



# Balochistan Environmental CSR Policy 2021 (Draft)



# **Contents**

**Chapter 1      Goal of the Policy**

**Chapter 2      Extension of the Policy**

**Chapter 3      Objectives of the Policy**

**Chapter 4      Introduction**

**Chapter 5      The Legal Sanction**

**Chapter 6      The CSR Expenditure Management**

**Chapter 7      Contravention**

**Chapter 8      Public Disclosure**

**Chapter 9      Annual Progress Report & Policy Review**

## **CHAPTER 1**

### **GOAL OF THE POLICY**

- 1.1 The Policy aspires to achieve environmental conservation and promotion by protecting the biodiversity of the province through collective efforts by sustainable projects and expenditure on environmental sector.
- 1.2. The Policy covers to fund all these environmental projects through component budget of CSR of all such Companies, firms, consortia etc which are within the territorial jurisdiction of the Province. the Policy makes it mandatory on all the units, companies, individuals etc to which this Policy applies that half (50%) of their ultimate and final CSR budget shall be reserved, earmarked and dedicated for making expenditures on environmental conservation as per this Policy
- 1.3. The Policy attends the mandatory provisions of preservation of environment as provided in Balochistan Environmental Protection Act 2012, which regulates the environmental issues, and to have a Policy which shall guide and bind all the partners, players, actors and contributors for making such expenditures on environmental protection and consolidation for sustainable growth
- 1.4. The Policy aspires to cause sustainable development in the overall functioning and mainframe of the governance system through environmental sensitivity and respect for the preservation of nature.

## **CHAPTER 2**

### **EXTENSION OF THE POLICY**

- 2.1. The Policy applies to all the companies, individuals, and consortia, business units functioning within the Province the activities of which are in immediate or secondary contact with impacting upon the Environment by any means in the Province as described in the Balochistan Environmental Protection Act (BEPA) 2012
- 2.2. Half of the total CSR portion of any unit shall be subject to this Policy of all the units, companies, individuals etc and shall abide and be regulated by the mechanism and procedures set out herein.
- 2.3. No company or unit or individual shall make any expenditure under the specified head of CSR disbranching from or not keeping in pace with this Policy
- 2.4. In case of any irregular or no formal business unit functioning in the province to which the provisions of BEPA 2012 apply in one way or another shall be subject to reserve and spend 2% of the profit earned off its annual business after all deductions in a given calendar year. Such amount will be called the Environmental CSR and it shall be expended on the projects and in manner as prescribed by the Balochistan Environmental Protection Agency

## **CHAPTER 3**

### **OBJECTIVES OF THE POLICY**

- 3.1. To regulate the spending on Environment sector through well formulated and fully structured CSR component. The policy shall be applicable to all the Units, Companies, Partners etc which are involved in businesses that have environmental impact and effects in any and all the forms as poised in the Balochistan Environmental Protection Act 2012
- 3.2. To streamline the sector and project specific spending of CSR to attain a synergized level of environmental development, management, conservation, perpetuation, promotion and protection
- 3.3. To direct and regularize the environment specific spending and ensure transparency of affairs and deals
- 3.4. To recognize the environmental projects that the companies undertake to allow the Agency to maintain a database of projects and hence make further recommendations ultimately resulting in sustainable environmental development
- 3.5. To materialize environmental prosperity and development as contained in the Preamble of the BEPA 2012, 'Whereas, it is expedient to provide for the protection, conservation, rehabilitation and improvement of the environment, prevention and control of pollution, promotion of sustainable development, and for matters connected therewith and incidental thereto'

## CHAPTER 4

### INTRODUCTION

- 4.1. Corporate Social Responsibility or corporate conscience or corporate citizenship or sustainable responsible business (SRB) or corporate social performance is actually how business unit conducts their business within a society. This is the link that connects numerical profit with emotional feelings.
- 4.2. According to the World Business Council for Sustainable Development, CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
- 4.3. Balochistan province is a promise for prospective national development and growth. With immense potential and limitless opportunities, there are threats associated with the preservation of environment and nature in all and different forms. Balochistan believes in sustainable development that allows for the present generations to fulfill their needs without compromising the ability of the future generations to meet their needs.
- 4.4. With such intention, this Policy affirms the commitment towards ensuring sustainable development by putting in place actions that will soothe the environmental hazards caused or potentially caused by the overall development and economic activities directly and indirectly impacting any segments of Environment.
- 4.5. As of this moment, there is no Policy that regulates the CSR regime of any industry and it especially the industries that are leaving intense effects on environment. The CSR is managed on informal basis that invites haphazard spending ruling all together the critical base of Environmental Protection

## CHAPTER 5

### THE LEGAL SANCTION

5.1. This Policy is framed under the over arching provisions of Section 4 of BEPA 2012 that empowers the Balochistan Environmental Protection Council, a statutory Council provided in the ibid Act, to act in manner as follows (quoted from BEPA 2012):

- a) Co-ordinate and supervise enforcement of the provisions of this Act; and
- b) Approve comprehensive environmental policies and ensure their implementation within the framework of a National/Balochistan conservation strategy as may be approved by the Federal/Provincial Government from time to time;
- c) Provide guidelines for the protection and conservation of species, habitats, and biodiversity in general, and for the conservation of renewable and non-renewable resources.
- d) Co-ordinate integration of the principles and concerns of sustainable development into development plans and policies;
- e) The Council may direct the Provincial Agency or any Government Agency to prepare, submit or implement projects for the protection, conservation, rehabilitation and improvement of the environment and the sustainable development of resources or to undertake research in any aspect of environment

5.2. As per Section 227(3)(a)(b) & (c) of The Companies Act 2017, the performance of any corporate company mainly strives and is assessed on the company's contribution and its levying impact on environment and the realm of CSR beside other factors.

