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1. COMPANY BRIEF:

- Rashtriya Ispat Nigam Limited (RINL) - the corporate entity of Visakhapatnam Steel Plant, is a Navratna PSE under the Ministry of Steel. Visakhapatnam Steel Plant - popularly known as 'Vizag Steel'. Founded in 1971, it is the first Shore based Integrated Steel Plant in the country with a capacity of 3 Mtpa, currently being expanded to 6.3 Mtpa and simultaneously being modernized which would enhance the capacity to 7.3 Mtpa.
- The company has its operations primarily in Visakhapatnam with mines present in Jaggayyapeta, Madharam, Garbham, Sarepalli&Bhilwara and the marketing & distribution facilities in all parts of India.

2. PREAMBLE

- CSR& Sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially, and environmentally sustainable manner that is transparent and ethical. The ecosystem approach in business has bloomed lately wherein one accords prime importance to its "stakeholders", which further aids in creating partnerships.
- The focus of CSR is to share the profits derivative from the Society to the well-being of Society.
- The provisions of the Companies Act (CSR Policy) Rules 2014 and DPE guidelines empowered the Companies to contribute on CSR which is the essence of this Policy document.
- The latest DPE Guidelines is the force and directive in framing this Policy.

3. BRIEF HISTORY OF CSR IN RINL

- 3.1 RINL, since inception, through its Peripheral Development dept. laid utmost importance on environmental and societal concerns and has been in the forefront of addressing the societal needs predominantly of peripheral areas of its business activities.
- 3.2 Since 1993 emphasis upon Peripheral development was put and projects were implemented for the same under the Town Administration department. With the experience of Peripheral development, VSP embarked on the path of CSR after allotment of requisite budget and fulfilling legal obligations under the Companies Act.
- 3.3 To boost up the CSR activities, a separate Department was formed in March 2007 and RINL CSR Foundation Trust was registered under the Companies Act, 1956 and IT Exemption (80 G /12 AA) obtained for the trust.
- 3.4 Earlier, RINL was following its own the CSR Policy, subsequently; the guidelines issued by DPE, Govt. of India from time to time became the guiding light. Further the New Companies Act-2013 and The Companies (Corporate Social Responsibility Policy) Rules-2014 which has come into force w.e.f. 1st April 2014, has further brought clarity in terms of processes as well as outcomes. The present CSR and Sustainability Policy of RINL has been

drawn up incorporating the statutory provisions of the Companies Act (2013) and revised DPE guidelines issued on 21st October 2014 by the Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi.

4. VISION & OBJECTIVES:

RINL affirms its deep commitment to inclusive growth and the fulfillment of its role as a socially responsible corporate entity. The principle of CSR is embedded within its core values which are: "Concern for Society, Environment & Sustainability."

4.1 VISION

"To be the most efficient steel maker, having the largest single location shore based steel plant in the country".

4.2 OBJECTIVES

1. Achieve Gross Margin to Turnover ratio > 10%.
2. Plan for finishing mill to integrate with 7.3 Mt capacity and commission the same by 2017-18.
3. Achieve rated capacity of new & revamped units by 2017-18.
4. Capture markets for high-end value added products by focusing on sector specific applications and customer needs.
5. Achieve leadership in Energy consumption by achieving 5.6 Gcal/tcs by 2017-18.
6. Globalization of operations through acquisition of mines and setting up of marketing network abroad.
7. Diversify through operationalizing of Bhilwara Mines, setting up of Pelletization plant, DRI-EAF unit, Wheel & Axle Plants.
8. Create a high performance and safe work culture by nurturing talent and developing leaders.
9. To grow in harmony with the society, environment and sustainability.

5. SUSTAINABILITY:

- Sustainability intends to give due emphasis on meeting human and environmental needs. CSR does not emanate directly from external demands but instead from organizationally embedded processes..
- RINL has inculcated the theme of Sustainable Development since establishment and has also been applauded at several platforms for that. This is accentuated by the fact that RINL was the first Indian Steel Plant to adopt green technologies in its manufacturing processes. RINL-VSP is further the first integrated Steel Plant to be certified for ISO 9001:2008, ISO 14001:2004

and OHSAS 18001:2007 standards. It is also the first PSE to be certified for ISO 50001 - Energy Management Systems and CMMI Level 3 Certification for Software Development.

