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1. SHORT TITLE, COMMENCEMENT AND APPLICABILITY:

This policy, which encompasses the philosophy of ONGC Mangalore Petrochemicals Limited (OMPL) for effectively discharging its responsibility as a Corporate Citizen, lays down the guidelines and mechanism for undertaking socially useful programs for the welfare and sustainable development of the community at large, shall be known as “**OMPL CSR Policy**”.

This Policy shall serve as a referral document for planning and selection of the CSR Activities of the Company, though whenever in doubt, cross reference to Act is advised to avoid any inconsistencies with the latter.

This Policy shall come into force on its approval by the Board of Directors of OMPL.

This policy shall apply to CSR initiatives and activities taken up by OMPL, subject availability of average net profits in the three immediately preceding three financial years.

2. DEFINITIONS:

In this Policy, the following terms shall have the meanings assigned to them as under: -

“Act” means the Companies Act, 2013 as amended, modified or substituted from time to time;

“Board” means the Board of Directors of OMPL;

“Corporate Social Responsibility Activity or Activities” means the activities, projects or programs specified in Schedule VII to the Act;

“CSR Committee” means the Corporate Social Responsibility Committee constituted by the Board from time to time, pursuant to the provisions of the Act and the Rules made there under;


“CSR Section” means the section under Human Resource (HR) Department in OMPL looking after CSR Activities of OMPL;

“Financial Year” means the period commencing from first day of April of one year and ending on thirty-first day of March of the immediately succeeding year;

“Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, modified or substituted from time and “Rule” shall mean the provision contained in the Rules;

“State” shall mean the State of Karnataka;

Words not defined herein but defined in the Act or in the Rules shall have the meanings assigned to them therein.

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3. OBJECTIVE OF OMPL CSR Policy:

To put in place a general guideline for taking up (i) programs that would benefit the communities in and around its offices and factories and/or the general public with a view to enhancing the quality of life and economic well-being, with special thrust to the weaker section of the society; and (ii) activities that would ultimately benefit the society as a whole.

4. FUNDS:

Board shall set apart in each financial year at least 2% of the average net profits of OMPL made during the three immediately preceding financial years. The “average net profits” shall be calculated in accordance with the provisions of section 198 of the Act or such amount or percentage as may be revised from time to time by the Act.

The Board may at its discretion, on the recommendations of the CSR Committee, make allocation of profits in any financial year in excess of 2% of the average net profits of OMPL for the immediately preceding three financial years.

The amount set apart for any CSR Activity shall, as far as possible, be spent within the same financial year of its allocation. If due to some reason, the whole or any portion of the amount remains unutilized, the unspent amount shall be carried forward to the next financial year, provided the reasons for not utilizing the entire CSR amount in a particular year and the plan(s) for utilizing the unspent amount in the next year is approved by the Board and disclosed in its report made under clause (o) of sub section (3) of section 134 of the Act.

5. FUNCTIONS OF THE BOARD:


Board shall exercise the following powers with respect to the CSR Activities of OMPL, namely: -

- (a) Approve the CSR Policy based on the recommendations of the CSR Committee;
- (b) Allocate/set apart funds for carrying out CSR Activities, subject to the availability of the average net profits during the immediately preceding three financial years;
- (c) Ensure that the activities included in CSR Policy are undertaken by OMPL;
- (d) Ensure that OMPL spends, in every financial year, the funds allocated for the CSR Activities;
- (e) Under exceptional circumstances, approve carry forward the unspent CSR amount to the next financial year, based on reasons put up for non-utilisation and proposed plan for utilization in the next financial year and disclose the same in the Annual Report.

6. FUNCTIONS OF THE CSR COMMITTEE:

CSR Committee shall: -

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- (b) Recommend the amount of expenditure to be incurred on the CSR activities;

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(c) Monitor the CSR Activities/ Policy of OMPL as per the approved policy from time to time; and

(d) Meet at least once in a year and send compliance report to the Board.

CSR Committee shall recommend to the Board the CSR expenditure, based on the proposals put up by CSR Section.

7. FUNCTIONS OF THE CSR SECTION:

CSR Section shall: -

(a) Identify the CSR Activities/projects/programs in line with the Section 135, CSR Rules & Schedule VII to the Act and amendments to the same notified by the MCA from time to time, keeping in view the CSR objectives of OMPL;

(b) Organize baseline data / need assessment study through in house team/ third parties. Compile estimated cost, project duration, execution modalities, based on inputs given by beneficiaries.

