

CIL'S POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

I. PREAMBLE

*The concept of **Corporate Social Responsibility** has gained prominence from all avenues. Organizations have realized that Govt. alone will not be able to get success in its endeavor to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. Coal India has adopted CSR as a strategic tool for sustainable growth. For Coal India in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes.*

Even much before the issue of CSR became global concern, Coal India was aware of its Corporate Social Responsibility and was fulfilling the aspiration of the Society through well-defined "Community Development Policy" within the periphery of 8 Kms. of the Project sites. This has resulted into a harmonious relationship between Coal India and the peripheral Communities.

II. Introduction:

The Mines of Coal India and its subsidiaries are located in different parts of the country spread in 8 States, and relatively in isolated areas with little contact to the outside society. Mining of coal has profound impact on the people living in and around the areas where the mines are established. The obvious impact of the introduction of any production *activity* in such areas change the traditional lifestyle of the original inhabitants and indigenous communities and also change the socio-economic profile of the Area. Hence, the primary beneficiaries of CSR should be land oustees, PAP and those staying within the radius of 15 Kms of the Project. Poor and needy section of the society living in different parts of India should be second beneficiaries.

In the aforesaid backdrop, policy on Corporate Social Responsibility of CIL is broadly framed taking into account the following measures: -

- a) Welfare measures for the community at large including employees and their families, so as to ensure the poorer section of the Society derived the maximum benefits.
- b) It will take care of land less and project affected persons. Proper rehabilitation of the land oustees/displaced persons based on R&R policy separately formulated and the expenditure on R & R issues would be included in the Project Cost.
- c) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- d) Protection and safeguard of environment and maintaining ecological balance.

III. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the coal companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Govt. in enhancing welfare measures of the society *based on the immediate and long term social and environmental consequences of their activities*. CIL will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

IV. AREAS TO BE COVERED

The poor and needy Section of the Society living in different parts of India would normally be covered. *The CSR Programme will also cover the existing components of Special Corporate Plan (SCP) and Tribal Sub Plan (TSP) for development of the SC and ST population besides development components for the entire population*

- The responsibility of the subsidiaries shall be to execute CSR within the radius of 15 Kms for every project and Areas including Headquarters. Further Board of Directors of subsidiary companies can approve specific cases of projects beyond mining areas within the respective State.

- CSR should be broadly executed by CIL in the areas, which are beyond the jurisdiction of subsidiary companies. Further CSR for the loss making companies should be undertaken by CIL. Besides, CIL Board may extend to initiate specific projects abroad, under special circumstances.

V. SCOPE

- i) Education
 - ii) Water Supply including drinking water.
 - iii) Health care by providing Indoor medical facilities and medicines
 - iv) Environment
 - v) Social Empowerment
 - vi) Infrastructure for Village Electricity/Solar Light/Pawan Chaki. Etc. Recurring expenditure should be borne by the beneficiaries.
 - vii) Sports and culture.
 - viii) Generation of employment & setting up Co-operative Society.
 - ix) Infrastructure Support
 - x) Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involve in upliftment of the standard of the society.
 - xi) Heritage sites in the CSR purview ensuring involvement of employee's representatives in this Project.
 - xii) Empowerment of women for education/health & self employment
 - xiii) Relief of victims and Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.*
 - xiv) Disaster Management Activities including those related to amelioration/Mitigation.*
 - (xv) Collection of old cloths from the employees and distribution in the nearby village by utilizing the platform of Mahila Sabha of the Company, Club (Executives & Non-executives) and Women in Public Sector.*
 - (xvi) Development of smokeless fuel out of coal and also arrangement for distribution of efficient Chula to the villagers.*
 - (xvii) Adoption of village for carrying out the activities like infrastructural development e.g. road, water supply, electricity and community center etc.*
- The above list is illustrative and not exhaustive. CMDs shall be authorized to consider CSR activities not falling in this list. The activities will be specific to the village depending on the need assessed for the people. As far as possible efforts will be made to co-ordinate

with similar CSR activities that are taken up by the Central or State Govt. in the areas of Coal India. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

(i) Education.

