

NTPC Policy for CSR



2022 Revision

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1. Preamble

NTPC has set its vision and mission reflecting NTPC's goal and present work. **Vision:** *"To be the World's Leading Power Company, Energizing India's Growth."*

Mission: *"Provide Reliable Power and Related Solutions in an Economical, Efficient and Environment Friendly Manner, Driven by Innovation and Agility."*

Corporate CSR objectives are:

- To deliver business and environmental value through projects which are beneficial for business and larger ecosystem.
- To ensure sustainable power development by ensuring minimal wastage across operations.
- To actively contribute towards societal development.
- To lead the sector in the areas of resettlement and rehabilitation and environment protection including effective ash-utilization, peripheral development and energy conservation practices.

NTPC has following policies in place to actualize its CSR objectives:

1. Initial Community Development Policy (ICD) - 2009
2. Resettlement and Rehabilitation Policy – 2017
3. CSR & SD Policy – 2019

This revision of CSR policy-2019 is brought out to have a greater strategic orientation with more connect with stakeholders and an outcome centric approach.

CSR policy is intended to be in conformity with the provisions of Companies Act 2013 and DPE Guidelines on CSR, as applicable.

2. Purpose

The purpose of this policy is to make CSR activities aligned so that they are

- Focused on broad areas of Education, Water, Health and Sanitation, bringing maximum value to the society and the organization
- Outcome centric, rather than activity based
- Monitored in terms of impact and opportunity for improvement
- Useful in instilling confidence in stakeholders through effective communication

3. Applicability

This policy is applicable to

- All NTPC locations in India.
- Formulation, implementation, monitoring, evaluation, documentation and reporting of CSR activities taken up by NTPC anywhere in India.

4. Scope

- NTPC CSR efforts are focused on Local Area/immediate vicinity of its stations/locations.
- The Geographical limits of a district & adjacent area within 10 km where NTPC has its presence shall be considered as “local area” for CSR activities. In addition to the CSR activities in the local areas, NTPC shall also undertake CSR activities outside it. The indicative ratio of CSR spends between the local areas and outside would be approximately 70:30. However, projects/ activities executed under the directives of GoI or of foremost concern in the national development agenda will be outside the purview of this ratio.
- The CSR committee is authorized to approve any project, irrespective of the amount involved, which is beyond the above ratio.
- NTPC may take up CSR activities in areas beyond the district depending on specific requirements like natural calamity, requirements for key communities, type and nature of projects, GoI directive and other strategic activities.

5. Guiding principles

The following principles guide the design of our CSR activities:

- **Self-Supported and Sustainable**

During planning and selection, thrust shall be given on long term viability of activities which remain viable upon disengagement at the end of the project period. This will ensure that communities can operate and maintain the assets and systems created.

- **Low Cost - High Impact**

To adopt appropriate solutions to make the CSR activities more effective, cost efficient and impactful.

- **Long lasting enduring in nature**

Priority to be given to projects which will bring long term, sustainable and lasting benefits to the community.

- **Strategic alignment to core business**

In order to fully exploit the core competency and mobilise the resource capabilities in implementation of CSR activities, preference to be given to the CSR models requiring / supporting NTPC's strengths, capabilities and knowledge in a specific area.

- **Measurement and feedback based outcome centric**

All CSR activities will have well-defined measures to assess impacts on target groups. For high impact projects, there may be an independent, third-party assessment and feedback will be a key input for redesign and / or rollout of further initiatives.

NITI Aayog and MoSPI have mapped the Sustainable Development Goals (SDGs) in Indian context. NTPC CSR activities shall be suitably aligned to the same.

6. Governance

Board level CSR Committee ensures operating system and monitoring mechanism for development and implementation of CSR activities. CSR committee in NTPC constituted by Board of Directors as per extant CSR norms which consists of three or more directors, out of which at least one director is an independent director.

To support the board level committee, NTPC has a **Three-tier structure** i.e. Corporate, Regional, Station level who are responsible for planning, implementation, monitoring and reporting on CSR projects.

Three-tier structure

Level	Responsibility
Corporate	<ul style="list-style-type: none">• Policy formulation & MIS• Project selection• Budget planning• Monitoring & Evaluation• Capability development of NTPC CSR professionals
Region	<ul style="list-style-type: none">• Coordination for state/region level activities• Monitoring & Evaluation for regional level activities
Unit Level	<ul style="list-style-type: none">• Project selection and implementation• Budget planning• MIS

7. CSR Programme – Selection, Design, Delivery, Monitoring

7.1. Focus Areas

NTPC shall undertake activities in four focus areas as mentioned in section 2(a). The linkage of these areas to the activities mentioned in Schedule-VII, Section 135 of Companies Act is mapped in *Annexure-I-A. List of activities mapped to Schedule-VII, Section 135* is enclosed at *Annexure-I-B*. Majority of CSR programs taken up, shall be tailored to bring wide reaching, long lasting, impactful contribution to these focus areas.

