

CIL POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

PREAMBLE

Policy on Corporate Social Responsibility of a Central Public Sector Enterprise is mandatory as per guidelines issued by Govt of India from time to time. Moreover, as per Prime Minister's address on inclusive growth/challenges for Corporate India in a modern democratic society, business must realize its wider social responsibility. From the address of Prime Minister it clearly reveals that Corporate Social Responsibility(CSR) should be defined within a framework of a Corporate philosophy which factors the needs of the community and the regions in which corporate entity functions. Corporate industry should invest in environment friendly technology and environment and ecology must be protected, safeguarded for future generations. The issue of formulation of policy on Corporate Social responsibility(CSR) was discussed in the Workshop which was attended by representatives of Navaratna, Mini-Navratna and other profit making CPSEs as well as representatives of Ministries, C&AG etc wherein it was unanimously viewed that there should be a designed guideline on Corporate Social Responsibility and funds for execution of various activities on the CSR should be earmarked based on the paying capacity of the Company. The Committee on Public Undertakings in its 24th report "Social Responsibilities and Public Accountability" of Public Undertakings has brought out that Government believes in making PSEs growth oriented and technically dynamic. The Memorandum of Association of Public Sector Enterprises states the objectives including social objectives for which PSE is set up. PSEs generally undertake amount of non-commercial responsibilities which are incorporated in MOA in furtherness of their commercial objectives. Since all PSEs can not be treated on equal footings for undertaking various types of social activities, it is the responsibility of each PSE to identify and implement social responsibilities keeping in view its financial ability to sustain such activities.

The following aspects have been focused in order to execute the Corporate Social Responsibility of a PSE.

- Healthy respect for workers and proper investment in their welfare measures which should include proper care for employees health, their children's education, pension and provident fund benefits, and so on. Unless workers feel they are cared for at work, a national consensus can never be evolved in favour of much needed, more flexible labour laws aimed at ensuring that our PSEs remain globally competitive.

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- Corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions.
- Industry must be pro-active in offering employment to the less privileged class, at all levels of the job ladder. In this regard focus should be given to the Scheduled Castes, Scheduled Tribes, other Backwards Classes, Minorities and Women, in the workforce.
- There should be proper investment for people and in their skills. Scholarships must be offered to promising young people. High rates of growth mean nothing for those who are unable to find employment. Investment must be there in skill-building and education to make our youth employable. Indian Industry must allocate sufficient resources to skill development, either managing ITIs or setting up a network of Greenfield Skill Development Centres across the country.
- Investment should be in environment-friendly technologies. India's growth must be enhanced and, yet, our environment and ecology must be protected and safeguarded for our future generations. Industry has an enormous role to play in this regard. Conservation of natural resources is a national mission. Industry can and must provide leadership on this front. As a country of a billion plus people, with a scarcity of natural resources on a per capita basis, we cannot afford the wasteful lifestyles of the Western world. Conspicuous consumption must be reduced not just because it is socially undesirable at our level of development but also because it is environmentally unsustainable.
- To promote socially responsible media and finance socially responsible advertising. Through advertisement budgets and investments in media, socially responsible media can be encouraged to grow and to flourish. Socially relevant messages and causes should be highlighted in every corner to build social awareness among people, specially the backward section..

The above are the key areas in which industry leadership can go a long way to ensure that our growth process is both inclusive and broad based. This is not an exhaustive list. There should be a culture of earning, sharing and belonging.

Furthermore, the following aspects have been focused in order to execute the Corporate Social Responsibility of PSEs:-

- The mandate given under the National Common Minimum Programme (NCMP) of the Government outlines the need for strong public sector whose social objectives should be met by their commercial functioning. Corporate Social Responsibility (CSR) for Central Public Sector Enterprise (CPSEs) is to be viewed in this context.
- CSR is moving from philanthropy and periphery of business to main stream. CSR is no longer a Public Relation ad-hoc exercise or charity work done every year. CSR has to become a well thought-out, well planned management strategy to make a positive impact on society and environment through sustained efforts.
- It is accepted as the ethical and responsible behaviour of a company towards its own community, and society. CSR projects have become B2 C 2 B (Business to Community to Business) with multiplier effect both for the society as well as for the business. During the last few decades the importance of Corporate Social Responsibility has gained momentum in national and international levels. It has become a part of the Corporate environment, acting as a positive catalyst. Almost all Public Sector Enterprises are undertaking some sort of Social activities. The initiatives have been focused to be ad-hoc and taken up under influence. In this background, it is felt that Public Sector Enterprises should play its role in a planned manner for discharging their social responsibility matching with the reputation of Indian Industry and business in the world. In view of this, it is considered necessary to formally keep in place set of guidelines on Corporate Social Responsibility for the CPSEs to understand the exercise their responsibilities. .

