



A Maharatna Company

Environmental, Social and Governance Management System (ESG-MS) Framework

NTPC Limited

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GLOSSARY

Term	Meaning
BoD	Board of Directors
CCUS	Carbon Capture, Utilization and Storage
CEO	Chief Executive Officer
CGDF	Corporate Governance Development Framework
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
DARPG	Department of Administrative Reforms & Public Grievances
ECM	External Communication Mechanism
EHS	Environmental, Health & Safety
ERM	Enterprise Risk Management
ESG	Environmental Social Governance
ESGMS	Environmental Social Governance Management System
ESG & CC	Environmental Social Governance & Climate Change
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HR	Human Resource
ICD	Initial Community Development
IFC	International Finance Corporation
ILO	International Labour Organization
KPI	Key Performance Indicators
NGRBC	National Guidelines on Responsible Business Conduct
OHS	Occupational Health and Safety
PPE	Personal Protective Equipment
R&D	Research & Development
R&R	Rehabilitation & Resettlement
SDG	Sustainable Development Goals
SOPs	Standard Operating Procedures
UN	United Nations

1. INTRODUCTION

1.1. Background

NTPC Ltd. is India’s one of the largest energy conglomerate with roots planted way back in 1975 to accelerate power development in India. Since then, the company has established itself as the dominant power major with a presence in the entire value chain of the power generation business. From fossil fuels, NTPC has also forayed into generating electricity via hydro, nuclear and renewable energy sources. The company has also diversified its business across the power generation value chain through its subsidiaries, joint ventures, and associate companies.

Our mission at NTPC is to provide reliable power and related solutions in an economical, efficient, and environment-friendly manner, driven by innovation and agility.

NTPC recognizes that environmental, social, and governance (ESG) aspects are essential for ensuring a sustainable long-term business. To proactively add value, lower risk and enhance sustainability in our existing and new projects, NTPC has developed this Environmental, Social, and Governance Management System (ESG-MS) document to integrate ESG across our operations. This document outlines ESG management principles for NTPC and guides the management of ESG risks and opportunities within our operations.

1.2. Purpose

This document is the ESG manual for NTPC. It comprises of the ESG Policy statement and an ESG MS framework for the Company. It establishes the system requirements and tools required for the management of the environment, health and safety, corporate social responsibility, corporate governance, sustainability risks, and opportunities throughout the Company's operations. The purpose of the manual is to assist the senior management of the Company in:

- Setting the Company’s general strategy relating to ESG Matters
- Developing, implementing, and monitoring ESG initiatives and policies at the Company
- Oversee communications with employees, investors, and other stakeholders of the Company concerning ESG Matters

1.3. Structural View

The structure of this document is as follows:

Chapter 1	Brief background of NTPC’s operations and the purpose for implementing a comprehensive Environmental, Social, and Governance Management System (ESG-MS) framework and structure of this ESG-MS manual.
Chapter 2	Introduction to the key global ESG Standards which are adopted by NTPC to guide the implementation of its ESG principles

Chapter 3	Description of the core components of an ESG-MS and a detailed scope
Chapter 4	NTPC's ESG Policy statement and commitment to ESG principles
Chapter 5	Identification of potential ESG risks and impacts arising from NTPC's operations
Chapter 6	Detailed mitigation guidelines (SOPs) and linkage to internal policies to manage identified ESG risk and ensure attention towards identified risks
Chapter 7	Governance structure for the implementation of ESG MS and a description of the roles and guidance on capacity building for effective implementation of ESG MS
Chapter 8	Procedures to monitor and review ESG performance and undertake reporting
Chapter 9	Description of NTPC's key stakeholders as well as the value principles towards each stakeholder category and grievance redressal mechanism to address their concerns.
Annexures	

2. INTRODUCTION TO KEY GLOBAL ESG STANDARDS ADOPTED BY NTPC

While we ensure compliance with applicable local and national regulations, this ESG MS document and its principles are also aligned with leading global ESG standards and frameworks, such as:

- IFC Performance Standards
- IFC's Corporate Governance Development Framework (CGDF)
- The ILO Fundamental Conventions
- UN Sustainable Development Goals (SDGs)
- National Guidelines on Responsible Business Conduct (NGRBC)
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights

These standards are considered international benchmarks for managing environmental, social, and governance risks and are adopted by leading global investors and companies alike. NTPC recognizes the importance of these leading ESG guidelines and has accordingly adopted ESG principles and requirements from them. The standards are described in brief in the following sub-section.

2.1. Applicable Reference ESG Frameworks

- **IFC's Environmental and Social Performance Standards, 2012 (IFC PS)** – IFC's Environmental and Social Performance Standards are 8 performance standards that define the responsibilities of companies in managing their environmental and social risks. A detailed mapping of NTPC's adherence to the IFC Performance Standards has been provided in Annexure 4.
- **IFC's Corporate Governance Development Framework (CGDF)** - The CGDF is the result of extensive collaboration among members of the global DFI Corporate Governance Working Group, which consists of representatives of several international finance institutions.
- **The ILO Fundamental Conventions** - The ILO Governing Body has identified 8 'fundamental' Conventions, covering subjects that are considered to be the core principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.
- **United Nations Sustainable Development Goals (UN SDGs)** - The Sustainable Development Goals (SDGs) or Global Goals are a collection of 17 interlinked goals that cover environmental and social aspirations designed to guide achieving a better and more sustainable future for all. They were developed in 2015 and intended to be achieved by 2030.

- **National Guidelines on Responsible Business Conduct (NGRBC)** - These guidelines have 9 principles and are a way of encouraging businesses to contribute towards wider development goals while also maximizing their profits. It intends to make the companies more responsible and accountable for their actions.
- **World Bank Group Environmental, Health, and Safety (EHS) Guidelines** - The World Bank Group Environmental, Health, and Safety Guidelines (EHS Guidelines) is a technical reference document with general and industry-specific examples of good international industry practice.
- **UN Guiding Principles on Business and Human Rights** - The United Nations Guiding Principles on Business and Human Rights (UNGPs) is an instrument consisting of 31 principles implementing the United Nations (UN) "Protect, Respect and Remedy" framework on the issue of human rights and transnational corporations and other business enterprises.

Each of the above-mentioned international ESG reference standards is described in detail in Annexure 1.

3. CORE COMPONENTS OF ESG-MS

This ESG MS document has been developed in accordance with several international performance standards and principles, including the practice of management of natural resources, fair and respectful treatment of human resources, and ensuring a healthy workplace. It sets out the dynamic and continuous processes initiated and supported by the NTPC management and involves engagement between all internal and external stakeholders.

3.1. ESG Management System (ESG-MS)

The purpose behind developing and implementing an ESG-MS is to ensure that Environmental, Social, and Governance aspects are integrated as a core component of the overall business strategy of NTPC. The ESG-MS is a set of dynamic and continuous processes initiated and supported by the NTPC's management and involves engagement between all stakeholders. The objectives of the ESG MS are as follows:

- Guide NTPC’s ESG management
- Integrate ESG principles in own operations
- Define a governance structure for ESG management
- Establish procedures for stakeholder engagement
- Establish procedures for external communication and grievance management
- Establish procedures for monitoring and review
- Establish procedures for periodic reporting of ESG performance

The ESG Policy and the set of procedures outlined in this manual constitute the entire ESG MS for NTPC. The core components of ESG-MS are illustrated and described in brief, in Figure 1 below.

