation and compliance of the CSR activities of the company and will recommend the Annual Action Plan to the Board for its approval.

8. Role of the CSR Committee

The CSR Committee shall be responsible for providing strategic guidance and oversight for the Company's CSR initiatives. The key functions of the CSR Committee include:

- (a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder, each as amended, and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities, being at least two-percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its corporate social responsibility and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To formulate and recommend to the Board, an annual action plan in pursuance to the corporate social responsibility policy, which shall include the following, namely: (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013; (ii) the manner of execution of such projects or programmes as specified in Rule 4(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014; (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes; (iv) monitoring and reporting mechanism for the implementation of the projects or programmes; and (v) details of need and impact assessment, if any, for the projects undertaken by the company. Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.
- (e) Identifying and appointing the corporate social responsibility team of the Company and delegate responsibilities to such team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (g) To take note of the compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;

- (h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred or perform such responsibilities as may be required by the corporate social responsibility committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, to the extent applicable; and
- (i) Such terms of reference as may be prescribed under Section 135 of the Companies Act

9. CSR Budget

The CSR Budget will be allocated as per the provisions of the Act i.e. at least two per cent of the average net profit calculated as per Section 198 of the Act read with the Rules thereof ('average net profit') accrued during the three immediately preceding Financial Years. The Board of the Company will endeavour to spend in each Financial Year, at least two per cent of the average net profit on Corporate Social Responsibility Projects / Programs/activities. Corporate Social Responsibility Projects / Programs /activities will be identified and budgets will be allocated through a process incorporating identification of suitable implementing agencies, need assessment (where required) and clear outlining of desired outcomes. In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

1. In case the project is not an 'on – going' project:
 - (a) Transfer such unspent amount to the Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
2. In case the project is or is to be considered as 'Ongoing project':
 - (a) Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;
 - (b) Open an 'Unspent Corporate Social Responsibility Bank account' and transfer the amount which is unspent/unutilized on the approved Corporate Social Responsibility project/programs/activities within a period of 30 days from the end of the Financial Year;
 - (c) Ensure completion of the project within 3 years from the date of such transfer to the 'unspent CSR bank account' of the Company.
 - (d) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

10. CSR Expenditure

- a) The Board shall ensure that the administrative overheads related to CSR do not exceed five percent (5%) of the total CSR expenditure incurred by the company during the financial year in accordance with the applicable laws.
- b) Any surplus arising out of the CSR activities shall not be treated as business profit of a company and shall surplus shall be reinvested into the same CSR project or transferred to the Unspent CSR Account and utilise the same in line with Company's CSR Policy and Annual Action Plan or transferred to the Fund specified in Schedule VII, within a period of six months from end of the financial year.
- c) If the Company incurs CSR expenditure in excess of Statutory requirement under section 135(5) of Companies Act 2013, it may set off the excess amount against the required CSR spending for up to the immediate three succeeding financial years, subject to the following conditions –
 - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities , and
 - ii. the Board passes a resolution approving such set-off.
- d) The CSR amount may be spent by a company for creation or acquisition of a capital asset, provided the asset is held by one of the following –

- i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society with charitable objects and valid CSR Registration Number or,
- ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, community based entities; or,
- iii. a public authority.

11. Unspent CSR Funds

- a) In case of In the case of any unspent CSR amount pertaining to an ongoing project (as defined under the applicable laws), the Board shall ensure that such amount is transferred by the Company, within 30 days from the end of the relevant financial year, to a separate account opened with a scheduled bank titled the “Unspent Corporate Social Responsibility Account” for that financial year. The Company shall utilize the funds from this account towards the approved ongoing project(s) within a period of three financial years from the date of such transfer. If the amount remains unutilized after the completion of the third financial year, it shall be transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within 30 days from the end of that third financial year..
- b) In case n cases where the unspent CSR amount does not pertain to any ongoing project, the Company shall provide a specific explanation in the Board’s Report as to the reasons for not spending the amount and transfer the unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months from the end of the financial year, in accordance with Section 135(5) of the Companies Act, 2013.

12. CSR Reporting

To ensure effective execution and monitoring of CSR initiatives, the CSR Committee shall periodically review the progress and performance of all CSR activities undertaken by the Company .

The Board’s Report of the Company shall include an Annual Report on CSR, detailing CSR projects and activities carried out during the financial year, in the format prescribed under the applicable provisions of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014.

13. Disclosures about CSR Policy and CSR Activities

The CSR Policy including CSR Committee and Projects approved by the Board of the Company are published on Company’s website to ensure transparency and facilitate public access in accordance with applicable legal requirements.

14. Meeting of CSR Committee

The meeting of the CSR Committee shall be convened as and when necessary, at such time and place as determined by the Chairperson or as requested by any member of the Committee, to effectively discharge its responsibilities..

15. Notice of Meeting

A written notice of the CSR Committee meeting shall be circulated to all members at least 7 days prior to the scheduled date. The notice shall specify date, time, and venue of the meeting along with agenda items proposed to be discussed at the meeting. However, a shorter notice period may be permitted with the consent of all Committee members.

16. Quorum for CSR Committee

Quorum for the meeting of CSR Committee shall be two members present personally or virtually at the meeting.

[CB Comment: To be mapped with the resolution approving the constitution of the CSR Committee.]

17. Amendments To the CSR Policy

This Policy shall be periodically reviewed by the Board and may be amended by the Board of Directors, based on the recommendations of the CSR Committee, as and when deemed appropriate to ensure continued relevance and compliance.

In the event of any conflict or inconsistency between provisions of this Policy and the Applicable Laws or regulations, the provisions of the Applicable Laws shall prevail.