- ❖ Support to Technical/Vocational Institutions for their self-development.
- ❖ Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- ❖ Adult literacy especially amongst those belonging to BPL.
- ❖ Awareness programmes on girl education.
- ❖ Counseling of parents
- ❖ Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- ❖ Spreading legal awareness amongst people and disadvantaged sections of the society about their rights & remedies available.
- ❖ Promotion of Professional Education by setting up educational institutions offering courses in Engg, Nursing, Management, Medicine and in Technical subjects etc. CIL will ask for reservation of seats for CIL's nominated students considering their different aspects.
- ❖ Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school in the operational area of the Company to enable them to get uninterrupted education.
- ❖ Provide cycle to needy girl students who are attending school in remote and distant areas.
- ❖ *Payment of 100 nos. of Coal India Scholarship to the Students belonging to BPL Category and 25 nos. of Coal India Scholarship to the wards of Land Oustees'/displaced persons' every year who are pursuing degree course (Graduation course) in IITs, NITs and other Engineering Degree Course (Graduation Course) in other Government Colleges where CIL is conducting recruitment through Campus Selection and Government Medical Colleges (MBBS Course) for meeting the reimbursement of tuition fees, Hostels fees (Accommodation charges) and Incidental Fee of Rs. 10000/- (Rupees Ten thousand) only as Mess charge or actual Mess charge whichever is less per academic session from the academic session 2010-2011 and onward.*

The above Scholarships will be operated centrally by CIL (HQ) through respective Government Engineering Colleges, Technology Institutes and Government Medical Colleges.

(ii) Water Supply including Drinking Water:

- ❖ Installation/Repair of Hand Pumps/Tube Wells.
- ❖ Digging/Renovation of Wells.
- ❖ Gainful utilization of waste water from Under-ground Mines for cultivation or any other purpose.
- ❖ Development/construction of Water Tank/Ponds.
- ❖ Rain water-harvesting scheme.
- ❖ Formation of a Task Force of Volunteers to educate people regarding proper use of drinking water.
- ❖ Empowerment to the villagers for maintenance of the above facilities for availability of water.

(iii) Health Care Organizing health awareness Camps on

- ❖ AIDS
- ❖ TB and Leprosy
- ❖ Social evils like alcohol, smoking, drug abuse etc
- ❖ Child and Mother care
- ❖ Diet and Nutrition.
- ❖ Operation Jyoti – Vision 2020 to help the people of the peripheral area for necessary assistance.
- ❖ Blood donation camps.
- ❖ Diabetics detection & Hypertension Camps
- ❖ *Family Welfare.*
- ❖ Senior Citizen Health Care
- ❖ Wellness Clinics.
- ❖ Fully equipped Mobile Medical Vans.
- ❖ Tele medicine
- ❖ To supplement the different programme of Local/State Authorities.

(iv) Environment

- ❖ Organizing sensitizing programmes on Environment Management *and Pollution Control.*
- ❖ Green belt Development
- ❖ Aforestation, Social Forestry, Check Dams, Park.
- ❖ Restoration of mined out lands.
- ❖ Development of jobs related to agro product i.e Dairy/Poultry/farming and others.
- ❖ Plantation of saplings producing fruit.
- ❖ *Animal care*

(v) Social Empowerment.

- ❖ Self /Gainful Employment Opportunities – Training of Rural Youth for Self Employment (TRYSEM) on Welding, Fabrication, and other Electronic appliances.
- ❖ To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources. Training may be provided by agricultural experts for above farming.
- ❖ Organizing training programmes for women on tailoring Embroidery designs, Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.
- ❖ Care for senior citizens.
- ❖ *Adoption/construction of Hostels (specially those for SC/ST & girls)*

(vi) Village Electricity/Solar Light

To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages. Recurring expenditure should be borne by the beneficiaries.

Pawan Chakki as alternative for providing electricity in villages.

(vii) Sports and Culture

- ❖ Promotion of Sports and Cultural Activities for participation in State and National level.
- ❖ Promotion/Development of sports activities in nearby villages by conducting tournaments like Football, Kabaddi and Khokho etc.
- ❖ Providing sports materials for Football, Volleyball, Hockey sticks etc to the young and talented villagers.
- ❖ Promotion of National level teams.
- ❖ Sponsorship of National Sports events in Coalfield areas.
- ❖ Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.
- ❖ Possibility of providing sports facilities for physically handicapped persons may be explored.

- ❖ Medias for preparing of documentary films.

Guide-lines to be followed to promote sports activities by way of granting financial assistance/donation/sponsorship etc.