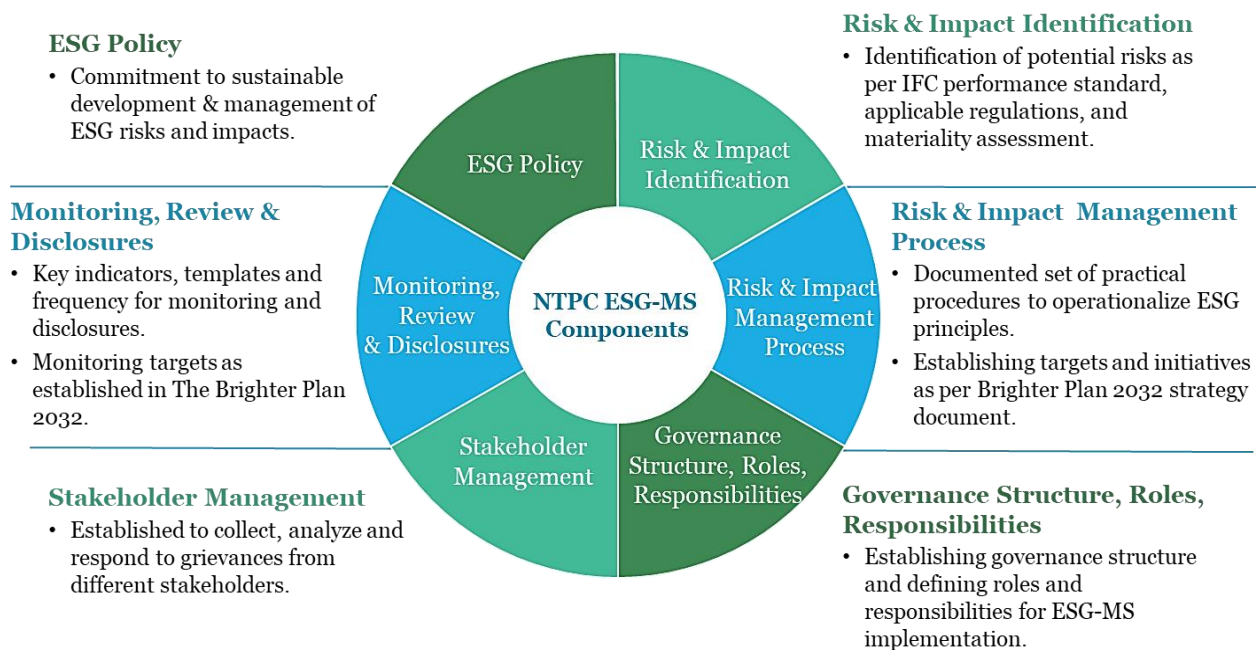


Figure 1: Core Components of NTPC ESG MS

4. ESG POLICY

4.1. Statement of Intent

NTPC ESG Policy fortifies our commitment to sustainable power generation while protecting the environment enabling societal good and adhering to good corporate governance standards. We shall ensure that our stakeholders are guided by an effective ESG framework across all business operations. We shall promote transparency and accountability on ESG-related matters through periodic reporting and disclosures.

4.2. Our Commitment to ESG

NTPC is committed to provide clean and affordable energy in a responsible and sustainable manner. NTPC believes that management of environmental, social, and governance (ESG) considerations across its business operations can create long-term sustainable value for all stakeholders.

We at NTPC aim to adopt an integrated ESG approach, where economic goals will be attained through conscious efforts to conserve our planet and its natural resources while improving the quality of life for current and future generations. We shall integrate ESG principles into core decision-making processes and governance structures. The principles will also be regularly monitored with key performance indicators to ensure effective implementation across operations.

We shall comply with applicable laws of the land and be responsive to existing and emerging global ESG concerns on a proactive basis.

4.3. ESG Principles

NTPC is conscious of its responsibilities towards customers, employees as well as all other stakeholders.

To demonstrate our approach and commitment to ESG, we shall ensure the integration of the following core principles across our operations:

- Ensure compliance with all relevant and applicable statutory rules and regulations.
- Integration of environmental, social, and ethical governance criteria within our operations and business decisions.
- Demonstrate accountability to ESG-related concerns of all stakeholders.
- Embrace key international ESG standards and guidelines, relevant to our business and jurisdiction, and strive to adopt best practices to make the entire power generation value chain sustainable.
- Allocate resources towards training the workforce on ESG policy and commitments, and to instill an ESG conscious organization-wide culture.
- Regularly review ESG and associated policies considering new and emerging risks as well as stakeholder concerns.

Principles for environmental sustainability:

- Ensure optimal use of resources across the entire power generation value chain to improve productivity and preserve air quality, water, and biodiversity.
- Rolling out environmental management initiatives across operations. This includes the provision of facilities and educational and engagement resources that encourage energy efficiency, waste management, and sustainable water consumption.
- Acknowledge the growing concern of climate change and reduce greenhouse gas emissions.
- Minimize the waste footprint of own operations, by recycling and reusing materials where practicable.

Principles for social sustainability and occupational health and safety:

- Promote and encourage, a safe and healthy working culture by engaging with our workforce, customers, and other stakeholders periodically.
- Respect the human rights of all stakeholders (employees & workers, suppliers, vendors, local communities including indigenous people, customers, etc.) in line with NTPC's human rights policy, across NTPC's operations.
- Offer equal employment opportunities to all and ensure zero tolerance to discrimination or harassment in any form.
- Establish and maintain effective grievance redressal channels for all stakeholders (including own and third-party staff).
- Prevent child labor and forced labor in any form, within own operations.
- Strive to identify and mitigate the risks related to child Labor / forced labor within supply chains by putting in place adequate risk assessment procedures and raising awareness among the value chain stakeholders about child Labor / forced labor.
- Ensure all employees are responsible for the promotion of and adherence to health and safety measures in the workplace.

Principles for good governance:

- Develop and implement a robust and effective corporate governance framework, adhering to applicable national regulatory requirements, and in line with leading global guidance on good corporate governance.
- Establish robust internal controls to ensure compliance with policies and practices.
- Ensure transparency and objectivity in dealing with all our stakeholders.

4.4. Policy Applicability and Communication

This policy applies to all business units of NTPC including subsidiaries, associate companies, and joint ventures that are under its control.

This policy applies to and shall be communicated to all staff (both permanent and third-party) at all levels and all functions of the organization. NTPC shall allocate appropriate resources and conduct in-house training to ensure the effective implementation of the ESG policy.

The policy shall be communicated to vendors and customers of the company. Disclosure of this policy shall be maintained on NTPC's website for general viewing.

4.5. Applicable Reference Frameworks

While we ensure compliance with applicable local and national regulations, this ESG Policy and its principles are also aligned with various leading global ESG standards and frameworks, such as:

- IFC Performance Standards
- IFC's Corporate Governance Development Framework (CGDF)
- The ILO Fundamental Conventions
- UN Sustainable Development Goals (SDGs)
- National Guidelines on Responsible Business Conduct (NGRBC)
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights

4.6. Linkages to Other Internal Policies

In addition to this ESG policy, NTPC has also established other policies that complement this ESG Policy and demonstrate our commitment to good governance practices and to promote a sustainable, environmentally conscious, diverse, fair, transparent, and decent working culture, as listed below:

- Environment Policy, 2022
- Water Policy, 2022
- Biodiversity Policy, 2022
- Waste Management Policy, 2022
- Ash Policy, 2015
- E-waste Policy, 2014
- Integrated Plastic Management Policy, 2019
- Rainwater Harvesting Policy, 2018
- Sustainable Supply Chain Policy
- Human Rights Policy, 2018
- Rehabilitation & Resettlement (R&R) Policy, 2017
- Initial Community Development (ICD) Policy, 2009
- Safety Policy, 2021
- Emergency Preparedness and Response Policy, 2021
- Corporate Social Responsibility (CSR) Policy, 2019
- Complaint Handling Policy, 2023
- Anti-Bribery and Anti-Corruption Policy, 2023
- Whistle Blower Policy, 2014
- Fraud Prevention Policy, 2007

4.7. Policy Review and Approval

This policy shall be reviewed at opportune time, but not later than once in three years. CMD, NTPC is the approving authority and has reviewed and authorized the ESG policy document.

5. ESG RISKS, OPPORTUNITIES, AND IMPACTS IDENTIFICATION

NTPC has implemented a companywide elaborate Enterprise Risk Management (ERM) framework. This framework has identified 26 risks for the company including the umbrella ESG Risks. This Chapter delves into the specifics of ESG Risk Assessment and describes the key components of the ESG risks, their impacts, and opportunities for NTPC's operations. The analysis and findings of the ESG Risk Assessment exercise will further feed into the ERM Framework. The key objective of this section is to identify and assess the potential ESG risks and opportunities associated with business operations/activities of NTPC.

