

Communication on Progress

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

Commitment /Policies

REC 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. Exhaustive framework of policies related to social security schemes, post - retirement medical benefits and maternity and child care leave (for women employees) exists in REC. A Grievance redressal committee looks after the task of resolving employee grievances that could not be resolved at departmental level. It is headed by a top management functionary. A Womens Cell also exists which looks after issues affecting welfare of women employees.

Outcomes

The quick redressal of the issues has led to further strengthening of belief of ownership amongst employees. A day in a week has been fixed as a meeting less Day to attend to grievances by the Heads of Departments.

Plans for upcoming Year

REC shall endeavour to make all out efforts 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

The Company has constituted a Grievance Redressal Committee to redress the

Grievances of officers and staff. The scope of the committee has further been enlarged to cover Public Grievances also. One day during a week has been fixed as meeting less day to attend the grievances by the Heads of Divisions at Corporate Office as well as at Zonal/ Projects Offices and CIRE. This ensures prompt and timely disposal of employee grievances. A Complaints Committee to redress complaints against Sexual Harassment of women employees also exists in REC. 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). During the year 2015-16, one grievance has been received and the same has been addressed as per the extant rules of the Corporation.

Organization's efforts are reflected in low attrition rate (<10% for FY '15-16) of employees.

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 shall continue its strive in the upcoming year also 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 continues to uphold the right of association of employees and encourages collective bargaining as a medium of discussion and settlement of matters concerning employees. 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. In order to maintain continuous and uninterrupted communication with the employee representatives, a conscious decision has been taken to have formal meetings with both REC Employees' union and REC officers' Association on regular basis.

The Industrial Relations continued to be cordial and harmonious in the financial year 2015-16. There was no loss of man days on account of industrial unrest. Regular discussions were held with REC Employees Union and REC Officers Association. They were consulted on major issues affecting employee welfare. Commitment towards participative management is reflected by the fact that consensus could be reached on a majority of issues. This has helped build an atmosphere of trust and cooperation resulting in the motivated workforce and continued improvement in business performance.

Accordingly during the year 2015-16, a total of Five **(5)** meeting have been held with the Union / association and majority of contentious issues as also other issues concerning employee welfare and service conditions have been discussed and amicably settled.

Outcome

Employee relations have continued to be harmonious and cordial in REC. There was no loss of Man-hours on account of industrial unrest.

Plans for upcoming Year

REC in accordance with prevailing norms shall continue to encourage the cause of improving wellbeing of its employees through the existence of Unions in the coming year also.

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

Commitment/Policies

REC being a Public Sector Enterprise is committed to follow the provisions of Bonded labour System (Abolition) Act 1976 and other Government rules.

Action Taken

REC has never been implicated for violations of these legal provisions in Indian courts of law.

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 organization is committed to follow governmental and legal provisions on prohibition of employment of "Children".

REC is a non-banking financial CPSU company and not directly involved in the execution of construction projects possibly causing damages to our environment. However, being environmentally conscious company, in REC in its upcoming GRIHA 5 star rated Office project, being executed at Sector 29, Gurgaon, Haryana has not deployed any child labour in construction of office building.

Outcomes

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

As on date, no regular employee of REC is below the age of 18 years and statutory law i.e. child labour prevention and regulation 1986 is being complied.

Plans for the upcoming Year

REC reiterates 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

During the course of recruitment drives, relaxation(s), as prescribed by Government of India, are afforded to the candidates belonging to marginalized sections (Scheduled Caste / Schedules Tribe/ Other Backward Classes) of society. Further employees from such marginalized sections are also given benefit of relaxations as per government norms during promotions process (up to a certain level in organizational hierarchy).

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.

As on 31st March 2016, Women constitute about **16.17 %** of our workforce. Further persons belonging to Scheduled Caste / Schedules Tribe/ Other Backward Classes constitute approximately **27.67 %** of REC's workforce.

