



Corporate Social Responsibility & Sustainable Development (CSR & SD) Policy

PREAMBLE

Oil India Limited (OIL) is an Upstream Oil & Gas Company engaged in the business of exploration, production and transportation of crude oil & natural gas. It is a state-owned enterprise of the Government of India, under the administrative control of the Ministry of Petroleum and Natural Gas. A Maharatna PSU, OIL is the second largest national oil and gas company in India. OIL has carved a niche as a leading national oil and gas company in the upstream sector with a legacy of hydrocarbon exploration for over six decades to contribute towards the energy security of the country.

As a business entity in hydrocarbon exploration and energy business, OIL aims to grow in a sustainable manner by integrating its diverse activities to the three pillars of sustainability namely viz, Society, Environment, and Economics. As a Responsible Corporate Citizen, it is aware of its impact on these three key areas and is deeply committed to inclusive growth of all its stakeholders, thereby continuously promoting and implementing initiatives and projects of sustainable development.

BACKGROUND

The Corporate Social Responsibility (CSR) and Sustainability policy of OIL, which has evolved over time, is intended to provide a robust framework for carrying out its CSR and sustainability activities, in accordance with the provisions enshrined in the Companies Act, 2013 (Section 135 and Schedule VII) and the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India (DPE Guidelines, 2014) which are effective from 1st April 2014, and clarifications/amendments thereof from time to time.

Oil India Limited (OIL) adopted its CSR Policy in the year 2007, which was later revised in the year 2011. Thereafter Companies Act 2013 (effective from 1st April 2014) was put in place by the Govt. of India and Section 135 of this Act made it mandatory that every company having net worth of Rs. 500.00 Crore (Rupees Five Hundred Crore) or more, or turnover of Rs. 1,000.00 Crore (Rupees One Thousand Crore) or more or a net profit of Rs. 5.00 Crore (Rupees Five Crore) or more, shall formulate a Corporate Social Responsibility Committee of the Board and the Board shall ensure that the company spends in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.

In exercise of the powers conferred under Section 135 of the Companies Act 2013, Govt. of India notified Companies (Corporate Social Responsibility Policy) Rules 2014 to give a clear direction to Corporate Social Responsibility. To conform with the above Act and the guidelines issued by the Department of Public Enterprises on CSR, Oil India revised its CSR Policy in 2016 and further amended it to CSR & SD Policy in 2020.

Further to amend Companies (Corporate Social Responsibility Policy) Rules 2014, the Govt. notified Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 in January 2021 followed

by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022. Consequent upon the amendments notified under the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 and subsequent amendments thereof, the OIL's CSR & SD Policy was amended to conform with the provision of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2022.

CSR & SD VISION & MISSION

CSR at OIL is guided by the following VISION:

"OIL is a Responsible Corporate Citizen deeply committed to socio-economic development in its areas of operation" keeping in view the sustainability of its operations.

Further, the MISSION is:

"To continually enhance the triple bottom line benchmarks of economic, environment and social performance through responsible business practices and contribution of corporate resources, providing value to stakeholders."

CSR & SD OBJECTIVES

1. To provide a basis for decision-making and an actionable plan of CSR initiatives for sustainable development and inclusive growth, as per the provisions of the Companies Act, 2013.
2. To engage with local communities to constantly work towards tangible and sustainable social, economic and environmental development in operational areas* of OIL in preference over other areas.
3. To generate goodwill in the society which helps in reinforcing its image as a "Responsible Corporate Citizen."

*OIL's operational area for the purpose of the policy is 'the states where OIL has any operations/initiatives/investment of any nature.'

CSR GOVERNANCE

OIL shall have a two-tier organisational structure for planning, implementing and monitoring of the CSR initiatives of the Company viz:

- **CSR & SD Committee at Board Level:**

OIL shall constitute a "Corporate Social Responsibility & Sustainable Development Committee at Board Level," as per the extant provisions of the Companies Act, 2013, SEBI LODR, Government Guidelines etc.

The CSR & SD Committee of the Board shall formulate and recommend to the Board, an annual action plan in pursuance to its CSR & SD Policy. The plan shall include the details of CSR programmes/projects approved, manner of execution, modalities of utilisation of funds, implementation schedule, monitoring & reporting mechanism, details of need and impact assessment, if any.

- **Local CSR Committee below Board level:**

To assist and support the Board level CSR & SD Committee, the Competent Authority of OIL shall constitute Local CSR Committee(s) below Board Level at its Fields' Headquarters (FHQ) and/or in other spheres of the Company, which shall oversee the implementation of CSR activities and projects at the field level.

These Local CSR Committees below Board Level shall consist of (i) Executive Director/Chief General Manager/Project Head as the Chairman, (ii) Representative(s) from recognised Officers' Association & Employees' Union (President or Secretary) and (iii) Officers not lower than General Manager from different departments.

FINANCIAL RESOURCES

1. OIL shall spend at least 2% (*or any other limits prescribed under the Companies Act, 2013 from time to time*) of its average net profit made during the three immediately preceding financial years on CSR activities.
2. Board on the recommendation of the CSR & SD Committee of the Board shall approve the Annual Budget on CSR activities.
3. Any surplus arising from CSR activities shall not form part of business profits.
4. Expenditure towards impact assessment, if any, shall be incurred in conformity of the extant provision of the Companies Act, 2013, Companies (CSR Policy) Amendment Rules notified from time to time and other guidelines issued by the Government from time to time.
5. Expenditure on activities beyond purview of Schedule VII of the Companies Act, 2013, or as prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules as notified from time to time, will not be considered as CSR expenditure.

IMPLEMENTATION

1. OIL shall execute/implement its CSR initiatives either directly by itself or through identified implementing agencies fulfilling criteria as prescribed under the Companies (Corporate Social Responsibility Policy) Amendment Rules as notified from time to time.
2. The company may also collaborate with other companies for undertaking CSR initiatives in such a manner that the CSR & SD Committee of respective companies are in a position to report separately on such initiatives.
3. The CSR initiatives of the company shall be initiated and coordinated by the Public Affairs Department at its Field Headquarters and Public Relations Department at the Corporate Office.

4. Below Board Level CSR & SD Committee at Fields' Headquarters and other spheres shall recommend CSR proposals for approval as per laid down Delegation of Power (DoP) of the Company.

All proposals for CSR initiatives shall be put up for approval of the Competent Authority as per the Delegation of Power (DoP) of the Company, amended from time to time.

MONITORING

1. Monitoring of the implementation of CSR initiatives of the company shall be carried out by the Public Affairs Department at FHQ, Public Relations Department at Corporate Offices and Concerned Departments in other spheres as applicable.
2. Reports on CSR expenditure incurred in a financial year will be submitted to the Competent Authority.
3. The effectiveness of CSR projects, which have been completed not less than one year before, shall be evaluated through an independent agency for CSR projects of value above Rs 1.00 Crore (Rupees One Crore).

DISCLOSURE

1. The company shall disclose its CSR & SD Policy and the composition of its CSR & SD Committee on its website.
2. An Annual report on CSR, containing details about the CSR initiatives implemented by the company shall be included in the Board of Directors' Report for every financial year, as per the format prescribed under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 and subsequent amendments as notified by the Government from time to time.
3. Impact assessment report, if any, shall be placed before the Board and shall be annexed to the Annual Report.

NOTE: *In case of conflict, contradiction or any inconsistency, provisions of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022, and guidelines on CSR issued by various Ministries/Departments of the Government of India as amended, clarified and notified from time to time shall prevail over the policy document.*
