



पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)



केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फ़ैक्स : 0124-2571762,
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Ref: CP/RTI /2014/47

Date: 23rd June, 2014

Shri Shyamlal yadav
Sr. Assist. Editor, The Indian Express
9&10 Bahadur Shah Zafar Marg
New Delhi

Sub: **Information under Right to Information Act, 2005.**

Dear Mr. Yadav,

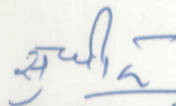
This has reference to your letter dated 29th May, 2014 (received on 22nd May, 2014) seeking information under RTI Act, 2005.

POWERGRID has adopted its Policy on CSR & Sustainability, which is approved by its Board of Directors and is available on the website. A copy of CSR & Sustainability Policy is Attached at **Annex-I**. As per the Policy, POWERGRID gives priority to CSR activities around its area of operation. Though, VIP references are received from time to time with respect to CSR activities, however, activities are taken up strictly in accordance with the CSR Policy of the Corporation.

Further, the information sought pertains to more than 3 years (since 2010) which is voluminous in nature and no separate record is being maintained for VIP reference letters related to CSR activities. For compiling such voluminous information, a considerable amount of resources would have to be deployed by POWERGRID and it would disproportionately divert the resources of the public authority. It is, therefore, requested that you may seek information pertaining specific VIP reference letters limited to one or two, so that same can be furnished to you.

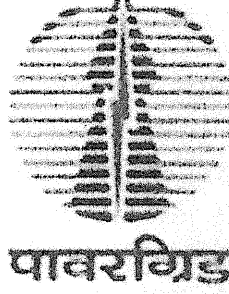
Thanking You,

भवदीय,


(सुधीर मित्तल) 23.6.14

महाप्रबंधक(के.आ.)एवंके.लो.सू.अधिकारी

Attach: as above



पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
POWER GRID CORPORATION OF INDIA LTD

कार्पोरेट सामाजिक ज़िम्मेदारी एवं सँस्टेनेबिलिटी नीति

**CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY
POLICY**

2013

POWERGRID'S 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. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organisations, local communities, environment and society at large.
- 1.2 Power Grid Corporation of India Ltd. (POWERGRID), a Navratna company, is one of the largest electrical power transmission utilities in the world. Transmission lines projects are environmentally clean and do not involve any disposal of waste, effluents and hazardous substances on land, air and water and therefore, transmission projects have been kept out of the purview of EIA Notification 2006. However, transmission line projects have some localized impacts on villagers whose lands are acquired for construction of substations and on natural resources like crops & trees, whenever Transmission Lines pass through agriculture fields or forest areas.
- 1.3 Realising this, POWERGRID, as a responsible corporate citizen, developed its Environmental and Social Policy and Procedures (ESPP) in 1998 to address the environment and socio-economic issues arising from its activities. ESPP is based on the basic principles of Avoidance, Minimization and Mitigation. The ESPP was revised in 2005 and 2009 after extensive discussions with the World Bank and through public consultations.
- 1.4 The ESPP outlines POWERGRID's approach and commitment to deal with environmental and social issues relating to its transmission projects, lays down the management procedures and protocols for the purpose that includes the framework for identification, assessment, and management of environmental and social concerns at both organizational and project levels.
- 1.5 POWERGRID came out with its policy on CSR in 2009 even before the issue of guidelines by Department of Public Enterprises (DPE) in 2010. DPE issued detailed guidelines for Sustainable Development in September, 2011. Due to two separate guidelines, CSR and Sustainable Development were treated as two separate subjects, which posed practical difficulties in reporting

sustainable activities. Considering this problem, DPE has issued fresh “Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises” by clubbing together CSR and Sustainability guidelines in Jan.2013, which have come into effect w.e.f. 1st April 2013.

- 1.6 As per the DPE Guidelines, Public Sector Enterprises are required to have a CSR and Sustainability Policy approved by their respective Board of Directors. Accordingly, POWERGRID has revised its CSR policy to bring it in accordance with the latest DPE guidelines.

2.0 AIMS OF AND THRUST AREAS FOR CSR & SUSTAINABILITY ACTIVITIES

The “UN Global Compact” asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The UN Millennium Development Goals aim at eradicating extreme hunger & poverty, providing primary education, ensuring gender equality & women’s empowerment, reduction in child mortality, improvement in maternal health, combating HIV/AIDS, malaria & other diseases, environmental sustainability and development of global partnership for development. Keeping the aim of working towards the above goals, the following will be thrust areas of CSR & Sustainability activities of POWERGRID:

- 2.1 Inclusive social-economic growth and Empowerment of Communities
- 2.2 Capacity building;
- 2.3 Environment protection;
- 2.4 Promotion of green and energy efficient technologies;
- 2.5 Development of backward regions;
- 2.6 Upliftment of marginalized and under-privileged sections of the society

The focus will be on long gestation, high impact projects with commitment being made for the entire expenditure till the completion of the project. Activities which are ad hoc and philanthropic in nature shall be avoided.

