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MRPL CSR AND SD POLICY

REVISION SCHEDULE

REVISION NO.	REVISION DATE	Reference
0	12/02/2015	194 Board meeting dated 13/02/2015.
1	10/04/2018	1. 10 th CSR & SD Committee Meeting dated 30/01/2018-Minutes. 2. 216 th Board Meeting dated 13/02/2018-Minutes.
2	11/05/2022	1. 25th CSR & SD Committee Meeting dated 10/05/2022-Minutes. 2. 245th Board Meeting dated 11/05/2022-Minutes.
3	28/10/2022	1. 27th CSR & SD Committee Meeting dated 27/10/2022-Minutes. 2. 250 th Board Meeting dated 28/10/2022-Minutes.
4	25/03/2023	1. 253rd Board Meeting dated 25/03/2023-Minutes.
5	03/07/2023	1. 256 th Board Meeting dated 03/07/2023-Minutes
6	03/03/2026	1. 273 rd Board Meeting dated 03/03/2026- Minutes

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1.0 PREAMBLE

Mangalore Refinery & Petrochemicals Limited (MRPL) is a Miniratna Schedule A, Central Public Sector Enterprise (CPSE), a group company of Oil & Natural Gas Corporation Limited (ONGC), delivering outstanding performance in Indian hydrocarbon downstream sector year after year. Right from the inception, MRPL has been undertaking Corporate Social Responsibility (CSR) activities under the name **“Samrakshan”**.

Pursuant to the introduction of the Companies Act 2013, followed by release of Company (Corporate Social Responsibility Policy) Rules, 2014 by Ministry of Corporate Affairs & Guidelines on CSR & Sustainable Development (SD) for CPSEs by Dept of Public Enterprises (DPE), MRPL is rededicating itself to ensuring sustainable and equitable development through a well-orchestrated CSR program. The following policy, drafted based on the provisions of the Companies Act 2013, Company (Corporate Social Responsibility Policy) Rules, 2014 & Guidelines on CSR & SD for CPSEs by DPE is a step in that direction.

2.0 SHORT TITLE AND APPLICABILITY :

- 2.1 This 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 programs for the welfare & sustainable development of the community at large, is titled **“MRPL CSR & SD Policy”**
- 2.2 This policy shall apply to CSR initiatives and activities taken up by MRPL in all its offices, in line with Act, Rules & DPE guidelines, for the benefit of different segments of the society & shall come into force, with effect from approval of MRPL Board.

3.0 DEFINITIONS :

- 3.1 “Act” means the Companies Act, 2013, published on 30.03.2013, by Ministry of Law & Justice. Relevant copies of the extracts, i.e. Section # 135 & Schedule VII.
- 3.2 “Rule” means the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by Ministry of Corporate Affairs, on 27.02.2014.

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3.3 “DPE Guidelines” means the Guidelines on CSR & SD for CPSEs issued by Dept. of Public Enterprises, effective from 01.04.2014.

3.4 “Corporate Social Responsibility (CSR)” means and includes but is not limited to :

3.4.1 Projects or programs relating to activities specified in Schedule VII of the Act;

or

3.4.2 Projects or programs relating to activities undertaken by the Board of Directors of MRPL in pursuance of the recommendation of the CSR committee of the Board as per declared CSR policy of MRPL, subject to the condition that such policy shall cover subjects enumerated in Schedule VII of the Act.

3.5 “CSR Section” means the section, under Human Resource (HR) Department, in MRPL looking after CSR activities of MRPL.

3.6 “CSR & SD Committee” means the Corporate Social Responsibility & Sustainable Development Committee of the Board referred to in section 135 of the Act.

3.7 “The Company” means Mangalore Refinery & Petrochemicals Ltd.

