



Corporate Social Responsibility Toolkit

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SOCIAL POLICY

At Vedanta Resources plc, we believe in sustainable development and are committed to raise the quality of life and social well-being of communities where we operate. Towards this, we will be guided by following

- Our community development initiatives will be prioritized based on local needs. Broad areas of focus will be
 - Social Investment – Health, Education & Livelihood
 - Bio Investment – Water harvesting, agriculture and social forestry
 - Environment conservation
- All operating locations will incorporate CSR activities as an integral part of their business plan and have an appropriate organization to implement the same.
- We will be open to working with like minded associates, Government bodies and other volunteer organization in pursuit of our mission.
- We will measure and report progress as per social accounting systems and encourage third party reviews for effective delivery and measurable impact.
- We will regularly communicate with all our stakeholders on the progress and performance on social management.

K. K. Kaura
Chief Executive Officer

24.10.2005

Prelude

CSR today is integral to any business. The Toolkit outlines the Group's perspective on CSR. It lists criteria's and guidelines for the Groups CSR activities, which will be localized and customized for specific geographies. The Toolkit has scope for creativity, innovation and scalability. It is imperative that you understand the Toolkit in spirit and use it as a guide in your CSR journey.

It is vital for us to have a working definition of CSR -

The World Bank defines CSR as "The commitment of Business is to contribute to sustainable economic development, working with employees and their families, the local community, and society at large to improve their quality of life, in ways that are both good for Business and good for development."

The World Business Council for Sustainable Development defines, "CSR is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life."

Our CSR activities will be an integral part of the business plan. They would be outside the purview of philanthropy/charity, industrial relations, welfare, public relations and religious and political institutions.

Community development is one pillar of CSR. This Toolkit currently focuses only on the Community Regeneration aspect of CSR.

Some sections of the Toolkit have been framed by our colleagues from other units.

The Framework will be reviewed annually for continuous evaluations and innovations if any.

warm regards

ruby thapar
Group Head CSR

Our Purpose

"Harnessing natural resources in harmony with nature to enhance economic well-being and quality of life"

Our Social Mission

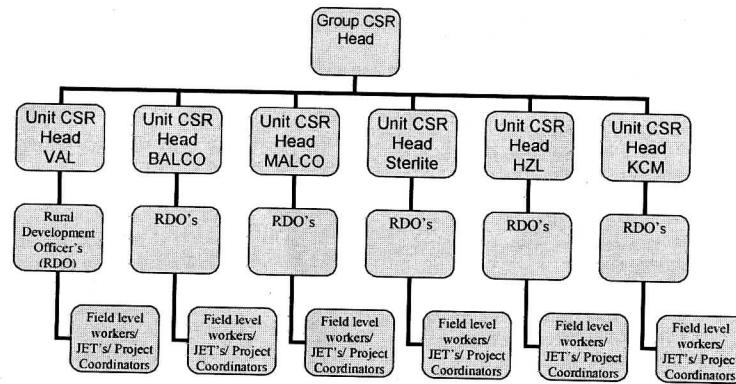
"To work with communities in and around our plants to contribute to their sustainable development"

Our Role – Proactive Enabler and Partners in Development.

What this essentially means is that we will on our own initiate and seek to work in the communities in and around our plants. We will act as catalyst and facilitators in identifying needs, planning for it, implementing, monitoring and evaluating it in conjunction with partners like the community, government, and other lateral and bilateral agencies for sustainable development.

CSR Structure

All the units CSR heads will administratively & functionally report to HR/ Unit Head at the unit level and will have a clearly outlined functional reporting relationship with the Group CSR Head.