5.1. Environmental, Social and Governance Risks and Impacts due to Own Operations

Understanding the nature of operations for NTPC is essential to identify potential risks and impacts and propose adequate mitigation measures. NTPC considers the identification and management of ESG risks and opportunities as an ongoing exercise. The ESG impact of NTPC's operations is determined based on the Company's plant operations and management activities, office-based business operations (both at corporate headquarters, regional locations, and other locations), as well as procurement of equipment and services.

The process flow for ESG risks and opportunities assessment is described in Figure 2 below:



Figure 2: Process flow for ESG risk and opportunities assessment

5.2. Identification of Risks and Opportunities

The following actions are undertaken for the identification of ESG risks and opportunities:

1. The CSO/ Head (SSEA) shall designate leaders of various departments related to ESG to assist in undertaking annual ESG risk and opportunity assessment.
2. Owners would be designated based on their interface with the concerned risks and opportunities.
3. The risk assessment will include all the broad areas of environment, social and governance covered by various concerned risk owners.

4. The concerned risk owner should convey the opportunities arising out from policy change and market trends in ESG space, such as carbon and green credits, sustainable finance, cost reduction, etc. through technological innovations, process improvements and strategy formulation.
5. Each department will monitor the results and report back to the CSO within a designated period.
6. The CSO is responsible for consolidating the risks in a central 'Risk Assessment Form' from each department to develop the ESG risk register for NTPC (Annexure 2).

5.2.1. Key Material Topics

NTPC regularly conducts materiality analysis by involving internal and external stakeholders to identify key ESG risks and their impacts, which in turn helps NTPC to establish mitigation measures. A broad list of ESG risks and opportunities (or material topics) identified are:

S. No.	Material Topics	Relevance and Impact on NTPC
Environmental risks & opportunities		
1.	Waste management	Major waste streams from NTPC's operations include e-waste, plastic waste, paper waste, solid and hazardous waste, etc. Their proper management is the Company's responsibility.
2.	Ash management	The ash produced as a by-product or as an unburnt residue of coal combustion in the Company's power plants is required to be utilized in an environmentally sound manner.
3.	Conservation of natural resources (such as water, energy, biodiversity, etc.)	Significant volumes of water are consumed during NTPC's thermal plant operations. Water stress is an increasing environmental issue in India and globally as well. Similarly, both office-based and onsite operations of NTPC consume a significant amount of energy. Many of NTPC's construction and operational activities, unless mitigated, have the potential to impact the surrounding biodiversity in different locations. There is a need to implement suitable strategies to minimize the impact on water, energy, and biodiversity.
4.	Climate change mitigation	A significant quantity of GHG emissions is released into the atmosphere from fossil fuel combustion. It is the Company's responsibility to ensure that it puts measures in place to reduce emissions from its power plants, including putting targets in place to reduce the overall emissions and improve conversion efficiency of the fuel, including adoption of new technologies such as CCUS, nuclear and co-firing with low-emissions fuels.
5.	Other air emissions control	It is the Company's responsibility to manage the air pollutants (such as SO ₂ , NO _x PM 2.5, etc.) released during the burning of coal through appropriate measures.

6.	Effluent management	Issues such as strict environmental restrictions on wastewater discharge from power plants, regional water shortages, and an increase in water demand for electricity production make treatment of the effluent generated from electricity generation a critical concern for the Company.
Social risks & opportunities		
7.	HR practices for third-party workers	Third-party workers are governed by the HR policies and procedures of a separate entity which may lack robust procedures to comply with applicable legal requirements leading to exploitation of workers.
8.	Health & Safety	Health and Safety issues can lead to injury or deaths of the Company staff, if not managed effectively and efficiently. These issues may arise due to natural calamities, man-made disasters, equipment failure or human error.
9.	Community Relations	Strong community relations are important for the company to position itself positively amongst customers and improve its position in the market. Investing in strategic social investment through building community relations will help the Company achieve an increasing competitive advantage as well as support from the local communities where it is operating.
10.	Fair treatment, non-discrimination, and equal opportunity across the organization.	Organizations without documented policies and procedures to promote non-discrimination and equal opportunity and lack of open channel of communication are prone to concerns from internal and external stakeholders regarding its work environment and employee practices.
Governance risks & opportunities		
11.	Effective governance structure	A Governance structure enables the board and the executive leadership to organize the mechanism by which governance is implemented in the Company. The lack of a good governance structure and model can lead to inconsistencies, overlaps, and gaps in the mechanism which can lead to failure to enact governance policies that the board and management have put in place.
12.	Adequate and effective Grievance Redressal Mechanism	Grievances can cover a broad range of concerns such as workplace discrimination, sexual harassment, victimization, key stakeholder concerns or complaints, etc. An inefficient mechanism to deal with grievances can lead to a negative working culture and environment, reduced productivity, and even increase employee attrition.

13.	Adherence to Regulatory compliance conditions	It is the Company's responsibility to adhere to the necessary local, state, and national laws, regulations, and other rules that are relevant to the Company's operations.
14.	Transparency and disclosures	Good corporate governance includes timely and accurate disclosures regarding all material matters. In addition to increasing transparency and accountability, effective disclosures also provide a basis for secure evaluation of the Company's operations.

6. ESG RISK & IMPACT MANAGEMENT PROCEDURES

This Chapter describes in detail NTPC’s approach to mitigate the key risks and their impacts on operations. The purpose of establishing detailed ESG risk management procedures is to create a framework for NTPC and to integrate ESG risk management principles as part of its core business operations. These procedures are aimed at providing guidance to conduct day-to-day operations and business transactions in a responsible manner.

The outcome of the exercise on risk and opportunity assessment, and their effective management is further fed to the ERM framework for prioritization of risk and action plan formulation.

6.1. ESG Risk and Impact Management

NTPC aims to balance its business and ESG/ sustainability performance through interventions in the following core environmental, social, and governance risk areas as highlighted in Figure 3:

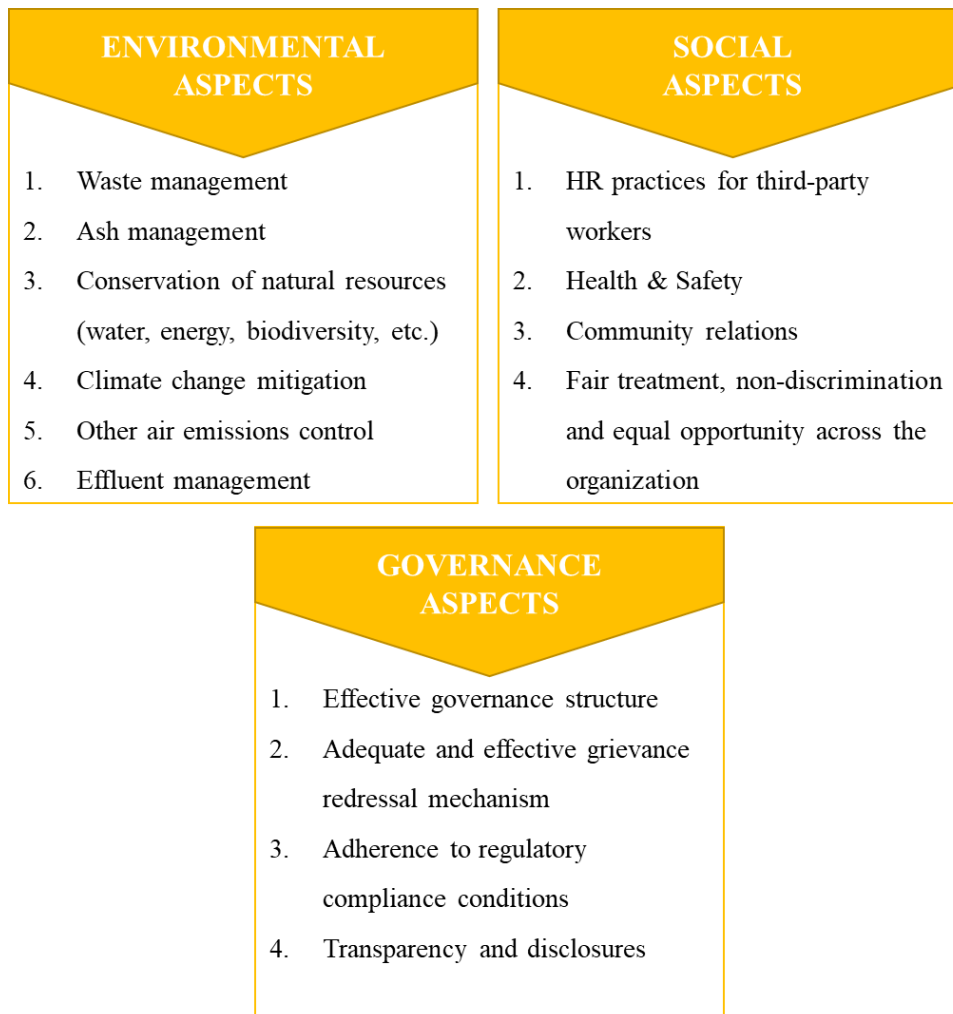


Figure 3: Key ESG risks identified for the Company

Detailed guidance on each of the key Environmental, Social, and Governance aspects is covered below:

6.1.1. Environmental Aspects

1. Waste Management

NTPC will apply the universal principles of waste management to ensure that waste is dealt with in a way that impacts the least.

- **Principle 1: Reduction**
Since all waste disposal options have an impact on the environment, the only way to avoid impact is not to produce waste in the first place. NTPC will, therefore, endeavor to reduce waste by judicious purchasing and responsible consumption.
- **Principle 2: Reuse**
Before discarding any item, we will ensure that adequate checks are in place for its reuse. Examples include furniture, computers, and peripherals.
- **Principle 3: Recovery**
Wherever possible, NTPC will promote recycling. We shall implement steps to fully engage our employees and visitors in this process to ensure that the recycling units are used and that only waste that cannot be recycled goes into the bins.
- **Principle 4: Disposal**
Waste disposal through incineration and/ or landfilling is the worst option in environmental terms, and NTPC will strive to keep this to a minimum.

The waste management practices at the Company are detailed in the following policies:

- Integrated Plastic Management Policy, 2019
- Ash Policy, 2015
- Environment Policy, 2022
- E-Waste Policy, 2014
- Waste Management Policy, 2022

The concerned department for ensuring responsible management and compliance with regulations of waste is the Environment Management Group at Plants and Corporate level.

2. Ash Management

NTPC strives to derive the maximum usage of the vast quantities of ash produced from the Company's power stations. At NTPC, the ash generated is utilised for manufacturing cement, concrete, concrete products, cellular concrete products, bricks/blocks/tiles, etc. The Ash management practices at the Company are detailed in the following policy:

- Ash Policy, 2015

The concerned departments for ensuring responsible management and compliance with regulations of ash are the Ash Utilisation Department at Plants and Ash Management Group at Corporate level.

3. Conservation of natural resources (energy, fuel, water, and Biodiversity)

NTPC aims to avoid or minimize adverse impacts on the environment by promoting sustainable use of natural resources such as fuel and water. To minimize these impacts, majorly occurring from operations, the following measures will be implemented by the organization:

- Recording and monitoring of the resource material consumption monthly
- Annual review of these records to analyze year-on-year consumption and utilization.
- Establishing a process to define reduction targets related to natural resource consumption.
- Raising awareness about the environmental responsibilities among the employees and contractors on the below-mentioned guidelines

The Company's initiatives to conserve resources are highlighted in the following policies:

- Environment Policy, 2022
- Water Policy, 2022
- Biodiversity Policy, 2022
- Rainwater Harvesting Policy, 2018

The concerned departments for ensuring responsible management and compliance with regulations of natural resources are the Environment Management Group at Plants, and OS, Environment Engg. and Environment Management Group at Corporate level.

4. Climate change mitigation

There is an increasing requirement for NTPC to measure, monitor, and reduce its Greenhouse Gas emissions (GHGs). NTPC has adopted several state-of-the-art technologies and practices to improve the efficiency of its operations and achieve synergy between environmental concerns and its needs. The Company has initiated the 'Comprehensive Performance Optimization Programme' to achieve the dual objectives of reducing GHG emissions while facilitating higher efficiency power generation. The Company's initiatives to monitor and manage its GHG emissions are highlighted in the following policies:

- Environment Policy, 2022

The responsible department for GHG emission control and compliance with relevant regulations is the Sustainable Development Department at Corporate level.

5. Other air emissions control

NTPC has incorporated pollution control measures into the blueprints and development of all its plants. State-of-the-art pollution control systems/devices have been installed at its plants to control air pollution. The Company's initiatives to curb air emissions from its operations are highlighted in the following policies:

- Environment Policy, 2022
- Ash Policy, 2015

The concerned department for ensuring responsible management and compliance with regulations of air emissions is the Environment Management Group at Plants and Corporate level.

6. Effluent management

NTPC has adopted the 'Zero Liquid Discharge' concept at its plants, wherein the excess domestic/industrial wastewater, after treatment in the 'Sewage Treatment Plant' and the 'Effluent Treatment Plants', respectively can be reused without discharging a drop of water outside the plant boundary. Several modifications have been undertaken in existing practices for effluent management to achieve this goal and to comply with the relevant water use regulations applicable to the Company. The following policy describes the initiatives undertaken by the Company to reduce and reuse the effluent generated:

- Water Policy, 2022

The concerned department for ensuring responsible management and compliance with regulations of effluents is the Environment Management Group at Plants and Corporate level.

6.1.2. Social Aspects

1. HR practices for third-party workers

NTPC employs third-party employees for various functions, on which the company can influence limited legal responsibilities. However, the Company believes that these employees should also be treated equally and with respect, as their own employees.

Third-party workers are governed by the HR policies and procedures of a separate entity. However, NTPC endeavours to safeguard their social and economic interests by adhering to the following laws and regulations:

- Minimum wages of Central Govt. (Or State Govt. whichever is higher) as per The Minimum Wages Act, 1948
- Benefits of PF, Pension and Employees Deposit Linked Insurance as per The Employees Provident Fund and MP Act, 1952.
- Medical/Treatment and Accidental Insurance Coverage as per The Employees' State Insurance Act, 1948. Few plants which are not in ESI Notified area, the workers are covered under the alternative Insurance coverage as per The Employees Compensation Act, 1923.
- Bonus as per The Payment of Bonus Act, 1965
- Leave with wages as per The Factories Act, 1948

Over and above the statutory benefits, following additional benefits are extended to Contractors' workers by NTPC:

- Additional Social Security Assistance Scheme on Accident
- Free annual Medical Check-Up

The responsible department for managing HR practices for third-party workers is the HR team at Plants and Corporate level.

2. Health & Safety

NTPC prioritizes the safety, health and well-being of its employees and contractors as a core value that guides all operations. We have implemented a comprehensive set of procedures, safety rules, and internationally recognized safety management systems across all our plants and locations. To ensure the well-being of our workforce, we have established a robust management system that covers all aspects of safety and compliance with legal, regulatory and safety requirements. The following policies outline the practices followed by the Company to build and maintain a safe and hazard-free work environment:

- Safety Policy, 2021
- Disaster Management Plans (approved by respective State Governments)

The responsible departments for managing Health & Safety aspects are Medical Department and Safety Department, respectively at Plants and Corporate level.

3. Community Relations

The underlying principle of community relations is that when a company accepts its civic responsibility and takes an active interest in the well-being of its community, it gains several long-term benefits in terms of community support, loyalty, and the fostering of goodwill. We aim to minimize conflicts with our communities by addressing social issues early in our projects. With regard to indigenous peoples in India, which are mostly Adivasis and Scheduled Tribes, NTPC takes due care of their legal rights during land acquisition, recruitment, and rehabilitation & resettlement. The following policies outline the practices followed by the Company to build and maintain its community relations:

- Human Rights Policy, 2018
- Rehabilitation & Resettlement (R&R) Policy, 2017
- Initial Community Development (ICD) Policy, 2009
- Corporate Social Responsibility (CSR) Policy, 2019

The responsible department for building & maintaining relations with local communities is the CSR/ R&R/ Land Acquisition Department at Plants and Corporate level.