Plans for the upcoming Year

REC in accordance with 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

REC through its training institute, the Central Institute for Rural Electrification (CIRE) conducts a number of training programs on the subject of Sustainable Development and environment to create awareness among its stakeholders / power utilities from various states in the country. Also, Employees are regularly encouraged and sent for training on the subjects of alternative energy / renewable energy sources. Apart from the on-going efforts, REC has sensitized its Employees and Stakeholders about its concern towards Environmental challenges and the stress laid by the organization on the issue.

Outcome

These short duration training programs created awareness on the subject and were well received by the participants who attended the programs. The outcomes of these measures would manifest in coming months/years.

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

REC is a non-banking financial CPSU company and not directly involved in the execution of construction projects possibly causing damages to our environment. However, being environmentally conscious company, REC has proposed following features in their upcoming GRIHA 5 star rated Office project, being executed at Sector 29, Gurgaon, Haryana:

- a) Installation of 964 kwp Solar plant on Roof Top Solar Pergola with solar efficiency more than 20% to have net positive building during operations.
- b) Efficient light fixtures and sensor controlled automation of all these building lights & motorized blinds, Radiant cooling system to reduce heat loads on air conditioning system, etc. unique features of the proposed REC office building is expected to reduce carbon footprint to the extent of 3054 MT/ Year as compared to 880 MT/ Year for a GRIHA base building.

Action Taken

The Registered Office of the Company is located at 'SCOPE Complex' where all civil, electrical installation & maintenance is carried out by SCOPE. Due to effective monitoring, controlling & scheduling the operation of Chilling units, Elevators & by putting energy efficient equipment, replacement of conventional light fittings, CFL, etc. with LED light fittings and maintain power factor to nearest to unity.

REC under its CSR initiatives, has sanctioned following projects/ activities to promote environmental sustainability during the financial year 2015-16:

- Supporting setting up of Solar Micro Grids to provide Clean Energy Services in un-electrified/ poorly electrified villages in select districts in Jharkhand & Odisha with approx. cost of Rs. 2.07 crore.
- Supporting supply and installation of 110 nos. of Solar LED Street Lightening Systems in select district in Uttar Pradesh at an approx. cost of Rs. 0.24 crore

- Supporting farmer-centric Integrated Watershed Management Programme for improving rural livelihood amongst farmers & women in select districts of Andhra Pradesh and Telangana with approx. cost of Rs. 22.33 crore for five year project up to the year 2018-19, out of which Rs. 6.11 crore sanctioned for the year 2016-17.

Outcomes

SCOPE has saved around 5.24 Lakh Units consumption, resulting in saving of 57 Lakh in terms of amounts during the financial year 2015-16. Further, as a result of replacement of conventional light fittings with energy efficient LED lights in Corporate Office at SCOPE Complex, REC has saved around 82,135 units of electricity resulting in saving of 6,80,186/- during the year.

Under CSR, the first two projects mentioned above will help in reducing dependency on grid and will provide nightlife security and extended night lift in rural areas. It will also help in reduction of usage of non-renewable energy.

The last project will help to increase resilience of dryland farming through innovations that stabilize, safeguard and enhance natural resource capital, biological & systems diversity and land health. It will also help to decrease rural poverty by increasing farm incomes through more productive & profitable crops.

Plans for the upcoming Year

REC under its CSR initiatives planning to take up big solar power projects in reputed educational institutions of the country, such as IITs, IIMs etc. and till date the following projects have been sanctioned:

- Supporting for installation of solar power panels in President Estate, Rashtrapati Bhawan with approx. cost of Rs. 6.00 crore.
- Supporting for establishment of SPV solar panels and installation of LED lights in the campus of Indian Institute of Science, Bangalore, and Sambalpur University, Odisha, with approx. cost of Rs. 8.38 crore.
- Supporting for establishment of SPV solar panels in the campus of Indian Institute of Technology in Madras & Roorkee, and campus of Indian Institute of Management, Tiruchirappalli, Tamil Nadu, with approx. cost of Rs. 42.00 crore.

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 environ-mentally friendly technologies.