(c) Collate data obtained under (b) above and put up to the CSR Committee before the beginning of the relevant financial year to concur and recommend amount of expenditure to be incurred on the CSR Activities, identified projects, within the funds set apart for CSR Activities for the relevant financial year, for the approval.

(d) Proposal to be placed before the CSR Committee shall have the details of activities and unspent carry forward amount if any, of the funds allocated for CSR Activities in the previous financial year, with the justification for not incurring the sanctioned expenditure;

(e) Execute the CSR Activities/projects/programs, as per the approval of the Board.

(f) Monitor the progress of the implementation of CSR Activities with respect to timelines and quality and provide quarterly progress reports to the CSR Committee;

(g) Constitute suitable in-house techno-commercial multi-disciplinary internal committee for supervising and bill certification;

(h) Put up bills duly certified by the techno-commercial committee for approval of payment through competent authority;


(i) Organize impact assessment study through third parties, wherever possible, post completion of the project, to establish efficacy of the project, as well as get feedback for improvement in the future, while taking up similar projects;

(j) Devise a communication strategy for regular flow of information and feedback sharing with key stake holders. Publish relevant information in Companies website, Intranet, Internet, Press and Media; and

(k) Provide information on the CSR Activities to the appropriate Ministry, other Statutory Bodies and in the website of OMPL.

8. FOCUS AREAS OF CSR ACTIVITIES:

The following are the broad indicative but not exhaustive five identified focus areas and Activities: -

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Education:

- (a) Activities that promote education, especially in Anganwadis, govt and govt aided schools;
- (b) Imparting skill development and vocational courses, targeted at unemployed rural youth, particularly women and candidates from SC, ST, OBC & BPL families;
- (c) Providing infrastructure for setting up additional class rooms, toilets especially for girls, kitchen, Science and Computer Labs, Sports facilities and Extra Curricular activities for overall development of students;

(d) Healthcare including preventive healthcare/ Sanitation /safe drinking water :

- (a) Health Care in rural areas;
- (b) Conducting medical camps in villages;
- (c) Organising awareness campaigns on HIV, Hepatitis etc.;
- (d) Conducting artificial limb camps; and
- (e) Providing infrastructural help for OHCs, Government Hospitals.
- (f) Health care including medical check-up for the students; and
- (g) Providing nutritious food, clean drinking water, sanitation facilities etc.
- (h) Swachh Bharat Kosh set up by the Central Government for promotion of sanitation and making available clean safe drinking water

Welfare:

- (a) Infrastructure support to community halls near operational areas of OMPL;
- (b) Women's empowerment, girl child development, gender sensitive projects;
- (c) Initiatives for physically and mentally challenged;
- (d) Initiatives for SC/ST communities;
- (e) "Preparedness and Capacity Building" in Disaster Management; and
- (f) Activities in support of the PDF communities in MSEZ Rehab colony.

Infrastructure:

- (a) Providing infrastructural support for Drinking water supply to neighbouring villages;
- (b) Supporting clean drinking water & sanitation projects in rural area;
- (c) Water management including ground water recharge; and
- (d) Conducting awareness programs in schools and villages on environment management


Heritage:

- (a) Protection of Local historical and cultural artefacts and historical monuments, heritage sites etc.,; and
- (b) Promotion of local artisans, craftsman, musicians, artists and their art forms etc. for preservation of local heritage, art and culture.

Apart from above, CSR activities advised by appropriate Ministry , from time to time shall also be taken up by OMPL.

9. PROCEDURE FOR IDENTIFICATION OF CSR ACTIVITIES:

CSR Section shall identify the CSR Activities/ projects / programs for the relevant year, taking into account the parameters specified in the preceding paragraphs. However the list of

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specific activities to be taken up in each financial year will be put up each year, while seeking approvals.

CSR section while identifying the CSR activities shall consider and give preference to the suggestion/demands of the key stake holders, especially those who are directly impacted by the company's operations / activities. Considering the proximity to the Aromatic Complex Dakshina Kannada (D.K) District is considered as 'local area' for the purpose of CSR activities of OMPL.

Within the broad parameter OMPL shall give preference to the Village Panchayats surrounding the Aromatic Complex considering the fact that maximum impact of operations on the society and environment is on this area.