4. Fair treatment, non-discrimination, and equal opportunity across the organization

NTPC recognizes that its employees are the key driving force for growth and success. The company's Human Resources (HR) policies are developed on principles of equal opportunity, fairness, and ethics. The HR department is responsible for communication, training, overall implementation, and ensuring legal compliance through various HR policies. These are described below:

- CDA Rules
- Service Rules
- Recruitment Policy
- Placement & Transfer Policy
- Equal Opportunity Policy
- Promotion Policy
- Human Rights Policy
- Career Development and Succession Planning Policy
- Job Rotation Policy
- Policy on HIV-AIDS at Workplace

The HR department is responsible for communicating these individual policies to the employees, and employees have access to these policies on the internal portal. These policies are in line with the applicable national regulatory requirements as well as international best practices. These cover aspects such as non-discrimination, equal opportunity and grievance redressal mechanism for employees.

The responsible department for adherence to the above is the HR Department at Plants and Corporate level.

6.1.3. Corporate Governance Aspects

1. Effective governance structure

Good corporate governance contributes to sustainable economic development by enhancing the performance of companies and increasing their access to outside capital. Well defined governance structure helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The company has framed following policies to comply with the corporate governance rules and regulations:

- Fraud Prevention Policy
- Code Of Conduct for BoD
- Related Party Transaction Policy
- Training Policy for Directors
- Policy on Maintenance & Preservation of Documents

Besides these policies, we also submit Quarterly Report on Compliance with Corporate Governance to SEBI.

The responsible department for managing Corporate Governance aspects is the Company Secretary Team at NTPC.

2. Adequate and effective Grievance Redressal Mechanism

The objective is to implement a sound grievance redressal mechanism for addressing environmental and social concerns, including building accountability and trust amongst the Company's stakeholders, and promoting early detection of risks through complaints received which can assist in dispute resolution and provide a platform for continuous learning and improvement of the Company's ESG practices. The Company's grievance redressal mechanism includes the following initiatives:

- Grievance redressal mechanism at all plants
- Grievance lodging portal on the NTPC website

The responsible departments for managing the Grievance Redressal Mechanism are the HoP/ HoD of corresponding Plants and Corporate Function.

3. Adherence to regulatory compliance conditions

The Company is responsible for maintaining regulatory compliance with the National and state-level regulations for Environmental, Health, and safety aspects. Based on the nature of operations of NTPC, the following regulatory compliance requirements are applicable to NTPC:

- Obtaining Environmental Clearances prior to commencing projects
- Obtaining relevant Consents prior to commencing operations
- Adhering to emissions standards for coal-fired power plants.
- Management and disposal of E-waste
- Management and disposal of Solid waste
- Management and disposal of Hazardous waste
- Management and disposal of Used Batteries
- Management and disposal of Plastic waste
- Management and disposal of Biomedical waste
- Management and disposal of Construction and Demolition waste
- Regulations relating to various HR aspects (such as Terms of employment and termination, Employee representation and industrial relation, Discrimination, anti-harassment, leaves, compensation against injury at the workplace, PF, Gratuity, ESI, etc.)

The responsible departments for managing regulatory compliance are corresponding departments of Plants and Corporate Function.

4. Transparency & Disclosure

Management of the company has the responsibility to communicate with stakeholders clearly and periodically. The non-financial disclosures should satisfy the objectives of providing explanation of the company's financial statements that enable investors to see the Company through the eyes of the management; providing a context within which financial statements can be analyzed; and

providing information about the quality, and the potential variability, of a company's earnings and cash position so investors can judge if past performance is indicative of the future performance.

The company makes the following disclosures and policies public to show its commitment to transparency & fair governance:

- Policy for Determination of Materiality of Events or Information for Disclosure
- Annual Financial Reports
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Integrated Annual Reports

The responsible departments for managing Transparency and Disclosures are the Sustainable Development Department, Company Secretary Team, and Finance Team at NTPC.

The Key Performance Indicators (KPIs) against all the above-mentioned initiatives at the Company are measured monthly using the '**ESG Data Template**' (Annex A).

7. ESG GOVERNANCE STRUCTURE, ROLES, AND RESPONSIBILITIES

7.1. ESG Governance Structure

At NTPC, we believe strong governance is the foundation for delivering on our ESG agenda. To effectively integrate ESG aspects across our operations and to continuously improve our ESG performance, NTPC has developed a holistic governance structure that operates across the organization, and which also has board oversight.

The ESG governance structure for NTPC is illustrated in the figure below:

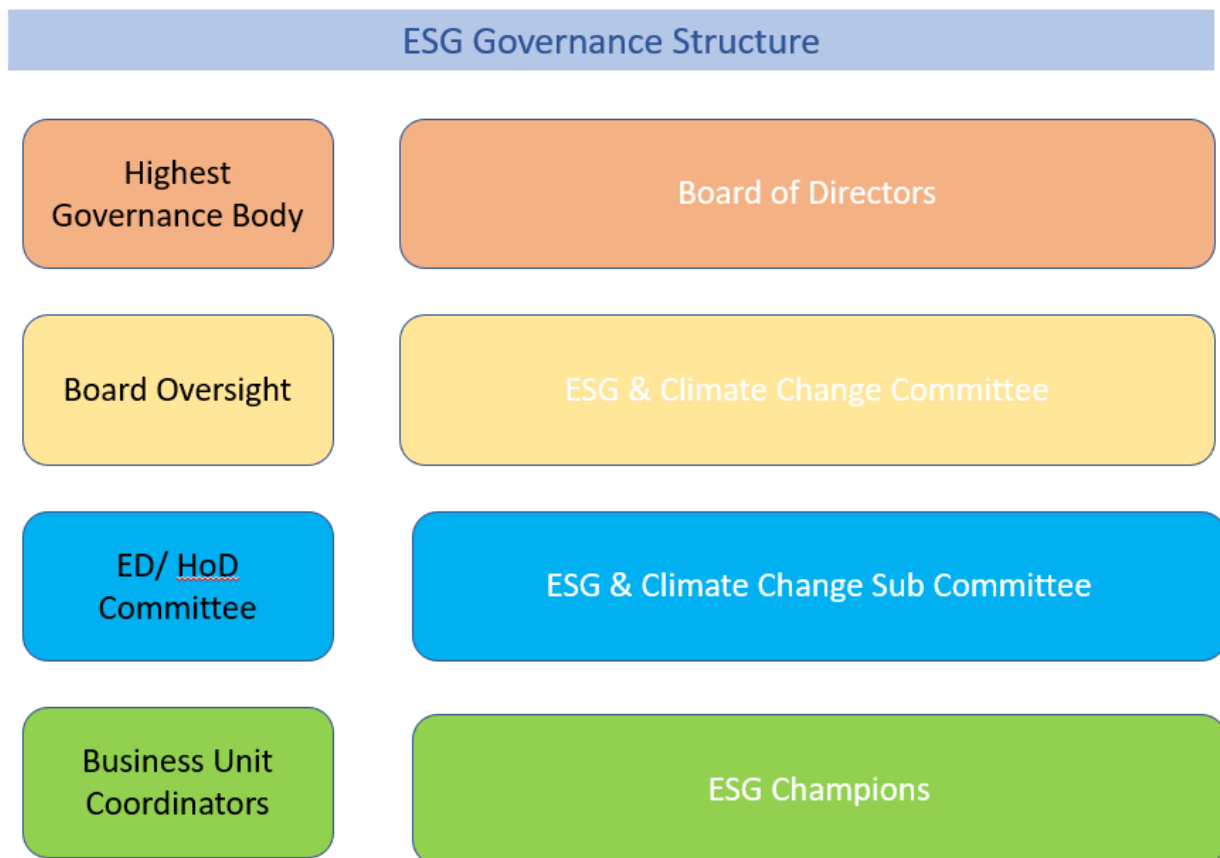


Figure 4: Snapshot of ESG Governance Structure of NTPC

*ESG & CC Sub Committee will have representation from all relevant corporate functions and will meet before ESG & CC Committee meetings

#ESG champions will drive ESG initiatives and ensure monitoring and reporting of data at the site in consultation with the corresponding corp. function and SD/ ESG group.

