

NTECL Policy for CSR & Sustainability



Power with CSR & Sustainability

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1.0 Preamble

A responsible corporate citizen since inception, NTECL envisions, ***"To make NTECL Tamilnadu's best power generating company with availability of quality and reliable power at competitive rate"***. It is guided by the mission, ***"Provide reliable and quality power in an economical, efficient and environment friendly manner, driven by innovation and agility"***.

Committed to inclusive growth and sustainable development with special focus on the communities in the neighborhood of its operations, NTECL has set-out the following Corporate Objectives on CSR & Sustainability.

Corporate Objectives on CSR & Sustainability.

- ***"To contribute to sustainable power development by discharging corporate social responsibilities"***
- ***"To lead the sector in the areas of environment protection including effective ash-utilization, peripheral development and energy conservation practices"***

NTECL endeavors to improve the quality of life in neighborhood community through various community development initiatives under its **Policy for Corporate Social Responsibility (CSR) & Sustainability**.

2.0 COMMITMENT for CSR & SUSTAINABILITY

"NTECL commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighbourhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability"

3.0 Guiding Principles

- Strive to improve standard of living of society at large, with preference to local and backward areas.
- Promote inclusive growth by focusing on needs of the deprived, under privileged, neglected and weaker sections of the society especially women, girl child, physically challenged and elderly persons.
- Contribute towards clean and sustainable development by protecting & maintaining the environment (air, soil and water), conserve natural resources, support biodiversity conservation and promote renewable energy.
- Integrate CSR & Sustainability initiatives with Tamil nadu state & National Development plans

4.0 Scope and Coverage

- This Policy for CSR & Sustainability applies to formulation, implementation, Monitoring, evaluation, documentation, reporting of CSR and sustainability activities taken up by NTECL.
- This policy does not cover activities undertaken in pursuance of NTECL's normal course of business and activities exclusively for benefit of NTECL's employees or their family, as the same are not considered as CSR & Sustainability activities
- This policy is intended to be in conformity with the provisions of Companies Act 2013.
- Any new provision arising out of amendments to Companies Act, 2013 or rules made there under shall be construed to be a part of this policy. However, such new provisions shall be specifically incorporated in the policy.

5.0 Mechanism and Process

Towards fulfillment of its commitments for CSR and Sustainability and implementation of its Policy for CSR & Sustainability, mechanism adopted by NTECL is as detailed below:

5.1 Structure

The structure Shall be as follows:

- 5.1.1 The Board level Corporate Social Responsibility & Sustainability Committee comprising at least three Directors with at least one Independent Director, recommends to the Board for approval, the amount of expenditure to be incurred on the activities and monitor from time to time the Policy for Corporate Social Responsibility & Sustainability approved by the Board. Single-tier structure i.e. Vallur Thermal Power Project is responsible for planning, implementation, monitoring and reporting on **CSR & Sustainability** projects.
- 5.1.2 NTECL shall encourage volunteering by its employees and their family members. Employees NGOs under the banner "**Employee Voluntary Organization for Initiatives in Community Engagement (EVOICE)**" shall also facilitate planning and implementation of the identified **CSR & Sustainability** projects, complementing the CSR & Sustainability initiatives of NTECL

5.2 Programme

- 5.2.2 CSR & Sustainability programs undertaken by NTECL include activities specified in Schedule VII of the Companies Act 2013 & rules made there under and any other activity for benefit of community at large. An Indicative list of CSR & sustainability programs/projects of NTECL is given as Annexure-I
- 5.2.3 Focus areas of NTECL's CSR & Sustainability activities are Health, Sanitation, Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure Development, support to Physically Challenged Person (PCPs), and activities contributing towards Environment Sustainability
- Preference for CSR & Sustainability activities is given to local areas (within the district) around NTECL's operations, ensuring that majority CSR funds are spent for activities in local areas. However, considering Inclusive Growth & Environment Sustainability and to supplement Government effort, activities are taken up anywhere in Tamilnadu.

