2.1 Introduction
These days major Companies are facing ever-growing demands to develop policies on non-financial issues. Once a corporate HSE Policy might have been sufficient in this respect. In recent years – particularly for firms investing in developing countries – pressure has been mounting to develop positions also on social issues, such as human rights, labour standards, conflicts and corruptions.

The pressure comes from a number of sources. Companies are being encouraged to sign up to any number of initiatives, requirements, codes and guidelines on ethical behavior in which social and human rights issues feature prominently. These include the GRI, FTSE4 Good and the Global Compact. There are also regulatory pressures – such as recent UK legislation making bribery of foreign public officials a criminal offence. And perhaps the biggest driver is the string of controversies in recent years in which high-profile firms have been accused – fairly or unfairly – of complicity in rights abuses or of involvements in developing countries such as Nigeria, Indonesia, China and Angola. The fear of bad headlines motivates management action probably more any other factor.

The Corporate social Responsibility (CSR) Policies were studied in three broad divisions, i.e., Global level, regional level, national level and in the individual companies. Apart from it, various CSR & CSP Models were taken care for the study. Analysis were done in the context that what kind of CSR practices were followed by the individual companies in the context of global, regional and national rules and regulations because maximum public sector undertakings operating in the field of oil and gas sector is operating globally. How they are implementing different law or rules and regulations in their day to day operations in discharging their social responsibility.

2.2 Global CSR Instrument
UN: The Global Compact, 2004
[UN Secretary-General Kofi Annan first proposed the Global Compact (Source: www.unglobalcompact.org/portal) in an address to the World Economic Forum during 1999, and Principles 10 was added in 2004. The Compact is derived from leading
intergovernmental instruments and therefore enjoys universal consensus. Each principle is accompanied by an explanatory commentary which suggest practical implementation measures. The Compact is administered by a network of organizations: the Global Compact Office, six UN agencies (OHCHR, UNEP, ILO, UNDP, UNIDO and UNODC) and approximately 2000 companies and other stakeholders. Companies commit in writing to publicly promoting the Compact and completing a ‘Communication on Progress’ which describes how the principles are reflected on commercial operations.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human right, labour standards, the environment, and anti-corruption.

**Human Rights**

Principle 1: Businesses should support and respect protection in internationally proclaimed human rights.

Principle 2: make sure that they are not complicit in human rights abuses.

**Labour Standards**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: the elimination of all forms of forced and compulsory labour.

Principle 5: the effective abolition of child labour.


**The Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: undertake initiatives to promote greater environmental responsibility.

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.
2.3 Regional CSR Instrument

European Parliament: Resolution on EU Standards for European Enterprises operating in Developing Countries: towards a European Code of Conduct, 1999

[The extracts below are derived from the ‘Report on European Union standards for European Enterprises in developing countries: towards a European Code of Conduct’ by Rapporteur Richard Howitt on behalf of the European Parliament Committee on Development and Cooperation, 17 December 1998, European Parliament Document Reference PE 228.198/DEF. The Explanatory Statement to the Resolution (A4-0508/98 (1999), OJEC C104/180) observes that the European Parliament ‘has consistently supported the need to develop and monitor codes conduct for the corporate sector’, particularly in the context of human rights (1996), foreign direct investment within third states (1997) and fair trade (1998). It supports PVIs provided that they reflect internationally agreed minimum standards and are accompanied by appropriate monitoring systems.]

Codes of Conduct:

1. Welcomes and encourages voluntary initiatives by business and industry, trade unions and coalitions of NGOs to promote codes of conduct, with effective and independent monitoring and verification, and stakeholders participation in the development, implementation and monitoring of Codes of Conduct; emphasizes, however, that codes of conduct cannot replace or set aside national or international rules or the jurisdiction of governments; considered that codes of conduct must not be used as instruments for putting MNEs beyond the scope of governmental and judicial scrutiny;

2. Stresses that the content of code, the process by which it is determined and implemented, must involve those in developing countries who are covered by it;

3. Believes that special attention must be paid to implementing codes in respects of workers in the informal sector, sub-contractors and in free trade zones, notably concerning recognition of the right to form independent trade unions; and against corporate collusion in violations of human rights;

4. Believes that a code should recognize the responsibilities of companies operating in conflict situation by ensuring that a Code covers the Amnesty International Human
Rights Principles for Companies, Human Rights Watch recommendations to companies, and the UN Code of Conduct for Law Enforcement Officials;

5. Stresses that Indigenous people and their communities should benefit from such codes of conduct recognizing their important role for sustainable development;

6. Welcomes the fact that in the present context of globalization of trade flows and communications as well as of increased vigilance of NGOs and consumer associations, it seems to be increasingly in the own interest of multinational undertakings to adopt and implement voluntary codes of conduct, if they want to avoid negative publicity campaigns, sometimes leading to boycotts, public relation costs and consumer complaints;

7. Considers that enterprises should contribute economically to the development process in the affected areas, but they should not be allowed to implement social or economic projects, which should be the responsibility of the state;

8. Recommended that an ‘evolutionary approach’ be weighted towards a continuous and gradual improvement of standards; takes the view that this must reflect the enterprises’ own obligations to make improvements;

**European Enforcement Mechanism**

9. Reiterates its request to the Commission and the Council to make proposals, as a matter of urgency, to develop the right legal basis for establishing a European multilateral framework governing companies’ operations worldwide and organize for this purpose consultations with those groups of society who would be covered by the code;

10. Recommends, that a model Code of Conduct for European Businesses should comprise existing Minimum Applicable international standards:
    
    i. The ILO Tripartite Declaration of Principles concerning MNEs and Social Policy and
    ii. The OECD Guidelines for MNEs;
    iii. In the field of labour right: the ILO core Conventions;
    iv. In the field of human right: the UN Decleration and different Covenants on Human Rights;
v. In the field of minority and indigenous peoples’ rights: ILO Convention no. 169, chapter 26 of Agenda 21, 1994 Draft UN Declaration on the Rights of Indigenous Peoples, UN Declarations on the Elimination of All Forms of Racial discrimination;

vi. In the field of environmental standards: UN Convention on Biological Diversity, the Rio Declaration and the European Commission proposal for the development of code of conduct for European logging companies (COM(89)0410);


viii. In the field of corruptions: the OECD anti-bribery convention and the European Commission communication on legislative measures against corruption (COM(97) 0192/FIN);

11. Calls Commission to study the possibility of setting up a European Monitoring Platform (EMP), (Already proposed by some trade associations) in close collaboration with the social partners, NGOs from North and South and representatives of indigenous and local communities; with the purpose of granting workers and the local population in host countries anywhere in the world some form of protection from oppression, abuse and exploitation and aim for socially and environmentally sustainable operations in countries where national laws are inadequate or not enforced and international laws and conventions not ratified;