Introductions:

In the above 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.
- b) 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.

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- 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 backward class and generation of employment.
- d) Protection and safeguard of environment and maintaining ecological balance.

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 peoples living in and around the areas where the mines are established. The obvious impact of the introduction of any production activities in such areas change the traditional lifestyle of the original inhabitants and indigenous communities and also change the socio-economic profile of the area.

In the above context, Coal India strongly believes that the Society is an important stakeholder in the process of mine development and for sustainable development they have to share the benefits of development of the mining projects.

Coal India Limited, being a responsible Corporate entity takes care for the improvement in the quality of lives of its employees, their family members, the community, the society and for the Environment. Over the years, such activities have evolved increasing from mines to the community, projects sites, society and have now started assuming global dimensions.

In the present scenario, where our production activities have extended even beyond national boundaries, it is felt that areas under CSR are identified, activities planned and sufficient budget provided for this purpose.

OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the coal companies to make CSR a key business process for substantial development for the Society. CIL will act as a good Corporate Citizen, subscribing to the principles of Global Impact for implementation.

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AREAS TO BE COVERED

The poor and needy Section of the Society living in different parts of India would normally be covered.

- 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.

SCOPE

- i) Education
 - ii) Water Supply including drinking water.
 - iii) Health care
 - iv) Environment
 - v) Social Empowerment
 - vi) Infrastructure for Village Electricity/Solar Light/Pawan Chaki. Recurring expenditure should be borne by the beneficiaries, which may be partially financed by Company.
 - 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) Miscellaneous.
- The above list is illustrative and not exhaustive. 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.

Education.

- ❖ Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- ❖ Scholarship to talented and needy students.
- ❖ Adult literacy especially amongst those belonging to BPL.
- ❖ Awareness programmes on girl education.
- ❖ Counselling of parents

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- ❖ Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- ❖ Spreading legal awareness amongst people and disadvantageous 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.

Water Supply including Drinking Water:

- ❖ Installation/Repair of Hand Pumps/Tube Wells.
- ❖ Digging/Renovation of Wells.
- ❖ Laying pipeline for proper distribution of water.
- ❖ Development/construction of Water Tank/Ponds.
- ❖ Rain water harvesting scheme.

Health Care

Organizing health awareness Camps on

- ❖ AIDS
- ❖ TB and Leprosy
- ❖ Social evils like alcohol smoking 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 Planning.
- ❖ Senior Citizen Health Care
- ❖ Wellness Clinics.
- ❖ Mobile Medical Vans
- ❖ Tele medicine

Environment

Organizing sensitizing programmes on Environment Management

- ❖ 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.

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.

Village Electricity/Solar Light

To develop infrastructural facilities for providing electricity and Solar Lights to the nearby villages. Recurring expenditure should be borne by the beneficiaries, which may be partially financed.

Pawan Chakki as alternative for providing electricity in villages

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.
- ❖ 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.

- **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, Poultries and Piggery etc which will also help to generate self employment.

- **Infrastructure Support – construction, repair, extension etc.**

- ❖ Auditorium,
- ❖ Educational Institutions
- ❖ 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.

➤ **Miscellaneous**

- ❖ 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.
- ❖ Adoption of village for carrying out the activities like infrastructural development e.g. road, water supply, electricity and community center etc.

INSTITUTIONAL ARRANGEMENT

A Corporate Social Responsibility Committee (CSRC) would be constituted at the CIL, Subsidiary Hq. and Area level 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 duplicacy 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 NGOs 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.

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

- ❖ ED(MS),CIL
- ❖ CGM(Welfare),CIL
- ❖ CGM(MP&IR),CIL
- ❖ CGM(F),CIL
- ❖ CGM(Civil),CIL
- ❖ GM(Environment),CIL
- ❖ HoD(CC&PR)

Welfare Department of CIL would act as “NODAL” Deptt. under the guidance of D(P&IR),CIL. CGM(Welfare),CIL would recommend each of the cases as per the schemes to be approved as per DoP.

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 effects of previous months.

In every 6(six) months functional Directors of CIL as well as subsidiary companies should review the CSR activities.

At Subsidiary Level the Committee will be headed by the Director (P) and would include senior officials of Welfare, Medical, Environment, Finance Civil Engineering, PR and representative of peoples of the Society.

Assistance of NGOs may be sought, if necessary, for preparation of baseline data, Action Plans and involvement of the local communities. For this purpose, only NGOs of national repute or with a good track record would be involved.

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,3% would be allocated for CSR activities to be carried out in the vicinity of Coalfield and balance 2% 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 FDs 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 in the State which is not covered by subsidiary company and also supporting the loss making subsidiaries.

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.

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).

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 upto 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.

Coal India will review the Policy after every five years and make suitable modifications, as may be necessary based on experience.