4.0 VISION STATEMENT :

4.1 Vision of the Company is Quote “ *To be a world-class Refining and Petrochemicals Company, with a strong emphasis on Productivity, Customer Satisfaction, Safety, Health and Environment Management, Corporate Social Responsibility and Care for Employees* ” Unquote

4.2 Mission of the Company is as follows :

Quote “

- *Sustain Leadership in energy conservation, efficiency, productivity and innovation.*
- *Capitalize on emerging opportunities in the domestic and international market*
- *Strive to meet customers’ requirements to their satisfaction.*
- *Maintain global standards in health, safety and environmental norms with a strong commitment towards community welfare.*
- *Continuing focus on employee welfare and employee relations.*
- *Imbibe highest standards of business ethics and values.*

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“Unquote

- 4.3 “ The Company through its CSR initiatives, will focus on strong commitment towards welfare of the community in which it operates, through its services, conduct & initiatives, so as to promote growth for the society and community, in its role as a socially responsible Corporate, with environmental concern. “

5.0 OBJECTIVE OF THE MRPL CSR POLICY :

- 5.1 To 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.
- 5.2 To take up programs that benefit the communities in and around its offices and results over a period of time, in enhancing the quality of life & economic wellbeing of the local populace, with special care and attention to the weaker section of the society.
- 5.3 To generate through its CSR initiatives, a community goodwill for MRPL and help reinforce a positive & socially responsible image of the Company as a corporate entity.

6.0 THE BRAND NAME OF MRPL CSR ACTIVITIES:

The Company’s CSR activities are promoted under the brand name of “Samrakshan” which captures the spirit and commitment of the Company’s CSR policy, that is to “**protect, preserve and promote**” the social, cultural and environmental heritage and wealth, in and around the area of our businesses and to usher in sustainable and equitable development.



The logo of Samrakshan shown above depicts the following:

- ONGC –MRPL logo is clearly visible
- Regional and National language text is included
- On the right side of the CSR logo, the tree represents the ENVIRONMENT, the dots represent the PEOPLE/SOCIETY, and the hands represent MRPL illustrating that MRPL is committed to the well-being of society and the environment.

This logo is displayed in all the CSR projects undertaken by the Company.

7.0 FUNCTIONS OF THE CSR SECTION :

- 7.1 “Identify the CSR activities/projects/programs in line with the Section 135 & Schedule VII of the Act, Rule and Guidelines& CSR agenda of the Company”.
- 7.2 Monitor the progress of the CSR activities with respect to timelines and quality & provide quarterly progress reports to the CSR committee.
- 7.3 Organize impact assessment study through third parties, 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.

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- 7.4 Devise a communication strategy for regular information and feedback sharing with key stake holders. Publish relevant information in Companies Intranet, Internet, Press and Media.
- 7.5 Provide information sought by the Ministry & other Statutory Bodies

8.0 FUNCTIONS OF THE CSR & SD COMMITTEE:

- 8.1 Formulate and recommend to the Board, a Corporate Social Responsibility Policy.
- 8.2 Recommend the amount of expenditure to be incurred on the CSR activities, on yearly basis.
- 8.3 Monitor the CSR activities of the company as per the approved policy from time to time.
- 8.4 To meet minimum once in a quarter and to send a quarterly compliance report to the Board, starting from 1st quarter of a financial year.

9.0 FUNCTIONS OF THE BOARD :

- 9.1 Approve the CSR Policy based on the recommendations of the CSR committee.
- 9.2 Ensure that the activities included in CSR Policy are undertaken by the company.
- 9.3 Ensure that activities included by the company in its CSR policy are related to the activities included in schedule VII of the Act.
- 9.4 Ensure that the company spends, in every financial year, at least two per cent of the average net profit of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- 9.5 Under exceptional circumstances, approve carry forward the unspent CSR amount to the next year, based on reasons put up for non-utilization and proposed plan for utilization in the next year and disclose the same in the Annual Report.

10.0 FINANCIAL COMPONENT & CSR BUDGET:

- 10.1 Budgetary allocation for the CSR activities in every financial year shall be at least 2% of the average net profits of the company 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 as may be revised from time to time by the Act.

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- 10.2 CSR Committee shall recommend the CSR budget, based on the proposal put up by CSR Section. In the proposal, details such as approved CSR budget for the previous year, actual expenditure on CSR in the previous year and the resultant computation for the present year shall be given. Further, CSR budget will include all the activities / projects identified for the year and would be subjected to scrutiny of CSR & SD committee. Projects/activities on Environment and Sustainable Development will not be a part of the CSR budget.
- 10.3 3 years of non-applicability of the criteria such as threshold limits of net-worth, turnover or net profit, mentioned in the Section 135(1) of the Act is required to exit CSR compliance requirements, however the Company would be required to take up CSR activities, if the Company makes profits in any particular year.
- 10.4 The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.

