

Corporate Social Responsibility (CSR) Policy of Bharat Petroleum Corporation Limited

Bharat Petroleum Corporation Limited is a leading organization committed to society through its Corporate Social Responsibility initiatives across the country. Being a leading organization, we recognize our responsibility towards the community and have been working conscientiously for the betterment of weaker sections of society for years. It is our constant endeavour to maximize the positive impacts of our activities and ensuring that it reaches to all our stakeholders.

CSR Vision

"Be a Model Corporate Entity with Social Responsibility committed to Energizing Lives through Sustainable Development".

CSR Mission

- BPCL would have created a 'positive impact' around all the communities where we operate.
- Would have transformed around 150 villages from 'water scarce to water positive'.
- Would have impacted towards enablement of education of more than 10 lakh children.
- Would have created a resource of 'Expert Panel' on issues pertaining to our thrust areas.
- Employee volunteering would be a part of our Corporate culture & we would have a minimum 10 % of our employees volunteer in the next five years.

CSR Policy

With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs.1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act.

BPCL's CSR Policy as approved by the Board as per the new Companies Act 2013 (in brief) is:-

- In every financial year, at least 2% of average net profits of the company made during the three immediately preceding financial years will be earmarked for undertaking CSR activities.
- The CSR Committee of the Board consists of three directors and headed by an external director, which is the approving committee for all CSR projects.

Constitution of the CSR Committee of the Board:-

- External Director (As the Chairman of the Committee)
- Director (HR)

- Director (Finance)

Schedule VII of the new Companies Act 2013 has given a list of ten activities under which CSR activities may be taken up. Within these ten activities, BPCL takes up CSR projects largely in the 5 core thrust areas of :-

- Education
- Water Conservation
- Skill Development
- Health/Hygiene and
- Community Development.

BPCL has the following three tier system in place for executing CSR projects : -

- CSR projects being undertaken for stakeholders in the value chain of our business
- The CSR projects are largely executed in and around our Business Units mainly in the above mentioned thrust areas.
- Furthermore, certain initiatives are carried out in rural or tribal areas for backward, underprivileged, SC / ST/ OBC population as well. These are with the sole intention of nation building.

Earmark upto 5 % of total CSR budget each year for capacity building of employees as well as CSR implementation partners through institutions with well established track record of at least three financial years.

The CSR expenditure shall include contribution to corpus (as the case may be), subject to approvals.

Execution of CSR Projects

- For execution of CSR programs/ projects/ activities the agency must be a registered society, trust, company or any specialized agency having minimum three years of experience post registration in handling activities of similar nature.
- For empanelling such organizations, there is a due diligence process in place
- A third party assessment of projects is also carried out.

Monitoring

- Monitoring of projects is an ongoing process by CSR executives as well as officers from various SBU's/ Entities.
- The CSR Appraisal committee & CSR Committee of the Board review the progress from time to time