

## **UNGC – Communication on Progress (2015-16)**

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 posts 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). NTPC, a core member of Global Compact Network India, (GCNI) actively participates in the monthly meetings, Governing Council Meetings and Annual Convention of the Global Compact Network India.

### **HUMAN RIGHTS**

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

##### **In Workplace:**

- NTPC is committed to 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 from time to time and circulated to all projects / stations for implementation.
- Most NTPC projects being located in remote areas, the company takes due care to provide self-sufficient townships to the employees with access to healthcare facilities through NTPC hospitals, education through NTPC operated schools and other recreation facilities. Cultural events are held at NTPC to celebrate all religious festivals as well as National festivals.
- NTPC is committed to freedom of association of its employees and the practices with regard to collective bargaining are in synchronization with the relevant statutes and global best practices in this regard. The various bipartite forums like National Bipartite Committee at apex level, Regional Joint Performance Committee at regional level and Joint plant/Project Level Councils, Shop (Department) Level Councils, Canteen Management Committees etc. at local level provide ample opportunity to employees both for collective bargaining and participative decision making.
- NTPC ensures uniform implementation of all HR policies/practices and does not indulge in discriminatory practices during selection as well as during course of employment.
- NTPC ensures prohibition of forced labour or child labour, either directly or indirectly, and there are strict safeguards in NTPC's policies as well as General Conditions of Contract to prohibit the same.

## In the Community:

- A total expenditure of Rs 491.80 crores was incurred towards Corporate Social Responsibility and Sustainability Development during the Financial Year 2015-16, which was more than 2 % of the average net profit of the Company for the previous 3 financial years.
- NTPC, a socially responsible Corporate Citizen since its inception, started its Community Development initiatives in the form of Rehabilitation and Resettlement (R&R) program which aim to improve the overall economic status of persons displaced or otherwise affected by our projects. Each R&R programme is based on specific local requirements and is guided by extensive socio-economic surveys.
- NTPC recognized to continue community and peripheral development works covered under Corporate Social Responsibility (CSR) and Sustainability Policy where the same were closed under R&R policy. NTPC revised its CSR & Sustainability policy in 2015, keeping in view the changed Business environment, Global practices, Companies Act 2013 and guidelines issued from Department of Public Enterprises, Ministry of Heavy Industry & Public Enterprises. In line with the CSR & Sustainability Policy, NTPC takes up activities at Station level and Regional/ National level within items specified in policy in accordance with the items listed in Schedule VII of the Companies Act 2013.
- As most of the stations are primarily located in remote rural areas, NTPC during 2015-16 undertook activities in the neighbourhood area of stations addressing the basic needs like primary education, community health, drinking water, sanitation, vocational training, women empowerment and village infrastructure like roads, community centres , cremation sheds etc. In addition, NTPC employees participate in various activities through Employee Voluntary Organization for Initiative in Community Empowerment (EVOICE). NTPC has been taking up CSR Activities in all the major sectors, in the vicinity of its operating stations, benefitting communities in more than 1000 villages.
- In the area of **Education** following activities were undertaken
  - Subsidized education to children of about 20 schools run by NTPC predominantly for community children, benefitting about 20,000 students of neighbourhood areas.
  - Setting up polytechnic at Kaladungi, Dist. Nainital, Uttarakhand
  - Running Mobile Science labs in schools in vicinity of Darlipalli and Pakri Barwadih coal mining Project & Kahalgaon power station.
  - About 29,000 toilets made available in schools covering 17 states and 83 districts under "*Swachh Vidyalaya Abhiyan*" across the country.

- Merit scholarships awarded to about 2500 students.
  - Solar lanterns distributed to nearly 700 students.
  - Distribution of uniforms, books, stationery, equipments and infrastructural support to schools covering about 1300 schools around NTPC stations benefiting more than 1.5 lakh students.
  - Construction of Industrial Training Institute taken up at Ganjam District, Odisha.
- In the area of **Health** following activities were undertaken
    - Subsidized healthcare to the community through 19 company owned hospitals.
    - Construction of Building and purchase of vehicles for Medical Service Centre at Ramkrishna Math, Antpur, Hooghly, West Bengal.
    - Mobile health clinic covering 130 villages providing health care facility at doorsteps.
    - About 150 Medical Health checkup camps and about 50 Eye camps organized at various locations. About 4000 surgeries were performed during these camps.
    - Regular health related initiatives in the communities around NTPC stations benefitting more than 3,00,000 individuals
    - Under **Sanitation**, about 425 Individual toilets & 08 community toilets were constructed.
    - **Animal Health** Camps & other animal health related activities were organized benefitting populations of more than 20 villages.
  - In the area of **Infrastructure strengthening** the following activities were undertaken
    - Installation of about 1360 Solar Street Lights at villages in Rampur tehsil of Shimla Distt. HP and in Pillibhit, Uttar Pradesh and various locations in the neighbourhood of NTPC stations in India to promote use of renewable energy.
    - Implemented clean lighting and cooking solutions through IDES (Integrated Domestic Energy System) to 1000 households under CSR in the neighbourhood communities of Barethi Project, MP and Talcher Kaniha Project, Odisha.
    - Construction of Community Parivarthana Bhavans for catering to the needs of SC/ST persons of Prakasam & Guntur Districts of AP.
    - Construction of Community Hall in Vivekanand College, Tundi in District Dhanbad Jharkhand.