Commitment/Policies

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

Action Taken

REC has diversified its business activities by introducing special schemes of financing to promote Renewable Energy projects across the Country with a view to address global environmental issues such as climate change, global warming etc. The Company extends financial assistance to Renewable projects at lower interest rates, as compared to conventional generation projects. Further, during the financial year 2015-16, REC sanctioned highest ever loan assistance for 11 new, grid-connected Renewable Energy projects including Solar, Wind and Biomass projects and disbursed highest ever loan amount for Renewable Energy projects during the financial year

Outcomes

REC grants loans at concessional interest rates for development of Renewable Energy Projects. Further, the offices of REC have been made more energy-efficient by replacement of all conventional light fittings / CFL with energy efficient LED lights. Under Decentralized Distributed Generation (DDG) scheme, the Company is acting as an agency for channelizing the subsidy of Government of India for DDG projects from conventional or renewable non-conventional sources such as Biomass, Biogas, Micro Hydro, Wind, Solar etc. Further, the Company has also contributed funds for distribution of solar lanterns under its CSR initiatives

Plans for the upcoming Year

REC would make all efforts to take further, its resolve towards establishing Green Energy initiative and also develop Renewable Energy Projects including participating in Green Energy Corridor, Solar roof top projects etc. in its bid to encourage environmentally friendly technologies.

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

10(i)

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 is committed to act professionally, fairly and with integrity in all its dealings and has put in place a “Policy for prevention of Fraud” and “Whistle Blower Policy” which set forth obligations on part of every employee for prevention, detection and reporting of any act of fraud, bribery or corruption. The Whistle Blower Policy was revised and came into effect from 31 July 2014. The Revised Whistle Blower Policy enables Directors / employees of REC and/ or its subsidiaries to raise concerns regarding any alleged malpractice or wrongdoing, which could affect the business or reputation of the Company. The complaint can be made to the Competent Authority in the manner prescribed under the Revised Policy.

REC has also framed Conduct, Discipline and Appeal (CDA) Rules which define code of conduct for employees and the acts of bribery, corruption etc. are included as misconducts on the part of employees. Central Vigilance Commission’s (CVC) guidelines/instructions etc. are also followed in this regard. The above policies, rules, guidelines/instructions etc. are also applicable to the subsidiaries of REC and these (except CDA Rules) are available to other stakeholders like borrowers, banks, public, etc.

REC has adopted “Code of Business Conduct & Ethics for Board Members and Senior Management” which captures the behavioral and ethical standards. Further, in compliance of guidelines on Fair Practices Code of Reserve Bank of India (RBI), REC has also developed the Fair Practices Code (FPC) for its lending operations which intends to provide assurance to all the borrowers of the Company’s commitment to fair dealing and transparency in its business transactions.

Outcomes

During the financial year 2015-16, the Company did not receive any complaint under the Whistle Blower Policy.

Plans for the upcoming Year

REC plans to take measures for further strengthening the initiatives in this direction. To enlighten and enhance the understanding of Ethics, Corporate Governance and other Vigilance related issues, REC conducts training programmes for its employees from time to time.

10(ii)

Commitment/Policies

REC has its own Conduct, Discipline & Appeal Rules which define bribery, corruption etc. as a misconducts on the part of the Employee. REC adheres to the rules, regulations, instructions, manuals etc. issued by the Central Vigilance Commission and/or Ministry of Power. The rules being issued by the CVC are available for Public on their website as well as on the website linked with REC's website. Business operations and decision making are carried out in conformity with corporate governance guidelines which lay down robust framework for ensuring accountability, transparency and fairness.

Action Taken

Not Applicable

Outcomes

During the financial year 2015-16, no complaint having vigilance angle (other than anonymous/ pseudonymous complaints) was received. As on March 31, 2016, one complaint pertaining to FY 2014-15 was disposed/ resolved and no complaint is under scrutiny/ investigation.

Plans for the upcoming Year

REC endeavours to take all necessary measures for further strengthening the Systems and processes in an effort to improve the business prospects of the Corporation.