Our Strategy

- All our interventions will have a 5 year sustainable long term perspective in line with the business objectives of the respective units. Our role will be that of a Proactive Enabler and partner, which entails proactively mapping the needs of the community and acting upon it in collaboration with the community, government and local NGO's towards empowerment of the community in line with the business objectives.
- We will work towards a 'Holistic Development Plan' for every village we work in. Our life span in each village will be for a period of 5 years. We will phase out from the village by the end of five years leaving the baton of development with the respective village committees.
- Documentation is a major tool for success. The base line and need assessment study will be the base for all our planning. This data will help us socially map the impact of our interventions and our progress over a period of time.

- We will work on the project philosophy mode. Each focus area will be developed into a project proposal. The proposal will be well documented and will serve as a blue print for work in that specific area/ issue and would be replicable across geographies. The proposal will outline **Specific** - objectives, **Measurable**- deliverables, **Achievable** - activities and the process of implementation, **Replicable and Sustainable** - projects and **Timely** interventions which would be defined within a clear time frame.
- We will work at 2 levels

Local – Community, Employees - We will identify and plan for projects in the 10 km radius of our plant or for 10 villages. Employee volunteerism/participation will be encouraged for all projects.

Regional – NGO, local Government – We will partner and work with bilateral and multi lateral organizations to further our cause wherever relevant and meaningful. We will identify one Macro project which would benefit the State or Region we are working in. This project can be within the purview of our focus areas or outside of it. A feasibility study of such a project would be done before embarking on it. The project should have long term benefit to the community.

- We will partner and garner all Central and State government schemes for our interventions as and where possible. This will help avoid duplication of activities, time, energy and money enabling sustainable impact.
- We will have a reporting pattern of monthly, quarterly (4 months) and annual reports. The monthly reports will be submitted on the 2nd of the coming month and the quarterly report on the 10th of the coming month.
- Each unit will have a qualified CSR head. We will have two approaches to CSR – 1) where we are the direct implementers of the projects along with honorary field level workers from the local community, [Self Help Group (SHG) MODEL] 2) we partner with local NGO's to deliver on our behalf. We can adopt either approach or a combination of the two.
- Each CSR cell would be equipped with all the necessary resources like computers, email ids, vehicles, manpower, appropriate budgets for effective functioning.
- We will meet annually to review, plan, learn and applaud each other.

Focus Areas for Sustainable Development

- **Social Investment** - education, health and sustainable livelihood
- **Bio Investment** – water harvesting, agriculture, social forestry
- **Other Investments** - infrastructure development and social mobilization

Understanding the focus areas: The is an indicative not an exhaustive list

Focus Areas	Activities	Indicators of Success & Verification
Social Investment	Education 1. Balwadi 2. Adult Education 3. Non-formal Education 4. Scholarships for girls, meritorious students and technical education etc 5. Vocational Education 6. Skill Development 7. Computer Education 8. Sports 9. Cultural Education/ activities	1. Number of enrollments and retention 2. Number of Centers 3. Confidence & participation level of the participants, parents and the community towards the initiative 4. Centre supplements to regular studies 5. Number of children going for further studies 6. Awareness among parents and change in knowledge, attitude and practice (KAP) of parents, teachers, community at large 7. Attendance levels/ register 8. Quality of teaching 9. Qualification of the teachers 10. Literacy rate across the target group/ community 11. Impact of the scholarships on enrollment, further education 12. Number of students/ girls enrolling

