



**CORPORATE SOCIAL  
RESPONSIBILITY (CSR) POLICY OF  
HALDIA PETROCHEMICALS LTD**

DRAFT CSR POLICY HPL

## **Introduction - Why CSR?**

The concept and spirit of Corporate Social Responsibility (CSR) has gained momentum and Industry has recognised the role it is expected to play in the social and economic development of the communities in which it operates. Competitiveness of firms can be severely threatened by unsustainable environments, lack of skills, education, poor health and an inequitable social structure. There are numerous Govt. programmes and schemes that are directed towards the welfare of the underprivileged to address these problems. This effort can be augmented by active participation of the Corporate Sector in giving back to society, and in contributing to the development process of our country. CSR is imperative to achieve socially responsible growth and must be embraced as a part of a company's business strategy.

As a progressive and prospering organization, HPL would like to formalize and institutionalize its CSR activities (which are now implemented on a piecemeal basis). This will not only benefit the local community around the plant and communities in other parts of the State but also enhance the Company's goodwill and visibility in the long run.

Time has come to launch a formal CSR programme of the Company which will be guided by a CSR Policy.

## **Provisions of the Companies Act 2013 on CSR**

Section 135 of the Companies Act 2013 states that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Corporate Social Responsibility Committee shall:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013. The Board will give suggestions for improvement and finally approve the final CSR policy
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

The list of Projects / Activities which may be included by the Companies in their CSR Policies as permitted by the Companies Act 2013 under Schedule VII of Section 135 of the Companies Act, 2013 read with the Companies (CSR) Rules 2014 & Rules 2016 (Schedule A & B respectively), as they currently stand, are enclosed for ready reference. The said Schedule (including all amendments/ addition/alteration made to this list by MCA from time to time) will be the guiding light of the activities.

## CSR Policy - An Outline

The main objective of CSR Policy will be to lay down broad guidelines to enable HPL to include CSR as an integral part of its corporate activity and to implement a robust and meaningful CSR programme for sustainable socio-economic development.

The CSR Policy of HPL includes:-

- a) A list of CSR projects or programmes which the Company plans to undertake falling within the purview of Schedule VII of the Companies Act 2013 read with the Companies (Corporate Social Responsibility) Rules 2014, with such amendments as may be notified by MCA from time to time.
- b) Modalities of execution of such projects and programmes and implementation schedules for the same.
- c) Monitoring the progress of each project or programme.

## Identified Projects

- Promoting Education – Providing facilities for imparting higher education to underprivileged students in School and Higher Education.
- Skill Development - Supporting skill development and vocational training programmes for underprivileged youth to make them more employment-ready, specially in the vicinity of the plant and its surrounding areas.
- Empowerment of Women/Minority Sections - Supporting Skill Development and Vocational Training Programmes for Women which would lead to income generation and women's economic empowerment.

Empowerment of Women through Training and Dissemination of Information/ Legal Counseling on Financial / Property matters, Family/Marriage/Domestic Violence Issues , Women's Rights etc

- Healthcare -
  - Organise awareness programmes for personal hygiene and public health;
  - Organise medical camps and follow-up actions, organise Blood Donation Camps;
  - Associate with National Level Immunisation Programmes;
  - Organize blood-group testing programmes and maintain the list in the Community for use at appropriate times;

- Make financial contributions to well-known hospitals / nursing homes committed to making cancer care affordable to the ordinary people.
- Healthcare awareness in schools and installation of solar power water coolers in Schools
- Support Mobile Ambulances and dispensaries
- Mother and Child Health Awareness and Nutrition Camps , Pre Natal and Post Natal Health Check Ups , Construct / Support Rural Health Clinics and Testing Labs

### **Others**

- Constructing Low Cost Toilets for the Community ( as Toilet Blocks ) and for institutions ( schools, colleges, hostels, old age homes etc)
- To consider partnering with HDA one Primary Health Center lying idle at Khudiram Nagar under HDA / Haldia Municipality and make it operative.
- To consider partnering with HDA for development of existing road from HREL Main Gate (no. 1 ) to the Ranichak rail crossing and its annual maintenance.

### **Routing of CSR Expenditure/ Projects through identified Trust**

The Company may undertake CSR activities as permitted under the Act, either directly or through alternate modes of undertaking CSR activities under Sub Rule (2) of Rule 4 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016, w.e.f. 23-5-2016.

The aforesaid Rules provide that the Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through:

- (a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or
- (b) 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 or any entity established under an Act of Parliament or a State legislature.

Proviso to Sub Rule (2) provides that if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

## **Monitoring and Reporting**

- The CSR Committee of the Board will regularly review progress reports and photographs of each project in its various stages compiled by the Internal Core Committee for CSR (consisting of HPL Employees). CSR Committee will also review Quarterly, Half-Yearly and Annual Reports on CSR Activities. These Reports will be presented to the CSR Committee/ Board every six months. Suggestions from the Board/ Board Committee will be followed up and implemented by the Core Committee for CSR. The Core Committee for CSR will be constituted by the management.
- Board Members, CSR Committee Members and Core Committee members may visit the project sites, interact with partners , stake holders and beneficiaries as and when required.
- The CSR Policy and CSR Activities of the Company approved by the Board may be uploaded on the Company Website.
- A separate chapter may be included in the Annual Report on the composition of the Corporate Social Responsibility Committee and implementation of CSR activities/project with supporting photographs, facts, figures , results, achievements and project expenses
- If required, CSR Projects should also be evaluated by an independent external agency. This evaluation should be both concurrent and final.

## **Proposed Budget**

A budgetary allocation in the Revenue Budget of HPL has to be made for successful implementation of the CSR policy. The CSR Committee will regularly monitor the progress of actual expense against budgetary estimates and report the position to the Board every six months or as considered appropriate.

## **Conclusion**

The above guidelines will form the broad framework for HPL's CSR Policy based on which CSR activities will be undertaken around HPL's plant and also in other areas in West Bengal. If necessary, during the course of the year, the CSR Policy may be suitably modified or amended by the CSR Committee with approval from the Board.

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## **(Schedule-A)**

### **Provisions of the Companies Act 2013 on CSR**

#### **SCHEDULE VII**

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:—

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens and measure for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resource and maintaining quality of soil, air and water;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and work of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents; training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- vii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.
- xi. Slum Area Development