

# MTNL CSR POLICY

## Chapter 1

### 1. Concept:

- **SHORT TITLE & APPLICABILITY:**

**1.1.1.** This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanisms for undertaking socially useful programmes for Welfare & Sustainable development of the community at large, is titled as the "MTNL CSR Policy".

**1.1.2.** This policy shall apply to all CSR initiatives and activities taken up at MTNL CO/Delhi/Mumbai unit, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

- **CSR VISION STATEMENT & OBJECTIVE:**

**1.1.1.** Telecom services are recognized world-over as an important tool for the socio-economic development of a nation. It is one of the prime support services essential for rapid growth and modernization of various sectors of the economy. In India too, telecommunication sector has revolutionized the way we communicate and share information.

The Telecom industry globally is cognizant of the fact that it needs to lighten its carbon footprint. and, in Indian telecom sector, MTNL is leading the search for green options.

As part of socially responsible company, MTNL has and continues to adopt policies, and business strategies to effectively integrate emerging environmental, social and economic considerations.

Whether it's through conserving energy, recycling, or finding innovative solutions to environmental and social challenges, MTNL is committed to being a respectful, responsible and positive influence on the environment and the society in which we operate. Efficient power management, infrastructure sharing, use of eco-friendly renewable energy sources, leveraging the latest technology to reach out to a large audience in most energy efficient manner such as video and teleconferencing, smart logistics, etc. are some of the best practices in our network infrastructure and day-to-day business operations, to ensure a clean and green environment.

### **1..2. The objective of the MTNL CSR Policy is to:**

- Ensure an increased commitment at all levels in the organizations, 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 programmes that benefit the communities in and around its work centres 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 MTNL and help reinforce a positive & socially responsible image of MTNL as a corporate entity.

## Chapter 2

### 2. RESOURCES

#### 2.1. Funding & Allocation:

**2.1.1** MTNL shall spend in every financial year at least 2% of the average net profits [as calculated under Companies (CSR Policy) rules, 2014] of the previous three year for CSR activities. If MTNL fails to spend such amount, then Board shall in its report specify the reasons for not spending the same. Any surplus amount out of the CSR project or programs or activities shall not form part of the business profit of a Company.

**2.1.2.** From the Annual CSR Budget allocation, a provision will be made towards the following expenditure heads, on a year on year basis:

#### **2.1.2(a). Contribution towards corpus of MTNL Education & Charitable Trusts.**

MTNL may create its Education & Charitable Trust and will earmark such sum of money as contribution towards the corpus as decided by the Board from time to time. This Education and Charitable Trust will be constituted for awarding scholarships to meritorious and needy students and for grant of awards to the top ranking performers in select National competitive examinations as decided by the Trust.

#### **2.1.2.(b). Contribution towards Natural Calamities or Disasters.**

MTNL may allocate such sum as decided by the Board towards its CSR budget each year that will be used for rendering/contributing in the event of natural calamities or

disasters affecting the communities in & around the areas where MTNL has its operations.

Any unutilized amount under the annual allocation against this head will be carried forward to the next year, exclusively for this purpose, upto a maximum accumulation of Rs..... (amount to be decided by the Board/CSR Committee).

Expenditure for extending immediate relief in cases of natural calamities can be approved by CMD up to a ceiling of Rs..... (to be decided by the Board/CSR Committee).

**2.1.2.(c). From the annual CSR Budget allocation, MTNL may also incur expenditure on the following identified areas mentioned in Schedule vii of the Companies Act 2013 and DPE guideline (OM no.15 (7)/2012- DPE (GM)- GL-104 dated the 12<sup>th</sup> April, 2013).**

- As per DPE guidelines, priority should be accorded to activities pertaining to:
  - i) Inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country, and
  - ii) Environment sustainability.  
Hence, it will be mandatory for all CPSEs to select one project in each of the two categories of CSR and sustainability activities mentioned above .
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 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, MTNL can also take up projects for water, waste or energy

management, promotion of renewable sources of energy, biodiversity conservation, etc. Projects for reduction, re-use and recycle of waste materials, rain-water harvesting and replenishing the ground water supply, protection, conservation and restoration of eco-system, reduction of carbon emissions through energy efficient and renewable energy technologies, greening the supply chain, and innovation in products and services which have a clear and tangible impact on environmental sustainability.

