



# **The Fertilizer Corporation of India Limited**

(A Govt. of India Undertaking)

## **CSR POLICY**

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# Chapter 1

## Concept

### 1.1 Title & Scope:

- 1.1.1 This policy shall be called 'FCIL Corporate Social Responsibility Policy' or 'FCIL CSR Policy'. It outlines the Company's philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community, in and around its area of operations and other parts of the country.
- 1.1.2 This policy shall apply to all Corporate Social Responsibility (CSR) initiatives & activities taken up by the Company at the various locations in India, for the benefit of different segments of the society, at large, specifically the deprived and underprivileged.
- 1.1.3 This policy is in compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules), Companies (CSR Policy) Amendment Rules, 2021 and Department of Public Enterprises Guidelines on CSR from time to time.

### 1.2 CSR Mission Statement & Guiding Principles:

- 1.2.1 In alignment with the mission of the Company, **FCIL, through its CSR initiatives is committed to continue to enhance value creation in the society and in the community in which it operates**, through its products, services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with concern for ecology.
- 1.2.2 Towards this commitment, the company shall:
- a) Increase efficiency by optimum utilization of resources and technology.
  - b) Promote sustainable farming practices to boost crop productivity in rural India.
  - c) Continue to take up wide range of welfare activities mainly focusing on economically, socially and environmentally sustainable development of underdeveloped villages.
  - d) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates.

- e) Build lasting social capital through interventions in the infrastructure, healthcare, education, vocational domains and other social welfare initiatives for the community residing in the vicinity of its plants and other places in India.
- f) Ensure welfare, growth and safety of all people associated with the Company.
- g) Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities.
- h) Undertake activities contributing towards improving the quality of life of underdeveloped sections of society at large.
- i) Facilitate development by maintaining a healthy relation between People, Planet and Profit.

## **Chapter 2**

### **Strategy**

- 2.1 FCIL will carry out the CSR activities, keeping in mind the interests of the really needy, socially and economically backward part of the community.
- 2.2 The company will not support the activities which may create dissatisfaction among any section of society like activities concerned with religion, activities disturbing social harmony in any manner and contribution of any amount directly or indirectly to any political party.
- 2.3 CSR activities shall be undertaken by FCIL in a systematic and methodological manner as per Section 135 of Companies Act 2013, DPE Guidelines / the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules), Companies (CSR Policy) Amendment Rules, 2021.

## **Chapter 3**

### **Resources**

#### **3.1 Funding & Allocation**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, FCIL shall endeavour to allocate the following as its Annual CSR Corpus:

- 3.1.1 2% of average net profits made during the three immediately preceding financial years, as per Section 135 (5) of the Companies Act, 2013 and the Rules made thereunder. Net profit to be calculated in accordance with the provisions of Section 198 of Companies Act 2013;
- 3.1.2 CSR budget for the relevant Financial Year shall be approved by the Board;
- 3.1.3 The unspent CSR amount in a particular year would not lapse. It would instead be carried forward to the next year for utilization for CSR activities only.
- 3.1.4 Any surplus arising out of the CSR projects or programs or activities shall not form part of the Business profit of a Company.
- 3.1.5 Salaries paid by FCIL to regular CSR staff shall be factored into CSR Project Cost as part of the CSR expenditure restricted to threshold percentage allowed under the act. For this, each unit of the company and corporate office will designate nodal officer for CSR activities so as to factor their salaries as CSR expenses;
- 3.1.6 In adherence of the Government /Department of Fertilizers' instructions, FCIL will earmark a certain quantum, as may be advised for participation in common CSR programmes undertaken collectively by fertilizer PSUs.

## **Chapter 4**

### **Implementation**

- 4.1. CSR programmes will be undertaken by various units of FCIL to the best possible extent within the defined ambit of the identified thrust areas.
- 4.2 By and large, it may be ensured that majority of the programmes are executed in and around the areas adjoining FCIL plants.
- 4.3 CSR Programmes shall be implemented with active participation of the local community, wherever possible, and in consultation with the State Government for policy and strategic purposes and local administration at village, block and district levels for operational purposes, wherever applicable. These interventions will also be synergized with the initiatives undertaken by the State Government, District Administration, Local Administration as well as Central Government Departments.
- 4.4 CSR projects will be identified on the following basis:
- a) Need identification studies by the Company, professional institutions or agencies;
  - b) Receipt of proposals or requests from District Administration, local bodies, citizen's forums, etc.; or
  - c) Discussions and request with local representative/Civic bodies/Citizen forums / voluntary organizations, Registered Trusts or Societies.
- 4.5 While identifying long term programmes, all possible efforts shall be made 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.
  - d) Responsibilities and authorities
  - e) Major results expected and measurable outcome
- 4.6 **Composition of Board-level Committee (BLC) and Sub-Committee of CSR:**
- a) **Board Level Committee (BLC)** : The composition of the CSR Committee of the Board shall be notified from time to time in terms of the provisions of sub-section (1) of Section 135 of the Companies Act, 2013.
  - b) **CSR Sub Committee** shall evaluate the projects/activities received from units and put up its recommendations to the Board level CSR committee.
  - c) CSR Committee shall formulate and recommend to the Board a CSR plan of the Company for a Financial Year including the amount of expenditure to be

incurred on CSR programmes, projects and activities. This committee may consider the recommendations of CSR Sub-Committee and recommend the same to the Board.

