

NTPC Commitment to UN Global Compact “Communication on Progress” FY 2018-19

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UNGC – Communication on Progress (2018-19)

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. 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.

United Nations Global Compact Human Rights Principles

At NTPC, we believe that our success is connected with our people. Employees are the driving force behind our sustained stellar performance over all these years of market ascendancy. As a commitment towards our core values, employees' participation in our management has been made effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success.

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

Principle 2: Make sure that they are not complicit in human rights abuses;

“Human Rights are the very soul of our sense of nationhood”

Respect for human rights is fundamental to the sustainability of any business and communities in which we operate. In NTPC and across our system, we are committed to ensure that people are treated with dignity and respect.

Our Human Right Commitment:

- NTPC developed Human Right Policy. The Human Rights policy of NTPC is applicable to all its employees posted in various stations, projects, offices, JVs and Subsidiaries. Human Rights provisions are also built in our bidding documents for supply cum erection and civil packages invited on competitive bidding basis covering our suppliers and contractors.

- NTPC believes that all its employees must live with social and economic dignity and freedom, regardless of nationality, gender, race, economic status or religion. In the management of its businesses and operations therefore, NTPC ensures that it uphold the spirit of human rights as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the ILO.
- NTPC respect the dignity of our employees in the work place, and we are accountable to ensure our employees' rights to personal security, a safe, clean and healthy workplace, and freedom from harassment or abuse of any kind. We deal fairly and honestly with our employees regarding wages, benefits and other conditions of employment, and recognize their right to freedom of association. We do not use forced/ compulsory or child labour. We do not tolerate discrimination and work to ensure equal opportunity standards, wherever we operate or work.
- We are fully committed to compliance with applicable laws and regulations and doing the right thing consistently, without compromise. To ensure ethical and legal compliance, we have our Code of Conduct, which is applicable for the entire business.
- We are committed to train our employees and associates including contractor's personnel to be aware of and respect human rights in the workplace and in the local communities directly impacted by our operations.
- We also encourage our partners, suppliers, contractors, sub-contractors security personnel and vendors to support and comply these policies, and we place substantial value on working with others who share our commitment to human rights.
- We go beyond our operational boundary and have mandated our supply chain partners to comply with the NTPC Code of Conduct. All our partners are required to sign off on the terms and conditions of our business, which include complying with necessary laws and regulations of the land.

Supporting Community:

INR 285.46 Cr spent during FY19 towards CSR activities, which surpassed the prescribed 2% amount of INR 237.01 Cr, thus achieving a CSR spent of 2.41 %.

- **19 States Pan-India and 500 villages covered through our CSR works.**
- **10 Lakh lives touched through CSR works.**

Our Communities

We at NTPC, do not limit our operations to mere wealth creation, rather, our operations also extend in the direction of creating societal value. We believe that sustainable communities are not just the end, but are also the means for our nation's development. We also recognize that our organizational growth is meaningless unless our communities grow along with us. Thus, we go beyond mere compliance with CSR expenditure regulations.

Corporate Social Responsibility (CSR)

Our policy for CSR & Sustainability is in line with Companies Act, 2013 and Department of Public Enterprises (DPE) Guidelines for CSR.

Our core organizational belief of changing lives and adding value to our communities is manifested through constant engagements with our communities across our geographic locations. Although preference for CSR activities is given to local areas around our operations, however, we also undertake activities in different parts of the country to supplement the Government of India's efforts in line with the principles of inclusive growth.

NTPC is providing under privileged section of society with opportunities. The amended Company's Act has given an opportunity to relook into Corporate Social responsibility (CSR) programs. The company has made it more robust and included specific areas like education, Health, Woman Empowerment, Drinking Water, Sanitation, Skilling, Sports & Culture. From 2014, onwards the company has been **spending on an average more than the mandated 2% CSR spent.**

Our NTPC Foundation is engaged in serving and empowering the physically challenged and economically weaker section of the society. Current activities are providing IT education to physically & visually challenged students, establishing Disability Rehabilitation Centres (DRC) and operating Directly Observed Treatment cum Designated Microscopy Centre (DOTs cum DMC) with Mobile ambulance facilities.

