



## **DFCCIL's CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1.0 Introduction**

- 1.1 Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business) is a form of corporate self-regulation integrated into a business model. It is the continuing commitment by business to perform 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. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. Thus the emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into the company's business process. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest (PI) by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. CSR is the deliberate inclusion of PI into corporate making that is the core business of the company or firm, and the honoring of a triple bottom line: people, planet, profit (3PL)<sup>1</sup>. The term "corporate social responsibility" came in to common use in the late 1960s and early 1970s, after many multinational corporations formed.
- 1.2 The Committee of Public Undertakings (COPU) for the first time in 1992, examined the issue of the social obligations of Central Public Sector Enterprises and observed that being a part of the "State" every Public Sector Enterprise (PSE) has a moral responsibility to play an active role in discharging the social obligations endowed to it as a welfare state subject to the financial wealth of the enterprise. Department of Public

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<sup>1</sup> The triple bottom line (abbreviated as "TBL" or "3BL", and also known as "people, planet, profit" or "the three pillars")

Enterprises (DPE) issued general guidelines on CSR in November, 1994. Giving freedom to the Board of Directors of the CPSEs to devise social responsible business practices under the general guidelines of their respective administrative Ministry / Department.

- 1.3 On 9<sup>th</sup> April, 2010, DPE has now issued guidelines for compulsory implementation of CSR activities for CPSEs. DPE is also monitoring the implementation of CSR by CPSEs through an item in the MoU annually entered into by the CPSEs with their administrative ministries. The Corporate Social Responsibility Policy of DFCCIL is being formulated in the context of these guidelines.

## **2.0 DFCCIL's CSR Vision**

- 2.1 At DFCCIL, Corporate Social Responsibility is envisaged as a commitment to meet its social obligations by playing an active role to improve the quality of life of the communities and stakeholders on a sustainable basis, preferably in the project areas where it is operating. CSR activities would be executed in a time bound manner with full commitment and transparency.

## **3.0 DFCCIL's CSR Policy Statement**

- 3.1 DFCCIL's Corporate Social Responsibility Policy is *"To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including share holders, employees, local community and society at large"*.

## **4.0 Key results area to be covered under Corporate Social Responsibility**

- 4.1 Generally the underprivileged and backward communities/ areas where DFCCIL has its business operations would be covered under the policy.

- 4.2 As a part of its CSR strategy, in line with the what has been envisaged above and the Millennium Development Goals (MDGs) as launched by United Nations (UN) and adopted by Government of India in its Eleventh Five Year Plan (2007-12), (attached as **Annexure-I**) the scope of CSR activities would cover the following areas:

- i) Education
- ii) Health
- iii) Drinking Water/Sanitation
- iv) Environment
- v) Solar Lighting System
- vi) Infrastructure For Backward Areas

- vii) Community Development and Social Empowerment
- viii) Promotion of Sports and traditional forms of Art and Culture
- ix) Generation of employment opportunities and livelihood
- x) To be a part of national/local initiatives to provide relief / rehabilitation in times of natural disaster / calamities;
- xi) Any other activity as may be identified by Board of Directors.

The list is only indicative and does not restrict inclusion of additional/fresh activities under CSR. The details of the activities under the above-mentioned sub-heads are placed as **Annexure-II** to the Policy.

## **5.0 Activities not covered under CSR.**

The following activities will **not** form part of CSR works:

- a. Mere funding or financing the programme for implementation of CSR activities;
- b. Any form of donation, charity by DFCCIL
- c. Activities and expenditure related to staff benefit.

## **6.0 Implementation of CSR**

### **6.1 Partnership Approach**

As per the requirement, DFCCIL would engage specialized agencies/NGOs Trusts /Missions / Government / Semi Government / autonomous organizations / contracted agencies for civil work etc, which have requisite expertise of carrying out the identified activities. The agency/organization will be appointed to work singly or in collaboration with other agencies. DFCCIL will monitor and ensure delivery of services as planned in accordance with the needs of the community. The activities would be taken up in a project mode with milestones and deadlines.

