

Corporate Social Responsibility & Sustainability Policy 2015



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कार्पोरेट सामाजिक जिम्मेदारी एवं सस्टेनेबिलिटी

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

नॉर्थ ईस्टर्न इलेक्ट्रिक पावर कॉर्पोरेशन लिमिटेड

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

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NEEPCO Corporate Social Responsibility & Sustainability Policy

1.0 Introduction

- 1.1 Corporate Social Responsibility (CSR) and Sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.
- 1.2 Since its inception, NEEPCO has always accorded top priority towards all round development of the people residing in and around its operational areas. As a responsible corporate citizen, NEEPCO has undertaken various community development activities particularly in the field of education, health, infrastructure development and other community needs.
- 1.3 Under the preview of CSR mission in India, NEEPCO came up with CSR-CD policy 2009. In accordance with the provisions of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, MCA General Circular no. 21/2014 dated 18.06.2014 and revised DPE guidelines, the NEEPCO's CSR policy has been approved by the Board of Directors on 14.07.2015.

NEEPCO's CSR MISSION

To be a responsible corporate entity for nurturing human values with concern for society and environment.

NEEPCO's CSR VISION

To make sustainable impact on the planet and the communities we serve.

2.0 AIMS AND THRUST AREAS FOR CSR & SUSTAINABILITY ACTIVITIES

CSR activities shall focus on social, economic and environmental impact rather than mere output and outcome. All the various activities that can be undertaken in general under CSR & Sustainability shall be in conformity with the schedule VII of the Companies Act 2013.

Keeping the aim of working towards the activities identified in Schedule VII of the Companies Act, 2013, the following will be the thrust areas of CSR & Sustainability activities of NEEPCO:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

Under the above provision, the key initiatives shall include:

- Agro based Livelihood, Entrepreneurship Development Programme
- Medical Awareness Camp & Campaign
- Ensuring maternal health and child mortality
- Sanitation & Safe Drinking Water, etc.

- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

Under the above provision, the key initiatives shall include:

- Measures to arrest dropout rates- distribution of books/dresses/ scholarships to students
- Construction of school toilets preferably girl's toilets
- Infrastructure up gradation of schools/ educational institution
- ITI training / Special Diploma training such as Nursing, Medical Technician, beautician etc
- Capacity Building for unemployed youths, etc.

- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

Under the above provision, the key initiatives shall include:

- Women centric training activity
- Women centric Livelihood/EDP training
- Setting up homes and hostels, old age homes, day care centre for senior citizens
- Night shelters, Medical Screening camps

- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

Under the above provision, the key initiatives shall include:

- Waste Management
- Water Management
- Energy Management
- Bio Diversity conservation
- Carbon Management

- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.

Under the above provision, the key initiatives shall include:

- Protection of national heritage sites
- Restoration of historical sites
- Promotion & Development of traditional arts & handicrafts

- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents.

Under the above provision the key initiatives shall include:

- Education and Medical facilities for the family members of the deceased, etc.

- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
Under the above provision the key initiatives shall include:
- Promotion of Sports
 - Training/coaching for sports etc.
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
Under the above provision the key initiatives shall include:
- Allocation of Funds for technology incubators and R&D etc.
- (x) Rural Development projects.
Under the above provision the key initiatives shall include:
- Promotion of Self Help Groups(SHG's)
 - Electrification i.e. supply and installation of electrical items etc.
- (xi) Slum Area development: Slum area means any area declared as such by the central Government or any State Govt. or any competent authority any law for the time being in force.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

3.0 **Criteria for Selection of CSR & Sustainability Activities:**

- 3.1 CSR & Sustainability is a company's commitment to its stakeholders. Stakeholders include persons directly impacted by the activities of NEEPCO and they will be given priority while determining CSR activities. Therefore, NEEPCO will accord priority for CSR activities in the local area around its area of operation and Offices. However, Board of Directors may decide the budget expenditure for other part of the country.
- 3.2 **The CSR projects or programmes or activities that benefit only the employees of the company and their families shall not be considered as CSR activities.**