7.2. Criteria for selection of CSR Activities

NTPC shall undertake the CSR activities conforming to any of the following:

1. Activities identified through need assessment survey periodically and/or inputs from panchayat, district administration, neighborhood community, various stakeholders including public representatives, Village Development Advisory Committee (VDAC) and other participatory forums/bodies like interaction with senior management etc.
2. Identified activities should be in line with the list of activities specified in Schedule VII of the Companies Act 2013 & rules made there under.
3. Any other activity for benefit of community at large.

7.3 CSR PLANNING

Stations /Regions/CC of NTPC shall propose to Corporate CSR, an annual CSR action plan including budget for the financial year for their respective locations. The Corporate CSR department shall prepare a comprehensive annual Action Plan of CSR activities and Budget for the financial year based on the inputs received and put it up for approval of the CSR Committee. The CSR Committee shall recommend the Annual Action Plan to the Board for approval. However, the Board may alter such plan any time during the financial year as per the recommendation of the CSR Committee.

Broadly, the CSR Annual Action Plan for CSR Activities will be in line with the CSR Strategy of NTPC and complying the extant rules/norms.

7.4 Delivery Mechanism

- (i) CSR activities/projects/programs shall be undertaken by the company itself or-
 - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (c) any entity established under an Act of Parliament or a State legislature
(Explanation. - For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.); or
 - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- (ii) By "NTPC Foundation", a charitable trust: With an objective to serve the society, "NTPC Foundation", a charitable trust has been set up by NTPC that takes up projects and programmes addressing domains of socio- economic concerns.
- (iii) NTPC encourages volunteering by its employees and their family members under the banner "Employee Voluntary Organizations for initiatives in Community Engagement (EVOICE)"
- (iv) The Corporation may collaborate with other Corporations/Companies/PSUs for undertaking projects or programs or CSR activities. However, CSR Committees of respective CPSEs/companies should be in a position to report separately on such projects or programs in accordance with the Companies (CSR) Rules. All the related requirements /provisions of the Companies Act 2013 in this regard shall be applicable.
- (v) As far as possible every effort is made to ensure that approved CSR activities are implemented within the specified schedule.

7.5 Monitoring & Evaluation

1. The Monitoring and Review will be done at station and corporate level. Station level shall do local reviews, disseminate MIS and generate exception report. Review of company-wide CSR and budget utilization shall be done at Corporate level.
2. Effectiveness of CSR programme will be assessed through both internal and external evaluation.
3. Progress will be measured against the findings of a need-assessment / baseline survey (conducted prior to start of the project), wherever required.
4. Periodical audits will be carried out to verify effectiveness of implementation.
5. Impact Assessment shall be undertaken, through an independent agency, of CSR projects having outlay of Rs. 1 Crore Or more and which have completed not less than one year before undertaking the impact study. The expenditure for the impact assessment shall be booked towards CSR for that financial year, which shall not exceed two percent of total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

6. In addition to the above, Social Impact Evaluation (SIE) may be done through credible external agencies for gauging impact of CSR initiatives, wherever required. Findings of SIE would form the basis for initiating corrective actions and formulating future schemes/ plans.
7. Success of large CSR projects will be assessed with improvement in developmental indicators.

8. Fund Allocation & Expenditure

- Fund allocation shall follow the GoI stipulated guidelines as issued from time to time. Surplus arising out of any CSR projects/ activities does not form part of business profit of NTPC. Funds allocated are earmarked for CSR activities approved by Board level CSR Committee. Any amount remaining unspent will be dealt with as per provisions of companies act.
- NTPC shall spend, minimum two percent (2%) of the average net profits made during the three immediately preceding financial years, for CSR activities.
- Major portion of the CSR budget will be allocated for activities in the vicinity of NTPC stations/locations as mentioned in clause 4 of this document.
- The Board shall ensure that the administrative overheads shall not exceed five percent (5%) of total CSR expenditure of the company for the financial year.
- In an event, where CSR expenditure is in excess of requirement as per section 135 of Companies Act, 2013, such excess amount may be set-off against the requirement to spend as per Section 135 of Act, up to immediate succeeding three financial years subject to the condition that
 - a) this excess amount shall not include any surplus arising out of CSR projects; and
 - b) Board of NTPC shall pass a resolution to this effect
- In the event, that amount mandated above is not spent in its entirety in that Financial Year, unspent amount shall be accounted for as per the provisions of the extant statute.
- Any capital asset created/acquired out of CSR funds shall be held by a company established under section 8 of the Companies Act, 2013, or a registered Public Trust or Registered Society having charitable objects and CSR Registration Number, or beneficiaries of the said project, in the form of self- help groups, collectives, entities or a Public Authority.

9. Reporting and Communication

Stations will communicate CSR related information including efforts, achievements etc. to stakeholders through

- Company's Annual Report including in Business Responsibility Report (BRR)
- Sustainability Report
- Local/ National print & visual media, conferences, workshops and other forums.
- Internal workshops, training, news bulletins, brochures, intranet etc. to be extensively used to create awareness about CSR initiatives, among internal stakeholders.

