

## REC's Commitment in Support of UNGC Programme

Rural Electrification Corporation Limited (REC) occupies a key position as one of the leading public financial institutions in the Power Infrastructure space of the Country. REC plays an integral role in implementing the Govt's plans for the growth of Power Sector with special emphasis on Rural Electrification. REC now finances all segments of power sector throughout the country.

In its effort to promote Energy Efficiency Projects in a big way and to take up the implementation of the National Mission on Enhanced Energy Efficiency, under the National Action Plan on Climate Change, REC has formed a Joint Venture 'Energy Efficiency Services Limited' with other PSU Organizations. A new Subsidiary Raichur Sholapur Transmission Company Limited (RSTCL) is formed with the main objective of developing an integrated and efficient Power Transmission System Network. For the 16<sup>th</sup> year in succession REC was rated Excellent in terms of MoU signed with Govt. of India.

The Company reiterates its commitment to United Nations Global Compact Programme and intends to take ahead the GC principles within the Company as a part of strategy and day to day operations.

## Communication on Progress

### **#1 Businesses should support and respect the protection of internationally proclaimed human rights.**

#### **Commitment /Policies**

REC as an organization is committed to safeguarding the basic human rights provided by The Constitution of India under tenets of a Welfare State.

#### **Action Taken**

REC endows on all its employees the right to freedom of opinion, expression, peaceful assembly and association. Every employee in the Organization has the right to life, liberty, security and legal recourse. A representative of Top Management has been entrusted with the task of taking care of Grievance Cell. We as an organization have endeavored to define a well laid policy against Gender discrimination which is looked after by a separate Women cell. The cell is responsible for hearing grievances and speedy redressal / solution of the issue.

#### **Outcomes**

The quick redressal of the issues has led to further strengthen the belief of ownership among employees.

#### **Plans for upcoming Year**

REC endeavours to take necessary and appropriate measures in future in its commitment to the cause of its employees.

### **#2 Businesses should ensure that they are not complicit in Human Rights abuse.**

#### **Commitment/Policies**

REC commits itself to promote and protect human dignity and maintain/uphold the human rights of all employees such that these rights are not infringed upon arbitrarily.

#### **Action Taken**

The Grievance Cell acts as an Ombudsman which settles issues raised by the employees related to human rights abuse (if any)

## **Outcomes**

It has boosted the Employees' faith in the efforts made by the Organisation for their betterment. It has also helped in attracting new and retaining existing employees.

## **Plans for Upcoming Year**

REC would in future also strive to adopt noble measures and incorporate new ideas which go on to further strengthen the cause of Work with Dignity.

## **#3 Businesses should uphold the freedom of association and the effective recognition on the right to Collective Bargaining**

### **Commitment/Policies**

REC as an Organization attaches considerable importance to the rights of Employees/ Labour. It believes with conviction to recognize the employees' right to Collective Bargaining.

### **Action Taken**

REC has encouraged the peaceful existence of Unions both at Officers and Staff levels and recognizes the employees' right to Collective Bargaining. The Unions exist in the Organisation and decisions related with the employees' Service Terms/ Working conditions and Environment/Welfare and the like are not made /enforced without their active involvement. The compensation and service conditions of non-executive employees are decided mutually through collective bargaining.

### **Outcome**

The Unions and Management is able settle majority of the issues related to demand of the Officers/Employees in an amicable manner. The Union is conscious of spirit of co-existence in harmony without jeopardizing the interest of employees and Organization.

### **Plans for upcoming Year**

REC with due adherence to prevailing norms shall continue to encourage the cause of improving well being of its employees through the existence of Unions in future also

## **#4 Businesses should make efforts in elimination of all forms of Forced & compulsory Labour**

### **Commitment/Policies**

REC as an Organization believes in and committed to the cause that no form of

forced and compulsory labour is deployed to discharge any of its works.

#### **Action Taken**

To alleviate any possibility of direct /indirect marginalization of labour either by force or compulsion, the Organization follows the established norms and follows the terms and conditions defined in Govt's Minimum Wage Act from time to time.

#### **Outcomes**

REC has never been implicated for any violation of the norms.

#### **Plans for the upcoming Year**

REC repeats its commitment to maintain the status in future also.

### **#5 Businesses should take measures for effective abolition of Child Labour**

#### **Commitment/Policies**

REC as an enlightened and socially conscious Employer is committed not to engage Child Labour and supports effective abolition of the same.