		<p>for further studies</p> <p>13. Periodic visits 14. Documentation & reporting 15. Planned curriculum with action plan 16. Teacher student ratio 17. Results 18. Parent teacher meeting 19.</p>		<p>information dissemination</p> <p>14. Quality of rural medical services 15. Availability of medicines 16. Regular intake of medicines prescribed 17. Awareness towards chronic diseases 18. Importance of use of bathrooms 19. Number of first aid trained workers 20. Change in KAP 21. Data on birth rate and all indicators as base line 22. Documentation 23. Visits. Group discussions, meeting, records and reports 24. Calendared follow up reports, progress against action plan</p>
Health	<ul style="list-style-type: none"> • Mobile clinics per week per village/ cluster along with doctors • Medical camps - general and issue based • Health training and awareness • Sanitation , toilets, Smokeless chullahs, biogas • Potable water • Mother & Child health • Reproductive health • Awareness building 	<p>1. Appropriate & effective information education communication (IEC) material in the local language</p> <p>2. listing down specific criteria per activity to measure effectiveness of initiatives taken</p> <p>3. Prevalence of contraceptive usage and methods</p> <p>4. Social acceptance</p> <p>5. Reduction in maternal & infant mortality</p> <p>6. Safe deliveries at home with dais and in the hospital</p> <p>7. Number of dais per village</p> <p>8. Awareness about STDs, RTI's</p> <p>9. Community involvement in program</p> <p>10. Couple protection rate</p> <p>11. Family welfare committee</p> <p>12. Role of youth/ program for adolescents</p> <p>13. Maternal and child health / gender sensitization</p>	Sustainable Livelihood	<p>1. Self Help Groups (SHG) for women</p> <p>2. Enterprise Development - dairy, readymade garments, jute project, basket making, aggarbatti making, bee keeping, durrie making - the vocations should be need based and encourage local skill and talent</p> <p>3. Entrepreneurship training & development.</p> <p>1. Participation of the villagers</p> <p>2. Need based & sustainable training with reputed institutes.</p> <p>3. Training to lead to enterprise set up and economic gain</p> <p>4. Marketing linkages developed and created.</p> <p>5. Account Keeping</p> <p>6. Ability to grow business, increased income and enhanced standard of living</p> <p>7. Number of groups linked with funding organizations/ banks</p> <p>8. Number of families above poverty line/ innovation in the enterprise and working of the group</p>

		9. Number of families covered against total population 10. Need appraisal study 11. Documentation 12. Progress against action plan/need appraisal studies
Bio Investment		
Water Harvesting	1. Check dam, bunds, wells, pits 2. Irrigation 3. Rain Water Harvesting 4. Soil & water conservation 5. Other water harvesting techniques based on the topography	1. Water table 2. Year round availability of water for drinking, washing and agricultural activities. 3. Number of trees 4. Rainfall 5. Change in Topography 6. Crop production 7. Ground water level 8. Number of structures constructed for water harvesting and handing over to user group 9. Data, records, reports and documentation
Agriculture	1. Land development 2. Pasture development 3. Social forestry/ plantation activities/ nursery 4. Horticulture 5. Farmer training 6. Multi and mono cropping 7. Animal Husbandry 8. Tree Plantation	1. Increase in agricultural outputs 2. Increase in cultivated land 3. Change in cropping pattern 4. Increase in irrigated area 5. Increase in fodder/fuel productions 6. Increase in income 7. Community involvement in programme 8. Area covered under land development and social protection 9. Group discussion, progress reports, PRA

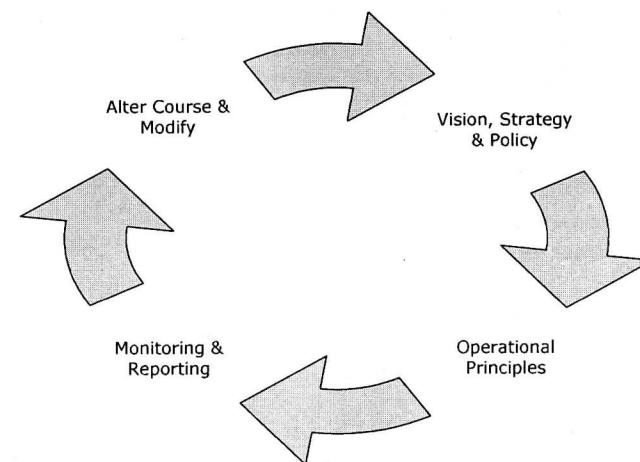
		exercises 10. Number of villages involved, number of user groups formed 11. Water levels in the wells 12. Need appraisal studies and change against benchmark data 13. Pasture land committee
Natural Calamity	1. Relief work 2. Rehabilitation 3. Adoption 4. Sponsorship	
Other Investments		
Infrastructure	1. Road, dams, community / health centers, shelter, culverts, schools 2. Electricity 3. Water channels	1. Proper selection of sites & beneficiaries 2. Utilization of developed structures 3. All basic structures available in the villages 4. Number of structures developed- schools, houses against action plan 5. Ease & availability of Funds 6. Need appraisal study 7. bench mark data and progress reports 8. Fund flow pattern
Social Mobilization	1. Awareness building drives 2. Social advocacy for women Empowerment 3. Programs advocating change in KAP of people.	1. Involvement of village institutions 2. Appropriate selection of beneficiaries (how and why) 3. Community involvement in programme 4. Increase in awareness and change in attitude & practices of target population 5. Group discussion, need appraisal study, progress reports