The decision regarding selection of activity, site, budget and other resources shall be the sole discretion of the Board of Directors.

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 Powergrid,

employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organizations, local communities and their public representatives, Gram Sabhas and Panchayati Raj Institutions (PRIs) and society at large. Redeeming adverse Environmental impact will also form an important thrust area for CSR & Sustainability activities. However, the stakeholders directly impacted by the operation of the company will be given priority while determining CSR & Sustainability activities. Such stakeholders are generally located in the periphery of the commercial operations of the company. For this reason, POWERGRID will accord priority for CSR and Sustainability activities in the neighbourhood around its area of operation and new projects.

- 3.2 Further, priority shall be provided for the activities in backward districts as identified by the Planning Commission.
- 3.3 Infrastructure facilities created by POWERGRID under CSR & Sustainability activities may also be utilized by employees and their dependents provided that their number is confined to less than 25% of the total number of beneficiaries.

4.0 **ACTIVITIES UNDER CSR & SUSTAINABILITY:**

- 4.1 CSR & Sustainability activities shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Activities mandated for Government shall also be avoided but POWERGRID can supplement such efforts by filling the resource gap and giving help to cross the last mile in goal achievement. Various activities that can be undertaken in general under CSR & Sustainability are outlined below:

4.2 **COMMUNITY DEVELOPMENT**

- 4.2.1 **Education:** Interventions towards improvement in education, Strengthening the Educational infrastructure as per local requirement and support to the activities directed towards improvement of education through support to schools/ institutions, sponsoring poor students, scholarships, building infrastructure, etc.
- 4.2.2 **Health Care & Hygiene:** Provide interventions in the field of health care and hygiene based on local requirements.
- 4.2.3 **Infrastructural Development:** Support towards augmentation of basic infrastructure facilities as per the needs of the local community at large, with special focus on one time assistance for sustainable development of water

resources, roads and transportation, power, renewable energy, community facilities, etc. provided arrangements are ensured for the maintenance and recurring expenditure of the facilities by the requesters.

4.2.4 Sports, Art, Culture and Heritage: Support towards preservation, conservation and upgradation of our National heritage, art and culture, to promote games & sports, discover talent in these areas, etc.

4.2.5 Promote Livelihood: Empowerment of the population through increased earning capabilities, which will be instrumental in eradication of extreme hunger and poverty. Activities for creation of livelihood/employment opportunities for the deprived and underprivileged sections of the society for income generation shall be supported.

4.3 INTEGRATED VILLAGE DEVELOPMENT :

Long term intervention measures intended to progressively alter almost all socio-economic indicators of selected villages in the project area and bring qualitative and quantitative improvement in the living standards.

4.4 ECOLOGICAL AND ENVIRONMENTAL SUSTAINABILITY

To support causes and to undertake affirmative action towards sustainable management of ecological and environmental issues, activities in following areas may be taken up:

- i) Activities which have a clear and tangible impact on ecological and environmental sustainability.
- ii) Projects / activities in the areas of water management, waste management, energy management.
- iii) Promotion of renewable energy, bio-diversity conservation, green buildings, greening of supply chain, promote / support innovation in products and services etc.
- iv) To promote community plantation and forestry programmes.
- v) To extend assistance to agencies engaged in promoting of conservation of ecological balance.
- vi) To organize workshops/conferences/symposia on social and environmental issues such as on consumer rights, carbon emission, climate changes etc.
- vii) Conservation of energy.
- viii) Energy audits for establishment of Govt./CPSUs/PSUs etc.

4.5 CAPACITY BUILDING INITIATIVES:

4.5.1 POWERGRID will undertake Community capacity building activities to strengthen the skills, competencies and abilities of people and communities in developing societies to overcome the causes of their exclusion and suffering.

4.5.2 POWERGRID shall develop a large pool of skilled work force in the area of transmission line construction of foundation, tower erection and stringing with forward linkages to employment. POWERGRID shall strive to execute this programme in association with various transmission line construction companies under the PPP mode.

4.6 Training / Awareness of CSR & Sustainability:

Training / Awareness programs will be conducted for the employees / other stakeholders on CSR / Sustainability / Environment conservation. Employees / other stakeholders will be sensitized to the need for conducting business in a manner that is economically, socially and environmentally sustainable. The focus will be on socially and environmentally sustainable methods and practices.

4.7 Other activities:

- i) To provide appropriate assistance for relief/ rehabilitation /restoration work at the times of national calamities/ disasters.
- (ii) To interact, collaborate and promote partnership with other related national and international agencies/organization for the furtherance of these goals.
- ii) To initiate Special Development & Welfare Programme in backward or tribal-area in collaboration with Govt. schemes.
- iii) Activities in the direction of achieving UN Global Compact Principles and UN Millennium Development Goals.
- iv) To comply with the other provisions of DPE guidelines
- v) Any other area as decided by the Board of Directors.