7.1.1. Key Roles and Responsibilities

Sr. No.	Organization Structure and Roles	Key Responsibility and Monitoring Frequency
1.	<p>Board of Directors (Existing Board of Directors of NTPC)</p>	<ul style="list-style-type: none"> • The Board of Directors (Board) ensures that ESG risks and opportunities are considered in the organization’s vision and strategy. • The Board is responsible for approving the ESG goals and corporate position or mission statements on the same. • The Board also approves the ESG strategy and policies that operationalize the same. <hr/> <p>Frequency of monitoring and review</p> <ul style="list-style-type: none"> • The board reviews the organization's performance on ESG on need basis. • The board ensures that the Annual Report and other relevant reports provide a high-level summary of the nature of developments on ESG risks and opportunities.
2.	<p>ESG and Climate Change (ESG&CC) Committee (The ESG & CC committee consists of all functional directors of NTPC)</p>	<p>The ESG & CC committee’s objective is to set overall ESG strategy and advise the Board of Directors in:</p> <ul style="list-style-type: none"> • Setting NTPC’s overarching strategy relating to ESG & CC Matters, as well as developing, implementing, and monitoring initiatives and policies at the Company based on that strategy; • Overseeing communications with employees, investors, and other stakeholders of the company with respect to ESG & CC Matters; and • Monitor the ESG activities of the company as per the approved budget and suggest measures for improvement in implementation. • Anticipating developments relating to and improving the company’s understanding of ESG & CC Matters <hr/> <p>Frequency of monitoring and review</p> <p>The ESG and Climate Change (ESG&CC) Committee meets at least annually to set strategy, review the progress, and ensure the integration of sustainability within operations.</p>

Below the ESG & CC Committee, having an ESG & CC Sub Committee that engages the leadership across business units, regions, and functions provides deeper oversight and strategic guidance. The committee's objective is to monitor/oversee the implementation of ESG initiatives as set by the ESG & CC committee. The committee will:

- Design implementation approach and set monitoring mechanisms.
- Periodically review the implementation of ESG initiatives and discuss and resolve any concerns/bottlenecks.
- Promote integration of ESG management into the Company's processes and goals.
- Develop a culture within the company regarding sustainability.
- Mobilize employees to implement strategies.
- The ESG & CC Sub Committee will consist of members from the following domain as also mentioned in the Governance Chart (Annex B):
 - Environmental Sustainability- *Including OS, Env. Management, NETRA, Ash Utilization, CenPEEP, Env. Engg. and PE-Water*)
 - Social and Employee Relations- *Including HR, PMI, CSR/R&R, Law, C&M, and Safety*
 - Corporate Governance and Risk Management – *Including finance, CS, Audit, Vigilance, and CP*
 - *Regions and stations-Concerned REDs and HoPs to join as special invitees to discuss specific ESG & CC issues pertaining to their regions/ stations.*
- The Head (SSEA) who is a member of the ESG & CC Subcommittee will be the convenor of the sub-committee and may call upon separate meetings on the above domains as and when required. Corporate Sustainable Development Department will be responsible for coordinating the meetings.
- Each Plant and Corporate Function will appoint ESG Champions for the implementation of ESG action plans and other relevant tasks.
- The committee is responsible for ensuring that ESG action plans, data recording, and reporting are implemented across the organization.
- The committee is also responsible for identifying the training needs of their ESG champions and organizing these trainings.
- The committee shall liaise with the legal department to ensure legal compliance with all required ESG regulations are adhered to.

ESG & CC Sub-Committee

(Cross Functional Sub committee comprising of Head (SSEA) as convenor and other EDs/ HoDs from relevant departments as members)

3.

Frequency of monitoring and review

- The ESG & CC Sub-Committee will conduct ESG progress review meetings quarterly and before the ESG & CC Committee meetings to review ESG implementation progress.
- The review meetings may include presentations from relevant cross-functional departments.

ESG Champions

(The ESG champions can comprise Sr. managers, and

4. *managers at Corporate Function and sites that can coordinate with relevant departments and plants)*

- Each Plant and Corporate Function will appoint ESG Champions for the implementation of ESG action plans and other relevant tasks.
 - The ESG champion will be responsible for communicating new initiatives and strategies formed in the organization to different departments/locations.
 - The ESG champion is responsible for driving and monitoring various initiatives and their implementation in different department locations.
 - The ESG champion is responsible for data collection for reporting and maintaining a record of the progress in initiatives.
-

7.2. NTPC ESG and Climate Change Committee (ESG & CC) Charter

7.2.1. Purpose and Objectives

As per evolving ESG requirements, NTPC is creating a separate board level committee –ESG and Climate Change Committee (ESG & CC) for oversight of ESG and climate change related issues. Currently, there is no dedicated board level committee for oversight of ESG issues. The CSR and Sustainable Development Committee (CSR&SD) does not deal with the specifics of ESG and climate change related risks and disclosures as demanded by the stakeholders. This is being done as per NTPC’s management decision to support the Company’s on-going commitments to environment, climate change, health, and safety, corporate social responsibility, corporate governance, sustainability, and other relevant matters (collectively known as, “ESG & CC Matters”).

The ESG & CC committee’s objective is to set overall ESG strategy and advise the Board of Directors in:

- Setting NTPC’s overarching strategy relating to ESG & CC Matters, as well as developing, implementing, and monitoring initiatives and policies at the Company based on that strategy;

- Overseeing communications with employees, investors, and other stakeholders of the company with respect to ESG & CC Matters; and
- Monitor the ESG activities of the company as per the approved budget and suggest measures for improvement in implementation.
- Anticipating developments relating to and improving the company's understanding of ESG & CC Matters

In addition to the ESG & CC committee, NTPC has established a holistic ESG governance structure comprising of ESG & CC Sub-Committee and concerned ESG champions to integrate ESG issues across the company operations.

7.2.2. Membership

The members of the ESG & CC Committee will be the functional Directors of the Company. The members will be approved by the Board of Directors of the Company (the "Board") from time to time. The members may also include other Board members, and such officers and employees of the Company as the Board deems appropriate, taking into account, among other things, such person's expertise in relevant disciplines, including environmental, health, and safety, operations, legal, investor relations, government affairs, corporate governance, finance, human resources, and communications. The Committee would be chaired by Director (Operations), in whose absence, the senior most Committee Member would chair the meeting.

7.2.3. Meetings, Procedures and Authority

The ESG & CC committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's Memorandum and Articles of Association (as may be amended and/or restated from time to time, the "Memorandum and Articles of Association") that are applicable to the Committee.

The Committee will meet as frequently as it deems necessary and advisable to carry out its duties, but no fewer than once each calendar year. Members of the ESG & CC committee may participate in meetings through telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. The ESG & CC committee may ask other officers and employees of the Company to attend the meetings to provide pertinent information as requested. Head (SSEA), or his or her designee, is responsible for coordinating the schedule and agenda of the meetings.

In addition to the duties and responsibilities expressly delegated to the ESG & CC committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities consistent with - this Charter, the purposes and objectives of the Committee, and the Company's Memorandum and Articles of Association.