- It has been publishing sustainability reports in line with GRI Guidelines 3.1 and compiled in accordance with GRI Application Level-A.

5.1 SUSTAINABILITY POLICY:

The Sustainability Policy of the company as approved on 11th December 2012 is as follows:

RINL shall adopt a well-integrated approach for Sustainable Development across the value chain to improve resource efficiency, minimize the impact of its operations on environment and promote the wellbeing of society.

In this endeavor, RINL shall continuously strive for:

- a. Reducing and recycling waste, improving yields and productivity;
- b. Identifying opportunities for reducing energy consumption and thereby reducing carbon footprints;
- c. Improving efficiency in water consumption and gradually achieving zero discharge;
- d. Improving ambient air quality in and around its area of operations;
- e. Adopting best practices for implementation and reporting SD initiatives;
- f. Sensitizing and engaging its employees and other stakeholders on aspects related to SD and maintaining utmost transparency in disclosure of relevant information to them.

In order to do so, RINL shall put in place, appropriate systems to aid in identification of relevant projects, their implementation and evaluation, for which it shall partner with agencies promoting SD standards and best practices.

6. CSR OBJECTIVES

The CSR Objectives of the company are intended to serve the larger goal of inclusive growth and sustainable development in the communities around and beyond.

- 6.1 Creating shared value for the company and the stakeholders of the CSR projects.
- 6.2 Sensitize and involve the employees of the company and their families to the concepts and approaches to CSR.
- 6.3 Maintaining regular network with other PSUs, Ministry of Steel (MoS), Department of Public Enterprises (DPE) and Ministry of Corporate Affairs (MCA) etc., to keep updated with latest developments in CSR domain.
- 6.4 Continuous monitoring of the implementation of CSR projects.
- 6.5 Carry out Impact survey after implementation of larger projects and use the results for scalability / replication of the same including improvements in future projects.
- 6.6 Continuation of RINL-CSR Foundation Trust.

6.7 To have a compact, dedicated and empowered team of CSR Department

7. ORGANIZATIONAL STRUCTURE:

7.1 The Companies Act 2013 mandates the creation of a **CSR Committee** herein referred to as, **Board Sub Committee on CSR & Sustainability (BSC- CSR & S)** consisting of at least one Independent Director to undertake the following functions:

7.1.1 Formulate and recommend a CSR & Sustainability policy for the organization.

7.1.2 Recommend activities and expenditure from time to time.

7.1.3 Monitor the policy and its implementation in a proper manner from time to time.

7.1.4 Meetings shall be held on a quarterly basis as and when required.

7.1.5 The BSC-CSR& S Committee has to function in coordination with the Company's Board.

7.2 **CSR Department:** In addition there is a team of designated officials which is headed by a HOD, who is also further a member of the Trust. The team of professionals shall assist the HOD in smooth implementation of the policy and the activities thereon.

8. BUDGET:

8.1 The financial component of CSR will be at least 2% of the average net profits of the company made during the three immediately preceding financial years calculated as per section 198 of the Companies Act, 2013 for which necessary budget will be allotted.

8.2 In the event of the company not qualifying under the eligibility criteria based on threshold limits of net - worth , turnover or net profit as specified by section 135, but made profit in the preceding year, then the company shall allot a CSR Budget of at least 2% of profit made in preceding year.**

8.3 The expenditure to be incurred on the CSR projects/programs planned for a year will be recommended by the BSC - CSR & Sustainability Committee for the approval of the RINL-Board once in a year.

8.4 The ongoing projects/programs taken up during previous years under CSR shall be reviewed and recommended by the BSC - CSR & Sustainability Committee for the approval of RINL Board.

8.5 The expenditure incurred by RINL in building CSR capacities of its personnel as well as those of the implementing agencies shall not exceed 5% of total CSR expenditure in a year as stipulated in the Companies Act (Corporate Social Responsibility Policy) Rules 2014.

8.6 Re-Appropriation of budget from one project/program to another, as per need, will be done with the approval of the original approving authority.