10. BROAD GUIDELINES FOR IDENTIFYING CSR ACTIVITIES:

Identification of stakeholders (society) and intended beneficiaries of the project:

While identifying the Activity or project to be taken up as CSR Activity, CSR section shall check the following:


- (a) Availability of necessary resources to carry out the proposed CSR Activities fully, if approved by the Board;
- (b) Relevance of the project, i.e. whether it is integrated with the social and environment concerns, related to the nature and impact of OMPL's business (where applicable) and whether it will deliver/contribute to sustainable development;
- (c) Adequacy of the proposal for meeting the imminent need of the beneficiary;
- (d) Proposed Activities are not related to the business of the Company or its employees; and
- (e) As all CSR Activities will come under the 3 UN Global Compact Principles pertaining to Environment, Business and therefore while assessing the Activities CSR Section shall adopt
 - (i) A precautionary approach to environmental challenges;
 - (ii) Undertake initiatives to promote greater environmental responsibility; and
 - (iii) Encourage the development and diffusion of environmentally-friendly technologies.

Follow up and monitoring

- (a) Preparation of an annual calendar of approved CSR Activities.
- (b) Monitoring progress and completion of Activities /projects to the extent of funds allocated;
- (c) Prepare for every individual Project details of execution including timelines.
- (d) Generate impact measurement study, where applicable, after the completion of the CSR project, which shall include metrics and methodology to measure the accruing benefits as identified in the baseline study, before taking up the project;

Short, medium and long term plans

CSR section shall have short, medium and long term plans. While "Local Area" may be considered for the short term, the Company will also extend its coverage of CSR activities to the backward areas in other neighbouring districts of the State, thereby aspire to cover whole of Karnataka, subject to availability of funds, in next five years, as its medium term

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plan and thereafter have a long term plan of covering backward areas of the whole of India, in the next 10 years, subject to availability of funds allocated for the CSR Activities. Allocation of funds on 'local area', medium & long term plan shall be as follows:

Area to be covered	Short term	Medium term	Long term
Local area i.e. D.K District	90%	80%	70 %
Neighbouring districts within Karnataka State	10%	15%	20 %
Other states in India		5%	10%
Total	100%	100%	100%

11. Restrictions/Preferences:

Contribution of any amount directly or indirectly to any political party not to be considered as a CSR Activity.

One off events such as marathons / awards / charitable contributions / advertisement, Sponsorship of TV programs etc will not qualify as part of the CSR expenditure.

Expenses incurred by OMPL for the fulfilment of any Act / statute of legislations (such as Labour Laws, Land Acquisition Act etc) will not count as CSR expenditure.


Contribution to the corpus of a Trust / Society / Section 8 Companies will qualify as CSR expenditure as long as (a) the Trust / Society / Section 8 Companies etc is created exclusively for undertaking CSR activities & (b) where the corpus is created exclusively for a purpose directly relatable to subjects covered in Schedule VII of the Act.

CSR Activities shall not include the activities undertaken in pursuance of the normal course of business of the Company.

12. PROCEDURE FOR APPROVAL OF CSR ACTIVITY:

CSR Section shall put up an agenda note, for approval of CSR funding for the financial year. CSR Committee shall review the same and recommend suitable proposals to the Board for approval. The proposal will capture the following details:

-) Brief Description of the CSR Activity;|
-) Purpose of the project;|
-) Total cost of the Project and means of financing;|
-) Project timeline / schedule;|
-) The targeted beneficiaries;|
-) Manner of passing on the benefits to the beneficiaries;|
-) Metrics for measuring intended benefit;|
-) Monitored programme;|
-) Measuring performance in terms of the intended benefit; and|
-) Expenditure as percentage for each project vis-à-vis the total CSR allocation for the financial year|

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The approval note for individual CSR Activity/ project/program/ as recommended by the CSR Committee and approved by the Board, will be put up to the Competent Authority, as per the Delegation of Authority, for release of funds as tabulated below:

Level No	Scheme Value (Rs)	Approving Authority*
Level 1	Above 100 Lacs	Committee of Directors
Level 2	Above 40 Lacs Up to 100 Lacs	Director In Charge/ Managing Director
Level 3	up to 40 Lacs	CEO

Note: (*) With Financial Concurrence

13. IMPLEMENTATION OF CSR ACTIVITIES

OMPL may take up CSR Activities either on a standalone basis by itself or in collaboration with Mangalore Refinery and Petrochemicals Limited or Oil and Natural Gas Corporation Limited and any of its Group Companies for greater social, economic and environmental impact of their CSR activities / projects, in which case the broad allocation mentioned above shall not apply.