- (a) the main trends and factors likely to affect the future development, performance and position of the company's business;
- (b) the impact of the company's business on the environment;
- (c) the activities undertaken by the company with regard to corporate social responsibility during the year;

5.3. The element of CSR is core to making the business of the company sustainable. By sustainable is meant 'development that meets the needs of the present generation without compromising the ability of future generations to meet their needs'.

5.4. Further as per Section 204 of the Companies Act 2017, this is the responsibility of the management to ensure environmental protection by the said unit/corporate entity functioning in certain area with environmental protection.

5.5. The sustainability is also enshrined by the Balochistan Environmental Protection Act 2012 in Section 2 (bbb) that defines sustainable development as, "development that meets the needs of the present generation without compromising the ability of future generations to meet their needs".

5.6. Environmental Protection is therefore the immense in size of the priority given the nature of business carried out in units which have huge impact on environment and therefore the CSR prioritization must first attune to environmental conservation.

5.7. Clause h of subsection 1 of Section 6 of Balochistan Environmental Protection Act 2012 mandates this Agency for carving systems and procedures for cleaning up pollution in the air and controlling the environmental detrimental

elements and safekeeping the environment from different emissions and discharges.

- 5.8. This Policy provides for carving of such system as poised in the aforementioned Section of BEPA 2012
- 5.9. Such units which are in immediate, intimate and close contact with the element of environment are bound by this Policy to ensure spending on environment for its conservation, preservation, promotion and protection and this forms the center of their overall CSR core.
- 5.10. No company or Unit to which the provisions of BEPA 2012 apply shall carry any CSR activity at its own or in manner not specified in the Policy or within the meaning of any good will or good intentions. All the CSR spending shall be regulated by this Policy henceforth.

## **CHAPTER 6**

### **THE CSR EXPENDITURE MANAGEMENT**

#### **(UNDER SECTIONS 6, 15 & 24 OF BEPA 2012)**

- 6.1. Every company must have well spelt out Annual CSR Plan and the same must be shared and formally approved by the Agency.
- 6.2. The half (50%) of the wholesome CSR chunk of the unit shall be regulated by this Policy and must not be portioned out or segregated or separated in other freelance activities. Every unit concerned must provide documentary evidence as to enable the Agency ascertain the exact and correct amount of the overall CSR amount
- 6.3. Every unit to which the provisions of BEPA 2012 apply, shall fall within this CSR Policy
- 6.4. The annual projects/schemes/plans must focus on the elements of environmental conservation as provided in the provisions of the BEPA 2012
- 6.5. The Agency will propose specific projects/schemes of environmental nature to be carried out in different parts around the province which the units would be liable to undertake after considerable considerations and brainstorming on such schemes and plans.
- 6.6. Every company would henceforth have a certain catchment area the limits and jurisdictions of which will be identified by the EPA in consultation with the Unit's management and the company shall be responsible for implementing such environmental friendly projects, schemes and operations as proposed by the Agency within such catchment areas.
- 6.7. Beside the above singular and separate catchment areas, there will be one collective environmental zone of immense size to which a collective action shall apply by all the different units collectively as directed by the Agency

- 6.8. The Agency shall have the power to direct any unit for executing any environmental project in any part of the province
- 6.9. Every unit should annually identify the environmental threats faced or imminent within its catchment areas during the annual exercises and operations
- 6.10. Every unit must identify the Environmental Mitigation Strategy against the threats identified hereinabove
- 6.11. Every Unit shall always be ready to provide any kind of support anywhere within the province in case of any environmental anomaly, threat or disaster
- 6.12. In order to regulate the affairs as identified above, a consultative committee shall be housed in every unit which shall be composed of the Company's representative, a representative of the EPA field office, a special representative of DG EPA, representative of District Administration, and such other co-opted members as or when required and invited by the Agency from either public or private sector including the Universities or independent experts etc.
- 6.13. The unit or company to whom these instructions apply shall not undertake any CSR activity in manner not specified hereinabove.
- 6.14. The Agency must be kept abreast of all the activities and every activity to be carried out under the CSR must follow the line and length narrated hereinabove.

## **CHAPTER 7 CONTRAVENTION**

Whosoever contravenes any of the provisions of this Policy shall be deemed to have contravened the provisions of Section 15 of BEPA 2012 and thus and consequently shall be liable for prosecution as per Section 25 of Balochistan Environmental Protection Act 2012

## **CHAPTER 8 PUBLIC DISCLOSURE**

The whole record and data of the Annual CSR Spending shall be subject to Public Disclosure as or when so required or requested by anyone

## **CHAPTER 9 ANNUAL REPORT & POLICY REVIEW**

- 9.1. The Agency shall submit Annual Progress Report of the Environmental CSR Progress to the Balochistan Environmental Protection Council at the end of each calendar year
- 9.2. The Council can make any recommendations in terms of executing any kind of projects it deems fit and appropriate for the Environmental Protection
- 9.3. The Council can propose changes, amendments be inserted to the Policy after reviewing the Progress Report
- 9.4. Notwithstanding any clause contained hereinabove, the Policy shall be annually reviewed and if need be shall be accordingly amended. The review request can also be submitted by any unit or public or any person concerned which shall be tabled for collective deliberation and would be accordingly decided by the Balochistan Environmental Protection Council