### **6.2 Constitution of CSR Committees**

There will be two tiers CSR Organization in DFCCIL, viz., CSR Committee at corporate level and CSR Committee at Project Implementation Unit (PIU) level (where the CSR activity is decided to be undertaken).

The membership of CSR Committees is not ex-officio i.e. based on holding of the designated post but would depend on individual officer's interest in socially relevant activities and willingness to devote time and effort.

#### **6.2.1 The CSR Committee at Corporate office level will comprise of:**

Sl. No.	Director (O & BD)	Chairperson of the Committee
a.	GGM (Finance)	Member
b.	GGM(HR)	Member
c.	GM (LA & SEMU/EC)	Member
d.	GM (Elect & SEMU/WC)	Member
e.	GM/Finance & IT	Member
f.	Consultant (Social)	Member
g.	Company Secretary	Secretary to the Committee

Director/Finance DFCCIL will be permanent invitee for the meetings of the CSR Committee at corporate level. MD/DFCCIL is competent to change/nominate/replace Committee Members.

#### 6.2.2 CSR Committee at PIU level:

CSR Committee at PIU level will be constituted under the Chairmanship of concerned CPM and three other members, including a member from Finance with approval of MD.

#### 6.3 **Role of Corporate CSR Committee.**

- a. Formulation of policy framework and broad guidelines for selection of the projects, planning, budget execution and monitoring.
- b. Supervision and coordination and implementation of CSR activities of all PIUs.
- c. Compilation of information and preparation of annual reports etc.
- d. To coordinate with various other departments/PSUs for exchange of information for promotion of CSR and ensure harmony in activities by different agencies.
- e. To consider and approve the projects proposed by PIUs and budgetary allocation among various projects.
- f. To organize training workshops and seminars for the employees of DFCCIL for sensitization efficient implementation of CSR policies.
- g. To keep up-dated about policy changes issued by the Department of Public Enterprises as well as other government agencies and advise the PIUs accordingly.

#### 6.4 **Role of PIU level Committee.**

- a. Selection of a project in accordance with policy framework and guidelines issued by corporate office, prepare a project report along with estimated cost and send for the approval of Corporate Level Committee.
- b. Submit annual budgetary requirement for each project along with the targets.
- c. Submit quarterly and annual statements of physical and financial progress to corporate body.
- d. To coordinate with the State Government agencies and other social society groups in all activities related to CSR.
- e. To arrange workshops, training etc. to sensitize the staff for better implementation of the policy.

#### 6.5 Broad guidelines and parameters

- a. Discussion and interactions with Central and State Govt. officials be held to identify the areas for undertaking CSR activities to avoid duplicity of the same with the programmes run by Central, State and Local Government. Initiatives of Government and Self Help Groups (SHGs) etc. would be dovetailed / synergized with initiatives taken by DFCCIL.
- b. While identifying the CSR activities, emphasis is on the areas related to the business of DFCCIL. A survey may be got done to find out the needs and requirements of community first before planning a project. (*However, for the Bhaupur – Khurja Section of Eastern/Western Corridor Baseline Socio-Economic Survey has been carried out.*)
- c. The target beneficiaries, the local authorities, institution etc. involved in similar activities if need be, may be consulted in the process of planning and implementation of CSR programme.
- d. Based on the need analysis survey, prepare a detailed programme report reflecting content, objectives, major milestones ,time frame for implementation, budget thereof and implementing agency<sup>2</sup>. The investment in CSR activity would be project based and for every project, time-frame and periodic targets would be finalized at the outset along with the modalities for the concurrent and final evaluation.
- e. Ensure that that the CSR activities are in accordance with the approved policy of DFCCIL. Activities related to sustainable development will form a significant element.