		<p>6. Community contribution</p> <p>7. Mapping perceived change against actual change through PRA</p>
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Planning for CSR Investment

The word investment generally conjures images and thoughts of money management. CSR Investment is managing effectively the resources of time, energy, manpower, projects, ideas and money in the community aligned with business goals and needs.

- Base line study for need assessment and planning
- Identifying business challenges, issues and /or opportunities facing the company
- Putting a 5 year business perspective in place
- Prioritizing needs for action in line with business objectives
- Setting goals and targets/ deliverables for each village, activity and the team
- Budgeting
- Annual activity plan along with monthly activity plan
- Identifying partners in progress – NGO's, government, other lateral and bilateral agencies
- Documentation and reporting
- Review, audit and measuring impact internally and externally (every 2 years)
- Establish a business case of CSR for your company
- Planning ahead



Tools for Setting the CSR Agenda

A critical first action to take is to ensure that the agenda you wish to promote is a clear one – and the right one for your company. Some of key steps are as follows:

- Assess where you are:

What resources does your company have to leverage?
What is distinct about your corporate culture?

- Assess the risks:

What issues could potentially hurt the business?
Where are company weaknesses?

- Assess the opportunities:

Where are the areas where the company has a potential to make an impact?

- Get rid of preconceived ideas:

Try to start fresh and be innovative; do not rely solely on past notions of how your initiatives must be structured or executed

- Communicate with key stakeholders:

Talk to people inside and outside of the company and find out what they think are the critical issues and opportunities for the company

- Obtain feedback from senior levels:

Solicit this support to get initial buy-in for your agenda

- Stay alert:

Agenda setting is a continuous process; remember to keep the radar out for upcoming issues or opportunities that may crop up

Format for Planning and Budgeting

For the period from _____ to _____.

Total Number of Villages:

Component	Activity	Strategy/Objectives/Impact	Target	
			No. of Beneficiaries	Amount (in Lakhs)
Social Investment				
	Education	1		
		2		
		3		
Health		1		
		2		
		3		
Sustainable Livelihood		1		
		2		
		3		
Bio Investment				
	Watershed Harvesting	1		
		2		
		3		
Agriculture		1		
		2		
		3		
Natural Calamity		1		
		2		
		3		
Other Investments				
	Infrastructure	1		
		2		
		3		
Social Mobilization		1		
		2		
		3		

Deliverables and Measurement

All reports will be supported with qualitative and quantitative indicators. Detailed reports will be maintained at the unit level. Monthly reports will be submitted at the corporate office on every 5th of the following month.