12. Recommended that an EMP would consist of independent experts and a board of representatives from European business, international trade unions, and international environmental and human rights organizations; believes that an independent monitoring and verification body could only prove useful if it highly skilled, if it has appropriate procedures and, above all, if it is widely accepted as being objective and impartial;

13. Recommends that business and industry provide dissemination of information of their voluntary initiatives and conduct to the EMP so that their compliance with a European Code of conduct, internationals standards and private voluntary code of practice (if adopted) could be properly assessed;
14. Recommends that the EMP promote dialogue on standards met by European enterprises, the identification of best practice, together with being open to receive complaints about corporate conduct from community and/or workers’ representatives and the private sector in the host country, NGOs or consumer organizations, from individual victims or from any other source;

**Other Actions at the European Level**

24. Request the European Council confirm the interpretation in the 1968 Brussels Convention that, for cases of basic duty of care, legal action may be taken against a company in the EU country where its registered office is, in respect of any third country throughout the world, and calls on the Commission to study the possibility of enacting legislation, which open European Court to lawsuits involving damage done by MNEs, that creating a precedence for developing customery international law in the field of corporate abuse;

25. Calls on the Commission to ensure that consideration is given, with an appropriate legal base, to incorporating core labour, environmental and human rights international standards when reviewing European company law including the new EU Directive on a European-incorporated company, together with reporting requirements on social and environmental performance; further calls for an appropriate consultation process with the social partners and NGOs on such a process;

26. Calls on the Commission to bring forward proposals for a system of incentives for companies complying with international standards developed in close consultation and cooperation with consumer groups and human rights and environmental NGOs – such as in procurement, fiscal incentives, access to EU financial assistance and publication in the Official Journal;

**Actions within International Institutions**

28. Strongly recommends that in connection with negotiations on investment agreements which could be concluded in either the OECD or the WTO, the European Union not only contributes to establishing the legitimate rights of European enterprises, but also their duties in the field of environment, labour and human rights; strongly supports a mechanism for systematic monitoring of MNEs and for individual complaint against them to be incorporated in such an agreement.
The OECD Guidelines for Multinational Enterprises

General Policies

Enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard, enterprises should:

1. Contribute to economic, social and environmental progress with a view to achieving sustainable development.
2. Respect the human rights of those affected by their activities consistent with the host government’s international obligations and commitments.
3. Encourage local capacity building through close co-operation with the local community, including business interests, as well as developing the enterprise’s activities in domestic and foreign markets, consistent with the need for sound commercial practice.
4. Encourage human capital formation, in particular by creating employment opportunities and facilitating training opportunities for employees.
5. Refrain from seeking or accepting exemptions not contemplated in the statutory or regulatory framework related to environmental, health, safety, labour, taxation, financial incentives, or other issues.
6. Support and uphold good corporate governance principles and develop and apply good corporate governance practices.
7. Develop and apply effective self-regulatory practices and management system that foster a relationship of confidence and mutual trust between enterprises and the societies in which they operate.
8. Promote employee awareness of, and compliance with, company policies through appropriate dissemination of these policies, including through training programmes.
9. Refrain from discriminatory or disciplinary action against employees who make bona fide reports to management or, as appropriate, to the competent public authorities, on practices that contravene the law, the Guideline or the enterprise’s policies.
10. Encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of corporate conduct compatible with the Guidelines.
11. Abstain from any improper involvement in local political activities.
2.4 National (India) CSR Instrument and Law

Asian firms often lag behind their Western counterparts on CSR practices (KPMG, 2005). However, advent of liberalization and globalization, entry of MNCs in Asian markets, rising consumer expectations towards business, and emergence of pressure groups have made the case of CSR stronger in Asian countries including India. Till date there is not any specific law for CSR in India. SEBI has introduced the revised clause of 49 of the listing agreement in India. These voluntary code and ethics include the release of structured CSR policies by the corporate houses. Keeping this in mind Ministry of Public Sector Enterprises came with a guideline for Public Sector Enterprises which are mention below:

2.4.1 Guidelines on corporate social responsibility for Central Public Sector Enterprises

A meeting of the committee of secretaries, under the Chairmanship of Cabinet Secretary, was held on 15th December, 2009 at 3:30 p.m. in the Committee Room, Cabinet Secretariat, Rashtrapati Bhawan, on the subject mentioned above.

Initiating the discussion, secretary D/o Public Enterprises (DPE) briefly recapitulated the background on the subject matter. He informed that based on the recommendations of Committee of Public Undertakings, DPE has issued Guidelines in November, 1994 advising CPSEs to identify and implement social responsibilities keeping in view their financial ability to sustain such activities, operating environment, etc. Therefore, while considering note on DPE on corporate Governance for CPSEs in February, 2007, CoS directed DPE to bring out guidelines on Corporate Social Responsibility (CSR). Accordingly, after a detailed consultative process involving various consultative process involving various stakeholders, the draft guideline on CSR for CPSEs have been formulated, which are being placed before the CoS for consideration.

Thereafter, Secretary, DPE, made a presentation highlighting the basic features of the guidelines on CSR which are as given below:

a. CSR, in the present context, means not only investment of funds for social activities but also integration of business processes with social processes. With changing
corporate environment having more functional autonomy, operational freedom etc. the CPSEs are required to adopt CSR as a strategic tool for sustainable growth.

b. CSR obligation extends beyond the statutory requirement to comply with legislation and requires organizations voluntarily taking further steps to improve the quality of life for the local community and society at large. An enterprise needs to address the concerns of the society in which the enterprise is operating by identifying viable projects to meet its requirement.

c. To overarching concept behind the proposed guidelines is that CPSEs may approach CSR as a professional management process with a long term strategy integrating it with corporate strategies. CSR activities may be planned much like the business plan and in parallel to the business plan, looking at every possible opportunity to link and integrate business plans with the social and environmental concerns available. A long-term CSR Plan should also be broken down into short-term and medium-term plans, specifying activities to be undertaken, budgets allocated, responsibilities and authorities defined, and measurable results expected.

d. The CSR plan must clarify implementation guidelines involving participation of Voluntary Organizations and Community Based Organizations, monitoring & evaluation of the activities to ascertain the outcomes and documentation of the experience indicating lessons learnt for future.