One-month residential summer workshops for about 400 girl children in the age group of 10-12 years through



Flagship Program Girl Empowerment Mission (GEM) wherein interventions were taken to make the girls self-reliant and confident in all walks of life. The girls were chosen from various Govt. schools in villages surrounding NTPC power stations in Singrauli and

Sonbhadra districts (Aspirational districts) around NTPC stations. It has also been decided to replicate the scheme at all NTPC stations.

Inclusive Workplace:

NTPC is a firm advocate of creating awareness on empowering people who are differently abled and opening up employment opportunities for them. **511 differently abled persons are employed by NTPC as on 01.01.2019, who are working in different units of NTPC.**

Employee Relations:

Employees are the driving force behind the sustained stellar performance of the company. As a commitment towards the Company's core values, employees' participation in Management was made effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success. Communication meetings with unions and associations, workshop on production and productivity, etc. were conducted at projects, regions and corporate level during the year. During the year, long-term wage agreement for the employees in workmen cadre was successfully concluded with a win-win proposition for all the stakeholders. Both employees and management complemented each others' efforts in furthering the interest of the Company as well as its stakeholders, signifying and highlighting overall harmony and cordial employee relations prevalent in the Company.

Grievance Redressal:

NTPC adheres to statutory and regulatory requirements related to payment of wages and benefits. The Company ensures that there is no violation of the rights of employees and provides statutory benefits like Provident Fund and medical facilities. All employees and contractors are sensitized on Human Right related topics through structured training programmes. Besides issue related to Human Rights for external stakeholders is concerned specially with respect to Project Affected Families (PAF), adequate transparency is maintained with a focused approach on consultation and participation. Special provisions for vulnerable communities also find a mention in the relevant policies. In addition to individual benefits, a comprehensive community development has been undertaken. Institutional mechanisms are also in place for Grievance redressal. Human rights are adequately addressed and possibility of any violation is minimal. Human rights clauses are included in all significant investment agreements and contracts. NTPC regularly conduct monitoring of compliance with regulations as well as internal policies to ensure zero complaints on Human Right related issues like child labour, forced labour and sexual harassment at workplace.

To address employee concerns and complaints pertaining to human rights, a Grievance Redressal Procedure with appropriate systems and mechanisms has been instituted across NTPC units and is backed by Policies and statutory provisions. Implemented throughout the organization through an on-line portal, it allows for open and structured discussions on grievances raised on these issues and their resolution in a fair manner.

United Nations Global Compact Labor Standards Principles:

“With our core values—including Best People, Integrity and Respect for the Individual—as a foundation, NTPC enjoys an authentically diverse culture: our workforce spans countries, cultures, languages, generations, perspectives, backgrounds and educational experiences.”

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

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor;

Principle 6: The elimination of discrimination in respect of employment and occupation;

Freedom of association and effective recognition of the right to collective bargaining

- The practices as regards the collective bargaining rights of workmen, are in synchronization with the provisions of Trade Unions Act, the governing statute on the issue.
- The workforce in the unionized category has got right to organize, which is creation of a statute. Even the executives have formed associations at almost all the projects/ stations and regular interactions are held with all the employees/ representative bodies at Project, Regional and Apex level.
- Mechanism is in place so as to hold bipartite meetings, which inter alia is aimed at getting employee inputs on conditions of employment, despite the fact that electricity generation is an essential service wherein right to strike is prohibited.
- There was no incident of violation involving right to exercise freedom of association and collective bargaining in the reporting period.

Prohibiting child labour and preventing forced and compulsory labour

- The authenticated database of contractors' workers is being maintained under Contractors Labour Information Management System (CLIMS) and their entry and exit is regulated through a biometric punching system under CLIMS.
- Company 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.
- NTPC's plants being high security installations, the entry is regulated through issue of security gate-pass for workers.
- Preventive check is done at the time of issuing gate passes to ensure that no contracting agency deploys child labour in NTPC's premises.
- NTPC cherishes freedom of every kind enshrined in the constitution of India including zero tolerance for forced or compulsory labour.
- The manpower working in NTPC enjoys complete freedom to join and leave the organization 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.