Number & Name of Villages/ Towns: Do support this graphically with a map. A data bank of all socio economic indicators would be maintained at each location

Activity	Objective	Deliverables – Quantitative and Qualitative	Action Taken	Plan for the next month
Social Investment				
• Health & Hygiene	Why?	What, When, Where, by Whom, Partners if any	How	
• Education				
• Sustainable Livelihood				
Bio Investment				
• Water Harvesting				
• Agriculture & animal husbandry				
• Natural Calamity				
Others				
• Social Mobilization				
• Infrastructure				

Sample Report

Activity	Objective	Deliverables – Quantitative and Qualitative	Action Taken	Plan for the next month
General Medical Camps	To provide qualitative health care in 10 villages and to instill hygienic habits in the villagers.	1 camp in a cluster of 4 villages. This month the camp will be held in x village, on Thursday from 10.00-1.00. The camp will be conducted by doctors from the PHC. Free medicines were distributed Team of x doctors participated 200 patients took advantage X no of patients treated for y disease. Y no of patients was treated for z disease. Local youths acted as volunteers	Notice put up in the community center a week prior to the camp. 100 patients were examined & treated for generic diseases like xyz. Free medicines were distributed Team of x doctors participated 200 patients took advantage X no of patients treated for y disease. Y no of patients was treated for z disease. Local youths acted as volunteers	In the next camp awareness drive on water borne diseases will also be conducted

Benefits of the intervention to the Company – some examples – this should support the objective of your activity- why you doing it?

1. The cases of water borne issues in the area have reduced from ---- to ----- since 2004
2. Drop out rate has reduced by 10%
3. 10% of the local youth are enrolled in skill development classes
4. The income level per family enhanced from Rs. 100 to 500 per month
5. We are able to carry out trouble free bauxite mining and transportation in the political atmosphere and ecologically sensitive area.
6. Maintained cordial relations with the host community. Issues of other mining leases have been taken-up by the local people to the State Government in the company's favor.
7. The beneficiaries support company's in the forum where Environmental issues are raised by local NGOs and Environmentalists.
8. The pressure for direct employment from neighboring community has been reduced drastically.

Summary - Fund Mobilization & Beneficiary

Sr N o.	Project	Current Month			Next Month		
		Amount (lakhs)		Number of Beneficiaries	Amount (lakhs)		Number of Beneficiaries
		Company	Others*		Company	Others*	
Social Investment							
1	Health & Hygiene	xx	yy	aaa	xxx	yyy	aaa
2	Education	-	-	-	xxx	-	a
3	Sustainable Livelihood	xx	-	-	xxxx	-	-
Bio Investment							
1	Water harvesting						
2	Agriculture & Animal Husbandry						
3	Social Forestry						
Other Investments							
1	Infrastructure	xx	-	aaa	xxxx	-	aaa
2	Social Mobilization	-	-	-	-	-	-
TOTAL		xxx	yyy	aaa	xxx	yyy	aaa

*Please give details of who the other is and what is their contribution.

Tools for Monitoring and Evaluation

The following tools and methods need to be aligned and integrated with the indicators identified for the focus areas.

Personal Contact Programme- Personal Contact Programs help observe progress and measure it too.

Village meeting - Periodical village meetings will help understand the needs of the people and garner feedback about the programs

Group Discussions - Issue based focus group discussions are an important tool for effective implementation of programs

Physical Verification - Physical verification has to be regular tool for assessment for record verifications, actual output and progress

Participatory Rural Appraisal - To measure and project the impact and effectiveness of any programme participatory Rural Appraisal is most appropriate technical application

Survey/Questionnaire - Surveys helps detail and evaluates the impact of the interventions.

Partnerships

Partnering gives access to information, networks and alliances that help us keep in touch with a complex and rapidly changing world. It also helps enhance networks and forge new relationships.

Why Partner?

There are distinct advantages to creating partnerships.

- Community investment is linked with business goals
- Business has an impact on the communities in which they operate
- Managed well, it can bring significant benefits to both
- Facilitating & partnering
- Shared onus and bonus
- Creates ownership
- Is visible & satisfying
- Builds brand familiarity & reputation
- Boosts staff morale
- Platform for advocacy
- Retaining 'license to operate' relationships
- Build social capital
- Make projects sustainable

Partnerships can be fostered with the local community, NGO's, government, multi and bilateral agencies for technical support, knowledge sharing and funds, colleagues within the Group for expertise and employees at work and in the township for volunteers.