e. CSR assistance should be mostly project based rather than donation, so as to generate community goodwill, create social impact and visibility. Emphasis should be on principles of Sustainable Development, based on the immediate and long-term social and environmental consequences of the activities undertaken; and improvement of the existing ecological conditions. CSR should ensure skill enhancement and employment generation by co-creating value with local institutions and people.

f. Initiatives of State Governments as well as Central Government Departments/Agencies could be dovetailed/ synergized with CSR activities. Any duplication of CSR activities by the CPSEs, the State Governments and local level Programmes should be avoided.

g. The CSR budget may be through a Board Resolution as a percentage of net profit of previous financial year in the following manner – (i) less than Rs. 100 Crore: 3 % - 5% (ii) 100 Crore to Rs. 500 Crore: 2% - 3% (iii) 500 Crore and above: 0.5% - 2%.
The CSR Budget would not lapse but would accumulate by transferring unspent funds to a CSR Fund. In case CPSEs have different profit Centers like Factories/Plant locations, they may be allocated separate CSR budgets to be spent by them under the Annual CSR Budget allocations.

h. The CPSE should bring a separate paragraph/chapter in the Annual Report on the implementation of CSR activities/projects, including the facts relating to physical and financial progress. The Board of CPSEs should discuss the implementation of CSR activities in their Board meetings. The implementation of CSR guidelines may from a part of the Memorandum of Understanding (MoU) to be signed between CPSE and the Government. It was informed by DPE that in MoU Guidelines for 2010-11, 5% mark have been given to assess the performance of CPSEs under CSR.

i. The CSR project should be evaluated by an independent external agency. This evaluation should be both concurrent and final. Impacts made may be quantified to the best possible extent with reference to base line data, which need to be created by the CPSEs before the start of any project.

Some concerns were initially expressed regarding substantial enhancement in the expenditure level for CSR, in view of the stipulation of up to 2% of net profit in the last financial year is much higher than Rs. 500 crore. However, it was felt that enhancement in CSR budget would ultimately benefit the community, increasing scope for more developmental work to be taken up for the welfare of the society. Also, it was pointed out by the representative of M/o Petroleum & Natural Gas that their Ministry has already issued order for the oil companies to spend 2% of their net profit of last year on CSR, to carry forward unspent CSR budget to the next financial year and to include assessment of their performance on CSR as one of the parameters in the MoU to be signed by them with the Ministry. Taking note of these developments, it was felt by the committee not to make any changes in the slabs proposed in the guidelines for fixing the ceiling limit of CSR budget for CPSEs. It was however, noted that certain activities which are presently being done for the benefit of the community at large by CPSEs are perhaps not being accounted against CSR activities and the same should be considered while assessing the actual expenditure made by the CPSEs on CSR, so as to restrict CSR budget within the prescribed limits.
In the context of the impact of the higher levels of CSR expenditure now being envisaged, the representative of Ministry of Power (MoP) mentioned that unlike most other sectors, tariff determination in the power sector was done by Central and State regulators. It was, then, decided that MoP would examine, in consultation with the Central Electricity Regulatory Commission, the possibility of including such expenditure in the determination of tariff by Regulatory Commission.

Representative of MoP indicated that some of their companies are operating in financial service sector like Power Finance Corporation, Rural electrification Corporation, etc., and thus their operations are not restricted to any specified geographical area which could define the areas for the CSR activities to be taken up by them. In response, Secretary DPE, informed that such companies have limited area of operations like MTNL, etc., may choose area of operation or field of activities for CSR Projects as decided by their Board/Ministry.

Secretary M/o Social Justice & Empowerment proposed that district administration should be involved in the implementation of CSR activities by CPSEs at the field level, so as to have better impact of CSR activities on the local community. It was indicated that along with employment development, entrepreneurship development should also be included as one of the thrust areas for CSR. the committee accepted both these suggestions.

During discussions, it was clarified that relief and rehabilitation measures to be taken up as a statutory requirement for carrying out business activities of CPSEs may not be considered under CSR in general. However, such measures taken up for the public at large could be considered against CSR on merits on a case to case basis as decided by the CPSE Board/administrative Ministry. It was considered appropriate to have some flexibility with the CPSE’s Board to decide the nature of work/activities to be included in the overall CSR Plan.

After detailed deliberations, the following decisions were taken:

(i) Guideline on CSR as contained in the Annex-B to the note for CoS were approved with following modifications:

a. In para 3.4 regarding “Implementation”, co-ordination with/involvement of District Administration in the CSR projects may be specifically provided.
b. In the “Indicative List of Permissible Activities” at Annex – 3 of the note for CoS, the “Entrepreneurship Development Programme (EDP)” may be added.
c. Certain companies which are operating in financial services sector like Power Finance Corporation, Rural electrification Corporation, etc., or the companies having limited area of operations like MTNL, etc., may choose area of operation or field of activities for CSR projects as decided by their Board/Ministry.
d. Specific Weightage of 5% may be assigned to CSR activities undertaken by a CPSE in the MoU to be signed with the Government/Holding Company.

(ii) MoP may examine, in consultation with the Central Electricity Regulatory Commission, the possibility of including expenditure on CSR activities in the determination of tariff by the Regulatory Commission.

2.4.2 The Companies Bill, 2012

The Lok Shaba of Indian Parliament has passed the Companies Bill 2012 in last winter session of the parliament in the month of December, 2012 and made CSR mandatory for certain category of companies depending on their volume of business or profit. under the bill there some specification regarding financial statements, Board reports, and on corporate social responsibility. Under section 134, subsection 3(a) there should be one directors responsibility report and in subsection 3(o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives during the year.

Apart from it the bill explains the activities which a corporation should undertake under section:

135. (1) Every company having net worth of rupees hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be independent director.

(2) The board’s report under subsection (3) of Section 134 shall disclose the composition of Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall –
(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall –

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company’s website, if any, in such manner as may be prescribe; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of subsection 3 of section 134, specify the reason for not spending the amount.

For the purpose of this section “Average net profit” shall be calculated in accordance with the provisions of section 198. These are the specification made under the companies bill, 2012 for implementing CSR which may be pass in Rajya Shabha of Indian Parliament and may be implemented as law very soon.

The concept of social responsibility among businessman, particularly in India, is not new and can be easily seen in the form of magnificent temples, high mosques, large dharmashalas and great educational institutions. Indian literature is full of incidence when businessmen have gone out of the way to help extract kings and societies out of crisis.
Many Indian businesses are known for staying one step ahead of government, as far as the welfare of employees and society is concerned.

A Consensus among business managers that CSR initiatives, if included in strategic business planning can achieve the desired business goals. A written CSR policy ensures a common understanding amongst board members and define how much and what a company want to achieve that will ensure the effective implementation of its goals. A written CSR policy identifies the responsible person within the organization to take forward the CSR initiative, ensures the allocation of CSR resources, identifies the focus area of CSR initiatives and provides for a mechanism for monitoring, follow up and impact assessment.

