



ऑयल इंडिया लिमिटेड

(भारत सरकार का उद्यम)

Oil India Limited

(A Government of India Enterprise)

Conquering Newer Horizons

Corporate Social Responsibility (CSR) and Sustainability Policy

(As revised in March, 2020, in terms of the provisions under
Section 135 of the Companies Act, 2013, CSR Rules, 2014 and DPE Guidelines on CSR
and Sustainability, 2014)

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CSR & SUSTAINABILITY POLICY OF OIL INDIA LIMITED

1. BACKGROUND

Oil India Limited (OIL) is a *Navratna* company under the administrative control of Ministry of Petroleum & Natural Gas, Government of India, which 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 and contributing to the energy security of the nation.

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, Environment, Society 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.

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.

2. CSR & SUSTAINABILITY VISION and 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.

3. CSR & SUSTAINABILITY POLICY OBJECTIVES

- ❖ To provide a basis for decision making and actionable plan of CSR & Sustainability activities, for sustainable development and inclusive growth, as per the provisions of Companies Act, 2013 and DPE Guidelines 2014, as applicable from time to time
- ❖ 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.
- ❖ To preserve biodiversity, especially in its areas of operation
- ❖ To continuously strive for reduction of its carbon and water footprints so as to combat the challenges of climate change
- ❖ To explore avenues of alternate energy sources and cleaner technologies
- ❖ To generate goodwill in the society which help in reinforcing its image as a “Responsible Corporate Citizen”

4. STRATEGY & THRUST AREAS

- 4.1 OIL works proactively and may execute/implement CSR & Sustainability initiatives alone or in partnership with other organizations (which may include Government Agencies/Non-Government Agencies) to mobilise core competencies and resources on significant long term CSR programmes and projects in its operational areas.
- 4.2 OIL shall undertake its CSR & Sustainability initiatives under various key thrust areas specified in Schedule VII of the Companies Act, 2013 as revised from time to time, excluding activities undertaken in pursuance of normal course of business of the Company. Some of these thrust areas vis-à-vis the broad areas specified under Schedule VII are as follows:

OIL's Thrust Areas Areas specified under Schedule VII of Companies Act, 2013

Healthcare	<ul style="list-style-type: none">• Point(i) : <i>eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;</i>
Swachh Bharat Abhiyam	<ul style="list-style-type: none">• Point(i) : <i>eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;</i>
Education	<ul style="list-style-type: none">• Point(ii) : <i>promoting education, including special education and employment enhancing skills especially among children, women,elderly, and the differently abled and livelihood enhancement projects;</i>
Sustainable Livelihood Generation	<ul style="list-style-type: none">• Point(ii) : <i>promoting education, including special education and employment enhancing vocational skills especially among children, women,elderly, and the differently abled and livelihood enhancement projects;</i>
Skill Development	<ul style="list-style-type: none">• Point(ii) : <i>promoting education, including special education and employment enhancing vocational skills especially among children,women,elderly, and the differently abled and livelihood enhancement projects;</i>
Capacity building & Empowerment of women	<ul style="list-style-type: none">• Point(iii) : <i>promoting gender equality, empowering women, setting up homes and hostels for women, backward groups;</i>

Environment	<ul style="list-style-type: none"> Point(iv) : ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
Rural Sports	<ul style="list-style-type: none"> Point(vii) : training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
Rural Development/ Augmentation of Rural Infrastructure	<ul style="list-style-type: none"> Point(x) : rural development projects
Relief & Rehabilitation	Point (xii) : disaster management , including relief , rehabilitation and reconstruction activities

5. BUDGETARY ALLOCATION & EXPENDITURE

- 5.1 As per the provisions of Section 135 of the Companies Act, 2013, OIL shall allocate, as CSR budget, at least 2% of average net profit of the Company made during the three immediately preceding financial years.
- 5.2 Any surplus arising from CSR & Sustainability activities shall not form part of business profits.
- 5.3 Expenditure on activities beyond purview of Schedule VII of the Companies Act, 2013, will not be considered as CSR expenditure.
- 5.4 The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR & Sustainability activities.

6. CSR ORGANISATIONAL STRUCTURE

OIL shall have a two-tier organisational structure for planning, implementing and monitoring the CSR activities/projects of the Company.

