

Corporate Social Responsibility

Concept

Short title and applicability

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 welfare & sustainable development of the community at large, is titled as the '**OSL CSR Policy**'.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of OSL, for the benefit of different segments of the Society, specifically the deprived, under privileged and differently abled persons.

CSR - Vision Statement & Objective

In alignment with the vision of the Company, OSL, 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 and social concern.

The Objective of the OSL CSR Policy is 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.
- To directly or indirectly take up programs that benefit the communities in & around its branches and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- To generate, through its CSR initiatives, a community goodwill for OSL and help reinforce a positive & socially responsible image to OSL as a corporate entity.

Resources

Funding and allocation

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, OSL will allocate 2% of its previous year's Profit After Tax (PAT), as its Annual CSR Budget.

From the annual CSR Budget allocation, a provision will be made towards the following expenditure heads, on a year on year basis:

Contribution towards promoting preventive healthcare

Allocation of 20% of the CSR budget each year, subject to a minimum of INR 25 lakhs, will be made for rendering contribution towards promoting preventive healthcare in and around the areas where OSL has its operations. The contribution is to be made to identified Trusts / Societies or any other fund set-up by the Central Government for promoting preventive healthcare.

Planning

Identification of thrust areas and strategic initiatives

For the purposes of focusing its CSR efforts in a continued and effective manner, the following seven thrust areas have been identified:

- a. Preventive healthcare / medical facility;
- b. Education / literacy enhancement;
- c. Community development & Orphanage;
- d. Environmental sustainability;
- e. Skill development / empowerment;
- f. Drinking water / sanitation;
- g. Sports & games; and
- h. Other items as prescribed under the Companies Act, 2013 from time to time

As a guidance to distribute annual CSR Expenditure amongst the seven thrust areas, an indicative percentage, as below, has been suggested. However, the actual distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies.

Implementation

1. CSR programs will be undertaken majorly at the Head Office and by various work centers of OSL to the best possible extent within the defined ambit of the identified 'Thrust areas'.
2. The period / duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended purpose of the program to be met immediately.
3. Programs that involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as 'flagship programs' and accorded enhanced significance.
4. Largely, it may be ensured that atleast 60% of the CSR programs are executed in and around the areas where OSL and its work centers operate.
5. Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments, Agencies, Self-help groups, etc., would be dovetailed and synergized with the initiatives taken by OSL that would enhance corporate branding in the community.
6. Project activities identified by OSL under CSR are to be implemented by specialized agencies, which could include – voluntary organizations, formal / informal elected local bodies such as Panchayats, Institutes / Academic Institutions, Hospitals, Trusts, Self-help groups, Government / Semi-Government / Autonomous organizations, Mahila Mandals, Professional Consultancy Organizations, Educational and Training Institutes etc.
7. The process of implementation of CSR programs will involve the following steps:

Identification of CSR initiatives

Identification of CSR programs will be done at Head Office level by:

- a. Need identification studies by professional institutions / agencies;
- b. Internal need assessment by cross-functional team at the local level;
- c. CSR Project Proposals / requests from District Administration / local Government etc.,;
- d. Responding to request from local representatives / civic bodies / citizen's forums / voluntary organizations etc.,

Area of CSR activities

CSR project / program to focus in the areas adjoining Head Office, Work Centers, such programs identified should normally fall within its headquartered state and within 50 kms radius of its Head Office and / or work centers.

Project based approach

OSL and its work centers will follow a project based accountability approach to assess the sustainability of the project through its action plan to quality as 'short-term' and 'long-term' initiatives

Short-term - 1 month – 6 months

Long-term - > 6 months – 3 years – 'Flagship programs'

While identifying long-term programs, all efforts must be made to the extent possible to define the following:

- a. Program objectives;
- b. Baseline survey that would give the basis on which the outcome can be measured;
- c. Implementation schedules with timelines prescribed for execution, completion and commissioning of the project;
- d. Responsibility, authority and accountability;
- e. Benefits of the project results in measurable achievements.

Powers for approval

All CSR programs identified by Head Office / each work center will be tabled before CSR Committee of the Board of Directors, for their evaluation, at the beginning of each financial year with due recommendations of the management team.

CMD is authorized to approve the proposals in terms of empowerment accorded to him by CSR Committee for meeting the requirements arising out of such projects in urgent situations.

Further, all CSR programs, can also be approved by concerned functional Director and Work-center in charge, as per limits empowered in the table given below:

Sl. No	Powers	Director	CFO / RO-VP
1	Approval and expenditure sanction for CSR programs and re-appropriation, if any, of approved programs on its merit*	INR 2.00 lakhs in each case and subject to an annual ceiling of INR 5.00 lakhs	INR 0.10 lakhs in each case and subject to an annual ceiling of INR 0.25 lakhs

**All programs approved in terms of the above delegation to be subsequently brought to the notice of the CSR Committee of the Board of Directors.*

Executing Agency / Partners

OSL will seek to identify suitable programs for implementation in line with the CSR objectives of the Company that would benefit the stakeholders and the community for which those programs are intended. These works would be done through:

- a. Community based organizations whether formal / informal;
- b. Elected local bodies such as panchayats;
- c. Voluntary agencies [NGOs];
- d. Institutions / Academic organizations;
- e. Trusts, missions;
- f. Self-help groups;
- g. Government, Semi-Government and autonomous organizations;
- h. Mahila mandals, samitis etc;
- i. Hospitals;
- j. Professional consultancy organizations

Criterion for identifying Executing agency

While identifying programs, Head Office will identify a professional external agency who can execute the said program. In case of program execution by NGOs / Voluntary Organizations, the following minimum criteria to be met:

- a. The NGOs/ Voluntary Organizations has a permanent office / address in India;
- b. The NGO is a registered society under Societies Registration Act;
- c. Possesses a valid Income-tax Exemption certificate;
- d. The antecedents of the NGO / agency are verifiable / subject to confirmation.

Agreement between OSL and External agency

Once the programs approved by the CSR Committee of the Board are communicated to the Head Office / work center, they will be required to enter into an Agreement with each of the executing / implementing agency, if any, as per the **Standard Model Agreement**.

Monitoring and feedback

To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place at the Head Office. The progress of CSR programs under implementation at the work centers will be reported to Head Office on a monthly basis and the Head Office will report to the Committee on a quarterly basis.

The CSR Department at the Head Office will conduct impact studies on a periodical basis, through independent professional third parties / professional institutions, especially on a strategic and high value programs.

Work centers will also try to obtain feedback and report from the beneficiaries about the programs.

Appropriate documentation of the OSL CSR Policy, Annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis and the same will be available for information to all the stakeholders.

CSR initiatives of the Company will also be reported in the Annual Report of the Company as per the Companies Act, 2013.

General

In case of any doubt with regard to any provision of the policy and in respect of matters not covered herein, a reference to be made to Corporate CSR Department. In all such matters, the interpretation and decision of the Director (Commercial) shall be final.

Any or all the 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.

The Company and the CSR Committee reserves the right to modify, cancel, add, or amend any of these Rules.