5.3 Fund Allocation & Expenditure

- 5.3.1 In line with the requirement of the Companies Act 2013, from financial year 2014-15, It is necessary to spend, two percent (2.0%) of the average net profits (to be calculated in accordance with the provisions of the Companies Act) made during the three immediately preceding financial years, for CSR & Sustainability activities.
- 5.3.2 Funds allocated are earmarked for CSR & Sustainability programs/ activities approved by CSR & Sustainability Committee . NTECL endeavours to fully spend the funds annually allocated for CSR & Sustainability activities/projects.
- 5.3.3 Surplus arising out of any CSR & Sustainability projects/ activities does not form part of business profit of NTECL.

5.4 Planning & Implementation

- 5.4.1 CSR & Sustainability projects/ activities are undertaken with a view to achieve improvement in living standard of communities. Accordingly plans are made to

achieve these goals and activities to be undertaken on annual basis at each location are identified.

5.4.2 CSR & Sustainability projects/ activities are generally formulated based on Need Assessment Surveys (NAS) and/or inputs from Panchayat, district administration, neighbourhood community and various stakeholders including public representatives, Village Development Advisory Committee (VDAC) and other participatory forums etc.

5.4.3 The plans may be dovetailed with specific government programmes to achieve the desired targets. Adequate care is taken to ensure that there is no duplication of CSR & Sustainability projects with that of government's programmes.

5.4.4 As far as possible CSR & Sustainability activities are taken up in project mode. Every effort is made to ensure that approved activities are implemented within schedule. Once an activity is approved and funds are allocated, the activity is continued and is carried forward in subsequent years until completed.

5.4.5 Participation of Panchayat, community & local authorities is encouraged during planning, implementation & monitoring of CSR & Sustainability projects, for

their acceptance, support & recognition of CSR initiatives.

5.4.6 CSR & Sustainability activities are implemented through specialised and experienced agencies such as Government / Semi-Govt. Organizations, Educational /Academic/ Autonomous Institutions, Non Government Organizations (NGO), Employee Volunteering Organizations (EVOICE), Trusts, Self Help Groups(SHG), Professional Consultancy Organizations, Contracting Agencies etc.

5.5 Monitoring, Evaluation & Reporting

5.5.1 Monitoring:

Monitoring is done to ensure timely completion of activities and to achieve deliverables. Regular reviews shall be done by NTECL, wherein bottlenecks are identified and remedial measures would be taken.

Periodic MIS on status and issues of CSR & Sustainability activities shall be put up to appropriate level and intervention shall be sought wherever required.

5.5.2 Evaluation:

Effectiveness of CSR & Sustainability programme is assessed through both internal & external evaluation. Internal audits are carried out to verify effectiveness of implementation

Social Impact Evaluation (SIE) is done through credible external agencies for gauging impact of CSR & Sustainability initiatives. Findings of SIE form the basis for initiating corrective actions and formulating future schemes/ plans.

6.0 Policy Review

Policy shall be reviewed every year by HR Department of NTECL.

5.5.3 Reporting:

NTECL brings out its Sustainability Report annually, based on globally acclaimed Reporting Framework. CSR & Sustainability activities undertaken by NTECL are disseminated to the stakeholders through Company's Annual Report & Sustainability/ Business Responsibility Report etc. These reports shall be made available in public domain by uploading them on NTECL website and to internal stakeholders through intranet

5.5.4 Communication to Stakeholders:

The Policy for CSR & Sustainability shall be uploaded on NTECL's website and intranet for access to external & internal stakeholders.

CSR & Sustainability initiatives are communicated to stakeholders through local/ national print & visual media, conferences, workshops and other forums. Internal workshops, training, news bulletins, brochures, intranet etc are extensively used to create awareness about CSR & Sustainability initiatives, among internal stakeholders.