OMPL may also take a portion of the funding requirement for an eligible CSR Activity in which case it shall ensure that the funds made available are used for the purpose for which it was contributed.


14. IMPLEMENTATION METHODOLOGY

CSR Activities / programs / projects as per Board's approval may be undertaken by OMPL either by itself or through a registered trust or society or a company registered under Section 8 of the Act established by the Company or ONGC Group Companies or any of its associate company or otherwise. Provided that:

Any trust, society, or company which is not established by OMPL, ONGC or any of its associates shall have an established track record of three years in undertaking similar Activities, programs or projects.

CSR Section shall specify the projects or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

The CSR Section shall play a nodal role, in executing the CSR Activity, from beginning to its completion.

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15. MONITORING & REPORTING OF CSR ACTIVITIES

CSR Section shall monitor the progress of the CSR Activities with respect to timelines and quality.

CSR Committee shall ensure the implementation of the Activities/projects/programs proposed to be undertaken by OMPL and monitor the amount being spent on CSR Activities.


Directors' Report shall include a report on CSR. Board shall include a report on CSR in its Report.

16. COMMUNICATION STRATEGY

With the approval of the Board of Directors, OMPL shall disclose the contents of this Policy and CSR Activities in its website. CSR Section of OMPL shall organize regular information and feedback sharing with key stake holders and publish relevant information in Intranet, Internet, website, Press and Media.

17. POWER TO MODIFY

Board shall, in consultation with the CSR Committee, shall have the right to modify, amend, add or substitute any of the provisions hereinabove contained, in its absolute discretion, subject to conformity with the Act and the Rules.

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ANNEXURE

INDICATIVE GUIDELINES ON THE FIVE FOCUS AREAS:

1.0 Education

1.1 Education, including vocational courses and activities that promote education, especially in govt and govt aided schools.

Projects on education are to focus on the objective of quality education, particularly in school education to improve levels of functional literacy and support sustained enrolment in the communities around OMPL for weaker sections of the society, i.e., SC/ST/OBC/BPL families/girl child/physically challenged child etc. Projects such as providing safe drinking water, toilets especially for girls, health and sanitation etc, will be given preference. The monitoring parameters will be; output – attendance / enrolment figures, outcome; dropout rates, improvement in assessed learning levels compared to pre-project figures.

1.2 Vocational courses will focus on employability and its link with livelihoods and sustainable development. Projects on vocational courses will consider the employability in the job market, the requirement of skill sets and development of entrepreneurial skills.. CSR projects in this focus area will concentrate on organizing skill development / Vocational Training and other training programs to improve the skills and employability of the weaker sections of the society, i.e., SC/ST/OBC/BPL families/women/girl child/physically challenged child/person etc,. The monitoring parameters will be: output – figures of youth provided with employability market linked skill development training, outcome - placement of trained youth based on the CSR project delivered training.


2.0 Health

2.1 Health Care.

2.1.1 Medical Camps: Provision of free generic health or specific disease focused screening, counselling and treatment protocol as feasible to the poor and needy sections of the community on a periodic basis. The target group may be gender and age neutral for generic health screening and may be stratified based on gender and /age for disease focused screening. Where applicable, the projects may be linked or ride on Medical Institutes, Medical education based / Govt Public Health outreach programs. The objective generally is to provide periodic health screening coverage to the marginalized sections of the society.

2.1.2 Women oriented health schemes: More focused towards providing maternal and child care to young women. An indicator for the successful implementation of such programs may be gross reduction in Mortality Rate of the mother and child.

2.1.3 Health schemes for elderly people: This will include specific health schemes targeting the senior citizens and providing the relief measures. An extension of the health based schemes for the elderly may be the maintenance and support of “Old age homes” for the needy and neglected among the elderly, palliative care and specialized geriatric care.

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2.1.4 Immunization programs: Immunization programs with the aid of chosen specialists / concerned organizations specializing in this field can be undertaken. Projects in this field are only to help children from the marginalized sections of the society to get immunization coverage as per Government immunization programs. Projects based on immunization programs need to be designed and carried out with abundant caution. CSR Section shall exercise to ensure that there is no duplication in payment from any other Govt or non-Govt agencies.