- d) **The Board of Directors** shall, after taking into account the recommendations made by the CSR Committee, consider and approve the CSR Plan as it may consider appropriate.
- e) The Board shall delegate necessary powers to C&MD for execution and implementation of the CSR Plan. The delegation shall also include powers for meeting the requirements arising out of immediate & urgent situations.

## **Chapter 5**

### **Execution of CSR activities**

#### **5.1 Executing Agency/Partner:**

- 5.1.1 CSR programmes would be project/ need based and will be undertaken by FCIL within the defined ambit of Schedule VII of Companies Act, 2013 with focus on the heads as listed in Chapter 6.
- 5.1.2 FCIL will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also benefit the stakeholders and the community for which those programmes are intended.

#### **5.2 Criterion for identifying Executing Agency, if required:**

While identifying programmes, the concerned units, if required, will identify the external agency who would execute the said programme. In case, the programme is executed by NGO/voluntary organisation, the following minimum criteria need to be ensured:

1. The NGO/Agency has a permanent office/address in India;
2. The NGO is a registered society under Societies Registration Act;
3. Possesses a valid Income Tax Exemption Certificate;
4. The antecedents of the NGO/Agency are verifiable/ subject to confirmation.

## **Chapter 6**

### **Identification of Thrust Areas**

**CSR activities shall be undertaken in the following identified area with reference to Schedule VII of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules), Companies (CSR Policy) Amendment Rules, 2021 and DPE Guidelines on CSR from time to time.**

#### 6.1 Promotion of Education

- i. Children Education Programmes
- ii. Farmers' Education
- iii. Research and Studies in the specified areas in Schedule VII

#### 6.2 Eradicating hunger, poverty and malnutrition

- i. Food and clean water supply to the disaster affected areas

#### 6.3 Promoting gender equality and empowering women

#### 6.4 Employment enhancing vocational skills

- i. Capacity building for farmers covering best sustainable farm management practices.
- ii. Training Agriculture labour on skill development
- iii. Enhancing agriculture land use efficiency by providing soil testing & use of balanced fertilization.
- iv. Provisions for Aids and Appliances to the differently able persons
- v. Providing Medical aid to the disaster affected areas

#### 6.5 Drinking water facility

#### 6.6 Rural Development

- i. Sanitation/Toilet facility for ladies
- ii. Any project meant for the development of rural India

#### 6.7 Use of Non-Conventional Energy Sources

#### 6.8 Conservation of Natural Resources/Maintaining Ecological balance

- i. Field study/research for individual crops to find out the most cost optimum and agri-ecological sustainable farm-practices
- ii. Product life-cycle analysis from Soil conservation point of view
- iii. Projects on Water Conservation
- iv. Providing Irrigation facilities

#### 6.9 Pollution Control

#### 6.10 Supplementing Development programmes of the Government

#### 6.11 Disaster Relief

- 6.12 Ensuring Environmental sustainability
- 6.13 Promote Community Plantation and Horticulture Development
- 6.14 Relief to victims of Natural Calamities like Earthquake, Cyclone, drought and flood situation in any part of the country
- 6.15 Contribution to Swachh Bharat Kosh, Clean Ganga Fund or any other fund set up by the central government or State governments for socio-economic development and relief and funds for the welfare of the SC, ST, OBC, minorities and women.
- 6.16 Contribution to Prime Minister's National Relief Fund or any other Fund set up by the Central Government for Socio-economic Development & Relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward Classes, minorities & women.
- 6.17 Any other activity as per DPE Guidelines issued from time to time/ Company Act 2013, the Companies (CSR Policy) Rules, 2014 (the Rules) and the Companies (CSR Policy) Amendment Rules, 2021.

## **Chapter 7**

### **Monitoring and Feedback**

- 7.1 CSR Committee shall periodically monitor the progress of CSR projects, programmes and activities incorporated in the CSR Policy. The CSR department at the corporate office will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.
- 7.2 To ensure effective implementation of the CSR programmes undertaken at each Unit, a monitoring mechanism will be put in place by the Unit Head. The progress of CSR programmes under implementation at Unit will be reported to Corporate Office on a monthly basis.
- 7.3 In case a project or programme is implemented directly by the Company, the CSR personnel shall monitor the progress thereof through periodical site visits, progress reports, ground level feedback and other suitable methodology.
- 7.4 In case a project or programme is implemented through implementing agency, the progress is monitored through periodical progress reports with supporting documents pertaining to the expenses incurred on different activities.
- 7.5 Units will also try to obtain feedback from beneficiaries about the programmes.
- 7.6 Appropriate documentation of the FCIL 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.
- 7.7 CSR initiatives of the Company will also be reported in the Annual Report of the company.

## **Chapter 8**

### **General**

- 8.1. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, references are to be made to Corporate CSR department. In all such matters, the interpretation & decision of the Director (Finance)/ General Manager (HR) shall be final.
- 8.2. 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.
- 8.3 The Company reserves the right to modify, cancel, add, or amend any of these Rules with the approval of Board.

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