

FERRO SCRAP NIGAM LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. CONCEPT

1.1 SHORT TITLE & APPLICABILITY:

1.1.1. The policy, which encompasses the company's philosophy 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 "**FSNL CSR Policy**".

1.1.2. This policy shall apply to all CSR initiatives and activities taken up at the various units and locations of FSNL, for the benefit of different segments of the society, specifically the deprived, underprivileged and physically challenged persons.

1.2.CSR VISION STATEMENT & OBJECTIVE:

1.2.1. In alignment with vision of the company, FSNL, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a **Socially Responsible Corporate**, with environmental concern.

1.2.2. The objective of the **FSNL CSR Policy** is to:

- * Directly or indirectly take up programmes that benefit the communities in & around its work centres and results, over a period of time, in enhancing the quality of life & economic well-being of the local population.
- * Generate through CSR initiatives, a community goodwill for FSNL and help reinforce a positive & socially responsible image of FSNL as a Corporate entity.
- * Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

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2. RESOURCES

2.1. Funding & Allocation

- 2.1.1. FSNL, for achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, will allocate 3% to 5% of its previous year's Profit after Tax (PAT), as its Annual CSR Budget in each F.Yr.
- 2.1.2. From the annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified Thrust Areas, as per 3.1 below, for undertaking CSR activities, on a year on year basis.
- 2.1.3. In case the allocated CSR budget/fund is not spent in the given financial year, the unutilized fund will be transferred to a CSR fund, which will accumulate for CSR activities.

3. PLANNING

3.1. Identification of Thrust Areas and Strategic Initiatives:

- 3.1.1. For ensuring implementaiton of CSR activities in a continued & effective manner, the following **Thurst Areas** have been identified:-
 - I. Education
 - II. Infrastructure Development
 - III. Drinking Water, Sanitation & Public Health
 - IV. Promotion of Sports & Games
 - V. Promotion of Art & Culture
 - VI. Environmental protection
 - VII. Promotion of livelihood for economically weaker sections
 - VIII. Relief to victims of Natural Calamities like Earth-quake, Cyclone, Draught & Flood situation in any part of the country.
 - IX. Supplementing Development Programmes of the Government

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- X. Construction of Community Centres/Night Shelters/Old Age Homes
- XI. Solar Lighting System
- XII. Health & Family Welfare
- XIII. Adoption of Village
- XIV. Scholarships to meritorious students belonging to SC, ST, OBC and physically challenged categories.
- XV. Building of roads, pathways and bridges
- XVI. Activities related to the preservation of the Environment/Ecology and to sustainable development.

3.1.2. The distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/bodies/citizen's forums/NGOs.

4. IMPLEMENTATION

- 4.1. CSR programmes will be undertaken by various units of FSNL to the best possible extent within the defined ambit of the identified "Thrust Areas".
- 4.2. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- 4.3. Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as 'flagship programmes' and accorded enhanced significance.
- 4.4. By and large, it may be ensured that atleast 90% of the CSR programmes are executed in and around the areas adjoining FSNL installations/Units.
- 4.5. Initiatives of State Government, District Administration, Local Administration as well as Central Government Departments/Agencies, Self-helping groups, etc., would be dovetailed and synergized with the initiatives taken by FSNL.
- 4.6. Project activities identified under CSR are to be implemented by specialized agencies, which could include - Voluntary Organizations, formal or informal Elected local bodies such as Panchayats, Institutes/Academic Institutions, Trusts, Self Help Groups, Govt./Semi Govt./Autonomous organizations, Mahila Mandals, Professional Consultancy organization etc.

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- 4.7. Thrust should be given, wherever possible, to the areas related to the business of FSNL as a natural corollary to the business.
- 4.8. Investments in CSR should be Project based. Mere donations to philanthropic/charity or other organizations would not come under the category of CSR.
- 4.9. CSR activities should generate community goodwill, create social impact and visibility.
- 4.10. For CSR projects, the time-frame and periodic milestones should be finalized at the outset.
- 4.11. The process for implementation of CSR programmes will involve the following steps:-
- 4.11.1. **Identification of programmes** at Corporate and Unit level will be done out of the following:-
- (a) Need identification studies by a Committee constituted by the Management of FSNL
 - (b) Internal need assessment by a team at the unit level;
 - (c) Receipt of proposals/requests from District Administration/ Local Govt. etc.
 - (d) Discussions and request with local representatives/ Civic bodies/ Citizen's forums/Voluntary organizations.
- 4.11.2. **Area of CSR activities:** CSR works being focussed in the areas adjoining work centres, the programmes identified should normally fall within a radius of 50 Kms. from FSNL installations/working units.
- 4.11.3. **Project based approach:** FSNL units will follow a project based accountability approach to stress on the long term sustainability of CSR projects, where its action plan will be distinguished as 'Short-term', 'Middle-term' & 'Long-term', qualified as :-