One could get into two kinds of partnerships with the government and multi and bilateral agencies - 1) implementing partners like outsourcing and 2) sponsorship / grant making.

Planning for Partnership:

- Step I: Be clear about – rationale, purpose and goal
- Step II: Develop an overall strategy for activities and Resource Mobilization
- Step III: Ensure ownership and commitment from all partner's (Roles & Responsibilities)
- Step IV: Establish an action plan
- Step V: Set targets / milestones
- Step VI: Monitor, measure, review
- Step VII: Report and communicate
- Step VIII: Review progress with stakeholders
- Step IX: Refine policies, activities and strategy
- Step X: Share successes and setbacks
- Step XI: Seek perceptions, ideas and involvement

How to Partner- Ways:

- Build on what you're into – get involved in activities that really interest you and are aligned with your business goals
- Time Bank - volunteerism
- Expertise / Knowledge Bank – professional resources
- Skill Bank - sports, dance, arts, drama, music, environment, cultural , spiritual and much more
- Newsletter on Rural Activities – online/ print
- Medicine / Book Bank
- Readability – new reading skills
- Coaching/ Mentoring
- Youth leadership

The following 3 sub sections have been contributed by Mr. Shashi Sharma, Head CSR, SOTL

Few pointers while interacting/ supporting an NGO:

- It should be a registered body.
- It should comply with the laid down legal provisions.
- It should be certified u/s 80 G of Income Tax Act, 1961.
- It should have sincere and dedicated leadership with a clean track-record of doing good work over a period of time.
- It should not have any political affiliation.
- Do give immediate feedback to the NGOs whose project proposals cannot be supported for one reason or the other.
- In general, do not invite NGOs to our premises for discussions, etc. It is advisable to hold meetings at their place, as it also gives an idea about their setup.
- Each NGO to be handled by one person from the CSR team, who will act as an interface between the company and the NGO.
- An exclusive file to be maintained for each project, consisting of proposals, reports, details of disbursals, etc.
- All disbursals to be made by cheque, and receipts obtained.
- The NGO must attach a copy of its 80-G certificate along with the proposal.
- A final report can be prepared at the end of the project/activity. The project site can be revisited, even after the project is completed, to check its progress and impact.
- Do not accept any gifts from NGOs.
- Do not get involved with any political NGOs.

Steps in undertaking a partnership project:

- Identification of a good NGO working in the relevant field
- Encouraging the NGO to develop a good project proposal. (A project having long-term sustainable positive impact).

- Clear identification of beneficiaries
- Detailed description of activities to be undertaken
- Identification of benefits and parameters for measurement
- Identification of milestones to monitor progress
- Identification of funding requirements – with systematic break-up of resources needed and costs thereof. Funding requirements may relate both to capital costs and to recurring costs. For long-term sustainability, certain projects may require support for recurring costs for say 2 to 3 years.

How to Select Effective NGOs:

- This is a very critical step and should be given adequate attention. Associating with good, sincere, dedicated NGOs is a crucial need for successful working of the CSR model adopted.
- Finding good NGOs is basically to be done through field work. There would be a need to move around and make enquiries. Peer referencing i.e. asking good NGOs about other good NGOs would provide useful leads. Asking eminent experts in relevant fields e.g. Education, Environment, and Health could also come up with some possible names.
- After an initial identification, it would be useful to study the track record of the respective NGOs. It would be useful to visit sites where a given NGO is doing work. Some of the beneficiaries of the NGO's activities could be contacted for their views.
- Broadly, most NGOs are run by charismatic leaders or small groups. Therefore, making a good assessment of the NGO's leadership is also a step in the process of selection. Looking at the documentation, reports, brochures, news report, etc. generated by an NGO could provide useful insights.
- There is certain amount of intuition involved in making an initial selection of NGOs. Once the association starts, the experience of working together, getting desired results overall positive impacts on the community would validate the choices and / or provide useful lessons for the future.