- Protection of national heritage, art and culture including restoration of buildings and cities of historical importance and work of art.
- Measures for the benefits of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.
- Inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country.

**2.1.2.(d). Need Identification, Impact Assessment and Sponsorship of CSR events/publications:**

% of expenditure is (to be decided by the Board) of the annual CSR Budget will be earmarked towards cumulative expenditure on Need Identification, Impact Assessment Studies as well as towards Sponsorship of CSR events/publications.

## Chapter 3

### 3. PLANNING

#### 3.1. Identification of Thrust Areas And Strategic Initiatives:

**3.1.1.** For purposes of focusing its CSR efforts in a continued and effective manner, the following Thrust Areas have been identified:

- i. Environment Protection/Horticulture
- ii. Infrastructure Development
- iii. Community Development
- iv. Education/Literacy Enhancement
- v. Skill Development/Empowerment
- vi. Drinking Water/Sanitation
- vii. Health Care/Medical Facility

3.1.2. As a guideline for the MTNL CO/Delhi/Mumbai unit to distribute their annual CSR expenditure amongst the 7 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 or discussions with local government/bodies/citizen's forums/NGOs.

<b>Sr.No.</b>	<b>Thrust Areas</b>	<b>% allocation</b>
<b>1</b>	Environment Protection/ Horticulture	
<b>2</b>	Infrastructure i.e. Building/ roads/ Electrification/ Street lighting	
<b>3</b>	Drinking water/ Sanitation	

<b>4</b>	Healthcare/ Medical Facility	
<b>5</b>	Community Development	
<b>6</b>	Education/ Literacy Enhancement	
<b>7</b>	Skill Development/ Empowerment	

(Allocation will be decided by the CSR Committee of the Board).

3.1.3. Considering the fact that as MTNL is a Navratna Telecom PSU operating in Delhi & Mumbai Circle efforts should be made, that to the extent feasible, Strategic CSR initiatives are undertaken in the areas that align to its business operations, such as the following:

3.1.3.1. Support Technical Institute for conducting Training, skill development and other capacity building activities.

3.1.3.2. Support to research in sustainable development, e.g. Environment Preservation/pollution control/Carbon Reduction Technology etc.

3.1.3.3. Waste & Plastic Management initiatives.

3.1.4. For contributing towards the cause of Environment Protection, MTNL will support the 3 UN Global Compact Principles pertaining to the Environment as below:

3.1.4.1. Support a precautionary approach to environmental challenges;

3.1.4.2. Undertake initiatives to promote greater environmental responsibility;

3.1.4.3. Encourage the development and diffusion of environmentally friendly technologies.

3.1.5. MTNL will dovetail its CSR activities in a manner that it facilitates the fulfillment of the National Plan Goals and objectives, as well as the Millennium Development Goals

so as to ensure gender sensitivity, skill enhancement, entrepreneurship development and employment generation by co-creating value with local institutions/people. Activities related to Sustainable Development will form a significant element of the total initiatives of CSR.

- 3.1.6. For “Preparedness and Capacity Building” in Disaster Management (DM), MTNL CSR will take up innovative social investments in the community/specific programmes, through Public-Private Partnership with the Government, by networking with the Ministries in Government of India/NDMA at the National level and State Governments/ SDMAs at the State level.

## **Chapter 4**

### **4. IMPLEMENTATION:**

- 4.1. CSR programmes will be undertaken by MTNLCO/Delhi/Mumbai unit of MTNL to the best possible extent within the defined ambit of the identified ‘Thrust Areas’.
- 4.2. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- 4.3. Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as ‘flagship programmes’ and accorded enhanced significance.
- 4.4. By and large, it may be ensured that at least 60% of the CSR programmes are executed in and around the areas of Delhi & Mumbai.
- 4.5. Initiatives of State Governments, District Administration, Local Administration as well as Central Government and synergized with the initiatives taken by MTNL.