- 3.3 The focus will be on long gestation, high impact projects with commitment being made for the entire expenditure till the completion of the project.
The CSR activities shall be undertaken as per policy of the corporation as projects or programme or activities (either new or ongoing) mode. **Activities which are ad- hoc, philanthropic one-time event such as marathons/ awards/ charitable contribution /advertisement/ sponsorships of TV programme etc. would not be counted as part of CSR expenditure.**
- The decision regarding selection of activity, site, budget and other resources shall be the sole discretion of the Board of Directors.
- 3.4 **Contribution to any amount directly or indirectly to any political party shall not be considered as CSR activity.**

4.0 ADMINISTRATIVE SET-UP- Two Tier Organisational Set Up

- 5.1 **Board Level- Tier-I:** A Board Level Committee (BLC) shall be constituted by the Board of Directors headed by the Chairman & Managing Director with all functional Directors and one Independent Director as a member of this Committee to oversee the implementation of CSR policy to assist the Board of Directors to formulate suitable policies and strategies to take the CSR & Sustainability agenda of the Corporation forward in the desired direction. The BLC (**Tier-I**) will periodically submit the reports to the Board of Directors for their information and ratification as directed by the Board.
- 5.2 **Nodal Officer:** A senior officer not less than one rank lower to the Board level shall be appointed as the nodal officer. The Nodal Officer shall be responsible for coordinating overall CSR activities in NEEPCO.
The Nodal Officer shall also be responsible for implementation of policy matters, compilation of information & annual reports and facilitate the processing of proposals for approval & allocation of funds for undertaking various activities. The Nodal Officer will facilitate coordination of CSR initiative in different departments within the organisation. The Nodal Officer will also issue policy directive on the subject as directed by the BLC and approved by the Board of Directors, and will submit reports regarding progress to the Board level committee as directed. The nodal officer shall be assisted by a team of officials (Tier-II) for effective discharge of his responsibilities.
- 5.3 **Standing Committee on CSR & Sustainability-Tier-II:** A committee, as approved by the Board Level Committee/ Board of Directors, comprising of representative from CSR, Technical and Finance Department shall be set up to examine the proposals and submit its recommendations for consideration to nodal officer for further recommendations of the Board Level Committee and in-principle approval of the Board of Directors.
- 5.4 **CSR & Sustainability at Projects/Offices:** The Head of the projects/Office shall be responsible for executing CSR & Sustainability activities within his area of jurisdiction. Project level Committee on CSR & Sustainability shall be constituted with representative of HR, Technical and Finance department. This committee will be responsible for organizing, coordinating and implementation of CSR & Sustainability activities within the project. The project level Committee will also compile CSR & Sustainability activities undertaken within the project and appraise it to Corporate CSR department time to time.

- 5.5 **CSR & Sustainability Department at Corporate Head Quarter:** Based on the requirement of projects/Office CSR/Sustainability department shall prepare a comprehensive report of each activity and send it to standing committee (Tier-II) on CSR and Sustainability for examination and allocation of funds.

Corporate CSR department will coordinate with all the departments, committees for planning, selection, implementation and reporting of CSR and Sustainability activities agenda of the corporation.

6.0 ADMINISTRATION OF SCHEME

- 6.1 Socio-economic/ baseline survey for preparation of Social Assessment shall be made through independent agency.
- 6.2 Resources may be pooled with other CPSEs for taking up high value projects, which have greater visibility, more number of beneficiaries, and wider and long lasting visible impacts.
- 6.3 The project CSR department will prepare annual plan and detailed project of CSR & sustainability activities to be undertaken in the project including tentative budget estimate. The annual plan for the next financial year should reach Corporate CSR department by November of every preceding year.
- 6.4. The Detailed Project Report for each project shall be prepared by project committee on CSR with consent of Head of the Project through the concerned Finance. This will be forwarded to Corporate CSR & Sustainability Deptt., who in turn will put up to the Corporate Standing Committee on CSR for the examination and recommendations and further put up to the BLC through Nodal Officer for recommendation of the Board Level Committee and approval of the Board of Directors.
- 6.5. The implementation of various activities will be normally done through placement of award as per existing Policy of the Corporation. Services of various departments of Central/State Govt., Panchayati Raj Institutions and any expert agency, NGOs may also be availed for implementation of CSR activities.
- 6.6 Services of own personnel or Business Organisations/ Industry /academia preferably from the available panels of such agencies maintained by the Government Ministries/Departments, Planning Commission, autonomous organizations or the National/Regional CSR Hub, external specialized agencies/NGOs/non-profit organisations which has established track records of at least three financial year may also be availed for planning, implementation, monitoring & impact assessment of various CSR & Sustainability activities but overhead expenditure shall not exceed five percent of total CSR expenditure

