

## UNGC – Communication on Progress

NTPC expresses its continued support for the Global Compact and its commitment to take action in this regard, as was communicated by the Chairman & Managing Director, NTPC in his letter dated May 29, 2001 addressed to Secretary General, United Nations.

NTPC has posted the brief of Global Compact and its commitment to the principles of GC on its website at [www.ntpc.co.in](http://www.ntpc.co.in). The principles of GC were communicated to all employees through in-house magazines, internal training programmes and posters. NTPC, a core member of Global Compact Network (GCN), India, (formerly known as Global Compact Society) actively participated in the monthly meetings, Governing Council Meetings and Annual Convention of the Global Compact Network at New Delhi.

### **Human Rights Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights**

#### **In Workplace:**

- Providing of self-sufficient townships to the employees with access to healthcare facilities through NTPC hospitals, education through NTPC operated schools and other recreation facilities.
- Providing a safe working environment at all its work places and promoting safety culture and safety consciousness among its employees and associates. Guidelines, rules / policies, General Conditions of Contract on Safety etc. are prepared and reviewed time to time and circulated to all projects / stations for implementation.

#### **In the Community:**

- Community Development initiatives in the form of R&R program aiming to improve the overall economic status of persons displaced or otherwise affected by our projects based on specific local requirements and guided by extensive socio-economic surveys.
- NTPC recognized to continue community and peripheral development works covered under Initial Community Development (ICD) Policy where the same were closed under R&R policy. NTPC revised its CD policy in August 2010, keeping in view the changed Business environment, Global practices and guidelines issued from DPE, Ministry of Heavy Industry & Public Enterprises. In line with the CD Policy, NTPC takes up activities at Station level and Regional/ National level within the identified Basket of Activity.

The activities undertaken for the community development are mentioned under Principle 8 of Business Responsibility Report for the FY 2013-14 (Annex-X to the Directors Report).

### **Principle 2: Make sure that they are not complicit in human rights abuses.**

- NTPC respects and, at all times, makes conscious effort to safeguard the human rights.
- It privately and publicly condemns any instances of systematic and continuous human rights abuse anywhere in the world;
- It continually consults within and outside the company with relevant stakeholders including contractors, as part of a human rights due diligence process;
- It raises awareness within the company of known human rights issues within the company's sphere of influence;
- Human resource management practices are constantly reviewed to ensure transparency and to ensure protection of Human rights.
- HSE (health, safety and environment) related policies / practices are also constantly reviewed to ensure that they are in sync with global norms, local statutes and industry best practices. All the 21 power stations of NTPC which are fully commissioned are OHSAS 18001 certified.
- Policies and practices are constantly updated to ensure that no violation of Human Rights takes place either directly or indirectly.

## **LABOUR**

### **Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**

- NTPC is one of the most preferred employers in the country and its employees enjoy complete freedom of association. The practices as regards the collective bargaining rights of workmen are in sync with the provisions of Trade Unions Act, the governing statute on the issue.
- At Company Level, an apex level forum consisting of employer and employee representatives' viz. National Bi partite Committee (NBC) is in place to discuss, negotiate and bargain on the issues like productivity, remuneration, benefits/ facilities etc. concerning the workmen.
- At Regional level, Regional Joint Productivity Council (RJPC), consisting of employer and employee representatives is operational.
- Similarly, at Project Level, Plant Level Committee (PLC), at shop floor level, Shop Level Council (SLC), Canteen Management Committee (CMC), Township Advising Committee (TAC) and House Allotment Committee (HAC) etc. are functional with representation from employer and employees for facilitating the concept of Participative Decision making.

#### **Principle 4: The elimination of all forms of forced and compulsory labour**

- NTPC has well laid down recruitment/manpower engagement system. The manpower working in NTPC enjoys complete freedom to join and leave the organisation as per its own volition. The company not only adheres to International conventions and statutory provisions on employment, but also constantly upgrades its practices on employee engagement, as per emerging scenarios and prevalent best practices.

#### **Principle 5: The effective abolition of child labour**

- As a responsible corporate citizen, NTPC ensures prohibition of engagement of child labour in its plants and offices. Our service rules stipulate that minimum age for employment in NTPC is 18 years.
- The bidding/ contract documents etc. also explicitly prohibit engagement of child labour. Further, NTPC's plants being high security installations, the entry is regulated through issue of security gate pass for workers. Thorough preventive check is done at the time of issuing gate passes, to ensure that no contracting agency deploys child labour in NTPC's premises.

#### **Principle 6: The elimination of discrimination in respect of employment and occupation.**

- In NTPC, there is no discrimination based on caste, creed, religion, gender or place of origin etc., in engagement of manpower or remunerations.
- Compliance of various statutes like Minimum Wages Act, Equal Remuneration Act, Payment of Wages Act etc., which are aimed at ensuring equality in terms of wages, working conditions etc. is ensured.