- 8.7 The surplus arising out of the CSR Project or Program or activities shall not form part of the business profit of RINL.
- 8.8 Any expenditure which is taken up towards furthering the Sustainability initiatives of the company shall not be qualified as CSR spend.*

9. PLANNING

9.1 Scope

- 9.1.1 Scope herein refers to the geographical scope as well as the wide array of activities which qualify as CSR.
- 9.1.2 While undertaking CSR activities preference will be accorded to the local area and subsequently the areas situated in the rest of the country.
- 9.1.3 Local Area herein refers to
- The district where the plant operates i.e. Vishakhapatnam district as well as the surrounding districts namely Vizianagaram, Srikakulam, East Godavari and West Godavari.
 - The Districts where the Captive Mines are located/ operated
 - The districts in which the Stock-yards and Marketing branches of the company are located**
- 9.1.4 Priority will be given to the local areas (As defined above) in terms of allocation of funds however an indicative ratio of 80:20 wherein 80 refers to the percentage of budget to be spent in the local area and 20 to the rest of the country shall be maintained . **
- 9.1.5 The activities that qualify as CSR activities are listed broadly in the Schedule 7 to The Companies Act 2013, as reproduced below:
- I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation and making available safe drinking water;
 - 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 centers 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, agro forestry, 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 forces veterans, war widows and their dependents
- VII. Training to promote rural sports, nationally recognized sports, Paralympics 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 SC, ST, 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
- XII. Any other need based project / program which is covered under the Schedule VII of Section 135(3)(a) of the Companies Act, 2013 as amended from time to time is also taken up

10. CSR PROCESS

A) SELECTION CRITERIA

CSR initiatives in RINL are taken up through a well laid process which spells out the treatment of project proposals in a transparent and comprehensive way as summarized below:

1. The projects, identified through baseline survey and /or proposals received from different voluntary agencies or others with need assessment and estimates will be considered for qualifying.
2. While selecting CSR activities priority will be accorded to projects which can be monitored through in-house expertise. **
3. The proposals covered in the scope at 9.1.5 must be submitted in the prescribed format (Project Proposal Format) which will be available on the RINLCSR portal.
4. Preferably, projects whose outcome could be measured quantitatively and/ or qualitatively will be identified.

5. The projects will be taken up based on the relevance to societal needs, outlay, beneficiaries, reach and coverage in the Companies Act 2013.
6. As per budget availability, the proposals will be processed by CSR Department for approval of the Competent Authority.

B) IMPLEMENTATION:

1. The approved projects will be implemented by entering into MOUs or placing of work orders. However, at the time of awarding a specific project/ activity to an agency, Work Order (WO) stipulating the necessary terms & conditions, will be issued.
2. The projects which are supposed to be implemented by a Central / State Govt. agencies will be taken forward on the basis of the mutually agreed terms and conditions.
3. Periodic site visits and inspections will be made by CSR Dept, and/ or other concerned Dept. of VSP.
4. After successful implementation, the project will be commissioned & dedicated to the beneficiaries.
5. The impact of the major CSR projects will be assessed to ascertain the fulfillment of the intended outcome.
6. The ultimate decision in the selection as well as implementation of CSR activities would be that of the RINL board.**
7. Implementation Strategy:
 - 7.1 The CSR projects/ activities shall be implemented in three ways:
 - Through concerned Central/State/District Authorities, PSUs and Autonomous bodies
 - Through NGOs / Trusts etc.
 - Directly by RINL-VSP.
 - 7.2 Every project will specify the implementation schedule indicating the starting date, date of completion and likely benefits etc. The methodology of implementation under each strategy shall be as follows:
 8. Through Concerned Central / State / District Authorities, PSUs and Autonomous bodies.
 - 8.1 Based on the nature of CSR activity, the works may be carried out with the help of respective Central/State/District Authorities, PSUs and Autonomous bodies either in collaboration with RINL or otherwise.
 - 8.2 The proposals received from the Central/State/District Authorities, PSUs and Autonomous bodies for specific CSR activities through Project proposal format will be

RINL-CSR POLICY

examined by RINL and periodically put up to the Competent Authority for approval as per para 12.

8.3 The funds shall be released in suitable installments based on the progress and Utilization Certificate from the executing Agency / Beneficiary.

9. Through NGOs / other Trusts

9.1 The approved CSR proposals may also be considered for implementation through reputed NGOs/Trusts which fulfill the criteria indicated at 11, shall be identified based on their credentials and long standing performance in respective fields.

9.2 Every claim for payment for the work completed should be supported by proper bills and receipts/ documents and Utility Certificate in support of the claim.

9.3 Long term projects with respect to items as specified in the schedule VII of the Act will be taken up by entering into MOU, with respective institutions/agencies.