- Regular infrastructure related CSR activities during 2015-16 in the villages around NTPC stations like construction of 23 Community Centres, installation of 31 High Mast Lights/ street lights, Construction & repair of more than 50 kms of roads in more than 80 villages and other infrastructural developmental activities at various locations covering more than 220 villages.
- In the crucial area of **providing drinking water** the following activities were undertaken
  - Installation of about 120 hands pumps at various locations near NTPC operations.
  - Installation of about 80 tubewells/ borewells, about 20 RO plants and distribution of 780 water filters in various villages/schools near NTPC operations.
  - During extreme summers water supply through water tankers relieved habitants of close to 40 villages.
  - 30 piped water schemes and renovation and digging of about 20 water bodies taken up.
  - Regular water related CSR activities around its stations covered close to 150 villages.
- In the area of **imparting vocational skills** following activities were undertaken
  - Training to about 3100 students in various ITI trades in 18 adopted ITI at various locations partnering with the State and Central Governments.
  - Regular vocational training related CSR activities in the communities around NTPC stations covered about 200 villages, benefiting amongst others close to 1400 youths through skills up-gradation.
  - Construction of Weavers Blocks of Common Facility Centre (CFC) in Handloom Park at Chanderi, District, Ashok Nagar, and MP.
  - Skill development Projects through NSDC provided skill upgradation training to 2960 youth during the year all across NTPC locations in line with the Govt. of India program of Skill India.
- For **Women Empowerment** following initiatives were undertaken
  - Construction of Ladies waiting room & purchase of furniture at Government Women's Polytechnic Nedupuzha, Thrissur Kerala.
  - More than 3200 women imparted training in various vocational courses like sewing, beautician, food processing etc for self employability. Provided tool kits & sewing machines to approximately 650 women after successful training.

- Under promotion of **Art and Culture & Sports** following initiatives were undertaken
  - Taking up Preservation and conservation of 3 monuments [Group of Monuments, Mandu (MP), Excavated site at Vikramshila (Bihar), and Archaeological site, Lalitgiri (Odisha) in association with Archeological Survey of India (ASI) and National Culture Fund (NCF) .
  - To promote **traditional art culture**, NTPC has taken up various art & culture activities covering more than 100 villages.
  - To promote **Rural Sports** Rural Sports Meet and various sports events covered nearly 300 schools in about 285 villages.
  
- In the area of **Environment Conservation** the following initiatives were undertaken:
  - Financial assistance has been provided for developing Brahma Jahari Forest in Chaumuha in Mathura Distt, UP.
  
- Under **Activities for Physically Challenged Persons (PCP)** the following initiatives were undertaken:
  - Support to Air Force Wives Welfare Association (AFWWA) for purchasing speech therapy equipment for Umeed Asha Kiran School run by AFWWA for differently abled children.
  - High –End Prosthetic & Orthotic Artificial limbs to 14 poor and needy persons with disability in Mumbai through ALIMCO has been committed.
  - Distribution of equipment and appliances to about 100 Physically Challenged Persons and activities like inclusive education & vocational training benefitting about 800 PCP in about 250 villages all across NTPC locations.
  
- **NTPC Foundation**, registered in December 2004, is engaged in serving & empowering the physically challenged and economically weaker section of the society. Major activities of the foundation include:
  - Provision for IT education to physically & visually challenged students, in addition to Information and Communication Technology (ICT) centres established earlier at Delhi University and four Govt. Blind Schools, Ajmer, Lucknow, Thiruvananthapuram and Mysore, new ICT Centres established at Gauhati University Guwahati and Devi Ahilya Vishwavidyalaya, Indore benefited 32 students during 2015-16.
  - Directly Observed Treatment cum Designated Microscopy Centre (DOTs cum DMC) with Mobile ambulance facilities being operated at 11 NTPC hospitals under Revised National Tuberculosis Control Programme (RNCTP) that cater to villages upto 25-30Km benefited about 5600 cases.

- Disability Rehabilitation Centre (DRC) at NTPC Tanda, Rihand, Korba, Dadri and Bongaigaon established in collaboration with National Institute for the Orthopaedically Handicapped (NIOH), under the Ministry of Social Justice and Empowerment, Government of India has benefited about 3360 physically challenged people.

**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.
- 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.
- 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 Bipartite 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 Limited 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. NTPC 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, NTPC has adopted sound Environment Management practices and advanced Environment Protection System 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 “3 Rs” (Reduce, Recycle and Reuse). All NTPC units have been ISO 14001 certified by reputed National/International certifying agencies.