- 6.1 As per the provisions of Section 135 of the Companies Act, 2013, OIL shall constitute a **“CSR & SD Committee”** meaning the **“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.
- 6.2 The CSR & SD Committee of the Board shall,
 - 6.2.1 Formulate and recommend to the Board, an annual CSR & Sustainability Plan under the Policy, which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
 - 6.2.2 The CSR & Sustainability Plan, prepared annually, shall include different milestones and budget allocation for the CSR & Sustainability activities/projects and a definite time span for achieving desired outcomes;
 - 6.2.3 Recommend the CSR & Sustainability Plan with budget, milestones, timelines and expenditure to be incurred, for approval of the OIL Board;

6.2.4 Institute a transparent monitoring mechanism for implementation of the CSR & Sustainability activities/projects undertaken;

6.2.5 Monitor implementation from time to time.

6.3 To assist and support the Board level Corporate Social Responsibility Committee, the Competent Authority of OIL shall constitute a (below Board level) CSR Committee at its Fields' Headquarters and/or in other spheres of the Company which shall oversee the implementation of CSR activities and projects at the field level. This below Board level CSR Committee shall consist of:

- ❖ Executive Director/Group General Manager/Project Head as the Chairman
- ❖ Representative(s) from recognised Employees' & Officers' Union (President or Secretary)
- ❖ Officers not lower than General Manager from different departments

6.4 The Board shall ensure that the Company spends, in every financial year, the amount earmarked as CSR & Sustainability Budget in pursuance of its CSR Policy. Provided that, the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR & Sustainability activities. Provided further that if the Company fails to spend such amount, the Board shall, specify the reasons for not spending the amount in the Directors' Report.

6.5 The Board's report shall disclose the composition of the Board level CSR & SD Committee.

7. EXECUTION

7.1 OIL may execute/implement CSR & Sustainability activities/projects alone or in partnership with executing/implementing agency/other organization (which may include Government Agencies/Non-Government Agencies). OIL shall enter into a Memorandum of Understanding (MoU) with each of the agencies.

7.2 In case of Non-Government Agency, such an executing/implementing agency must be a registered society, trust, company or any specialised agency having minimum three years of experience post registration in handling activities of similar nature.

7.3 The CSR activities/projects will be initiated and implemented by PR/Concerned Departments after detailed discussion with below board level CSR committee.

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

8. MONITORING

8.1 The implementation of CSR & Sustainability activities/projects shall be monitored by officials of PR Department at Fields' Headquarters/Concerned Departments in other spheres, through joint field visits/surveys, public meetings, etc. at regular intervals to inspect, supervise and assess progress.

8.2 Monitoring process will be a two tier mechanism through:

- ❖ Board level CSR & SD Committee on quarterly basis.
- ❖ Local CSR & SD Committee on quarterly basis.

- 8.3 Reports on utilization of the allocated total CSR & Sustainability budget and expenditure incurred in a financial year will be submitted to the Competent Authority.
- 8.4 The effectiveness of CSR & Sustainability activities/projects shall be evaluated through external agencies and the threshold value of such projects shall be above Rs 1.00 Crore (Rupees One Crore).

9. GENERAL

- 9.1 An Annual report on CSR & Sustainability, containing details about the CSR & Sustainability Policy and activities/projects implemented by OIL shall be included in the Board of Directors' Report for every FY, as per the format prescribed under the Rules to Section 135 of the Companies Act, 2013.
- 9.2 The list containing the details of CSR & Sustainability activities/projects to be undertaken by OIL will be annexed on an annual basis with the policy document and shall be displayed on the OIL website.
- 9.3 If necessitated, new CSR & Sustainability activities/projects can be taken up during the course of a year, in addition to the thrust areas already outlined in the CSR & Sustainability policy of OIL and as per activities mentioned in Schedule VII of the Companies Act, 2013, with the Board's approval based on the recommendations of the Board Level CSR & SD Committee. The same would be treated as amendment to the policy.
- 9.4 The CSR & Sustainability activities/projects that benefit only the employees of OIL and their families shall not be considered as CSR activities in accordance with Section 135 of the Companies Act, 2013.