10. Directly by RINL/VSP

10.1 The CSR activities can be implemented by RINL/VSP directly by engaging an agency, wherein the relevant procedures of the company drawn up from time to time will be followed.

10.2 For the purchase of materials, medical equipment and supply of steel connected with CSR activities, the relevant procedures of the company drawn up from time to time will be followed.

10.3 Procurement of vehicles and other miscellaneous items will be done by tendering through respective Contracts department of RINL or by following well laid out policies from time to time.

C) MONITORING

1. Implementation and Monitoring of the CSR activities will be reviewed by the Board Sub Committee on Quarterly basis and as per need.
2. HOD of CSR Department will exercise constant vigil over the implementation of CSR initiatives by monitoring the projects regularly so as to achieve targets by scheduled dates.
3. The Head of CSR Dept. shall draw a schedule of inspection to be done by CSR Department from the date of award of the projects/programs. If any delay is noticed while monitoring the activity, remedial measures shall be taken for timely completion.
4. The CSR Projects taken up through NGOs/Trusts shall be evaluated and monitored by HOD of CSR.
5. The Projects taken up through respective Central/State/District Authorities, PSUs and Autonomous, Cooperative bodies shall also be monitored by both VSP and the respective

departments either jointly or independently, depending upon the nature of the project in terms of the MOU entered into or as per stipulated terms and conditions.

6. HOD of CSR Dept. shall certify completion of the project and proper handing over to the user within the scheduled dates.
7. A certificate/undertaking will be taken from the stakeholders whoever are relevant, that the assets will be utilized for the purpose they have been created and shall also be run properly and efficiently. HOD of CSR Department will monitor to ensure the same.

D) EVALUATION & IMPACT ASSESSMENT

1. Evaluation of all projects is done objectively with respect to the intended outcomes. Impact surveys will be conducted through third parties for selected projects and as per requirement and the Reports will be submitted to the Management periodically.
2. The expenditure incurred on baseline survey and impact assessment study should be within the overall limit of 5% of administrative overheads of CSR spend as provided for under the CSR Rules.
3. Impact assessment would be carried out for projects with a valuation of Rs.50 Lakhs & above.**

11. QUALIFICATION CRITERIA FOR EXECUTING AGENCY (NGOS / TRUSTS)

An executing Agency / NGO / Trust should possess:

- 11.1 A permanent office / address in India and the members should be predominantly Indian citizens.
- 11.2 Certificate of Registration as per Societies' Registration Act 1860 or under the Public Trust Act 1950.
- 11.3 A valid Income Tax Exemption Certificate of 12AA, 80G etc.
- 11.4 Minimum 5 (five) years of sustained experience duly certified with Audit reports and Annual Reports from the competent authorities.
- 11.5. With respect to the award of CSR projects at RINL, the turnover criteria will be as follows:
 - CSR Project up to Rs.20 Lakhs -Rs.10 Lakhs turnover in any of the preceding 3 years.
 - CSR Project beyond Rs.20 Lakhs-100% of Project value as turnover in any of the preceding 3 years.

12. APPROVING AUTHORITY:

The delegation of powers for approval of CSR projects will be as follows:-

Level	Approving Authority	Project Value
1	Functional Directors Committee for CSR consisting of D(P),D(F) and D(O) with HOD(CSR) as Convener.	Up to Rs.50 Lakh.
2	Board Subcommittee on CSR & Sustainability (BSC-CSR	Above Rs.50 Lakh & up to Rs.200 Lakh
3	RINL Board with recommendation of BSC-CSR & Sustainability	Above Rs.200 Lakh.

13. CSR REPORTING

- 13.1 Appropriate documentation of the RINL-CSR Policy, annual CSR activities and expenditure incurred will be made available in the public domain and as well as in RINL website. (Monthly Updates).
- 13.2 CSR initiatives will also be reported in the Annual Report of the Company, along with the reasons for unspent amount if any, as well as the Annual Sustainability Report, as per the provisions of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, DPE Guidelines and any other guidelines or changes issued by GOI from time to time.

14. MOU PARAMETERS

RINL being an entity under, the Ministry of Steel, it is bound to the Memorandum of Understanding (MoU) which is signed each year with the Ministry. The MoU consists of the performance in terms of the number of projects undertaken, speed at which these projects are finished and the meetings held with the stakeholders. The parameter regarding the meetings held with the stakeholders is assessed jointly in terms of the performance of the CSR as well as CSM Department of the company.