- None of the operations was found to have risk of child, forced and compulsory labour in FY 2018-19 and no complaints were received in this regard.

Prevention of discrimination at the workplace

- NTPC promotes equality and diversity amongst its employees. It has been providing equal opportunity to women employees and minorities at all levels since its inception.
- Statutory requirements and policy guidelines are adhered to without any discrimination. The company makes no distinction on basis of caste, creed, colour, gender and religion.

United Nations Global Compact Environment Principles

“At NTPC, our efforts to ensure sustainable growth span our entire operations, from how we run our business. It is at the heart of our environmental strategy, which comprises four areas: running efficient operations; Generate electricity sustainably; enabling client sustainability; and providing insights to advance sustainability.”

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

Principle 8: Undertake initiatives to promote greater environmental responsibility;

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

Precautionary approaches to environmental challenges -Towards Sustainable Development

- All NTPC units are ISO 14001 certified by reputed National/International certifying agencies.
- NTPC has planted around 34 million trees till 31st March, 2019 for protection of environment around its stations, which act as CO₂ sink and also help in absorption of pollutants.
- New environmental norms have mandated use of coal with ash content not exceeding 34% on quarterly average basis for coal based Thermal Power Plants located far away from coal mines/sources. To ensure its compliance, your

Company has taken initiative and Online Coal Analyzer is being installed in all such power plants and all upcoming coal based thermal power plants.

- All the existing power stations are equipped with continuous Ambient Air Quality Monitoring Systems (AAQMS) to capture the real time data of PM10, PM2.5, SO₂, NO_x and access thereof has been provided to the Regulators such as State Pollution Control Boards and Central Pollution Control Board.
- Ozone analyzers for ambient air quality monitoring have been installed at all gas based stations of NTPC.
- Continuous Emission Monitoring Systems (CEMS), to monitor emissions viz. SO₂, NO_x 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 effluents quality monitoring system (EQMS) completed for all existing stations.
- 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 comply with the new environmental norms, NTPC is installing flue gas desulphurization (FGD) technology in its existing and upcoming power plants.
- NTPC has taken up extensive renovation and modernization of its old power generating units to maintain/ upgrade their efficiencies. Schemes are also implemented to reduce plant emissions and hence improve their environmental performance to aid sustainable development.
- NTPC is in the process of reducing the consumption of Ozone Depleting Substances (ODS) by upgraded technologies and systems.

Initiatives to promote greater environmental responsibility

- All stations are equipped with advanced treatment facilities for liquid effluent such as Liquid Waste Treatment Plants (LWTP), Coal Settlement Pit (CHP), Ash Water Recirculation System (AWRS), closed cycle condenser cooling water systems with higher Cycle of Concentration (CoC), Sewage Treatment Plant (STP) with reuse of treated effluent for horticulture purposes.
- For effective monitoring of water use, flow meters with integrators are being installed at locations in operating stations.
- High efficiency Electro-Static Precipitators (ESPs) with efficiency of the order of 99.97% and above, with advanced control systems have been provided in all

coal based stations to keep Particulate Matter (PM) below the prevailing permissible limits.