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<sup>2</sup> For the current year, DFCCIL will implement in house all the proposed CSR activities with the help of CPM offices.

- f. Assign the CSR projects to NGOs/specialized agencies under a MoU/Agreement reflecting the mutual terms and conditions. The Committees should make all efforts to verify the reliability and past track record of the engaged agency and only agencies of good repute may be engaged.

#### 6.6 Meetings of CSR Committees

- a. The Committees will meet minimum of four times in a year (once in a quarter) and minutes of the meeting would be circulated. The PIU CSR committee will send the minutes of their meetings and Progress review Report of the projects regularly to corporate body .One or more Corporate CSR Committee member may also attend PIU level meeting as invitees.
- b. Corporate level Committee will submit progress review report to the Board of Directors of DFCCIL twice a year.

#### 6.7 Allocation of funds

As per the guidelines issued by Department of Public Enterprises for CSR on 9<sup>th</sup> April, 2010, all the CPSEs would create a CSR budget as a percentage of net profit through a Board resolution. The amount of the Budget will depend on the net Profit after Tax (PAT) achieved by the Company.

- a. Presently companies with net profit of less than Rs.100 Crores are to allot 3 to 5% of the Net Profit towards CSR in the financial year. For the year 2011-12, the amount has been fixed at ₹ 20 Lacs. The CSR budget shall be fixed for each FY.
- b. The earmarked amount as per DPE guidelines will be the Annual Budget which will be transferred to the account called DFCCIL's CSR Fund. The CSR committee will be responsible for utilization of funds towards the projects identified under CSR.
- c. If the amount transferred remains unutilized, it will not lapse and will be carried over to the next year which will accumulate in Non-lapsable pool
- d. The amount transferred to DFCCIL's CSR Fund will be deemed to have been committed to CSR activities for the purpose of MOU compliance for CSR activities.
- e. Allocation to CSR Fund can be increased with the approval of MD/DFCCIL and would require subsequent ratification by Board of Directors.

#### 7.0 Monitoring and Evaluation

- a) The impact of the CSR activities undertaken should be quantified to the extent possible with reference to baseline data, to be created before the start of any project. Therefore, Base-line surveys would be an integral part of CSR programme so that progress can be measured. Photographic record may be maintained wherever possible.
- b) For proper and periodic monitoring of CSR activities, if considered necessary, the programmes undertaken under CSR may be evaluated through a suitable independent external agency and the evaluation should be both concurrent and final.

#### **8.0 Reporting of CSR Activities**

- a. DFCCIL will include a separate paragraph in the Annual Report on the implementation of the CSR activities including physical and financial process.
- b. The CSR activities will also be reflected in the Annual accounts of DFCCIL under the head 'Expenditure under CSR Activities'.
- c. The formal policy of CSR of DFCCIL will also be uploaded on the website of the company.

#### **9.0 Amendment**

Any modification/amendment in the CSR policy may be carried out by corporate level CSR Committee with approval of MD/DFCCIL.

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**Annexure-I****Millennium Development Goals**

The list of Millennium Development Goals (MDGs) adopted by Government of India in its Eleventh Five Year Plan (2007-12) is mentioned below:-

- (i) Eradication of extreme poverty and hunger;
- (ii) Achievement of universal primary education ;
- (iii) Promotion of gender equality and empowerment of women;
- (iv) Reduction in child mortality rate;
- (v) Improvement in Maternal Health;
- (vi) Combat HIV/AIDS, Malaria and other disease;
- (vii) Ensure environmental sustainability ;
- (viii) Development of a global partnership for overall development

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**Annexure-II****Indicative List of activities that can be undertaken by DFCCIL under DFCCIL's CSR Policy****I. Education:**