The budget allocated as above, should be spent within the financial year. If due to some reason, the budget of a year remains unutilized, the unspent amount shall be permitted to carry 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 135 of the Act.

11.0 FOCUS AREAS OF CSR:

The following are the 5 identified focus areas & activities broadly in line with Schedule VII and Section 135 of the Companies Act, 2013.

11.1 SHIKSHA SAMRAKSHAN :

- 11.1.1 Activities that promote education, especially in Anganwadis, Schools, Colleges and Educational institutions.
- 11.1.2 Imparting skill development and vocational courses, targeted at unemployed youth with focus on , SC, ST, OBC & BPL families including women.

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- 11.1.3 Providing infrastructure for setting up class rooms, assembly hall, smart class, toilets, kitchen, drinking water facilities, Science & Computer Labs, furniture, School vehicles for Children, Sports facilities & Extra Curricular activities etc. for overall development of students
- 11.1.4 Providing Mid-day meals in schools, nutritious food & clean drinking water, sanitation facilities in Educational institutions
- 11.1.5 Providing meritorious Scholarship to the students including those belonging to the SC, ST and girl students in the Schools and Pre university colleges as per the SOP.

11.2 AROGYA SAMRAKSHAN :

- 11.2.1 Health Care, by way of running Primary Health Centres in rural and urban areas and Conducting medical camps
- 11.2.2 Conducting Medical Camps in Villages.
- 11.2.3 Organising awareness campaigns on HIV, Hepatitis etc. and distributing Millets and Nutritious food to destitute homes, HIV & Endosalfan affected persons, Old age homes etc.
- 11.2.4 Conducting artificial limb camps.
- 11.2.5 Providing Infrastructural support including medical equipment, physiotherapy equipment, furniture etc. to Primary health centres, OHCs, Hospitals, Old age homes, orphanages and other institutions for providing health care etc.
- 11.2.6 Construction of toilet (Sanitation facilities) in Schools, Colleges/ Public Places, SC, ST & Backward community etc.
- 11.2.7 Distributing Millets and Nutritious – food to destitute homes, HIV & Endosalfan affected persons, Old age homes etc.
- 11.2.8 Providing clean drinking water – water cooler/purifiers & overhead tanks etc.
- 11.2.9 Providing Ambulance & Emergency Medical vehicle etc. to hospitals, health centres and other social organizations

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11.3 BAHUJANA SAMRAKSHAN :

- 11.3.1 Support to community development activities.
- 11.3.2 Women's empowerment, girl child development, gender sensitive projects.
- 11.3.3 Initiatives for physically and mentally challenged and also vulnerable & weaker sections of the society.
- 11.3.4 Initiatives for SC, ST and Other backward community
- 11.3.5 "Preparedness and Capacity Building" in Disaster Management
- 11.3.6 Activities in support of the Project Displaced Families in MRPL Rehab colony.
- 11.3.7 Infrastructure & Other facilities to Public authorities, Road safety – installation of CCTV camera, street lights, etc. in Public places and roads, Supporting Swachhata Abhiyana etc.

11.4 PRAKRITI SAMRAKSHAN :

- 11.4.1 Providing infrastructural support for Drinking water supply to neighbouring villages
- 11.4.2 Supporting clean drinking water & Sanitation projects in rural area.
- 11.4.3 Water management including ground water recharge.
- 11.4.4 Conducting awareness programs in schools and villages on environment management
- 11.4.5 Supporting Renewable Energy, Solar Streetlights, High mast etc.
- 11.4.6 Support to projects of Animal care / Animal welfare / veterinary hospitals etc.
- 11.4.7 Development of Public Park, Lakes and Environmental projects etc.

11.5 SANSKRITI SAMRAKSHAN :

- 11.5.1 Protection of Local historical and cultural artefacts and historical monuments, heritage sites etc.
- 11.5.2 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 Ministry of Petroleum & Natural Gas, from time to time will also be taken up by the Company.