Registered Clubs/Institutions which promote Sports activities may be granted financial assistance/donations/sponsorship based on the following norms:-

- 1) Sports talent development programme by Clubs/Institutions may be encouraged provided the proposal is routed through the respective Block Development Office/Sub-Divisional Office/District Office/State Associations/ local people representatives i.e. Panchayet Pradhan/Mukhiya/MLA/MP/ Minister etc to ascertain bonafide objective, status of activities and contribution to the society..
- 2) While sanctioning financial assistance/donation/sponsorship for State/ National/International events, CIL/Subsidiary Companies could send its representatives to ensure proper utilization of fund for the specific purpose, as well as, to ensure publicity/coverage for Corporate image building.
- 3) While sanctioning financial assistance/donation/sponsorship for encouraging talent search & nurturing by Club & Institution, CIL/Subsidiary Companies would also ensure participation of its employees and their wards to avail benefits.
- 4) As per CIL Policy for payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by CIL/Subsidiary Companies i.e. their Registration, PAN No. etc. to establish their bonafides.

(viii) Generation of employment & setting up Co-operative Society

Employment facilities should be provided to the community people specially to the backward section by providing education and training thereby developing their skill for suitable employment. Further opportunities for self-employment should

be provided by constructing Shopping Complex in and around the projects.

Besides, Co-operative Societies should be formed by active participation of local people for setting up Dairies, Poultryes and Piggery etc, which will also help to generate self-employment.

(ix) Infrastructure Support – construction, repair, extension etc.

- ❖ Auditorium,
- ❖ Educational Institutions
- ❖ Rural Dispensaries initiated by reputed NGOs.
- ❖ Mobile Creches.
- ❖ Bridges, Culverts & Roads,
- ❖ Check Dam
- ❖ Shopping Complex to facilitate business/self employment for local people
- ❖ Community Centre,
- ❖ Sulabh Souchalaya,
- ❖ Yatri Shed in Bus Stand,
- ❖ Burning Ghat/Crematorium
- ❖ Development of Park
- ❖ Play ground/Sports complex/Good Coaches.
- ❖ *Old Age Home.*

VI. Implementation:

- a) *The investment in CSR should be project based and for every project time framed periodic mile stones should be finalized at the outset.*
- b) *Project activities identified under CSR are to be implemented by **Specialized Agencies** and generally NOT by staff of the organization. Specialized Agencies could be made to work singly or in tandem with other agencies.*
- c) *Such specialized agencies would include:*
 - i) *Community based organization whether formal or informal.*
 - ii) *Elected local bodies such as Panchayats.*
 - iii) *Voluntary Agencies (NGOs)*
 - iv) *Institutes/Academic Organizations.*
 - v) *Trusts, Mission etc.*
 - vi) *Self-help groups*
 - vii) *Government, Semi Government and autonomous Organizations.*

- viii) *Standing Conference of Public Enterprises (SCOPE)*
- ix) *Mahila Mondals/Samitis and the like*
- x) *Contracted agencies for civil works*
- xi) *Professional Consultancy Organization etc.*
- (d) *Activities related to Sustainable Development will form a significant element of the total initiatives of CSR. Such activities should come under the 3 UN Global Compact Principles pertaining to the Environment Business are asked to*
 - a) *Support a precautionary approach to environmental challenges*
 - b) *Undertake initiatives to promote greater environmental responsibility and*
 - c) *Encourage the development and diffusion of environmentally friendly technologies.*

VII. INSTITUTIONAL ARRANGEMENT

A Corporate Social Responsibility Committee (CSRC) would be constituted at the CIL, Subsidiary Hq. and Area level where Project Manager/Colliery Manager should be included in the Committee for identification and implementation of activities which involve the followings:-

- 1) The Committee will interact with the concerned State Officials/Govt officials to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job.
- 2) The Committee will decide the priority of the activities to be undertaken under CSR.
- 3) The Committee will also interact with the *CSR Implementing agencies* for determining the activities to be undertaken.
- 4) Based on the total activities to be undertaken the Committee will recommend the quantum of Budget for the year.
- 5) Utilisation Certificate with statement of expenditure duly certified by an Authorised Auditor will be submitted by the Organisation/ Institution to whom CSR fund is allocated.
- 6) The Committee will monitor and review the progress of activities undertaken/completed.

- 7) *The Committee will also examine the proposal/requests submitted by CSR implementing agencies for Grant of donation/Financial Assistance/ Sponsorship etc. and also submit its recommendation before the Head of the CSR Committee.*

The committee at CIL Hq. level would be headed by Director (P&IR), CIL and would include

1) ED (MS), CIL	2) CGM/TS Chairman, CIL
3) CGM(Welfare), CIL	4) CGM(MP&IR), CIL
5) CGM(Fin), CIL	6) CGM(CP), CIL
7) CGM(Civil), CIL	8) GM(Environment), CIL
9) HoD (C&PR), CIL	

Welfare Department of CIL would act as “NODAL” Deptt. under the guidance of Director (P&IR), CIL. CGM (Welfare), CIL would put up all cases to the committee for consideration and recommendation to the competent authority which shall be Director (P&IR) for proposals upto Rs. 10 lakhs and Chairman, CIL for proposals beyond Rs. 10 lakhs.