Short Term	:	6 months to 1 year
Middle Term	:	1 year to 2 years
Long Term	:	2 years and above - 'flagship programmes'

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4.11.4. While identifying Long Term Programmes, all efforts must be made to the extent possible to define the following:-

- a. Programme objectives
- b. Baseline survey - it would give the basis on which the outcome of the programme would be measured.
- c. Implementation schedules:- Timelines for milestones of the programme will need to be prescribed
- d. Responsibilities and authorities
- e. Major results expected and measurable outcome.

4.12. Powers for approval

4.12.1. CSR programmes as may be identified by each Unit/Corporate Office of FSNL, will be required to be put up to the HOD of Personnel & Administration department at Corporate Office, at the beginning of each financial year, with due recommendations of the CSR Committee constituted at the local & Corporate level, consisting of the representatives from P&A, F&A and MM departments.

4.12.2. For meeting the requirements arising out of immediate & urgent situations, on the basis of the recommendations of the HOD of P&A Department, and Concurrence of Finance, the Managing Director-FSNL will approve the proposals in terms of the empowerment accorded to him.

4.13. Executing agency

4.13.1. FSNL will identify suitable programmes for implementation in line with the CSR objectives of the Company and benefit the community for which those programmes are intended and will execute the activities by itself with the help of CSR committees/ Sub-committees. However, if need be, FSNL may seek help from other agencies, such as:-

- i) Community based organizations whether formal or informal
- ii) Elected local bodies such as Panchayats
- iii) Voluntary Agencies (NGOs)
- iv) Institutes/Academic Organizations
- v) Trusts, Missions
- vi) Self-help Groups
- vii) Government, Semi-Government and autonomous organizations
- viii) Standing Conference of Public Enterprises (SCOPE)
- ix) Mahila Mandals/Samities
- x) Contracted agencies for civil works
- xi) Professional Consultancy Organizations

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4.14. Criterion for identifying Executing agency:-

4.14.1. In case of programme execution by NGOs/Voluntary organizations, the following minimum criteria need to be ensured:-

- * The NGO/Agency has a permanent office/address in India
- * The NGO is a registered society under Societies Registration Act.
- * Possesses a valid Income-tax Exemption Certificate.
- * The antecedents of the NgO / Agency are verifiable/subject to confirmation.

4.15. Agreement between FSNL & Executing Agency:

4.15.1. Once the approved programmes under CSR are communicated to the units, they will be required to enter into an agreement with each of the executing/ implementing agency as per the **Standard Modal Agreement**.

5. MONITORING AND FEEDBACK

5.1. To ensure effective implementation of the CSR programmes undertaken at each Unit, a monitoring mechanism will be put in place by the Unit Heads at the Unit level. The progress of CSR programmes under implementation at the Unit will be reported by the Unit Heads on a monthly basis, to the HOD of P&A department at Corporate Office, who holds the overall responsibility for implementation of CSR policy in the company.

5.2. The Corporate P&A department, in association with other concerned departments, will conduct impact studies on a periodic basis, through a duly constituted committee for this purpose, especially on the strategic and high value programmes.

5.3. The Units/work centres will also try to obtain feedback from beneficiaries about the programmes, and will report to the HOD of P&A department at Corporate Office.

5.4. Appropriate documentation of the FSNL CSR Policy, Annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.

5.5. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

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6. GENERAL

- 6.1. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to Corporate P&A department. In all such matters, the interpretation & decision of the Corporate management shall be final.
- 6.2. Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time, subject to approval of the competent authority.
- 6.3. The Company reserves the right to modify, cancel, add, or amend any of these Rules, with approval of the competent authority.

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