



**Corporate Social Responsibility and
Sustainability Policy
of
MOIL Limited**

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CSR & Sustainability Policy of MOIL

(1) Preamble

- (i) MOIL Limited [Formerly known as Manganese Ore (India) Ltd.] is a Schedule-A *Miniratna* Category-I Public Sector Enterprise (PSE) under the Ministry of Steel incorporated in 1962. It is the largest producer of manganese ore in India and presently operates ten mines (including seven underground and three open cast mines) situated at Nagpur, Bhandara Districts of Maharashtra and Balaghat District of Madhya Pradesh.
- (ii) CSR and Sustainability are essential ingredients of corporate governance. CSR is fundamentally a philosophy or a vision about the relationship of business and society. It is the continuing commitment of business to work ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
- (iii) MOIL has developed this CSR and Sustainability Policy in consonance with the CSR Policy framework as provided in the Section-135 of Companies Act, 2013 (the Act) and in accordance with the Companies (CSR Policy) Rules, 2014 (the Rules) made under the Act, Guidelines on CSR and Sustainability for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Government of India (the Guidelines).
- (iv) The policy shall apply to all CSR and Sustainability Projects/Programmes (here-in-after may be referred as CSR activities/works/scheme/projects) undertaken by MOIL as per liberal interpretation of activities listed in Schedule-VII of the said Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged poor and deprived sections of the community and the environment.
- (v) The Company has also set up “MOIL Foundation”, a society registered under Society Registration Act, 1860, with view to undertake the CSR activities in a more effective and comprehensive manner.

(2) Vision

Improving lives to create a healthier and happier society through social commitments to help and build educated, skilled and sustainable society by supporting processes that lead to sustainable transformation and social integration.

(3) Mission

- (i) To act as a responsible corporate entity working for enriching the quality of life for the communities in which we operate, and serve as good stewards of society and the environment.
- (ii) To endeavour to bring about the holistic development of underserved communities in a sustainable and impactful manner and to support their upliftment.

(4) Strategy

The main thrust of the CSR and sustainability activities would be on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalized and underprivileged sections of the society in general and those of the project areas in particular.

(5) Objective

- (i) The main objective of the policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the society and environment with a balanced emphasis on all aspects of CSR and Sustainability – equally with regard to its internal operations, activities and processes, as well as in their response to externalities to create community assets for the development of rural/urban society.
- (ii) MOIL is committed to adopt a well-integrated approach for sustainable development to improve resource efficiency, minimize the impact of its operations on environment simultaneously improving the status of the community. The Company endeavors reducing and recycling waste, reducing energy consumption, water conservation, improving the air quality in and around its area of operations, providing green cover around mines through afforestation, Waste Dump Management, etc.

(6) Scope of CSR Activities

The scope of MOIL's CSR activities would be as per the provisions made under the Companies Act, 2013, Rules made thereunder and Govt. Guidelines and circulars issued and amended from time to time. CSR activities that can be taken up by a Company as per existing Schedule-VII of the Act are given below.

- (i) eradicating hunger, poverty and malnutrition; promoting health care including preventing health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of 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 centres and such other facilities for senior citizens, and measures 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 resources and maintaining quality of soil, air and water; including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga
- (v) protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works 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;
- (vii) training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- (viii) 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, the 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.

[The activities mentioned above at Sr. No. (i) "*Contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga*" is inserted by Notification GSR 741(E), dated 24-10-2014, w.e.f. 24-10-2014 MCA. Similarly, the activity mentioned above at Sr. No. (x) "*Slum area development*" is inserted by Notification GSR 568(E), dated 06-08-2014, w.e.f. 07-08-2014 of MCA]

Any contribution to corpus of a Trust/ society/ non-profit making companies registered under the Companies Act, created exclusively for undertaking CSR activities, shall be considered as part of the CSR expenditure. (As per circular No. General Circular No. 21/2014 - No. 05/01/2014- CSR dated 18.06.2014 of MCA)

(7) Organization Setup for CSR

- (i) The Board and the Board level CSR Committee headed by a Director.
- (ii) MOIL Foundation / Functional Director in-charge of CSR activities.
- (iii) Nodal Officer (CSR) assisted by Internal Committee on CSR.
- (iv) Cluster Level Officer (CSR) assisted by Cluster Level CSR Committee.
- (v) CSR projects in the Company are implemented under the guidance of a Board level CSR Committee which comprise of at least three members out of which minimum one member shall be Independent Director, if company is having such director.
- (vi) The CMD will be the competent authority to nominate/change/replace the members of the Internal Committee. The management will ensure adequate strengthening of the Internal Committee so as to enable it to discharge its duties/responsibilities expeditiously, smoothly and efficiently.
- (vii) The CMD will be the competent authority to sanction and incur any amount of expenditure on the activity/schemes approved by the Board, by duly following the prescribed procedures.