2.5 CSR policy of Individual Companies under study
We studied the CSR Policy of five companies under the study. In Tripura it is ONGC, GAIL and TNGCL and in Assam ONGC, IOC and OIL. Companies under the study following the same CSR policy nationwide, there are certain variations when implementing the policy in different regions depending on socio-economic condition of that region. Detail CSR Policy of the above mentioned companies were given below:

2.5.1 CSR Policies of ONGC

CSR Guidelines for Undertaking CSR Projects across ONGC-Work Centers

Background
Corporate Social Responsibility (CSR) activities in Oil and Natural Gas Corporation Limited (ONGC) are currently carried out as per the Corporate Citizenship Policy (CCP) of ONGC, which is in force from July 28th 2006. This policy was modified in the 170th Board meeting held at Agra on August 24th, 2007.

As per instructions of Ministry of Petroleum and Natural Gas (MOP&NG), budget allocated for Corporate Social Responsibility is to be increased from 0.75% of Profit After Tax (PAT – existing till 2008-2009) to 2% (from 2009-2010). MOP&NG has also proposed to include CSR activities to be one of the parameters of MOU from Financial Year 2009-2010 besides review of CSR activities by the Secretary, MOP&NG as part of Quarterly Progress Review Meeting (QPRM).
1. Corporate Social Responsibility
Definition: There is no single, commonly accepted definition of Corporate Social Responsibility. It is pragmatic to follow the US – UK tradition of defining it, which is based on CSR practices and can be defined as:

“Corporate Social Responsibility is, operating a business in a manner which meets or excels the ethical, legal, commercial and public expectations that a society has from business.”

The New CSR Paradigm – From Philanthropy to ‘Stakeholder Participation’
The concept and practice of CSR has seen a fundamental transformation from the charity-oriented / philanthropic approach to the stakeholder oriented approach, where the target group is seen stakeholder in the community, whose well-being is integral to the long term success of the company.

2. CSR – the “Project Approach”
Along with the directive for increased spend, MOP&NG, as part of their review of CSR activities in Oil sector PSU’s, has also brought about the requirement of CSR initiatives, to have perceivable impact over the intended beneficiaries and society, treating CSR spend investment and for ONGC to take CSR projects near our E & P Blocks.

The required thrust on CSR from “Approach, Increased Spend, and Accountability” point of view and evolving practice of ‘Stakeholder Participation model’, it has been decided to shift from the charity oriented / philanthropic approach to the stakeholder-oriented approach.

Adopting “Stakeholder Participation Model” approach needs significant changes in the planning, management and implementation of Corporate Social Responsibility activities. It also necessitates CSR activities to be undertaken on the “Project” concept.

3. Key parameters for a CSR project
Any activity proposed to be taken up as CSR needs to be evaluated as a “CSR Project” and the following minimum key recommended parameters should be considered in the project:

a. Identification of stakeholders (society) and intended beneficiaries of the project.
b. Project details including project timeline.
c. Impact measurement.
d. Benefits accruing to the identified beneficiaries (stakeholders) on account of the project activity. The social benefit arising out of the project needs to be measured.
e. Metrics and methodology to measure the accruing benefits as identified above.
f. Benefit/impact for ONGC (what & measurement thereof) that leads to increased social bottom line and thus to Corporate Social Performance.
g. Role definition of ONGC CSR coordinator in the project activity cycle.

4. Project Proposal
All CSR activities are to be undertaken based on the “Project” concept, which inter-alia will require, all CSR activities to be based on its accompanying “Project Proposal”. The “Project Proposal” has necessarily to include the description of the project in the chosen focus area considering the following inputs:

a. Brief Description of the CSR project.
b. What the project intends to do?
c. What are the project timeline/schedule?
d. Who are the targeted beneficiaries?
e. How the beneficiaries are going to be benefited?
f. What are the metrics for measuring intended benefit?
g. How the project will be monitored in terms of physical milestones and social milestones.
h. Measuring performance in terms of the intended benefit.
i. Financial requirement for undertaking the activity, funding sources (if any other than ONGC) and fund requirement timeline.
j. Capturing the social benefits to ONGC and communication accordingly for enhanced reputation.

5. Identified CSR Focus area of ONGC
The following are the 12 identified focus areas approved by EC:

a. Education including vocational courses.
b. Health Care.
c. Entrepreneurship (self help and livelihood generation) schemes.
d. Infrastructure support near our operational areas.
e. Environment protection, ecological conservation, promotion.
f. Protection of heritage sites, UNESCO heritage monuments etc.
g. Promotion of artisans, craftsman, musicians, artists etc. for preservation of heritage, art and culture.
h. Women’s empowerment, girl child development, gender sensitive projects.
i. Promoting sports/ sports persons; supporting agencies promoting sports/ sports persons.
j. Water management including ground water recharge.
k. Initiatives for physically and mentally challenged.
l. Sponsorship of seminars, conferences, workshops etc.

However, other than the above defines focus areas, projects in the following areas and others which merit consideration may be taken up.

a. Project Saraswati.
b. Strengthening of ONGC PURA trust and activities accordingly.
c. Disaster relief in the face of natural calamities faced by the society, particularly around our work centres.
d. Component Plan based activities to be booked under CSR.
e. Expenditure on KV’s and other schools would be booked under education.

6. Booking, Reporting And Budgeting of CSR Expenditure

The expenditure incurred is not segregated into CSR and non CSR activities in the absence of clear guidelines. The amount spent is accounted for, under the following GL heads:

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>GL A/C</th>
<th>A/C Name</th>
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<tbody>
<tr>
<td>1</td>
<td>201410</td>
<td>Donation of Discarded Items</td>
</tr>
<tr>
<td>2</td>
<td>201411</td>
<td>Donations</td>
</tr>
<tr>
<td>3</td>
<td>201413</td>
<td>Sponsorship</td>
</tr>
<tr>
<td>4</td>
<td>201414</td>
<td>Contribution to Public/ Minicipal Bodies</td>
</tr>
<tr>
<td>5</td>
<td>201415</td>
<td>SC/ ST Welfare Schemes</td>
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<tr>
<td>6</td>
<td>201416</td>
<td>Grant to School</td>
</tr>
<tr>
<td>7</td>
<td>201417</td>
<td>Maintenance of Parks &amp; Plantations</td>
</tr>
</tbody>
</table>
Director (Finance) had constituted a committee of ONGC executives to come up with a new system of Booking, Reporting and Budgeting of CSR Expenditure, vide office order dated 21st April 2009. This committee has submitted its report, in which a revised system has been proposed and accepted for incorporation and implementation.

