



**NSPCL POLICY
For
CSR & Sustainability**

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Preamble

As a responsible Corporate citizen, NSPCL envisions “To be an efficient power producer delivering consistent value to stakeholders”. The mission statement of NSPCL focuses on “**Sustainable growth and Commitment to care for the environment and the community**” as key means in order “**To be recognized as a reliable power producer in the country**”.

NSPCL is committed to inclusive growth and sustainable development with special focus on the communities in the neighborhood of its operations.

NSPCL has a commitment to discharge its Corporate Social Responsibility and to operate in an economically, socially and environmentally sustainable manner, with integration of social and business goals.

The focus of CSR activities at NSPCL is Capacity Building of marginalized sections of society and integrating them with the main stream. The CSR policy provides guidelines for improving the quality of life in areas where the Company has a presence. These primarily include activities related to sustainable development and inclusive growth, and to address the basic needs of the deprived, under privileged, neglected and weaker sections of the society which comprise of BPL families, Old and aged women/girl child, physically challenged etc.

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 National Development plans.**

Scope and Coverage

- This Policy for CSR & Sustainability applies to formulation, implementation, monitoring, evaluation, documentation, reporting of CSR and sustainability activities taken up by NSPCL anywhere in India.
- This policy does not cover activities undertaken in pursuance of NSPCL's normal course of business and activities exclusively for benefit of NSPCL'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 and DPE Guidelines on CSR, if any. In case of any contradiction between this policy and provisions of the Companies Act, the latter shall prevail.
- 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.

Mechanism and Process

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

1.0 Structure

The structure is described here:

- 1.1 CSR Sub Committee of the Board comprising of four Directors recommends to the Board for approval, the amount of expenditure to be incurred on the activities and monitors from time to time, the policy for CSR & Sustainability approved by the Board.
- 1.2 Each Unit of NSPCL will have a short term, medium term and a long term plan. The long term perspective plan will be in accordance with the long term perspective plan as per the Corporate Plan, medium – term plan will be for a 3-5 years period in coherence with the business plan and the short term plan will be for one year which shall be in accordance with the annual Business Plan/Internal MOU targets.
- 1.3 The annual detailed activities will be proposed by a committee to be constituted by BUH/CEO.
- 1.4 The CSR Sub Committee of the Board would finalize and approve the activity heads under which the expenditure would take place.
- 1.5 CEO would be authorized to approve the detailed projects in line with the approval of the Sub Committee/Board.

2.0 Programme

2.1 CSR & Sustainability programs undertaken by NSPCL 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 NSPCL is given at **Annexure-I.**

2.2 Focus areas of NSPCL 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 NSPCL'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 the country.

2.3 Selection of activities under CSR shall be made to ensure that the benefit reach the smallest unit i.e. village, panchayat, block or district depending upon the operations and resource capability of the company. Skills available with the

companies will be shared as far as possible, with the local administration by training and setting up required structures and systems.

3.0 Fund Allocation & Expenditure

3.1 In line with the requirement of the Companies Act 2013, from financial year 2014-15, NSPCL Board has approved 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.

3.2 Funds allocated are earmarked for CSR & Sustainability programs/activities approved by CSR Sub Committee of the Board. NSPCL endeavours to fully spend the funds annually allocated for CSR & Sustainability activities/projects.

3.3 Surplus arising out of any CSR & Sustainability projects/ activities does not form part of business profit of NSPCL.

3.4 All units will be allocated separate CSR Budgets in the annual budget based on the approved proposal of the Units. The allocated budget is to be spent in the particular year. However, if any amount remains unspent, the reasons for not spending it in the

particular year have to be specified in the Annual Report of the Company and the unspent CSR amount would not lapse and will be carried forward to the next year for utilization for the purpose for which it was allocated.

4.0 Planning & Implementation

- 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.
- 4.2 CSR & Sustainability projects/ activities are generally formulated based on inputs from Panchayat, district administration, neighborhood community and various stakeholders including public representatives and other participatory forums etc.
- 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.
- 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.

- 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.
- 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), Trusts, Self Help Groups, Professional Consultancy Organizations, Contracting Agencies etc.

5.0 Monitoring, Evaluation & Reporting

5.1 Monitoring:

Monitoring is done to ensure timely completion of activities and to achieve deliverables. Regular reviews are done at Unit Level, wherein bottlenecks are identified and remedial measures are taken.

Periodic MIS on status and issues of CSR & Sustainability activities is put up to appropriate level and intervention is sought wherever required. Review of companywide CSR & Sustainability activities and budget utilization is done at Corporate level.

5.2 **Evaluation:**

The performance shall be monitored by CSR Sub Committee of the Board on a regular basis.

5.3 **Reporting:**

NSPCL shall include a separate paragraph/ chapter in the Annual Report on the implementation of CSR activities/projects.

These reports are made available in public domain by uploading them on NSPCL website and to internal stakeholders through intranet.

5.4 **Communication to Stakeholders:**

The Policy for CSR &Sustainability is uploaded on NSPCL'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.

6.0 Policy Review

Policy shall be reviewed every year.

ANNEXURE - I

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 Swachh Bharat Kosh setup 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
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

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
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
DPE	Department of Public Enterprises
DRC	Disability Rehabilitation Centre
EVOICE	Employee Voluntary Organization for Initiatives in Community Engagement
ICD	Initial Community Development policy
MIS	Management Information System
NAS	Need Assessment Surveys
NGO	Non Government Organizations
PCP	Physically Challenged Person
R&R	Rehabilitation & Resettlement policy
SHG	Self Help Groups
SIE	Social Impact Evaluation
VDAC	Village Development Advisory Committee



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