3.0 Welfare

3.1 Infrastructure support:

Only those infrastructure development projects which are not related to OMPL's operational requirements directly shall be treated as CSR Activity. Rural infrastructure development is an important part of CSR Activity. The emphasis shall be on creation of new and sustainable infrastructure besides working towards improvement of the existing infrastructure.

The basic objective of CSR Activity is to augment basic infrastructure facilities like drinking water, sanitation, area electrification, community centre, panchayat , water drains, roads etc, especially in the area dominated by weaker section of the society, such as SC/ST/OBC/BPL families/Old and aged/women/girl child/physically challenged etc. Projects will be identified as per the need and requirement of local administration based on the need assessment survey.

3.2 Women's empowerment, girl child development, gender sensitive projects:


Under this category aim shall be for supporting continued enrolment of girl child in school and improving their literacy levels through projects and the assistance to the girl child under OMPL's scholarship scheme. CSR Section shall also organize child development programs, women's workshop and Gender Inequality Workshop and entrepreneurship development program for promoting and nurturing skill development of local women to undertake mid-day meal scheme for school children, tailoring units, candle-making unit etc.

3.4 Initiatives for physically and mentally challenged:

CSR activities in this area will focus on projects to improve infrastructure and working of institutions catering to the need of poor physically and mentally challenged people such as homes for physically and mentally challenged people run by Government and other social organizations. It may also include special camps, counselling services and running of appropriate vocational courses for physically and mentally challenged people. The focus shall be on mainstreaming physically and mentally challenged people into society through appropriately designed CSR projects.

3.5 Initiatives for SC/ST

The Activities under this head shall include imparting vocational training, support to SC/ST Hostels, provision of basic hygiene amenities, shelter and clothing, conducting medical camps, De-addiction programmers, recognition of their traditional skill sets and cultural wealth to improve their self-esteem and dignity.

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3.6 "Preparedness and Capacity Building" in Disaster Management

Disaster Preparedness and mitigation shall be addressed through organising seminars, conferences and workshops designed to help create awareness amongst the public and in villages in the disaster radius of OMPL. Industry and academic bodies conducting seminars, conferences and workshops, distributing literature or conducting mass media based awareness programs in these areas will be given preference.

3.7 Activities in support of the Project Displaced Family (PDF) communes – MSEZ Rehab colony.

The Activities under this head shall be related to Rehabilitation Colony set up by the MSEZ for identifying support in terms of Infrastructural needs, such as drinking water, sanitation, street lighting, maintenance of the roads in the colony, community hall etc.

4.0 Infrastructure

4.1 Water management including ground water recharge.

Need based projects to mitigate the sufferings of villagers located near operational areas and / or other drought prone water scarcity areas particularly facing drinking water problems (both quantity and quality) by technically feasible projects to enhance safe drinking and irrigation water using location appropriate, locally popular technologies such as rain water harvesting, deepening, de-silting / modification of village tanks, creating recharge tube wells with a view to properly utilizing rain water in draught prone areas. Traditional rural approaches such as small check dams, step wells etc and measures for rain water harvesting techniques will form the focus area.

5.0 Heritage

5.1 Promotion of artisans, craftsman, musicians, artists etc. for preservation of heritage, art and culture:


The Activities to be funded shall address the growing need for the support and promotion of art, artisans, craft and craftsmen, particularly the not so popular ones and those likely to fade away with time. Local craftsmen or the people belonging to the tribal belts, near our Aromatic Complex area will be given preference over the others. CSR Activities will aim to support projects to help set up small scale production facility or providing the financial help to groups approaching to promote the local crafts or help artisans and craftsmen in providing market linkage, so that they have a source of income based on their art / craft products.

5.2 Protection of heritage sites, UNESCO heritage monuments etc, Tulu historical and cultural artefacts and Jain historical sites.

Dakshina Kannada and Udupi Districts have a rich cultural and architectural heritage. However, there are hardly any sites/ monuments in these areas under the care of Archaeological Survey of India (ASI) despite housing some of the oldest Jain inscriptions, sculptures, visible cultural artefacts of an ancient Tulu civilization and almost lost ancient historical records.

) Conservation and restoration of Heritage sites|

) Identification and work for the restoration of such sites with the help of the local | stakeholders.]

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) Development of recreational facilities to use heritage sites, which are either not on the tourist map of the country / or not popular so far, to create a source of revenue for the local stakeholders;|
will form the focus area.