- All upcoming units/projects are being provided with ESPs designed in such a manner that would cater to the notified present stringent norms.
- In existing units for performance enhancement of ESPs operating over the years is being carried out by augmentation of ESPs fields, retrofitting of advanced ESP controllers, new technology i.e MEEP (Moving Electrode Electrostatic Precipitators) and adoption of sound O&M practices.
- NO_x control in coal fired plants is presently achieved by controlling its production by adopting best combustion practices (primarily through excess air and combustion temperatures controls).
- In gas based stations, NO_x control systems (hybrid burners or wet DeNO_x) have been provided for good combustion practices.
- For compliance of new norms for coal based stations, pilot study based on selective catalytic/non-catalytic reduction (SCR/SNCR) technology, studies done and report has been submitted to MOP for further consideration of MOEF.
- For control of SO_x, first Flue Gas Desulphurization (FGD) unit has been commissioned at Vindhyachal station.
- In all existing units, FGDs are being planned in a phased manner depending on techno-commercial viability and revised time line for compliance by Central Pollution Control Board.
- Fugitive emissions from ash pond are controlled by maintaining water cover, plantation on abandoned ash ponds, water spray and earth cover in inactive lagoons. Providing dust suppression and extraction system in CHP area has further added to reduction in fugitive dust during operations.
- NTPC Stations have taken up various scientific studies on bio-productivity of Gangetic Dolphin at NTPC Kahlgaon station. To create scientific data base studies related to environment aspects like Mass balance, Source Apportionment, Human Health Risk Assessment, Mercury Inventorization, Impact of Power generation on Ganga and its tributaries have been conducted at all NTPC stations. Reports are available at the respective stations.
- The Company is undertaking tree plantation covering vast areas of land in and around its projects and till date more than about 34 million trees have been planted throughout the country under accelerated afforestation programme.
- Development of ECO Park on abandoned ash dyke at Badarpur, Delhi being developed by NTPC as ECO cum Tourism Park and to control fugitive emission.

Development and diffusion of environment friendly technologies

- NTPC is proactively taking action in line with National Solar Mission. To promote clean energy usage in communities, NTPC is installing Roof top Solar PV & Solar Irrigation pumps. NTPC is also replacing sodium vapor lamp street light with LED light in phased manner in line with National Programme for LED-based Home and Street Lighting by Government of India. Attempts are also being made to utilize solid waste generated in townships using installation of bio methanation plant, bio-digester and foodie machines. Horticulture waste is being utilized by worm composting to make clean and green area.
- NTPC is all set to start a first biomass co-firing project in India at NTPC Dadri on commercial scale.
- In line with the “Digital India” initiative, NTPC has taken steps towards digitization by implementation of companywide paperless office through “PRADIP” to save on expensive office space, paper use and protection of environment. It will cover more than 270 business processes, which will become paperless.
- In view of water stressed scenario and new norms for specific water consumption, water conservation and reduction in water consumption per unit of generation has assumed great importance. In addition to embracing the principle of 3R’s, in the area of water conservation also NTPC has taken a proactive approach of making all its power stations to operate with ZLD (Zero liquid discharge) progressively in phases.

United Nations Global Compact Anticorruption Principle

“NTPC is committed to maintaining the highest ethical standards and to complying with all anticorruption laws where we operate around. To this end and as reflected in our internal policies, we have zero tolerance for bribery or any other activity that violates the anticorruption laws in any place we conduct business.”

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

- The Company has implemented Whistle Blower Policy, the Complaints Handling Policy, Fraud Prevention Policy and the policy for Banning of Business Dealing to ensure strict anticorruption measures.

- Integrity Pact has been implemented in NTPC since 2009. Tenders having estimated value of 10 crore and above are covered under the Integrity Pact.
- E-procurement process is used to improve efficiency and to ensure transparency in the process.
- During Vigilance Awareness Week (VAW), bilingual posters and banners based on the policies were distributed and displayed to premises nearby.
- The Activities were organized during VAW-2018 across India covering 20 states involving more than 35,000 students & 40,000 citizens besides employees of the Company, its Subsidiaries & Joint Ventures.
- Total 243 schools and 102 colleges were reached out during the week.
- Besides holding debates and essay competitions in these educational institutions, around 30 Integrity Clubs were made functional. 67 Gram Sabhas were organized with almost 10,000 plus participants.
- 54 workshops/seminars were conducted with 4,500 plus participants. 22,400 citizens including employees took the e-pledge, while around 20,000 plus citizens were motivated for taking oral pledge.
- For general awareness, the FM Radio medium was also used to air the CVC message against corruption at New Delhi, Patna, Hyderabad & Visakhapatnam.
- Use of Social Media (Facebook, Twitter & LinkedIn) and Video Conferencing were made to strengthen a culture of transparency, to work fearlessly in the interest of the organization, aiming to improve upon the productivity of the company as a part of the management function etc.
- All employees furnish annual property returns in a detailed format. The employees have also linked issuance of vigilance clearance for employee related process with the submission of Annual Property Returns.