### **ENVIRONMENT**

#### **Principle 7: Businesses should support a precautionary approach to environmental challenges**

- NTPC, since inception, has been proactive in addressing environmental concerns. It has identified Environment Management as a thrust area to achieve excellence and aims to strengthen its position as a leader in environment protection area. To meet the environmental challenges of 21<sup>st</sup> century and beyond, sound Environment Management practices and advanced environment protection systems have been adopted to minimize impact of power generation on environment. NTPC with the goal of achieving sustainable development of the power sector in the country has taken a number of dedicated and growth oriented measures for improvement in the areas of environment management in its various units while following the principle of "3R's" (Reduce, Recycle and Reuse). All NTPC units have been ISO 14001 certified by reputed National/International certifying agencies.
- In order to monitor key environmental parameters of ambient air and stack emissions continuously on real time basis, automation in monitoring techniques has been taken up in NTPC. NTPC is a leader in the installation and operation of 67 nos. of Ambient Air Quality Systems to monitor air quality around its power plants and access of data has been provided to CPCB on real time basis. Installation of Continuous Emission Monitoring System (CEMS) to monitor emissions of SO<sub>2</sub>, NO<sub>x</sub> and CO<sub>2</sub> in all its units on real time basis is also under progress. It is also considering online monitoring of its effluents quality at the outfalls.
- In order to develop scientific data base for betterment of environment protection around its power projects, Human Health Risk assessment, Source Apportionment studies and various other studies are being taken at all NTPC Stations.

#### **Principle 8: Undertake initiatives to promote greater environmental responsibility**

- NTPC has installed advanced Environmental Protection and Pollution Control Systems such as High Efficiency Electrostatic Precipitators to combat air pollution in its coal based units and Ash Water Re-circulation Systems (AWRS) and Liquid Waste Treatment Plant (LWTP) and Sewage Treatment Plant (STP), to combat water pollution and conserve water in its various units. In order to monitor, and continuously strive to improve environmental performance. The company is pursuing the objective of sustainable power development. It has taken a number of initiatives towards protection of the environment by providing advanced environment protection control systems, regular environment monitoring and judicious use of natural resources, adoption of higher energy efficient technologies such as super critical boilers for the up-coming green field projects, use of blended coal etc in existing brown field projects, besides adopting State of the art environmental technologies such as flue gas conditioning etc. Such measures not only reduce the overall pollutants, but also results in reduction of CO<sub>2</sub> emission.

#### **Principle 9: Encourage the development and diffusion of environmentally friendly technologies.**

- NTPC started its journey in 1975 and in order to increase its efficiency of power generation while conserving resources, has been continuously evolving in technology and has been migrating from 200 MW units, to 500 MW units, to 660 MW supercritical technology units and now all its 4<sup>th</sup> generation new power plants are envisaged with 800 MW super critical technology units. The company envisages augmenting its capacity, albeit, in a minor way by installing solar power systems and micro hydel power systems attached to its thermal power plants wherever possible so as to encourage garnering of renewable energy resources.
- In addition to embracing the principle of 3R's, in the area of water conservation also NTPC is planning all its 3<sup>rd</sup> and 4<sup>th</sup> generation plants with near zero discharge capability and is also in-principle embedded the rain water harvesting systems in all its existing and upcoming power plants. Further, in order to maximize energy sent out for National use NTPC has also commissioned 4 Bio meth nation plants as pilot projects.
- NTPC has so far planted more than 21 million trees not only in and around its locations but also in other locations in association with State Authorities in order to increase Green cover to act as Carbon sink for the Country.

## ANTI-CORRUPTION

### Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

- The Company has a Vigilance Department headed by Chief Vigilance Officer (CVO) who is a nominee of the Central Vigilance Commission (CVC). It deals with various facets of Vigilance Mechanism and transparency, objectivity and quality in vigilance functioning is ensured. The Vigilance Department submits its reports to Competent Authority including the Board of Directors. The CVO also reports to the Central Vigilance Commission as per their norms.
- As suggested by the CVC the Integrity Pact has been implemented in NTPC. A MoU between Transparency International (India) and NTPC has been signed and the Pact is being implemented for all Contract values exceeding ₹10 Crores. Two Independent External Monitors have been nominated by the Commission for all contracts exceeding ₹100 Crores.
- As per the provisions of Section 619(3) of the Companies Act, 1956, a Fraud Policy has been formulated and implemented in NTPC since 2006 and Nodal Officers have been appointed. The cases being referred by the Nodal Officers are investigated immediately to avoid/stop fraudulent behaviors as defined in "Fraud Policy".
- As per advice of CVC, Complaint Handling Policy has been approved by Management on 31<sup>st</sup> July, 2013 and the same has been widely circulated all over NTPC through NTPC Intranet.
- Whistle Blower Policy has been approved by Board of Directors on 27<sup>th</sup> November, 2013 to build and strengthen a culture of transparency and trust in the organization and to provide employees with a framework/procedure for responsible and secure reporting of improper activities(whistle blowing) within the company and to protect employees wishing to raise a concern about improper activity/serious irregularities within the Company.
- As a part of preventive vigilance exercise advocated by the CVC, Preventive Vigilance Workshops are being conducted every year to sensitize the employees about sensitive points in work areas and their role in prevention of corruption.
- Pursuant to the directive of the CVC, Vigilance Awareness Week was observed from October 28, 2013 to November 02, 2013 in all important locations of the Company, Subsidiaries and Joint Venture Companies and Inspection Offices. The focus of the initiative was "Promoting Good Governance – Positive Contribution of Vigilance." On the occasion, the Department has also come out with a series of system improvements guidelines/circulars with a view to promote good governance in the Company. All Vigilance Executive at Projects were also directed by the CVO to bring out the main points of various Circulars, issued in recent time from the Office of the Chief Vigilance Officer, to the notice of all officials, vendors and contracting agencies.
- The Immovable Property Returns of all Executives who have submitted their Annual Property Returns (APRs) as on 01.01.2014 have been published on the NTPC Website as per the directives of the Government of India. Also, as per directives of the Government, issuance of vigilance clearance has also been linked with the submission of APRs by the Executives.

For and on behalf of the Board of Directors



(Dr. Arup Roy Choudhury)  
Chairman & Managing Director

Place: New Delhi

Dated: 11<sup>th</sup> July 2014