#### **Action Taken**

The Organisation has a policy that nobody taken on the rolls of REC permanently/temporarily/contractually shall be under the category of "Child" as per the definition of Law of the Land

#### **Outcomes**

REC is seen by the Stakeholders viz. Suppliers/Employees/Customers/Society as an Organisation adhering to Egalitarian norms of the Society

#### **Plans for the upcoming Year**

REC repeats its commitment to maintain the status in future also.

### **#6 Businesses should take measures in elimination of discrimination in respect of Employment and Occupation**

#### **Commitment/Policies**

The Organization is committed to the cause of women employees, members of marginalized sections, differently abled persons such that no discrimination in respect of employment and occupation whatsoever is made

### **Action Taken**

The Organization has taken due care that all recruitments are made giving due consideration to members of marginalized sections, differently abled persons and women except for the positions which demand competencies other than what suitable for the aforesaid categories. REC also takes support of NGOs in getting Contract employees for House keeping etc.

### **Outcomes**

The efforts are visible in the way that the family of the Organization represents all hues of the Society with equal opportunity to one and all.

### **Plans for the upcoming Year**

REC with due adherence to prevailing norms shall continue to encourage the cause of discouraging such discrimination.

## **#7 Businesses should support a precautionary approach to Environmental challenges.**

### **Commitment/Policies**

REC believes with conviction that efforts are required to rein in the unstinted damage to environment and brace itself for future environmental challenges.

### **Action Taken**

Apart from the ongoing efforts, REC has sensitized its Stakeholders and Employees about its concern towards Environmental challenges by increasing weightage of Environment related parameters in the Annual MoU Targets signed with Govt. of India.

### **Outcome**

The efforts have helped the Utilities decrease the T&D Losses and thus able to save energy, reduce heat and carbon emissions in the atmosphere. The outcomes of new parameters may manifest in coming months.

### **Plans for the upcoming Year**

REC would make every effort to enlarge the scope of these activities as a part of its contribution to cause of environment.

## **#8 Businesses should undertake initiatives to promote greater environmental responsibility**

**Commitment/Policies**

REC as an environmentally responsible Organization believes in and gives active support through various policy interventions/ Studies to the initiatives related with environment protection

**Action Taken**

Additional to the earlier efforts, REC has proposed to Commission a Study on replacement of Old Pump Sets with Energy Efficient Agriculture Pump Sets in financial year 2010-11.

**Outcomes**

As a premier funding agency for Power Sector, the projects commissioned by REC's assistance have been compliant with the norms prescribed by the Govt.

**Plans for the upcoming Year**

In its adherence to Environmental concern, REC would comply with the norms established by Govt. of India from time to time.

**#9 Businesses should encourage the development and diffusion of environmentally friendly technologies.****Commitment/Policies**

REC is committed to promote technologies which are helpful in reducing burden on natural resources

**Action Taken**

Apart from the ongoing initiatives, a performance parameter for Sustainable Development has been incorporated in the MoU. Further, to promote Energy Efficiency Projects, a new Joint Venture namely Energy Efficiency Services Limited has been formed.

**Outcomes**

The efforts made in financial year 2009-10 have resulted in Sanction of Loans for Projects worth 215 million USD.

**Plans for the upcoming Year**

REC would make all efforts to take further, Govt. of India's Nationwide DDG programme under RGGVY and also develop Renewable Energy Projects under

proposed KfW technical assistance of 100 million Euros.

## **#10 Businesses should work against all forms of corruption, including extortion and bribery**

### **Commitment/Policies**

REC is committed to adherence to Fair practices in conduct of its Business and root out corruption including extortion and bribery

### **Action Taken**

REC has revised the Code for Prevention of Insider trading in REC Equity Shares / Securities. Pursuant to the revised Code, all Directors, officers and Designated Employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Directors, Officers and Designated Employees shall also not take positions in derivative transactions in shares of the Company at any time. In the case of subscription in the primary Market (initial public offers), the abovementioned entities shall also hold their investments for a minimum period of 30 days. Their holding period would commence when the Securities are actually allotted. The non-compliance of the Code shall attract severe Penalty/ disciplinary action against the Employee/Director/Officer.

### **Outcomes**

The non compliance cases have been negligible.

### **Plans for the upcoming Year**

REC plans to bring more transparency in the prevailing policies as and when required.