- All the existing power stations of NTPC are made equipped with continuous ambient air quality stations (AAQMS) to capture the real time data of PM10, PM2.5, SO2, NOx and access thereof has been provided to the Regulators such as State Pollution Control Boards and Central Pollution Control Board. Additional Ozone analyzers for ambient air are also being provided phase wise in existing NTPC stations. Continuous Emission Monitoring Systems (CEMS), to monitor emissions viz SO2 and NOx in all its existing units on real time basis are installed & commissioned in addition to the opacity meter installed for monitoring of particulate emission. Installation of real time monitors for pollutants in effluents is also completed for all its existing projects. For all the upcoming projects real time monitors for ambient air, effluents and emissions are included in the engineering packages during design stage.
- In order to develop scientific data base for betterment of environment protection around its power projects, various scientific studies are being taken at all NTPC Stations.

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

- NTPC 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 upcoming green field projects, use of blended coal etc in existing brown field projects, besides adopting State of the art environmental technologies.
- 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. NTPC has taken up comprehensive renovation and modernization of its air pollution control systems to enhance the efficiencies to further reduce the pollutants emissions to meet the future stringent standards.



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

- NTPC started its journey since 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 Organisation 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.
- NTPC has so far planted more than 22 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 who is a nominee of the Central Vigilance Commission. CVO functions independently and submits reports to Competent Authority including the Board of Directors. The CVO also reports to the Central Vigilance Commission(CVC) as per their norms. Vigilance Department of NTPC Limited consists of Departmental Proceeding Cell (DPC), MIS Cell and Regional Vigilance Executives of the level of AGM and above for looking after & monitoring the vigilance activities of Vigilance Executives posted at various Projects/Stations of NTPC. The Units deal with various facets of Vigilance Mechanism and function independently and exclusively to ensure transparency, objectivity and quality in vigilance functioning.

- **Implementation of Integrity Pact**

As suggested by the CVC the Integrity Pact has been implemented in NTPC since 2008. The threshold limit is Rs.10 crores, which covers 90% of the contracts. At present 02 Independent External Monitors (IEMs) viz. (i) Sh.V.S.Jain, Ex-Member, PESB and (ii) Sh.Satyananda Mishra, IAS(Retd.) Ex.CIC appointed in consultation with CVC, are engaged by NTPC.

In the recent past, various issues/representations related to Integrity arisen in packages pertaining to Procurement of Imported coal, R&M activities etc. have been deliberated at length by IEMs during various meetings held by them. The intervention of IEMs in these cases has led to the effective resolution of matters enabling the way for quick decision making and smoothening the procurement process.

- **Implementation of Fraud Prevention Policy**

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. 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".

- **Complaint Handling Policy**

As per advice of CVC, Complaint Handling Policy has been approved by Management and the same has been widely circulated all over NTPC through NTPC Intranet.

- **Whistle Blower Policy**

Whistle Blower Policy has been approved in November, 2013 and has been widely circulated to the employees for information.

- **Policy for Banning/Suspension of Business Dealings**

Uniform Policy of suspension of business dealings with agencies found indulging in corrupt practices has been implemented in NTPC. It is was observed that the process of finalizing decision of banning/withholding business dealings with vendors was taking unduly long time thereby favouring the vendors in question. Hence guidelines were issued for curbing delays in finalizing banning/withholding proceedings against vendors after in principal approval was accorded by the competent authority.

- **Preventive Vigilance Workshops**

As a part of preventive vigilance exercise advocated by the Central Vigilance Commission, 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.

- **Celebration of Vigilance Awareness Week**

As per directive of the Central Vigilance Commission, Vigilance Awareness Week was observed from 26.10.2015 to 31.10.2015. The theme of Vigilance Awareness Week was "Preventive Vigilance as a Tool of Good Governance". Among other activities, for focused implementation during the Vigilance Awareness Week, debates/lectures, slogan/essay/quiz/slogan/self-composed poem/ drawing competitions were organized in about 400

colleges/schools/institutions in cities and around various projects of NTPC based on the theme and moral values, ethics, good governance practices etc.

- **Filing of Annual Property Returns as per Lokpal & Lokayukta Act 2013 :**

As per Govt. directives a new soft ware has been developed to facilitate employees to e-file their PRs as on 01.08.2014 & 01.04.2015. As per directives of CVC/DOPT, issuance of vigilance clearance has also been linked with the submission of Annual Property Returns by the employees.

- **Hand Book for Vigilance Executives**

Vigilance Department had brought out a Hand Book for Vigilance Executives during November, 2015 containing Package/Area wise Checklist of Vulnerable Points for Technical Examination/Inspections, Guidelines for Vigilance Executives, Model CTE Type Reports, Model Investigation Reports, Proformas and Procedures for preparation of reports and conduct of inquiries. This book will help the newly inducted Vigilance Executives to conduct intensive examination of packages in a comprehensive manner, investigations and disciplinary proceedings.

- **Preventive Vigilance Manual**

Vigilance Department had come out with a Preventive Vigilance Manual during February 2016, highlighting common irregularities/lapses observed in the past in procurement of materials, works & contracts along with case studies and check points to be followed for improvement and preventive wrong activities. The manual includes latest CVC circulars, guidelines and case studies compilations and Do's & Don't's for various functional areas.