The present system in ICE need to be modified to capture expenditure incurred at various work centres on CSR activities, categorized as per the ‘Focus Area’ of the state or area in which the expenditure is incurred (i.e. the state and the union territory) and the tax benefits available (i.e. 80G exemption). All these fields are required and necessary for generating reports in different combinations for the expenditure incurred. Payments would be released from all work centers; therefore, work centre wise expenditure report may also be needed. Since the implementation of CSR in ONGC, based on project concept, is in the inception stage, there may be further requirements in the near future from MOP&NG or other agencies for reporting purposes. It is therefore, proposed that ten separate new GL Accounts need to be created in the chart of accounts with additional fields as stated above. The nomenclature of these GL accounts should start with ‘CSR’ for proper identification and for proper accounting.

The budget for CSR is required to be maintained at the corporate level and also at the work centre level as per the guidelines. Certain minimum budget is to be allocated at the work centre level for CSR activities that is directly undertaken by them. The transfer of funds from corporate office may be considered based on the merits of CSR activities undertaken at work centre level. However, inter-work centre transfer of funds generally, may not be permitted to facilitate proper monitoring of budget. Funds would be earmarked against each CSR activity on approval of competent authority, out of the total budget.

Note: As recommended by the committee constituted by Director (F) a multi disciplinary group comprising of ICE - FI team and Corporate Finance is coming out with appropriate system of new GL accounts with additional fields for capturing the area where expenditure is incurred, tax benefits available, if any, work centre where the project is
processed etc., to facilitate proper reporting of CSR expenditure. The directives, office order is soon to be issued and the system will then be put up for implementation.

7. **Organizational Structure At Work-Centers**
Head-HR/ ER shall continue to be responsible (First person responsible) for CSR programs at the respective work-centre locations as envisaged in the CCP. Head-HR/ ER shall be assisted by a full-time CSR Coordinator. At locations where CSR budget layout exceeds Rs.5 Crore, one Assistant CSR Coordinator may also be posted to CSR Cell.

**Organizational Structure for CSR Cell – Work-centre Level**

*CSR Coordinator at work centre will functionally report to Chief CSR Corporate
**Wherever CSR budget exceeds Rs.5 crore.

8. **Role Of Head-HR/ ER At Work Centers (As FPR) for CSR**
   a. FPR for interaction with Corporate CSR Group with respect to functional guidance on all matters related with CSR.
   b. Coordination of need assessment and identification of appropriate schemes and implementing agencies.
c. Coordination of Budget/ Fund allocation, disbursement of grants, expense tracking and accounting.
d. Submission of proposals to virtual corporate for approval.
e. Coordination with implementing Agencies.
f. Monitoring & Field Inspections.
g. Record Maintenance.
h. Documentation & Reporting Progress to Chief-CSR.
i. Initiatives for providing visibility to CSR programs in association with Corporate Communications.

9. Role of CSR Coordinator At Work Centres:
   a. Providing inputs for needs assessment/ identification of appropriate programs based on field visits, analysis of the social dynamics of the work centre.
b. Evaluation of proposals for CSR programs.
c. Providing guidance/ inputs for formulating well structured programs and their implementation.
d. Identification of CSR projects based on needs assessment and social dynamics prevailing in the vicinity of our work centers.

10. CSR Projects – Reporting
An essential element of the CSR project life cycle for FPR and CSR coordinator would be capturing the social benefits to the beneficiaries and ONGC. The inter-alia necessitates, reporting on the whole process, not just the numbers. All CSR project reports should cover the following topics:
   a. Inputs - Resources invested in the activity (Funds) measured as a cost.
b. Outputs – Number of direct beneficiaries of the CSR project such as children receiving cash, material support and scholarship, number of children covered by medical camps etc.
c. Outcomes – Changes to beneficiaries resulting from the activity, i.e., sustained schooling, improved learning, and ease of financial pressure on the parents, detection of medical ailments, if any.
d. Impact – Outcomes less an estimate of what would have happened anyway.

Reporting as above will help in Improved programme management through more effective planning, more effective evaluation, stronger communication of the value of our work to ‘the people that matter’ i.e. (internal and external stakeholders).

2.5.2 CSR Policies of Indian Oil Corporation (IOC) Ltd.

IOC works with a well laid out, clearly defines CSR policy from its inception in the year 1964. The Corporation’s objectives in this key performance area are enshrined in its Mission statement: "...to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience." We at Indian Oil have defined a set of core values for ourselves – Care, Innovation, Passion and Trust – to guide us in all we do. We take pride in being able to claim all our countrymen as our customers. That’s why, we coined the phrase, “Indian Oil – India Inspired”, in our corporate campaigns. Public corporations like Indian Oil are essentially organs of society deploying significant public resources. We, therefore, are aware of the need to work beyond financial considerations and put in that little extra to ensure that we are perceived not just as corporate behemoths that exist for profits, but as wholesome entities created for the good of the society and for improving the quality of life of the communities we serve. As a constructive partner in the communities in which it operates, Indian Oil has been taking concrete action to realize its social responsibility objectives, thereby building value for its shareholders and customers. The Corporation respects human rights, values its employees, and invests in innovative technologies and solutions for sustainable energy flow and economic growth. In the past four decades, Indian Oil has supported innumerable social and community initiatives in India. Touching the lives of millions of people positively by supporting environmental and health-care projects and social, cultural and educational programmes. Besides focusing primarily on the welfare of economically and socially deprived sections of society, Indian Oil also aims at developing techno-economically viable and environment-friendly products & services for the benefit of millions of its consumers, while at the same time ensuring the highest standards of safety and environment protection in its operations.

Every year, Indian Oil sets aside a fixed portion of its profits for spreading smiles in millions of lives across the country through a comprehensive community welfare and
development programme. About one-fourth of the community development funds are spent on the welfare of Scheduled Caste and Scheduled Tribe beneficiaries. Indian Oil has a concerted social responsibility programme to partner communities in health, family welfare, education, environment protection, providing potable water, sanitation, and empowerment of women and other marginalized groups. Indian Oil has always been in the forefront in times of national emergencies. Indian Oil People have time and again rallied to help victims of natural calamities, maintaining uninterrupted supply of petroleum products and contributing to relief and rehabilitation measures in cash and kind.