- a. Construction of class rooms / school buildings;
- b. Renovation of existing primary school buildings
- c. Construction of sanitized toilets blocks for girls of backward areas;
- d. Providing furniture, electrical appliances, lab instruments to Government schools;
- e. Supply of study material like bags, books, stationery etc. to children belonging to the under privileged class of the society;
- f. Scholarships or financial support to talented children of backward areas;
- g. Organizing awareness programme on girl education and gender equality;
- h. Providing education and training for mentally and physically challenged children;
- i. Contribution for setting up centralized kitchen for mid day meal scheme for Government schools
- j. Adoption/construction of hostels especially for girls and SC & ST

**II. Health and Family Welfare**

- a. Organizing health check up camps, with particular focus on women, children, disabled and old age persons;
- b. Organizing periodical immunization programmes and health checkup camp including blood donation;
- c. Contribution for construction or construction of hospital buildings, dispensary, special wards;
- d. Creating awareness about family planning by associating with Govt. departments and NGOs on population stabilization;
- e. Mother and child care (emphasis on child mortality rate and mother mortality rate);
- f. Organizing programmes to generate awareness about diseases like HIV/AIDS, tuberculosis, leprosy etc;
- g. Emphasis on health care of senior citizens;
- h. Creating awareness about the evils of society like smoking, alcohol etc;
- i. Providing medical equipments to the hospitals;
- j. Providing mobile medical vans;

**III. Drinking Water/Sanitation**

- a. Providing drinking water facility by installing tube wells /pumps / bore wells, tanks, ponds;
- b. Digging and renovation of wells, tanks, ponds;
- c. Supply of water tanks to the drought affected areas;
- d. Rain water harvesting;
- e. Laying of new pipeline / extension of existing water pipeline;
- f. Organizing cleanliness and sanitation drive;

**IV. Environment**

- a. Promotion of the concept of waste utilization by encouraging recycling and reuse;
- b. Development of green belt;
- c. Taking measures to promote ecological balance;
- d. Prevention of environmental pollution through promotion of suitably conceived projects including awareness campaign etc;
- e. Encouraging environmental friendly technologies
- f. Plantation of trees including fencing and railing in the project affected area;
- g. Organizing programmes for awareness and education on environment, and hazards of pollution and ways to control pollution etc;
- h. Promoting forestry programme;
- i. Contribution to rehabilitation programmes undertaken due to natural calamities like earthquake, cyclone, drought, floods etc;
- j. Providing support for animal care;
- k. Promotion of non-conventional energy resources;
- l. Any other activity as may be identified under Ministry of Forest and Environment charter on corporate responsibility for environment protection for 17 categories of industries.

**V. Infrastructure For Backward Areas**

- a. Construction of new pucca roads and repair and maintenance of connecting roads/bridges;
- b. Providing electricity and solar lights to the areas in the vicinity of Project Implementing Units of DFCCIL;
- c. Construction of auditorium educational institutions, community centre, night shelters;
- d. Construction / repair / extension of public utilities;
- e. Development of playgrounds and sports complexes;
- f. Providing support for promotion of irrigation facilities;

- g. Collection of old clothes, books etc. from the employees and distribution of the same in backward areas by CSR Committee.

**VI.** Community Development and Social Empowerment

- a. Organizing programmes for creating awareness about gender equality and empowerment of women;
- b. Organizing customized training programmes for women for vocational courses ;
- c. Sponsoring outstanding children in backward areas for training and development by providing scholarships etc;
- d. Taking initiative towards care of senior citizens by constructing old age homes.

**VII.** Promotion of Sports , Art and Culture

- a. Providing sports equipments to the young talent for promotion of sports;
- b. Initiatives for promotion of heritage by adoption and maintenance of historic monuments;
- c. Promotion of art and culture

**VIII.** Generation of employment opportunities and livelihood

- a. To take efforts for overall growth and development of the people of backward areas by developing their skills for employment.
- b. Taking initiative towards promotion of rural enterprise and livelihood
- c. Promoting skill development and vocational training

**IX.** Participating in the Development programmes of Government of India;

The list is only illustrative and not exhaustive. New activities may be added / executed.