(8) Responsibilities of CSR Committee

The responsibilities of the Board level CSR Committee shall be in accordance with as per Rules, Act and Guidelines, which include following:

- (a) Recommendation of CSR Projects or programs to the Board for approval.
- (b) Formulation and recommendation of CSR policy to the Board in line with the Rules, Act and the Guidelines.
- (c) Recommendation of amount of CSR expenditure to the Board for approval.
- (d) Monitoring the implementation of CSR projects/programs/activities.
- (e) Perform such other functions as may be required under provisions of the Act, Rules, and the Guidelines or as may be directed by the Board, from time to time.

(9) Geographical coverage

- (i) CSR initiatives will be taken up primarily in the districts surrounding the peripheral areas/ impact zones of MOIL's mines, plants & units, which may be referred to as Local Areas.
- (ii) At least 80% of the annual expenditure will be incurred on CSR projects undertaken in the Local Areas with the remaining expenditure can be made on Pan India basis, unless otherwise approved by the Board.
- (iii) In line with the provisions of Companies (CSR Policy) Rules, 2014, the company may build CSR capacities of their own personnel by training through the reputed professional agencies.

(10) Budget and Expenditure

- (i) The CSR and Sustainability budget expenditure shall be fixed in accordance with the provisions of the Act, Rules and the Guidelines.
- (ii) The budget expenditure shall not be less than 2% of the average net profits of the company during the three immediately preceding financial years. Here, net profit means net profit as defined in Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (iii) The expenditure to be incurred on CSR and Sustainability activities will be approved by the Board on recommendation of the CSR Committee. However, if in any financial year, the actual expenditure is less than the budget for that year but not less than the minimum expenditure limit (i.e., 2% the average net profits of the company as prescribed in the Act) the budget may be restricted to actual expenditure. Otherwise un-spent amount shall be carried forward to the next year, if required under the provisions of the Act, Rules, and the Guidelines.
- (iv) CMD shall be empowered to spend on CSR activities within the powers delegated to him.
- (v) The surplus arising out of the CSR activities shall not form part of the business profit of MOIL.

(11) Planning:

- (i) Baseline/ need assessment survey should be carried out prior to the selection of any CSR activity
- (ii) With a view to have a baseline data and to ascertain basic needs/ requirements of the people and the area, the MOIL Foundation Internal Committee will ensure conducting of a Survey on the basis of which requisite schemes/projects will be identified for implementation.
- (iii) MOIL will endeavour at all times to build and develop the skills of its CSR team and enhance level of CSR awareness within the organization.
- (iv) While identifying the CSR projects/activities, emphasize needs to be given on in-house planned projects, proposals from District Administration/local Govt. body/public representatives etc.
- (v) MOIL Foundation Internal Committee will scrutinize all such projects and schemes as received from various quarters and put up the same to the CSR Committee with its comments/recommendations. The committee shall also prepare an Annual Action Plan for CSR activities every year
- (vi) If needed, the company may interact with the Government Organizations/Agencies for finalization of Schemes, etc. Concerned District authorities may also be contacted before taking up CSR activities in local areas.
- (vii) After the identification of Schemes/Projects, the Internal Committee will prepare the Draft Annual Plan keeping in view the availability of funds and put up the same to the CSR Committee