Indian Oil’s community-focused initiatives include allotment of petrol/diesel station dealerships and LPG distributorships to beneficiaries from among Scheduled Castes, Scheduled Tribes, physically handicapped, ex-servicemen, war widows, etc. The Corporation has also unveiled kisan seva kendras as small-format retail outlets to reach quality products and services to people in the rural areas. Indian Oil has also set up the Indian Oil Foundation (IOF) as a non-profit trust to protect, preserve and promote national heritage monuments. The Corporation also supports a variety of endeavors in arts, culture, music and dance, apart from organizing programmes on its own under the banners of IndianOil Art Exhibition, IndianOil Sangeet Sabha and Indian Oil Kavi Sammelan.

As part of its environment-protection initiatives, Indian Oil has invested close to Rs. 7,000 crore in state-of-the-art technologies at its refineries for production of green fuels meeting global standards. To further reduce dependence on precious petroleum products and secure the nation’s energy security, the Corporation is now in the process of commercializing various options in alternative fuels such as ethanol-blended petrol, biodiesel, and Hydrogen and Hydrogen-CNGmixture. With safety, health and environment protection high on its corporate agenda, IndianOil is committed to conducting business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of the quality of life of its employees, customers and the community. Indian Oil is also committed to the Global Compact Programme of the United Nations and endeavours to abide by the 10 principles of the programme, some of which are already part of the Corporation’s Vision and Mission
statements. It is the firm resolve of Indian Oil people to move beyond business, touch every heart and fuel a billion dreams.

2.5.3 CSR Policies of GAIL India Ltd (GAIL)

In the alignment with vision of the company, GAIL, 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 and initiatives, so as to promote sustainable growth for the society and community, in fulfillment its role as a Socially Responsible Corporate, with environmental concern. GAIL is spending 2% of PAT of last year for CSR activity and spending is this ration. GAIL 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:

1. Contribution towards Corpus of GAIL Charitable and Education Trust:
An amount of Rs. 5 Crores will be earmarked each year, as contribution towards the corpus of the GAIL Charitable and Education Trust, till the corpus reaches a figure of Rs. 50 Crores. (The GAIL Charitable and Education Trust have been constituted for award of scholarships to meritorious and needy students and for grant of awards to the top ranking performers in select National competitive examinations as specified in the documents of the Trust.)

2. Contribution towards Relief For Natural Calamities Or Disasters:
Allocation of 10% of the CSR budget each year, subject to a minimum of Rs. 5 Crores, will be made for rendering relief/contribution in the event of Natural calamities or disasters affecting the communities in & around the areas where GAIL 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, up to a maximum accumulation of Rs.50 crores. Expenditure for extending immediate relief in cases of natural calamities can be approved by Director (HR) upto a ceiling of Rs. 5 lac in a single case, without reference to the CSR Review Committee. Further, in their respective geographical areas, OI/C’s of GAIL work centres will be empowered to approve expenditure up to Rs.2.5 Lacs in each case/event, without immediate reference to the Corporate Office. However,
all such expenditure will be required to be subsequently informed to the Corporate CSR department, who in turn will place it before the CSR Sub Committee for information.

3. Need Identification, Impact Assessment and Sponsorship of CSR events/publications:
3% 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.

4. Allocation of budget to GAIL works centers where CSR activities are concentrated:
Larger GAIL work- centers which have a dominance of SC/ST population & hence undertake significant CSR programmes will be allocated at least a minimum annual CSR budget as below: Pata & Vijaipur : Rs. 4 crores
Jhabua : Rs. 2.5 crores

5. Allocation towards MoP&NG/Govt. Schemes:
In adherence of the Govt./MoP&NG instructions, GAIL will earmark a certain quantum as may be advised for participation in common CSR programmes undertaken collectively by oil PSU’s. (Currently this is 20% of its annual budget)

a) Allocation of the Annual Budget for CSR activities in any given year, will not be less than the CSR allocation for the previous year.

b) Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e., the CSR budget will be nonlapsable in nature.

Identification of Thrust Areas and Strategic Initiatives

1. For purposes of focusing its CSR efforts in a continued and effective manner, the following seven Thrust Areas have been identified:
   i. Environment Protection / Horticulture
   ii. Infrastructure Development
   iii. Drinking water/ Sanitation
   iv. Healthcare/ Medical facility
   v. Community Development
   vi. Education/Literacy Enhancement
   vii. Skill Development / Empowerment

2. As a guideline for the work centres to distribute their annual CSR Expenditure amongst the 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.

1. Environment Protection / Horticulture - 20%
2. Infrastructure i.e. Building/Roads/Electrification/ Street lighting - 15%
3. Drinking water/ Sanitation - 10%
4. Healthcare/ Medical Facility - 20%
5. Community Development - 10%
6. Education/ Literacy Enhancement - 10%
7. Skill Development/ Empowerment - 15%

3. Considering the fact that as the premier Natural Gas transmission & marketing company, GAIL is the provider of clean energy resource, 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:

a) Community Kitchen through natural gas alternative Energy (Solar / Wind)/biomass/bio gas etc.

b) Community Lighting / Heating through Solar Power.

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

d) Study on most endangered forest cover due to domestic energy needs of nearby communities and providing alternative energy resources in those areas to the extent possible.

e) Waste & Plastic Management initiatives

f) For contributing towards the cause of Environment Protection, GAIL will support the

UN Global Compact Principles pertaining to the Environment as below:

1. Support a precautionary approach to environmental challenges;
2. Undertake initiatives to promote greater environmental responsibility;
3. Encourage the development and diffusion of environmentally friendly technologies.
4. GAIL 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.

2.5.4 CSR Policies of Oil India Ltd (OIL)

1. Corporate Social Responsibility – A perspective:

Oil India Ltd Perceives Corporate Social Responsibility in the form of following statements:

- “Social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point of time”

- “Corporate Social Responsibility (CSR) is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.”

Discretionary refers to voluntary commitment OIL makes in choosing and implementing these practices and making these contributions. Such a commitment must be demonstrated in order for OIL to be described as a socially responsible and will be fulfilled through the adaptation of new business practices and/or contributions, either monetary or non-monetary.

Community well beings includes human conditions as well as environmental issues.

OIL also accepts the definition of World Business Council for sustainable development, which describes CSR as:

- “Business commitment to contribute to sustainable economic development, working with their families, local community and society at large to improve their quality of life.”

OIL’s CSR Policy is also guided by concept of “Triple Bottom Line” as under:

“Companies would no longer be judge by the conventional single i.e., financial bottom line, but also on their performance in social and environmental bottom-lines.”

2. OIL’s CSR Vision Statement
“OIL is a responsible corporate citizen deeply committed to socio-economic development in its areas of operation.”