Indicative list of CSR & Sustainability projects/ programs/ activities

Item No	Schedule VII	CSR & Sustainability projects/ programs/ activities
i	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of Sanitation and safe drinking water.	<ul style="list-style-type: none"> • Mobile Health Clinics, Medical Camps, training/ awareness programs on health, sanitation etc. • Infrastructure / assets for hospitals / PHCs etc • Support for Tuberculosis (TB) Control Program • Disability Rehabilitation Centre (DRC) • Community/ individual toilets, drains etc. • Water supply systems like piped water, hand pumps/ tube wells, bore wells, etc. • Supply of drinking water • Contribution to Swach Bharat Kosh.
ii	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	<ul style="list-style-type: none"> • Distribution of study materials, Scholarships / financial assistance to meritorious students • Infrastructure / assets in Govt./ Govt. funded and other schools that charge equivalent fees • Infrastructure for education, Skill Development Centers, Industrial Training Institutes etc • Vocational trainings, Adult Education, Coaching classes, Awareness programs • Formation of Self Help Groups • Support for agriculture produce/ business • Medical / Veterinary camps for livestock
iii	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	<ul style="list-style-type: none"> • Vocational Training, Formation of women SHGs • Adult Education / Awareness Programs / Workshops/ seminars on Gender Equality • Distribution of Bicycle for women empowerment • Infrastructure development of homes / hostels for women, orphans, old age etc. • Other measures for reducing inequalities faced by socially and economically backward groups
iv	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.	<ul style="list-style-type: none"> • Activities for protecting & maintaining environment (Air, Soil and Water). • Initiate & support measures to conserve natural resources (by reduction, reuse and recycling), optimize usage of renewable energy, increase energy efficiency and reduce GHG emissions. • Activities for Biodiversity Conservation, protection of Fauna & Flora & restoring ecological balance. • Promoting Animal Welfare & Agro Forestry. • Awareness / training programs / workshops / seminars on sustainable development. • Cleaning of water bodies, rivers in and around NTECL projects.

Item No	Schedule VII	CSR & Sustainability projects/ programs/ activities
v	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of arts; setting up public libraries; promotion and development of traditional arts and handicrafts.	<ul style="list-style-type: none"> • Rural cultural meets. • Programs for Protection of national heritage including restoration of buildings and sites of historical importance • Protection, promotion and development of traditional arts & culture, handicrafts etc.
vi	Measures for the benefit of armed forces veterans, war widows and their dependents	<ul style="list-style-type: none"> • Activities for the benefit of armed forces veterans, war widows and their dependents
vii	Training to promote rural sports, nationally recognized sports, Paralympics sports & Olympic sports	<ul style="list-style-type: none"> • Rural sports, competitions • Coaching camps, distribution of Sports kit • Promotion of traditional / nationally recognized sports, Paralympics sports & Olympic sports • Sports related infrastructure
viii	Contribution to PM's National Relief Funds or other similar funds set up by the central government for socio economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	<ul style="list-style-type: none"> • Relief to victims of Natural Calamities like earthquake, cyclone, drought, fire & flood • Activities for support to welfare of the Scheduled Castes, the Scheduled Tribes, backward classes, minorities and women • Contribution to CM's Relief Fund
ix	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;	<ul style="list-style-type: none"> • Support for technology incubators
x	Rural development projects.	<ul style="list-style-type: none"> • Construction/ Renovation of: <ul style="list-style-type: none"> ○ Community Centres, Bus shelters ○ Internal / approach Roads, culverts, etc. ○ Ponds/ lakes etc. • Renewable energy projects • Strengthening Electrical infrastructure • Other Social Infrastructure
xi	Slum area development.	<ul style="list-style-type: none"> • Activities for slum area development

Note* Any other activities based on need & requirement of the stakeholders could be taken up in-line with the provision of Companies Act 2013.

Abbreviations

CSR	Corporate Social Responsibility
DRC	Disability Rehabilitation Centre
EVOICE	Employee Voluntary Organization for Initiatives in Community Engagement
GHG	Green House gases
MIS	Management Information System
NAS	Need Assessment Surveys
NGO	Non Government Organizations
PCP	Physically Challenged Person
PHC	Primary Health Centre
SHG	Self Help Groups
SIE	Social Impact Evaluation
VDAC	Village Development Advisory Committee



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