(12) Execution and Implementation Methodology

- (i) The CSR activities/projects shall be implemented by MOIL Foundation using internal resources by the company itself or through an identified suitable agency or through District Administration or through providing financial assistance to NGOs/specialized agencies/trusts/institutions/foundations / societies/bodies / etc. in accordance with the provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, functioning in similar activities [as defined in clause (xii) below].
- (ii) MOIL may also form such Trust or Society or Company, etc. for carrying out its CSR and Sustainability activities. In such a case, all the activities of Internal Committee may be assigned to such Trust or Society or Company, etc.
- (iii) MOIL may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that each company's part in such activity may separately identified.
- (iv) The external implementation partner should be identified following the due procedure in this regard.
- (v) Preferably, executing agencies having strong credentials like good track record, relevant experience, recommendation by Govt. / other PSUs etc. shall be engaged for undertaking CSR works.
- (vi) Every project will specify the implementation schedule indicating the starting date, date of completion, likely benefits, etc.
- (vii) The funds shall be released in suitable instalments based on the progress and Utilization Certificate from the executing Agency / Beneficiary.
- (viii) For the purchase of materials, medical equipment and supply of other material connected with CSR activities, the relevant procedures of the company in a transparent manner/e-procurement drawn up from time to time will be followed.
- (ix) Procurement of vehicles and other miscellaneous items will be done by tendering through respective Contracts Department of MOIL.
- (x) CSR works executed through contractors shall adopt the same procedure as followed for award of contracts for other MOIL works.
- (xi) Whenever required/necessary, CSR activity of MOIL can be synchronized with the CSR activities of other PSUs.
- (xii) NGOs / Voluntary Organizations /Trusts/Society means and requires :
 - (a) A permanent office / address in India.
 - (b) Members of such agency should be predominantly Indian citizens.
 - (c) Certificate of Registration as per Societies" Registration Act 1860 or under the Public Trust Act 1950 or non-profit making Company under the provisions of the Companies Act.
 - (d) A valid Income Tax Exemption Certificate of 12AA, 80G etc, wherever applicable.
 - (e) NGO is preferably in the approved list of / recognized by Central/State Govt. or any Govt. body/authority.
 - (f) Minimum 5 (five) financial years of sustained experience duly certified with Audit reports and Annual Reports from the competent authorities.
 - (g) NGOs should be registered with the NITI Aayog Portal (NGO Darpan) and have Unique Identifier Number.

(13) Monitoring Mechanism

- (i) The MOIL Foundation Internal Committee headed by a Nodal Officer will have a team of officials to assist him in co-ordination work. The team which will in no way detract from the importance of CSR and Sustainability work.
- (ii) MOIL Foundation Nodal Officer (Head of CSR department) shall be responsible for monitoring of CSR activities at every stage.
- (iii) For the purpose proper monitoring of the CSR projects, each project should include well defined milestones in terms of measurable parameters {preferably in line with the parameters defined for base line study}.
- (iv) The company shall also form Cluster level local committee/team at operational areas to monitor the CSR work and submit report to the Internal Committee on regular basis.
- (v) Prime duty of the Internal Committee would be to provide necessary help and assistance to the CSR Committee in identification, finalization, implementation and monitoring of various activities/schemes/projects/programmes under CSR and sustainability.
- (vi) As monitoring of activities is of paramount importance, the CSR Committee will keep a watchful eye on the implementation and periodically review progress of the works.

- (vii) The MOIL Foundation Internal Committee shall also periodically make site visits and inspections. It shall draw a schedule of inspection to be done by CSR Department from the date of award of the projects/programs. If any delay is noticed while monitoring the activity, remedial measures shall be taken for timely completion.
- (viii) The Board will also be apprised of the implementation progress in its meetings by the CSR Committee.

(14) Reporting/Documentation/Transparency

- (i) Nodal Officer of CSR Dept. shall certify completion of the project and proper handing over to the user within the scheduled dates.
- (ii) A certificate/undertaking will be taken from the stakeholders, that the assets will be utilized for the purpose they have been created and shall also be maintained properly and efficiently.
- (iii) Evaluation of all projects is done objectively with respect to the intended outcomes. Impact surveys will be conducted through third parties for selected projects and as per requirement and the Reports will be submitted to the MOIL Foundation management periodically.
- (iv) Contents of the CSR Policy would be disclosed in Board's report and same shall be displayed in the company's website, in the prescribed format as per provisions of the Act/Rules/Guidelines.
- (v) The Company shall include details relating CSR and Sustainability activities in its Annual Report in the prescribed format as per the Act/Rules/Guidelines.
- (vi) Meticulous documentation relating to CSR approaches, policies, programs, major milestones, etc. should be prepared. Annual Sustainability report should also be prepared, as may be required.
- (vii) The policy on CSR & Sustainability and the activities carried out under it, also be uploaded on the website of the Company.
- (viii) The impact made by the CSR and Sustainability activities will be quantified to the best possible extent.
- (ix) As per DPE Guidelines on CSR, the threshold value for compulsorily carrying out Impact Assessment Study of the work shall be minimum Rs.1.00 crore or as maybe approved by the Board of Directors from time to time.

(15) Miscellaneous

- (i) Notwithstanding anything contained in this Policy, no action pertaining to CSR activities shall be taken in contravention / deviation to the provisions of Section 135 of the Companies Act, 2013 and of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and applicable Government Guidelines, as amended from time to time.
- (ii) The Board of Directors, on its own and/or on the recommendation of CSR committee, can amend any of the provisions of this policy and as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

[This Policy has been framed in compliance to the provisions of Section 135(3) (a) of the Companies Act, 2013 and Section (6) of the Companies (CSR) Rules, 2014 and further DPE Guidelines (2014) as approved by BOD in its 310th meeting held on May 24, 2016]