4.6. Project activities identified under CSR are to be implemented by specialized agencies, which could include - Voluntary organizations (VOs) formal or informal Elected local bodies such as Panchayats, Institutes/Academic Institutions, Trusts, Self Help Groups, Govt/semi Govt./Autonomous organizations, Mahila Mandals, Professional Consultancy organization etc.

4.7. The process for implementation of CSR programmes will involve the following steps:

4.7.1. Identification of programmes at Corporate and unit level will be done by means of the following:

- (a) Need identification Studies by professional institutions/agencies.
- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from District Administration/local Govt. etc.
- (d) Discussions and request with local representatives/Civic bodies/citizen's forums/VOs.

4.7.2. Area of CSR activities: CSR works being focused in the areas in and around Delhi & Mumbai units. The programmes identified should normally fall within a radius of 50-100 kms. from MTNL installations/ work centres.

4.7.3. Project based approach: MTNL will follow a project based accountability approach to stress on the long term sustainability of CSR projects, where its action plan will be distinguished as 'Short-term'; Middle-term & Long term; qualified as:

Short Term – 6 months to 1 year

Medium Term - 1 year to 2 years

Long Term – 2 year and above – 'Flagship Programmes'

4.7.4. While identifying long term programmes, all efforts must be made to the extent possible 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 of milestones of the programme will need to be prescribed.
- d. Responsibilities and authorities.
- e. Major results expected and measurable outcome.

#### **4.8 Powers for approval**

**4.8.1.** CSR programmes as may be identified by MTNL CO/Delhi/Mumbai units. will be required to be put up to the CSR Committee of the Board at the beginning of each financial year

**4.8.2.** For meeting the requirements arising out of immediate & urgent situations, CMD is authorized to approve proposals in terms of the empowerment accorded to him by CSR Committee

#### **4.9 Executing agency/ partners:**

**4.9.1.** MTNL 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. These works would be done through:

- i) Community based organizations whether formal or informal.
- ii) Elected local bodies such as Panchayats.
- iii) Voluntary Agencies (NGOs).
- iv) Institutes/ Academic Organizations.
- v) Trusts, Missions.
- vi) Self – help Groups.

- vii) Government, Semi-Government and autonomous Organizations.
- viii) Standing Conferences of Public Enterprises (SCOPE).
- ix) Mahila Mandals/Samitis.
- x) Contracted agencies for civil works.
- xi) Professional Consultancy Organization.

#### **4.10. Criterion for identifying Executing agency:**

**4.10.1.** While identifying programmes the concerned MTNL will also identify the external agency who would execute the said programme .

#### **4.11. Agreement between MTNL & Executing agency:**

**4.11.1.** Once the programmes approved by the CSR Committee of the Board are communicated to the MTNL CO/Delhi/Mumbai unit, they will be required to enter into an agreement with each of the executing/ implementing agency as per the Standard Model Agreement.

### **Chapter 5**

## **5. MONITORING AND FEEDBACK**

- 5.1.** To ensure effective implementation of the CSR programmes undertaken by MTNL CO/ Delhi/ Mumbai, a monitoring mechanism will be put in place. The progress of CSR programmes under implementation will be reported to corporate office on a quarterly/monthly basis.
- 5.2.** 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.

- 5.3.** CO/Delhi/Mumbai unit and zonal office will also try to obtain feedback from beneficiaries about the programmes.
- 5.4.** Appropriate documentation of the MTNL 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.
- 5.5.** CSR initiatives of the Company will also be reported in the Annual Report of the company.

## **Chapter 6**

### **6. GENERAL**

- 6.1.** In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee of the BoARd. In all matters, the interpretation & decision of the CMD shall be final.
- 6.2.** 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.
- 6.3.** The Company reserves the right to modify, cancel, add, or amend any of these Rules.