3. Meaning

OIL is Responsible Corporate Citizen which operates in legal, ethical and economic environment, committed towards the society, to contribute to sustainable socio-economic development in its areas of operation for the community, employees and their families, shareholders, customers, suppliers and other stakeholders in ways that enhance the value for both the business and society.

The key words “Socio – economic Development” and “areas of operation” mean

a. OIL has a proactive orientation to visible socio-economic development in its areas.

b. OIL gives priority for its schemes where sustainable indirect employment and entrepreneurship opportunities are created.

c. OIL makes its presence felt in and around its operational areas with special focus on North-East India through substantial socio – economic development works in the areas.

d. Amongst others, socio-economic development encompasses the areas like Education, Health, Enhancinh Employability and Generating Self Employment through Micro Entrepreneurship, Infrastructure development and promotion of Culture and Heritage.

4. Objectives

The objective of the CSR policy are as under:

a. To provide a basis for decision making and execution CSR initiatives.

b. To help OIL remain focus on its CSR vision.

c. To bring about tangible socio-economic development in operational areas of OIL.

d. To improve community well beings through discretionary business practices and contribution of corporate resources.
5. CSR Strategy
OIL works proactively – alone or in partnership with other organizations - to mobilize core competencies and resources on significant long term visible ‘Community Development’ projects in its operational areas with special focus on youth and women. OIL takes a few major CSR projects on areas like Education, Health and Enhancing Employability.

6. Criteria for Selection Of CSR Initiatives
Any CSR initiatives to address a Social Cause, support by Oil Indial Ltd., is screened by a set of questions. Such CSR initiatives and Social Cause that merit high on these criteria are considered for implementation, subject to the fulfillment of other conditions and approval from OIL management.

The screening questions are:

1. How does this support the OIL’s vision?
2. How big a social problem is this?
3. is government or someone else handling this?
4. What will our shareholders think of OIL’s involvement in this cause?
5. Will our employees be inspired if we support this cause/initiatives?
6. will this initiatives/cause backfire on us?
7. How can we do this without distracting us from our core business?
8. How will this cause/initiatives enhance corporate Image?
9. Will it help in creating community goodwill and national attention?
10. Will it help in building and securing a strong brand position?
11. Does it have impact on social cause/issue in local community?

7. Execution

1. The CSR initiatives are limited and implemented by PR/ concerned Department after detailed discussion with CSR committee (for all projects in North East India) / competent authority in other spheres.
2. Public Relation Department in Field Headquarters and Corporate level/ Concerned department in other spheres carry out a Need Assessment Survey of the OIL operational areas and prepare a comprehensive Community Development Plan.
3. In Field Headquarters this Community Development plan is put up to a CSR Committee. The Committee gives approval if the projects are within the DOP of the CSR Committee.

4. If the project fall beyond /exceed the DOP of the Committee, the project are put up to competent authorities for approval.

5. Executives/ Employees are kept informed about the community Development (CD) plan.

6. The Findings of Need assessment Survey and OIL’s Community Development plan communicated to targeted communities and local authorities. The targeted communities and the local authorities are closely involved in the process of planning and implementation of Community Development plan to extent possible and subject to meeting OIL’s own rules and procedures.

7. Companys other major CSR projects (involving major funds and having wider societal/ environmental implications) are taken up for execution by PR Department after taking the views and perspectives (discussions) of a large cross-section of employees and with due approval of the competent authority.

8. Major CSR projects will be executed internally till the formation of proposed OIL TRUST.

9. some requests/CSR proposals are received by top management in the Corporate Office/ Field Headquarters directly from dignitaries. Many of such proposals come from dignitaries with considerable reputation/credentials and status in the society. In such cases competent authority may allow processing of such proposals without specific verification and need assessment.

8. Monitoring
   a. The Head PR/ Concerned Department in other Spheres monitors the Community Development (CD) plan on bi-monthly basis while the Head of Field Headquarters or Heads of other spheres will review progress on quarterly basis.
   b. At Corporate level, the Dir (HR&BD) reviews the progress on half yearly basis. The details are presented to the OIL management regularly for suggesting suitable policy interventions, if required.
   c. The effectiveness of CSR initiatives is evaluated through external agencies for providing required feedback and inputs to formulate and improve them in future.
9. Fund Allocation
   a. OIL earmarks a minimum of 2% of its net profit as investment for CSR initiatives.
   b. Competent authorities can sanction additional budgetary provision for undertaking major CSR projects.
   c. Funds required for facilitating uninterrupted operational activities (Exploration/Drilling?Production/Transportation etc) is linked to the main operational budget.

10. Evaluation
   a. The purpose of evaluation is primary to evaluate the fulfillment of the objectives/goals/vision based on which respective CSR projects were undertaken.
   b. Fulfillment of social cause/issues that the initiatives are supporting are monitored.
   c. Adequate resources for measurement and reporting on CSR initiatives are made available by Management.
   d. The efficacy of each project is evaluated through respective Key Success Measures, which are embedded while designing the CSR project.
   e. The evaluation/audit of the CSR initiatives is audited from time to time by a reputed external agency and the summary of the report is made available to the employees and shareholders.
   f. Such audits enhance transparency and enables continuous improvement of OIL’s CSR initiatives.
   g. The evaluation report determines the continuation/termination/mid course correction of the CSR projects.

11. Reporting

   Internal

   1. Quarterly report of the Community Development plan executed is submitted to the CSR Committee/Local Management/Corporate Office by PR/Concerned Departments of other Spheres.
   2. Each sphere prepares an annual report of Community Development plan delineating the activities identified, benefits accrued to neighboring communities and the number of people benefited.
3. The Corporate Office complies and prepares annual report of the CD actives carried out in the different spheres.

4. The summary of the report is published in print and also posted on OIL’s websites under a separate dedicated section on CSR. The website includes the policy, the details of CD programmes undertaken with other details.

External

1. Annual Report of the CSR activities undertaken is made available to all stakeholders and the same is published on OIL’s Website.

12. CSR Communication

Internal

1. A dedicated page on CSR activities is kept in the House Journal and Newsletter.
2. A CSR slot is in OIL’s intranet/internet portal.
3. Information on CSR initiatives is shared with Officers’ Association and Employees’ Union on quarterly basis.

External

1. Information on CSR initiatives is shared with all stakeholders in an organized manner.

13. Employee Participation in CSR activities

Services of employees in CSR activities are utilized based on the specific need of and the possible value addition to the project.

14. Policy Review

The CSR policy is reviewed every two to three years by a cross functional team.