7.2.4. Duties and Responsibilities

The ESG & CC committee will have, without limitation, the following duties and responsibilities:

- To assist the management of the Company and the Board in setting the Company's overarching strategy with respect to ESG and climate change issues, and to consider and recommend policies, practices, and disclosures that conform with the strategy;

- To assist the management of the Company in overseeing internal and external communications with employees, investors, and other stakeholders regarding the Company's position on or approach to ESG Matters, including by coordinating and reviewing, as appropriate, draft responses, reports, or other disclosures to stakeholders;
- To consider, and bring to the attention of the management of the Company and the Board, as appropriate, current and emerging ESG & CC Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders, and to make recommendations to the management of the Company, as appropriate, regarding how the Company's policies, practices, and disclosures can adjust to or address such trends and issues. A tentative agenda for key ESG issues have been attached as Annexure 5.
- To advise the management of the Company on shareholder proposals and other significant shareholder concerns relating to ESG & CC Matters;
- To advise the management with respect to identifying and managing climate risks, opportunities in the short, medium and long-term, assess their materiality, and take appropriate action including reporting on relevant goals and targets.
- To review the Company's strategy, policies, practices, and disclosures for consistency with respect to ESG & CC Matters, and to make such recommendations to management with respect thereto as it may deem advisable;
- To maintain minutes and record of actions taken by the Committee;
- To review and assess this Charter annually and recommend any proposed changes for approval of the Board; and
- To perform such other duties, tasks, and responsibilities relevant to the purpose and objectives of the ESG & CC committee as may from time to time be requested by the Board.

7.2.5. Reporting and Delegation

The ESG & CC Committee will report to the Board of Directors and to such other members of the senior management of the Company as the Board may designate from time to time. The ESG & CC committee may, at its discretion, establish a Steering Committee and/ or Sub-Committee(s) to delegate all or a portion of its duties and responsibilities.

8. PERIODIC MONITORING AND REPORTING OF ESG PERFORMANCE

NTPC has adopted a robust set of procedures to ensure that the business activities are in line with ESG policy and ESG-MS requirements. There is an established system of data flow from sites to Corporate Office with clear accountability in the form of maker-checker arrangement, which records who makes/ enters the data and who checks/ reviews the data. Also, there is continual assessment and improvement to the ESG-MS procedures.

NTPC has identified key metrics against each of the identified material topics and undertakes interventions in those areas. The company has also established short-, medium--, and long-term targets for key material topics and developed a proprietary data collection and monitoring template/mechanism to monitor these metrics and targets.

Additionally, NTPC has established a monitoring schedule to evaluate adherence to ESG policy principles and monitor key metrics, targets, and initiatives periodically at various levels across the organization. These include:

- NTPC's Board of Directors shall review the ESG performance on need basis;
- The Environmental, Social and Governance & Climate Change Committee (ESG & CC) Committee will monitor key ESG aspects at least once in a year;
- The ESG & CC Sub-Committee will meet quarterly to review ESG performance.

The data collected and reported to the ESG & CC Committee may also be shared with select external stakeholders at the discretion of the Committee. These stakeholders may comprise of:

- Investors and shareholders
- Public through disclosures which may include, but are not limited to, Sustainability Reports and Integrated Annual Reports
- Regulatory bodies

9. STAKEHOLDER ENGAGEMENT AND EXTERNAL COMMUNICATION MECHANISM

At NTPC, we aspire to create long-term value for our stakeholders through ESG integration into our operations. Our vision for value creation is described below:

S. No	Stakeholder	Description
1	Government and Regulators	We are committed to complying with all ESG legislation, rules, and other regulatory requirements applicable to our businesses and operations in the jurisdictions within which we work.
2	Staff and Employees	Through ESG we aspire to create a safe, inclusive, non-discriminatory, and motivated workplace.
3	Clients and Customers	We aim to deliver fair outcomes for clients by delivering services that meet their needs and are appropriate to their circumstances. We are transparent in communication, receptive to their grievances and strive to create satisfaction. ESG is also a tool to enhance awareness of growing environmental and social concerns in our large client base, thereby contributing to sustainable development.
4	Investors	ESG is a tool to deliver long-term sustainable returns to our investors and create confidence in the vision and mission of NTPC.
5	Communities	We aspire to contribute to our nation's sustainable economic growth and will always seek platforms to engage and collaborate on ESG aspects for the benefit of the wider communities.

9.1. External Communication and Grievance Redressal Mechanism

NTPC maintains a robust and transparent procedure to address stakeholders' environmental and social concerns. These procedures include methods to i) receive and register external communications and grievances from the stakeholders and the general public; ii) screen and assess the issues raised and determine how to address them; iii) provide, track, and document responses and iv) adjust the management program, as appropriate.

NTPC has a robust External Communication Mechanism (ECM) for receiving any external communication in the form of queries/concerns from concerned stakeholders. The procedure is intended to establish a process for outreach and communication with external parties (including anyone who is adversely affected by the operations of NTPC, its subsidiaries, and joint ventures). The same channels and platforms are proposed to be used to address environmental and social concerns as well.

The process of receiving, reviewing, and responding to communications from external stakeholders is managed by the corresponding Head of Business Unit/ Plant and Head of Corporate Function.

The ECM process is as described below:

- i) **Contact information for reporting concerns:** All the concerns or questions concerning the NTPC and its ESG policy and ESG-MS can be submitted directly to the email (sustainability@ntpc.co.in). They will be reviewed by the HoD (SSEA) to further resolve the matter. Additionally, the HoD(SSEA) shall also forward the queries/concerns to the respective department for resolution.

Stakeholders can also submit their grievances in the Public Grievance Portal of the Department of Administrative Reforms & Public Grievances (DARPG), Ministry of Personnel, Public Grievances and Pensions. The Head of the concerned office will respond within sixty days of the receipt of the grievance.

- ii) **Format for reporting concerns:** All the queries and concerns need to be submitted via email in the following format.
 - Name and Contact Information of the sender.
 - Name of the entity/department/plant location to which the concern relates.
 - Description of the concern and any supporting documentation.
 - Date of the incident or action giving rise to the complaint (if applicable).
 - Specific remedy sought (if applicable).
 - Any other information as deemed appropriate by the sender.
- iii) **Responding to the concerns:** The Concerned team will provide confirmation post receiving the queries and accordingly will draft the response while including the relevant officer from the concerned entity/department/plant location. The response will then be shared externally with the relevant party.
- iv) **Establishing a timeframe for response:** For any complaints or grievances received on ESG aspects, the following response timelines are adopted:
 - If the complaint/grievance has been received in writing, an acknowledgment/response will be shared within a week.
 - If the complaint/ grievance is relayed over email or received over the phone, a complaint reference number will be immediately provided (as an auto-generated email in the case of email).
 - After examining the concern, a final response or explanation for the next steps will be shared with the complainant. In case of requirement of more time for effective resolution, a response will be shared within thirty days of receipt of the complaint to explain the current resolution process and how to escalate it further if the level of satisfaction with the current process is less.

NTPC will always ensure that the communication and grievance redressal mechanism is robust and sensitive to ensure prompt redress of stakeholders' complaints/grievances, to minimize recurrence. The approach will be guided by the following principles:

- The company continues to work in good faith and without prejudice to the interests of its ESG policy and its responsibility towards its stakeholders.
- ESG aspects related to information requests, concerns, or complaints raised by stakeholders will always be dealt with courtesy and on time.
- The company continues to ensure that all stakeholders will be fully informed of avenues to escalate their complaints/ grievances and their rights to alternative remedies if they are not fully satisfied with the response of the Company.
- The various grievance redress channels follow a transparent process that is gender-responsive, culturally appropriate, and readily accessible to all segments of the stakeholders at no cost and without retribution.

More details on the Mechanism can be found in the Company's 'Citizen Charter'.

9.2. Record Keeping & Database Maintenance

The record of all ESG queries/ concerns or complaints would be maintained for a minimum period of three years from the date of their resolution. Backup copies of the communications will be made as per the latest data security procedures adopted by NTPC.

A template to record grievances to monitor their progress towards a resolution is provided for reference as Annexure 3.