15. GENERAL

- 15.1 The provisions of the CSR policy will be subject to revision/amendment in accordance with Companies' Act 2013, Rules and Guidelines on the subject as may be issued by GOI from time to time.
- 15.2 Any changes in provision of this policy will be subject to approval of RINL -Board.
- 15.3 The Board Sub Committee on CSR & S will inter-alia carry out the function of the CSR Committee specified in Section 135 (3) of the Companies Act. 2013.

- 15.4 Any deviation required in the eligibility criteria of NGOs mentioned at 11 will be put up to the BSC-CSR & Sustainability for approval.
- 15.5 A detailed procedure for processing the CSR proposals approved by CMD of RINL will be implemented.
- 15.6 In addition to the Schedule VII, any contribution made to the Central/State fund, which is set up to meet unforeseen circumstances like natural calamities may be considered as part of the CSR expenditure.

16. FORMAT FOR PROPOSED CSR PROJECTS/ PROGRAMS

Broad activities of CSR will be prepared at the beginning of financial year in the format given below:

S.No.	Details of the Project/Program <i>(Mapping activities with Section 135(3) of the specified Schedule-VII, of the Companies Act, 2013)</i>	Proposed Agency, if any	Executing Agency, if any	Value (in Rs.Lakhs)	Time line
					----- HOD(CSR)
To: The Members of the BSC – CSR & Sustainability					

** These are the changes incorporated in the policy document with respect to the New Guidelines issued by the Department of Public enterprises on 21st October 2014. However in an event of conflict between the CSR Rules and guidelines issued by DPE, the CSR Rules and the Companies Act shall prevail.

CSR Activities 2019-20		
Sl no	Activity	Budget allocation for 2019-20
Rs. in lakhs		
Sch. VII Sl. i	Eradicating Hunger, Poverty and Malnutrition, Promoting Preventive Health care and Sanitation and making available Safe drinking Water including contribution to the Swach Bharat Koshset-up by the Central Government for the promotion of sanitation. <i>(Supply of drinking water, Installation of water purifiers, Rehabilitating Children with hearing impairment by Cochlear implantation, Providing artificial limbs and assistive devices to disable persons, Organising screening for early detection of cancer, Medical Camps, Cataract surgeries to BPL Patients, Swachh Bharat projects including maintenance of toilets constructed under Swachh Vidyalaya, contribution to Swachh Bharath Kosh etc.)</i>	117.96
Sch. VII Sl. ii	Promoting Education including special Education and Employment enhancing Vocation Skills especially among Children, Women, elderly, and the differently abled and Livelihood enhancement Projects <i>(Support for Education to children belonging to BPL families, Providing therapy and education to the Differently abled children , Providing Breakfast to School Children belonging to BPL families, Infrastructural Support to Akshaya patra Foundation for Mid-day meal scheme in Govt. Schools, Total Literacy program in peripheral villages, providing furniture & other amenities to Govt. Schools, primary education to slum area children, Vocational training & other Skill Development Programmes etc.)</i>	503.09
Sch. VII Sl. 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 & Economically backward groups: <i>(Adopting destitute. abandoned senior citizens by providing food, shelter, cloth and medical care, Setting up of Senior citizen care home at Ukkunagaram, Installation of Community CCTV surveillance system in surrounding areas of the Plant at Visakhapatnam, Activities concerning societal and community needs in & around VSP and the neighbouring districts etc.)</i>	128.50
Sch. VII Sl. 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 for rejuvenation of river Ganga. <i>(Raising and maintenence of block & avenue plantations under Green Visakha Project)</i>	23.69
Sch. VII Sl. viii	Training to promote rural sports nationally recognized sports and Olympic sports <i>(Promoting Sports for Special Children)</i>	5.00
Sch. VII Sl. X	Rural Development Projects <i>(Construction of Community halls , Laying of Roads & drains , Restoration activities in Cyclone 'Titli' affected areas of Srikakulam District and other developmental works in Rural areas)</i>	34.70
	Non project work like need Survey/Impact survey etc. and other committed projects during the year on various focus areas in line with the Companies Act-2013 in the Plant/Mines/FWP areas and other areas	197.06
	Total	1010.00