2.5.5 CSR Policies of Tripura Natural Gas Company Ltd (TNGCL)

Though TNGCL is a sister concern of GAIL and its majority of the share and management is taken by the GAIL, it is following the same rule or CSR Policy prescribed by the GAIL only. TNGCL is spending its CSR allocation only in Agartala and its suburban areas because the CSR policy restricts them to spend within 100 KM of its operational areas.
2.6 Socially Responsible Investment Policy

Socially Responsible Investment, a rather young development within the investment market that promise to take into consideration not only measurements of financial success, but also corporate social (ir-)responsibility when presenting the overall-evaluation of attractiveness of a certain investment opportunity, in the case of ethical funds, or when listing companies with a socially responsible index.

Socially Responsible Investment definitely constitutes a remarkable success story. Total Assets in Socially Responsible Investment (SRI) have grown from USD 22.7 billion in 1997 to 224.5 in 2001. But it is not only growing market in quantitative dimensions, its success is also measurable from an “investment -quality” point of view. Socially responsible funds constituted “safe havens” when stock markets collapsed in the years of crisis around the turn of the century. Their growth is safer and, above all, continuous, and they receive top market for their performance by rating agencies.

Only quite recently, ethical funds have got a whole new and religious meaning when both Catholic funds and Islamic banks have experienced impressive series of popularity and financial success.

Socially Responsible Investment (SRI) can hold great opportunity not only for corporations to differentiate from competitors by striving for being listed with socially responsible or sustainable indices, or investment portfolios, but also for those policy makers and activists that wish to render CSR more verifiable and enforceable: New requirements to stay listed with SRI indices or portfolios can make companies comply without any further need for national legislation (with its necessarily limited scope of a globalized economy). The threat of de-listing might considerably impact corporations’ behavior when it comes to serious social and environmental reporting and auditing efforts, especially from side of independent auditors or institutes. It is likely to positively impact also upon the contents of corporate disclosure, and thus upon the quality of such reporting activities. Both consumers and investors have a considerable interest in more honest, balanced, and verifiable information on CSR activities that is “true” and “not misleading”. Therefore, studies have shown that, while two third of opinion leaders generally find corporate communication about CSR activities “credible”, 91 % of those opinion leaders interviewed, third-party verification, especially from truly neutral sides like NGOs or governments, would still be important.
Such potential future requirements for staying listed with prestigious SRI indices may well serve to compel companies to disclose important information accurately, and timely, and have it verified by external third parties. This strict scrutiny on firms listed on an index can also substantially benefit the entire financial marketplace and the reputation of the respective index through enhanced credibility and investor confidence.

2.7 CSR Awards in India

In India, to encourage the CSR activity among the corporate houses for the community initiative, and sustainable development few awards were given to the organizations for remarkable work in that fields. Followings are the popular CSR awards in India.

1. Golden Peacock Environment Award and Golden Peacock Award for Corporate Social Responsibility: Both these awards are administered by Golden Peacock Global Secretariat, a London based organization with a significant presence in India through its New Delhi office. ([www.goldenpeacockwards.com](http://www.goldenpeacockwards.com))

2. The Asian CSR Awards: The Asian CSR awards programme is presented by the Asian Institute of Management, Ramon V. del Rosario, Sr. Centre for Corporate Responsibility. These awards are conferred in the following five categories:
   a. Environmental Excellence,
   b. Support and Improvement of Education,
   c. Poverty Alleviation,
   d. Best Workplace Practices, and
e. Concern for health. ([www.asianforumcsr.com](http://www.asianforumcsr.com))

3. Businessworl-FICCI-SEDF Corporate Social Responsibility Award: this award was instituted in 1999 to recognize and applaud the social conscience if corporate houses in India. It has a three-tier selection process involving quantitative analysis, visit to companies and project sites, and the institution of special jury. ([www.ficci-sedf.org](http://www.ficci-sedf.org))

4. CII-ITC Sustainability Award: The sustainability awards are conferred to Indian business houses which demonstrate excellent performance in the area of sustainable development. The process of conferring the award comprises the following steps:
   a. Announcing the award
   b. Receiving the application of intent to participate,
   c. Submission of the application document,
d. Desk assessment of the application document,
e. On-site assessment of participating organizations,
f. Final evaluation of the assessment results,
g. Jury meeting and award decision, and
h. Announcement of the award winners. ([www.cii-sustainability.org](http://www.cii-sustainability.org))

5. TERI Corporate Environment Award: Instituted in 2000-01, this award is conferred annually to recognize the leadership efforts of corporate houses in environmental management and sustainable initiatives, and to recognize innovative practices, programmes and projects that promote sustainable development and further encourage and provide a momentum for environmental initiatives. The awards are divided into three categories based on the annual turnover of the company. ([www.teriin.org](http://www.teriin.org))

6. TERI Corporate Social Responsibility Award: Instituted in 2001-02, this award identifies best practices and innovations of Indian corporate houses in fulfilling their responsibility towards diverse stakeholders. The stated objective of the award is to access the:
   a. Integration of CSR concerns with corporate functioning,
   b. Responsiveness to the needs of different stakeholders, and
   c. Development of innovative partnership models to fulfill social responsibilities.

   The awards are divided in to three categories based on the annual turnover of the company. ([www.teriin.org](http://www.teriin.org))

2.8 CSR Standards

Corporate social responsibility is an issue that was working its way into many policy debate and corporate agendas. CSR is an evolution in the approach towards sustainable development, while the 1992 Rio Earth Summit on environment management, the 2002 World Summit on Sustainable Development focused on the broader set issue, including poverty reduction and social development. There was a growing need for tools to help to define and address what CSR means and how to implement it throughout their organizations. International Organization for Standardization (ISO) has decided in its general assembly meeting at Stockholm, Sweden in September 2002 to develop a standard for CSR. This resolution recognized the value of the ISO 14001 for environment
management system standard in improving the efficiency of corporate environment management, and built on a report prepared by ISO Consumer Policy Committee on the value of CSR standard. Finally in 2010 ISO came with a standard which is known as ISO 26000 the standard for the Corporate Social Responsibility.

**ISO 26000: Standard for Corporate Social Responsibility**

Every organization needs to instigate action aimed at making the world a better place. The ISO 26000 standard published in 2010 provides guidance on the underlying principle of social responsibility and ways to integrate socially responsible behavior into organizational strategies, systems, practices and processes. By looking at organizations behavior, the ISO 26000 standard evaluates to what extent it transparently and ethically:

- Contributes to sustainable development, including the health and welfare of the society.
- Takes into account the need and expectation of stakeholders.
- Is complaint with applicable laws and consistent with international norms.
- Integrates and implements these behaviors throughout the organizations.

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