

HINDUSTAN PAPER CORPORATION LIMITED
KOLKATA

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1.0 Introduction

Hindustan Paper Corporation Limited (HPC) a Public Sector Undertaking under the administrative jurisdiction of the Department of Heavy Industries, Ministry of HI&PE, Government of India was set up on 29th May, 1970 with a motive to produce cultural varieties of paper and newsprint.

HPC has two units namely, Nagaon Paper Mill (NPM), Kagajnaragar & Cachher Paper Mill (CPM), Panchgram in Assam, which are directly under its control and two subsidiaries namely, Hindustan Newsprint Limited (HNL), Kerala & Nagaland Pulp & Paper Company Limited (NPPC), Nagaland.

Blending passion for corporate performance with compassion for communities is central to HPC's corporate philosophy of peripheral area development and community development. Preparing, empowering and inspiring communities in the locational periphery of Mills for attaining long-term sustenance through voluntary social actions covering micro-enterprises, self-help groups etc. and regarding the community as a major stakeholder and accordingly identifying their needs and addressing their concern areas has ensured a better quality of life. HPC has been playing a dominant role in the Socio-economic development of the North-East Region and recognizes that, its business activities have direct and indirect impact on the society. The company strives to integrate its business values and operations in an ethical manner to demonstrate its commitment to sustainable development.

2.0 Objectives of CSR Policy:

- 2.1** The objective of the CSR Policy is to help enrich the quality of life of the community of the nearby areas of Mills.
- 2.2** Create a positive impact by making sustainable developments in the society and promote good environmental practices.
- 2.3** To be responsible and responsive corporate citizen through endeavors to create a safe, harmonious and ecologically balanced environment for its members and the community at large.
- 2.4** To maintain commitment to quality, health and safety in every aspect of the business and people.
- 2.5** To promote equality of opportunity and diversity of workforce through its business operations.

3.0 Activities by HPC

Some of the activities initiated by HPC are as under:

- a) Education
- b) Women empowerment
- c) Flood Relief
- d) Sports promotion
- e) Employment generation
- f) Infrastructure development
- g) Health care and Family Welfare

3.1 Education

3.1.1 Expansion of education is an important area of community development. Supporting to the educational institutions by:

- a) constructing and renovating buildings for schools and colleges
- b) providing furniture, lab equipments, computers, exercise books, etc.
- c) conducting the vocational training programmes
- d) presenting awards to meritorious students to encourage the education
- e) provision for drinking water

3.2 Women Empowerment

3.2.1 As women empowerment plays a greater role in the development of the community, creativity, skill acquisition and income generating avenues within the vicinity of the operating units by setting up handloom weaving centers in economically backward tribal community for self employment.

3.3 Flood Relief

3.3.1 Floods are chronic and intractable problems in Assam. It causes immense damage to property including the infrastructure of surface transport and communication network and render people homeless. Suitable assistance to the needy by providing -

- a) flood relief to the nearby affected villages in the form of cloth and food grains
- b) contribution to Chief Minister's and Prime Minister's relief funds
- c) setting up of community kitchens

3.4 Sports Promotion

3.4.1 Financial assistance to various sports organizations for conducting games like Football, Badminton, Tennis, Taekwondo etc. which is very popular in the state of Assam.

3.5 Employment Generation

3.5.1 Conducting entrepreneurship incubation programmes for the local unemployed youth by sponsoring them for entrepreneurship development training and encouraging them to start ancillary units. Introduction of Farm Forestry scheme to encourage the local youths and the villagers to cultivate and supply bamboo to the Mill to promote self-employment and income-generation.

3.5.2 Operation & maintenance of state-of-the-art Bamboo Tissue Culture Laboratory, the first of its kind in North-East for mass production of quick growing, high yielding, disease resistance quality bamboo plantlet to distribute and promote bamboo plantation through NGOs, Self Help Group, etc at free of charge/subsidized rate.

3.6 Infrastructure Development

3.6.1 The following infrastructure development activities for developing the local villages by:

- a) providing safe drinking water
- b) construction of tube wells in around the villages of the company
- c) construction of roads in the adjacent villages
- d) construction of connector roads from far off villages
- e) street lighting

3.7 Health Care and Family Welfare -

3.7.1 To carry out various health care programmes periodically in the nearby villages by:

- a) organising medical camps
- b) general health check up through mobile dispensaries
- c) eye check-up & blood donation camps with the help of external agencies
- d) providing ambulance services
- e) extending special services to the physically handicapped & mentally challenged people.

3.7.2 The locally available resources by proper utilization can propel the NE region to be a hub of vibrant manufacturing and value added downstream activities.

4.0 Budget

4.1 Every year budget for CSR activities shall be as decided by the Board.

4.2 The CSR programmes will be planned according to the budget allocation.

4.3 In exceptional circumstances percentage of budget allocation may be varied with the approval of the Board.

5.0 Funding

5.1 The allocation of funds for CSR projects & activities are given below in the table as suggested by the Govt. of India, DPE.

Hindustan Paper Corporation Limited (HPC) (A Govt. of India Enterprise)	Expenditure range for CSR in a Financial Year
Net Profit (Previous Year)	(% of Profit)
i) Less than Rs. 100 Crore	3% - 5%
ii) Rs. 100 Crore to Rs. 500 Crore	2% - 3% (subject to a minimum of Rs. 3 Cr)
iii) Rs. 500 Crore and above	0.5% - 2%

5.2 If there is any loss during any financial year, it is not mandatory to spend any amount on CSR activities next year.

5.3 The CSR Budget should be fixed for each financial year. This funding will not lapse. It will be transferred to a “CSR Fund”, which will accumulate- as in the case of non-lapsable pool for the North East.

6.0 Organizational/Implementation Mechanism

6.1 Heads of Human Resources department of CHQ/Mills nominated by CMD will deal with all activities related to CSR. Consultants with required competency and experience shall also be hired from time to time for identified projects to be in-charge of implementation of the projects.

6.2 HPC may take up the projects directly or through any of the reputed NGOs or any other agency/respective district authorities as may be decided with the approval of CMD.

6.3 The CSR advisory committee constituted by BoD, which consists of one Functional Director, one of the General Managers and such other officers of HPC, outside experts, representatives of SC/ST/Women & other stake holders. The role of the committee shall be to periodically monitor the specific CSR projects.

7.0 Audit

7.1 All CSR activities and expenses made thereon will be subject to audit by the Company's Auditors.

8.0 General

8.1 All administrative expenses including expenditure on wages & salaries, tours and travels, training & development of personnel deputed on CSR activities would be borne from CSR funds.

8.2 The competent authority shall take decision on sanctioning works/allocation of funds for CSR and appointing authorized agencies for implementing Projects/Activities shall be as specified in the delegation of powers approved by the Board.

8.3 If it is observed that any CSR activity taken up for implementation is found not properly implemented, HPC at its discretion may discontinue funding the project at any time during the course of implementation.

8.4 On advice of CSR Advisory Committee selected project may be taken up for evaluation through an outside Agency.

8.5 CMD shall be empowered to amend or modify this policy and such changes shall be placed before the Board for Approval.