7.0 REPORT

- 7.1 Each project will prepare an annual report of CSR and Sustainability activities undertaken in their project mentioning the activities undertaken, budget utilization, the benefits accrued to communities and the number of people benefited etc.

- 7.2 The Corporate CSR and Sustainability Department will compile the report received from the projects / Offices for CSR and Sustainability activities undertaken and prepare a comprehensive annual report for the Corporation and submit to the Board Level Committee through Nodal Officer.
- 7.3 The summary of the report will be published in print and also posted on the NEEPCO website under a separate dedicated section on Corporate Social Responsibility & Sustainability. The website will include the policy, the details of activities undertaken or any other details.
- 7.4 A report on CSR & Sustainable activities shall also be included in the Annual Report of NEEPCO for communicating with various stakeholders.
- 7.5 NEEPCO shall publish annual sustainability report, generally patterned on the internationally accepted reporting frameworks like the Global Reporting Initiative (GRI).
- 7.6 Documentation of all the activities shall be meticulously maintained at sites, projects and corporate office for audit and sustainability reporting.
- 7.8 CSR&S activities shall be widely communicated to all stakeholders through hoarding display /press release at print/electronic media.

8.0 MONITORING:

- 8.1 The monitoring of implementation of the projects/activities shall be carried out by Head of Project and by Corporate CSR & Sustainability department through Nodal Officer and Board Level Committee. A transparent monitoring mechanism shall be adopted and monitoring shall be done with the help of Key Performance Indicators—in Project mode with continuous feedback mechanism and recourse to mid-term correction. External agency may also engage for monitoring. Quarterly Reporting (Physical and Financial) shall be done by Project Authority. The Report shall be furnished within the first week of the following month to the Nodal Officer.
- 8.2 Impact Assessment: The impact assessment for projects shall be undertaken through external agencies.

9.0 ALLOCATION OF FUNDS:

- 9.1 At least two percent (2%) of average net profits made during the three immediately preceding financial years, in terms of Sec 135(5) of the Companies Act, 2013, shall be the budget for CSR & Sustainability activities. The quantum of percentage of profit of previous year to be earmarked for CSR purpose shall be decided by the Board of Directors on year to year basis. The company shall provide the reason for not spending the amount in its board report and unspent amount shall be carry forwarded for next year.

- 9.3 All expenditure incurred on the activities involved in the need assessment / baseline study, corporate communication, planning, implementation, monitoring and impact assessment of the projects shall be included in the above budget.
- 9.4 The projects/activities sanctioned during previous years under CSR or sustainable development shall continue. Appropriate funds shall be provided to them till their completion.
- 9.5 Any surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the company.

10.0 GENERAL:

- 10.1 This policy shall stand modified by the provisions of the Companies Act as amended from time to time and government guidelines as and when these are in place and made enforceable.
- 10.2 This policy would serve as the referral document for planning and selection of CSR and Sustainability activities, though, whenever in doubt, cross reference to revised DPE guidelines and Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, issued by the Ministry of Corporate Affairs, Govt. of India on the subject is advised to avoid any inconsistency with the latter.
- 10.3 The power to modify /amend the CSR &Sustainability Policy will rest with the Board of Directors. The Chairman and Managing Director shall be responsible for the implementation of the Rules framed in accordance with and in furtherance of the Policy as approved by the Board.

FORMAT:

ANNEXURE

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years in terms of section 198 of Companies Act, 2013.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below: -

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2)Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	TOTAL						

* Give details of implementing agency:

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- (Person specified under clause(d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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