VIII. Monitoring

- a) At CIL level and subsidiary level **full time CSR Cell** should be constituted headed by an E7 level Officer who will prepare the Annual Report on CSR Activities. Monthly Report on CSR should be sent by each subsidiary Company to CIL highlighting the cumulative outlays and outcomes of the program in specific details.
- b) In every six months *Board of Directors of CIL as well as subsidiaries* should review the implementation of CSR
- c) *CIL as well as subsidiaries shall include a separate/chapter in the Annual Report on the implementation of CSR activities/project including the facts relating to physical and financial progress.*
- d) *CSR Project should also be evaluated by an **independent external agency**. This evaluation should be both **concurrent and final**.*

IX. SOURCE OF FUND

The fund for the CSR should be allocated based on 5% of the retained earnings of previous year subject to minimum of Rs.5/- per tonne of coal production of previous year. Out of above, 4% would be allocated for CSR activities to be carried out within the radius of 15 Kms of the project site and balance 1% would be allocated for carrying out CSR activities by

Subsidiary Companies in the State to which the Subsidiary Company belongs.

Approving Authority for the CSR amount to be spent would be the respective CMDs in consultation with concerned Functional Directors of Subsidiary Companies.

For funding against CSR to be executed by CIL, 2.5% of retained profit of last year of CIL shall be allocated for execution of CSR activities, out of which 1.5% should be allocated for the activities in the States which are not covered by subsidiary companies and also supporting the loss making subsidiaries and 1% should be allocated for carrying out the activities at local level. Appropriate authority for CSR expenditure shall be Chairman, CIL for proposals beyond Rs. 10 lakhs and Director (P&IR) for proposals within Rs. 10 lakhs duly recommended by the CSR Committee.

Out of Total CSR Budget, 15% and 8% would be allocated separately and exclusively in the Annual Plan for undertaking Welfare Activities under CSR for development of Scheduled Caste and Scheduled Tribes populations respectively and balance 77% Fund would be utilized for implementation of CSR Activities for the entire population including SCs and STs.

*The CSR Project should be fixed for each financial year. This funding will not lapse. It will be transferred to **CSR Fund** which will accumulate-as in the case of Non lapsable pool for the North East.*

X Base Line Survey & Documentation

- (a) *The impact made by CSR activities should be quantified to the best possible extent with reference to base line data, which need to be created before the start of any project. **Hence Base-line Surveys are mandatory.***
- (b) *Meticulous **documentation relating to** CSR approaches policies, programmes, expenditures, procurement etc. should be prepared and put in the **Public Domain**, (particularly through the internet) and made available to the National CSR Hub.*

XI. UPKEEP AND MAINTENANCE OF ASSETS CREATED:

Maintenance of Assets created under CSR would be the Responsibility of the concerned State Government and local representative of the Society.

Before any Capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for maintenance of the Assets.

XII REFLECTION OF CSR ACTIVITIES

Annual audit of all activities undertaken by the company would be done by local Authorized auditor. The CSR activities will be reflected in the Annual Report and Accounts of Coal India Limited under Social Overhead (CSR).

The Committee constituted in the area will inspect all sites and reflect the same to CSR Cell for their information, record and further action.

XIII CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken. Every subsidiary Company should have specific activities to adopt mostly in their close vicinity of the projects extendable up to the affairs of the State to which it is belonging. In case of CIL, it should cover the CSR policy at national level.

CSR activities in any State should be preferably done through the subsidiary(s) located in the State, whether funded by subsidiary or supplemented by CIL. For States without any subsidiary, CSR activities, if any, shall be done by CIL.

Since CSR Policy of CIL includes all the Community Development activities in a broader perspective, the CSR Policy of CIL will supersede earlier policies relating to CSR, i.e., Policy for Community and Peripheral Development of CIL and its subsidiaries (Circular No. CIL/C-5C/ 55231 (CD Policy)/62 dated 29th June 2005) and incorporated part in the Policy of CIL for Payment of Grant and Donation under CSR (CIL:CC&PR:Sect:91 dated 17th August 2007).

Coal India will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.