10. Review

- Any new provision arising out of amendments to the Companies Act, 2013 in the Companies (CSR Policy) Amendment Rules 2021, 2022 framed there under, shall be construed to be part of this policy
- In case of any contradiction between the policy and the CSR provisions of Companies (CSR Policy) Amendment Rules 2021, 2022, under companies act, 2013, the later shall prevail.
- The policy shall be reviewed every three years or sooner if necessitated by changes in business and regulatory framework.

Linkage between NTPC Corporate Social Responsibility Focus Areas

Activities in Sch.-VII	Focus Area			
	Education	Health	Sanitation	Water
(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 making available safe drinking water.		✓	✓	✓
(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	✓			
(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	✓			
(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.				✓
(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;				
(vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;				
(vii) Training to promote rural sports, nationally recognized sports, Para Olympic sports and Olympic sports		✓		
(viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;				

<p>(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and</p> <p>(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).</p>				
(x) Rural development projects	✓	✓	✓	✓
(xi) Slum area development.	✓	✓	✓	✓
(xii) Disaster management, including relief, rehabilitation and reconstruction activities.		✓	✓	✓

Indicative list of CSR projects/ programs/ activities

Activities in Sch.-VII	CSR projects/ programs/ activities
<p>(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 making available safe drinking water</p>	<ul style="list-style-type: none"> • In the area of healthcare activities to: <ul style="list-style-type: none"> – Promote good health through Yoga, Lifestyle Changes and Awareness Creation on health related issues etc. – Prevent disease through fogging/ spraying/ distribution of mosquito nets etc. – Making primary health care accessible, affordable and inclusive through: <ul style="list-style-type: none"> ◆ Health camps ◆ Outreach Services through Mobile Medical Unit – Partnering with GoI in Revised National Tuberculosis Control by providing Designated Microscopy Centres (DMC) and Directly Observed Treatment (DOT) in the surrounding areas of NTPC's operations. – Augmenting and strengthening healthcare infrastructure - primary, secondary and tertiary • In the area of water activities : to <ul style="list-style-type: none"> – Augment water availability - watershed management, check dams, deepening of ponds etc. – Improve access to water - bore wells/ tube wells/ hand pumps/ piped water • In the area of sanitation activities to: <ul style="list-style-type: none"> – Improve sanitation facilities by: <ul style="list-style-type: none"> ◆ Construction of individual toilets ◆ Construction of community/ public toilets ◆ Construction of drains ◆ Installation of sanitary napkin vending machines with incinerators ◆ Setting up low cost sanitary napkin manufacturing units through women self help groups – Improve awareness about sanitation • Mainstreaming physically challenged persons by: <ul style="list-style-type: none"> – providing them with aids and appliances – Operating Disability Rehabilitation Centres for assessment and provision/ fitment of assistive devices to persons with disability
<p>(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.</p>	<ul style="list-style-type: none"> • In the area of education activities like: <ul style="list-style-type: none"> – Providing basic educational supplies to school children essential to the fulfilment of their right to education – Making education inclusive by providing scholarships – Providing coaching for competitive examinations – Improving learning levels – Holistic education of girls – Augment and strengthen educational infrastructure – Providing various assets to schools

Indicative list of CSR projects/ programs/ activities

Activities in Sch.-VII	CSR projects/ programs/ activities
(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	<ul style="list-style-type: none"> • In the area of vocational training and livelihood enhancement activities like: <ul style="list-style-type: none"> – Training to youth to make them Employable, Enterprising and Entrepreneurial – Capacity building of farmers through training, demonstration, exposure visits, hand holding – Enhancing milk production by improving cattle breed through artificial insemination, improved feed and fodder practices, making available on farm veterinary services etc. – Supporting the Government of India's scheme for upgradation of ITIs under PPP mode – Setting up Industrial Training Institutes
(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres 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"> • Providing training to women to make them Employable, Enterprising and Entrepreneurial • Augmenting and strengthening infrastructure and providing assets for old age homes/ hostels for women/ orphanages 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up 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
(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts	<ul style="list-style-type: none"> • Promoting rural art and culture - rural cultural programmes, performing arts, festivals & melas • 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows

Activities for the benefit of armed forces veterans, war widows and their dependents

Indicative list of CSR projects/ programs/ activities

Activities in Sch.-VII (Updated till May 30, 2019)	CSR projects/ programs/ activities
(vii) Training to promote rural sports, nationally recognized sports, Para Olympic sports and Olympic sports	Support for rural and national sports - talent scouting, training, sports infrastructure, sports equipment, leagues and tournaments
(viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, 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) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural	Support for technology incubators

<p>Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).</p>	
<p>(x) Rural development projects</p>	<p>Projects for improvement in health, education, sanitation, and water etc. in rural areas.</p>
<p>(xi) Slum area development</p>	<p>Projects for improvement in health, education, sanitation, and water etc. in slum areas.</p>
<p>(xii) Disaster management, including relief, rehabilitation and reconstruction activities</p>	<p>Various activities for relief, rehabilitation and reconstruction etc. for disaster affected areas</p>