10. ANNEXURES

Annexure 1 – Brief Description of Applicable ESG Standards

1.	INTERNATIONAL FINANCE CORPORATION (IFC) ENVIRONMENTAL AND SOCIAL PERFORMANCE STANDARDS
	<p>The International Finance Corporation (IFC) Performance Standards are an international benchmark for identifying and managing environmental and social risk and have been adopted by many organizations as a key component of their environmental and social risk management. The Performance Standards are directed towards clients, guiding how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business sustainably. Eight Performance Standards establish standards that the client has to meet throughout the life of an investment by IFC as follows.</p> <ul style="list-style-type: none"> • Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts • Performance Standard 2: Labor and Working Conditions • Performance Standard 3: Resource Efficiency and Pollution Prevention • Performance Standard 4: Community Health, Safety, and Security • Performance Standard 5: Land Acquisition and Involuntary Resettlement • Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources • Performance Standard 7: Indigenous Peoples • Performance Standard 8: Cultural Heritage
2.	IFC's CORPORATE GOVERNANCE DEVELOPMENT FRAMEWORK (CGDF)
	<p>The CGDF is the result of extensive collaboration among members of the global DFI Corporate Governance Working Group, which consists of representatives of several international finance institutions. The CGDF provides signatory institutions with a common platform for evaluating and enhancing governance practices in their investee companies.</p> <p>The CGDF framework recognizes five core areas for an organization to develop, implement, and disclose their corporate governance practices. These areas are:</p> <ul style="list-style-type: none"> • Commitment to Corporate Governance • Structure & Functioning of the Board of Directors • Control Environment & Processes • Transparency & Disclosure • Rights of Minority Shareholders

3.	ILO FUNDAMENTAL CONVENTIONS
	<p>The International Labour Organization (ILO) is a United Nations agency whose mandate is to advance social and economic justice by setting international labour standards. The ILO brings together governments, employers, and workers to set labour standards, develop policies and devise a program that promotes decent work for all women and men.</p> <ul style="list-style-type: none"> • The ILO Governing Body has identified eight “fundamental” Conventions, covering subjects that are considered to be fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation. • India has ratified a total of 47 ILO conventions out of which 6 out of 8 are core conventions. • India has not ratified the core/fundamental Conventions namely Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87) and Right to Organize and Collective Bargaining Convention, 1949 (No. 98), mainly due to technical reasons, but as a country, we promote good corporate governance which includes freedom of association and collective bargaining rights.
4.	THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS
	<p>The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action by all countries to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. The Sustainable Development Goals (SDGs) are a collection of 17 global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The private sector is a key player in achieving the SDGs and the 2030 Agenda effectively.</p>
5.	NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT (NGRBC)
	<p>The Ministry of Corporate Affairs has revised India's National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business, 2011 (NVGs) and formulated the National Guidelines on Responsible Business Conduct (NGRBC). These guidelines urge businesses to actualize the principles of NGRBC in letter and spirit. These principles are:</p> <ol style="list-style-type: none"> 1. Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent, and Accountable. 2. Businesses should provide goods and services in a manner that is sustainable and safe

	<ol style="list-style-type: none"> 3. Businesses should respect and promote the well-being of all employees, including those in their value chain 4. Businesses should respect the interests of and be responsive to all their stakeholders. 5. Businesses should respect and promote human rights. 6. Businesses should respect and make efforts to protect and restore the environment. 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. 8. Businesses should promote inclusive growth and equitable development. 9. Businesses should engage with and provide value to their consumers in a responsible manner. <p>In furtherance to updating of NVGs and formulation of the NGRBC, the Ministry of Corporate Affairs has constituted the Committee on Business Responsibility Reporting (BRR) to develop BRR formats for listed and unlisted companies. Non-financial reporting is increasingly forming the basis for enhancing investor confidence in businesses and increasing their creditworthiness. The Committee is to develop comprehensive yet simple formats situating the various stakeholders at the center to not increase or duplicate the reporting burden. The proposed formats are to reflect linkages to prevalent non-financial reporting formats, viz, Global Reporting Initiative (GRI), Integrated Reporting (IR), etc., and SDGs from an NGRBC perspective.</p>
6.	WORLD BANK GROUP ENVIRONMENTAL, HEALTH, AND SAFETY (EHS) GUIDELINES
	<p>The World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) is a technical reference document with general and industry-specific examples of good international industry practice. The Guidelines contain the performance levels and measures that are normally acceptable to the World Bank, and that are generally considered to be achievable in the facilities at reasonable costs by existing technology. The General EHS Guidelines contain information on cross-cutting environmental, health, and safety issues potentially applicable to all industry sectors.</p> <ul style="list-style-type: none"> • Environmental issues include- Air emissions and ambient air quality; wastewater and water quality; hazardous materials management; waste; noise. • Occupational Health and Safety (OHS) include -Facility design and operation; training; hazards – physical, chemical, biological, radiological; Personal Protective Equipment (PPE)

	<ul style="list-style-type: none"> Community Health and Safety include -Water quality and availability; life and fire safety; traffic safety; transportation of hazardous materials; emergency preparedness
7.	UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS
	<p>The United Nations Guiding Principles on Business and Human Rights (UNGPs) is an instrument consisting of 31 principles implementing the United Nations (UN) "Protect, Respect and Remedy" framework on the issue of human rights and transnational corporations and other business enterprises. The UNGPs encompass three pillars outlining how states and businesses should implement the framework:</p> <ul style="list-style-type: none"> The state's duty is to protect human rights. The corporate responsibility to respect human rights. Access to remedy for victims of business-related abuses <p>Guiding Principles apply to all States and all business enterprises, both transnational and others, regardless of their size, sector, location, ownership, and structure.</p>
8.	THE UNIVERSAL DECLARATION OF HUMAN RIGHTS
	<p>The Universal Declaration sets out, the fundamental human rights to be universally protected. It is a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international secure their universal and effective recognition. It promises all the economic, social, political, cultural, and civic rights that underpin a life free from want and fear.</p>

Annexure 2 – Risk Assessment Form

S. No	Company area or department	Risk	Probability of occurring (low, medium, high, extreme)	Severity if occurred (low, medium, high, extreme)	Notes

Annexure 3 – Grievance Monitoring Format

Grievance ID	Date Reported	Grievant	Handled by	Issue	Resolution/Required Action	Status	Date Resolved

Annexure 4 – NTPC’s Adherence to the IFC Performance Standards

NTPC has developed processes and policies to adhere to the principles of the various national and international frameworks. The IFC Performance Standards form one of the core frameworks for the Company against which its current policies and practices are periodically assessed, benchmarked, and revised to ensure alignment with leading global companies and institutions. The mapping of the Company’s policies to the individual principles of the Performance Standards is presented in the table below:

List of Policies	PS 1: Assessment and Management of Environmental and Social Risks and Impacts	PS 2: Labor and Working Conditions	PS 3: Resource Efficiency and Pollution Prevention	PS 4: Community Health, Safety, and Security	PS 5: Land Acquisition and Involuntary Resettlement	PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	PS 7: Indigenous Peoples	PS 8: Cultural Heritage
Environment Policy	✓							
Sustainable Supply Chain Policy	✓							
Integrated Plastic Management Policy	✓		✓					

<i>Human Rights Policy</i>		✓					✓	
<i>Rainwater Harvesting Policy</i>	✓		✓					
<i>Ash Policy</i>	✓		✓					
<i>Biodiversity Policy</i>	✓					✓		
<i>E-waste Policy</i>	✓		✓					
<i>Fraud Prevention Policy</i>		✓						
<i>ICD Policy</i>				✓			✓	
<i>R&R Policy</i>					✓			
<i>Safety Policy</i>		✓						
<i>Water Policy</i>	✓							
<i>Whistle Blower Policy</i>		✓						
<i>Waste Management Policy</i>	✓		✓					
<i>Disaster Management Plan</i>				✓				
<i>Complaint Handling Policy</i>		✓			✓			
<i>CSR Policy</i>				✓				✓

Annexure 5 – Tentative Agenda for Discussion

- ESG Rating
- ESG & Climate Change Strategy
- Integrated Annual Report/ Sustainability Report
- Net Zero, Carbon Markets and Green Credit Programme
- SEBI’ regulations on ESG reporting and Scoring, including BRSR Report
- New Policies formulation and amendment of old policies
- Other emerging ESG & CC regulations and issues