The following 3 sub sections have been contributed by Mr. Seyuba Augustine, VP Corporate Relations, KCM

Making Grants

The following criteria when evaluating proposal and making grant decisions to organizations appealing for financial and material help from the company:

- Organization must demonstrate its ability to create and sustain high quality, innovative programmes that provide services resulting in a positive outcome of our mining communities.
- Company involvement in all projects
- Partnerships that benefit both the community and company

- Company employee involvement where appropriate
- Fewer, larger projects with high community impact
- Project alignment with company focus areas
- Economically sustainable projects with multiple benefits
- An emphasis on people rather than things
- Organization must reside in a community where Company operations are conducted.
- Organization or programme must produce measurable results.
- Organization must have a track record for addressing at least one of Company's focus areas.
- Organization must have an experienced and qualified staff.
- Organization must demonstrate financial stability and the ability to provide services effectively and efficiently.

We cannot make the following types of support:

- Grants that do not positively impact one of our operations focus area.
- Direct grants to individuals.
- Grants to political candidates or organizations
- Grants to religious organization for religious purposes.
- Grants to organizations with a limited group of supporters or patrons such as fraternal or social groups)
- Religious and sectarian causes
- Fundraising agencies
- Bricks and mortar projects,
- Salaries, rents and accommodation
- Travel expenses or conferences.

We need the following information from grant proposals:

- Organization name, address, phone number and contact person's name.
- An overview of the organization's mission and brief description of relevant activities.
- The purpose of the request including any deadlines, the grant amount requested and total project budget.
- A copy of the current operating budget including all sources of revenue and expenses.
- A certified copy of the most recent audited financial statements.
- Brief biographies of programme staff.
- A recent annual report any other organization materials, if available.
- A roster of the management board of the requesting organization including their professional affiliations.
- A list of current organization contributors.

The company shall review proposals on an ongoing basis. Applicants who submit their requests should be replied to within two weeks of receipt of the application by the Company.

Glossary

- Framework- this is a corporate guideline for your CSR activities.
- Proactive Enabler- Proactive as in we will initiate projects in the community on our own accord rather than reactively. Enabler, as in we will empower and involve the community in all our CSR work. We will act as a catalyst and facilitator in the entire process. We will not function as the local government instead would work in partnership with them.
- Quantitative Indicators---support your data with numeric
- Qualitative Indicators---explain briefly the impact of the activity
- Deliverables---- Draws from your objective and describes what would the activity deliver at the end of the month
- Action----- what action would you take to achieve the deliverables
- Measures & Review--- impact of the activity and analysis of the entire process, what went right and what did not, corrective measures if any
- Plan for the next month -----could be new activities alternatively an extension of the present months objective
- Health & Hygiene - would feature things like health camp, immunization, support to PHC, toilets, smokeless chullahs, drinking water, etc
- Education - would include education for formal and informal schooling, adult education, remedial education (study centers), tuition, scholarships, vocational education, skill development, sports, schools for special children, infrastructure support to schools,
- Sustainable livelihood - measures for men and women, Self Help Groups (SHG). This would also include training for jobs and helping set ups enterprise.
- Bio Investment - would include all activities related to water shed, agriculture, animal husbandry, environment preservation, social forestry
- Social Mobilization - measures taken for relationship building with the community, advocacy of a cause, women empowerment activities other than financial, activities taken up to bring about a change in knowledge, attitude and practices of people
- Infrastructure- keep this to the minimum. Any kind of infrastructure support
- Business case of CSR - a case study of the company's CSR work highlighting the impact of CSR on the image, bottom line of the company, environment and the community
- Going Forward - based on the impact of your interventions and needs identified, what are your plans for the next 5 years