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12.0 IDENTIFICATION OF THE CSR ACTIVITIES :

- 12.1 CSR Section shall identify the CSR projects / programs for the year, drawn from the above paras, which however when liberally interpreted, shall be broadly limited to the activities allowed under Schedule VII of the Act.
- 12.2 CSR section while identifying the CSR activities shall consider & give preference to the suggestion/demands of the key stake holders, especially those who are directly impacted by the company's operations / activities. As per the Act, the company shall give preference to the 'local area' in selecting the location of its CSR activities and the Company shall define the 'local area'.
- 12.3 The company may take up CSR activities in collaboration with Group Companies and other CPSEs for greater social, economic and environmental impact of their CSR activities / projects.
- 12.4 CSR projects taken up before implementation of Act and Rule and which are ongoing, would remain valid till their completion.

12.5 Restrictions/Preferences:

- 12.5.1 Contribution of any amount directly or indirectly to any political party not to be considered as CSR activities.
- 12.5.2 The CSR projects and programs shall be undertaken within India and the company shall give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR Activities.
- 12.5.3 One off events such as marathons / awards / charitable contributions / advertisement. Sponsorship of TV programs etc would not be qualified as part of the CSR expenditure.
- 12.5.4 Expenses incurred by the Company for the fulfillment of any act / statute of legislations (such as Labour Laws, Land acquisition Act etc) would not count as CSR expenditure.
- 12.5.5 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

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exclusively for undertaking CSR activities & (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

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

13.0 Implementation:

13.1 The Board shall ensure that the CSR activities are undertaken by the company itself or through:

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) Any entity established under an Act of Parliament or a State legislature; or a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub- clauses (iv), (v), (vi) or via of clause (23c) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking in similar activities.

13.2 Every entity, covered under 13.1 who intends to undertake any CSR activity, shall register itself with the Central Government by applying for the form CSR-1.

13.3 “Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multiyear project but whose duration has been extended beyond one year by the Board based on reasonable justification.

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14.0 CSR Expenditure :

14.1 The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

14.2 In case, the company has any unspent CSR amount of previous financial year, the amount shall be transferred to a designated unspent CSR account (UCSRA) within 30 days of close of financial year and spent in pursuance of the CSR policy. The amount shall be utilized within the three subsequent financial years or transferred to a fund specified in Schedule VII, within a period of six months of completion of the third financial year. The unspent CSR amount shall be reported by the Board in its Directors Report specifying the reasons for not spending the amount during the financial year.

14.3. Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years' subject to the conditions that -

14.3.1 The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of 14.2.

14.3.2 The Board of the company shall pass a resolution to that effect.

15.0 MONITORING & REPORTING OF CSR ACTIVITIES:

15.1 CSR Section shall monitor the progress of the CSR activities with respect to timelines and quality & provide quarterly progress reports to the CSR & SD committee.

15.2.1 Quarterly report: The CSR Committee will ensure the implementation of the projects/programs/activities proposed to be undertaken by the company and monitor the amount being spent on CSR activities. A Quarterly compliance report shall be placed before the CSR committee from the 1st Quarter of the financial year, by the CSR Section.

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As per requirement the CSR committee shall meet every Quarter to discuss on the activities conducted in that quarter.

15.2.2 Yearly Directors report shall include a report on CSR activities. The Board of Directors has to include a report on CSR in their Boards Report as given in the prescribed format.

16.0 COMMUNICATION STRATEGY: With the approval of the Board of Directors, the company shall, disclose the contents of policy and CSR activities of the Company, in its website. CSR Section of the Company will organize regular information and feedback sharing with key stake holders and publish relevant information in Companies Intranet, Internet, Press and Media.

17.0 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 Companies Act 2013 is advised to avoid any inconsistencies with the latter.

18.0 This policy will come into effect, upon approval by the Board, based on recommendation by the CSR & SD Committee with or without modification. Revision shall be proposed by CSR Section, based on amendment to the Act or Rule or DPE guideline or due to any practical difficulty, which arises during implementation. Authority to revise the MRPL CSR Policy vests with Board, based on recommendation of CSR & SD Committee.

19.0 **CSR Reporting**

19.1 The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR Activities.

19.2 Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake Impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

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- 19.3 A Company undertaking Impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.”
- 19.4 Display of CSR activities on its website - The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, for public access.