



## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### HPCL-MITTAL ENERGY LIMITED AND ITS' GROUP ENTITIES

Communities  
Society SocioEconomic Equality  
Art DrinkingWater CompaniesAct2013  
NGOs National RuralDevelopment SeniorCitizen  
TwoPercentOfAverageNetProfit Education CapacityBuilding  
CorporateSocialResponsibility Empowerment Contributions  
Welfare AirWaterEnvironment NaturalResources  
TrustHeritage fauna Sustainability Citizen Sports  
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## POLICY OF HPCL-MITTAL ENERGY LIMITED AND ITS GROUP ENTITIES ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 1. Introduction

This policy, which encompasses the philosophy of HPCL-Mittal Energy Ltd. ('HMEL' or 'the Company') for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the 'HMEL CSR Policy'.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of HMEL and its subsidiary, for the benefit of impoverished segments of the society.

### 2. Objective

The objective of this CSR policy is to lay down guidelines for proper functioning of CSR activities to attain sustainable development of the nearby society and also to ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

### 3. Considerations of CSR policy

The approach of HMEL and its subsidiary towards Corporate Social Responsibility would be oriented to identify and formulate projects in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner. In cases where other agencies/ organizations are involved, approach would be to focus on collaboration and partnership.

In addition to the above, the HMEL CSR policy shall conform fully to Section 135 of the Companies Act, 2013 ('the Act') and underlying Rules alongwith the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by Ministry of Corporate Affairs vide Notification no. G.S.R. 129 (E) dated February 27, 2014. Accordingly this policy may be read with the relevant provisions of the Act and aforesaid Rules as amended from time to time.

### 4. Areas of operation

HMEL has a deep understating of the impact it can make on society and community residing in the region and province of the State(s) where it operates. HMEL operates the Guru Gobind Singh Refinery in district Bathinda in Punjab. The registered address of the Company is also situated in Bathinda. HMEL thru its wholly owned subsidiary HPCL-Mittal Pipelines Limited ('HMPL') has set up and operating cross country pipeline and associated facilities for receipt, storage and transportation of crude oil

from Mundra to Bathinda. HMPL's Mundra Bathinda Pipeline of over 1000 km of length traverses thru four states viz Gujarat, Rajasthan, Haryana and Punjab. HMEL and its subsidiary shall give preference to the adjoining local area for undertaking CSR activities and for spending the amount earmarked for that. However in case of natural calamities, the area of operation may be approved by the Management based on the requirement.

### **5. Scope of CSR activities**

HMEL and its subsidiary would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking up a wide range of activities as broadly enumerated in Annexure I, which shall be taken up strategically in project mode, in a focused manner to the extent possible and allowed as per Schedule VII of the Companies Act, 2013 as amended from time to time and any related notification/ circulars/ rules issued by the Ministry of Corporate Affairs ('MCA') from time to time.

### **6. Planning, implementation & monitoring of CSR activities**

The CSR policy is broadly framed keeping in view the following considerations:

- Assist in harmonious development of the environment.
- Nurture communities towards optimum growth, so that they can become partners in progress.
- Become partners to the Central/State Government's, initiative wherever possible in the development of the community around our site/work areas
- Aim for visible targets.

HMEL may collaborate with its subsidiary or other companies for undertaking CSR projects/ programs/ activities in such a manner that the CSR committees of the respective companies are in a position to report separately on such projects/ programs/ activities.

Proper screening, checks and balances shall be ensured while sanctioning the CSR proposals. The CSR Committee constituted by the Board shall approve the CSR proposals and assess its outcome at suitable intervals as deemed fit.

### **7. Evaluation & impact assessment**

The CSR activities undertaken by HMEL and its subsidiary will be reviewed on periodical basis by the respective CSR Committee and progress review report may be submitted by the CSR Committee to the Board of Directors. CSR Committee shall regularly evaluate & make assessment of the CSR activities. It shall assess the requirement of funds, oversee the activities and finally the impact of activities carried out so as to make the entire CSR programme more effective.

## **8. CSR Reporting**

A separate disclosure on the contents of the CSR policy in the prescribed format shall be provided in the Annual Report of HMEL and its subsidiary alongwith the details of implementation of CSR activities. In addition, the said contents of the policy of HMEL and its subsidiary on CSR, programmes/ activities, achievement, photographs, expenditure etc. shall be hosted on the Company's website.

## **9. Allocation of funds**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, HMEL and its subsidiary will allocate not less than 2% of the average net profits of the Company made during the three immediately preceding financial years, as its Annual CSR Budget. However, the same shall not be applicable, if there is absence of such profit.

From the annual CSR Budget allocation, a provision will be made under various expenditure heads, on a year to year basis duly approved by the CSR Committee. CSR expenditure shall include all expenditure including contribution to corpus or building CSR capacity of own personnel pertaining to activities undertaken within the purview of Annexure I. Further, the surplus arising out of any CSR projects or programs or activities shall not form part of the business profit of the Company.

## **10. Coordinator**

Human Leadership Department shall be the coordinator of CSR activities in the company.

## Annexure I

### Extract from Schedule VII of the Companies Act, 2013 enumerating the broad list of permissible CSR activities which may be undertaken by HMEI & its' subsidiaries\*

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- (ii) Promoting education, including special education and employment enhancing vocation 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, agroforestry, 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 force veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic 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 (Slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

*\*The above items, also listed in the Schedule VII of the Companies Act, 2013 are broad based and HMEI and its subsidiary may undertake a wide range of CSR activities which falls under the purview of such Schedule VII, amended from time to time and/ or allowed by MCA through its notification(s), rule(s), circular(s) and clarification(s).*

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