4.8 Activities given above are illustrative in nature towards attaining the objectivity of CSR & Sustainability. Therefore, the scope of activities illustrated above is not exhaustive and other suitable activities to achieve the aims of the policy may also be included towards attaining the above objectives.

5.0 ADMINISTRATIVE SET-UP

- 5.1 **Board Level:** A Board level Committee (BLC) will be constituted by the Board of Directors. It will be headed by the Chairman & Managing Director or an Independent Director to oversee the implementation of CSR & Sustainability policy and 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 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 will be appointed as the nodal officer. The Nodal Officer will be responsible for coordinating overall CSR & Sustainability activities in POWERGRID. 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& sustainability 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, draw an appropriate corporate communication strategy and will submit reports regarding progress to the Board level committee as directed. The nodal officer shall be assisted by a team of officials for effective discharge of his responsibilities.
- 5.3 **Standing Committee on CSR & Sustainability:** A committee, as approved by the Board Level Committee, comprising of representative from CSR, HR and Finance Deptt. will be set up to examine the proposals and submit its recommendations for consideration and in-principle approval of the Board of Directors/Board Level Committee or a competent authority as per the powers delegated by the Board.
- 5.4 **Regional Headquarters (RHQ):** The Head of the Region will be responsible for executing CSR & Sustainability activities within the Region. The Regional CSR Nodal Department will be responsible for organizing & coordinating CSR & Sustainability activities within the Region. They shall also be responsible for implementation of CSR & Sustainability activities assigned by the Corporate Centre from time to time.

A regional level CSR & Sustainability Committee will examine and recommend proposals regarding CSR & Sustainability activities in the region.

Based on the requirement of Site Office/ Sub-stations/RHQ for conducting of CSR & Sustainability activities, the Regional CSR department will prepare a comprehensive report of each activity and send it to Corporate CSR department alongwith recommendations of the regional level CSR & Sustainability committee for examination and allocation of funds. The Regional CSR Department will also compile CSR & Sustainability activities undertaken within the Region and shall apprise to Corporate CSR from time to time.

- 5.5 **Construction Office/ Substations:** The CSR & Sustainability activities will be implemented through a nodal officer identified for this purpose. The Head of Sub-Station / construction office will be overall responsible for implementing community development activities in his area of jurisdiction.
- 5.6 **Voluntary by POWERGRID employees:** POWERGRID employees and PEWA / Mahila Samiti may also be encouraged to help the needy local population and participate in organizing CSR & Sustainability activities.

6.0 ADMINISTRATION OF SCHEME

- 6.1 In case of new projects, POWERGRID undertakes socio-economic survey for preparation of Social Assessment and Management Plan (SAMP) for the area affected by the possession of land for construction of substation through independent agency. In addition to finalizing rehabilitation action plan, the SAMP, on the basis of discussions with the affected people, also identify the areas of concern and requirement of infrastructure, skill development etc. for the overall development of area and its habitants. Those activities not covered under R&R shall be taken up for implementation under CSR & Sustainability activities.
- 6.2 For smaller projects and depending on the viability of the projects baseline survey conducted by in-house shall be the basis of selection of activities under CSR & sustainability.
- 6.3 Further, recommendations of State/district administration / Panchayati Raj Institutions, Ministries of Government of India and other stakeholders shall be considered for undertaking activities/projects under CSR & Sustainability activities. On identifying the requirement of the community, a project will be

prepared indicating the need for community development activity, time-frame of implementation, action plan, budget requirement etc. Long-term projects shall be broken into medium and short-term plans and annual plans.

- 6.4 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.
- 6.5 The Regional CSR department will prepare annual plan and detailed project of CSR & sustainability activities to be undertaken in the Region including tentative budget estimate. The annual plan for the next financial year should reach Corporate CSR department by November of every preceding year.
- 6.6 The Detailed Project Report for each project shall be prepared by site in association with RHQ and submitted to Regional committee on CSR & Sustainability for consent of Head of the Region through the concerned Finance. Region will forward the proposal to Corporate CSR, who in turn will put up to the Corporate Standing Committee on CSR & Sustainability for the examination and recommendations for approval of the Competent Authority.
- 6.7 The CSR & Sustainability activities in general shall be implemented in project mode and minimum 80% of the budget shall be utilized for activities executed under this mode. The implementation of various activities will be normally done through placement of award as per Works & Procurement Policy of the Corporation. Services of various departments of Central/State Govt., Panchayati Raj Institutions etc. may also be availed for implementation of CSR & Sustainability activities.
- 6.8 The planning, implementation, monitoring and impact assessment of CSR & sustainability activities shall be included as an activity under MoU of various regions / Projects with a weightage of at least equal to the weightage for CSR & Sustainability under MoU signed with the Ministry of Power.
- 6.9 CSR & sustainability activities shall also be a part of KRA of the executives directly executing CSR & sustainability projects.
- 6.10 While proposing the activities of CSR and Sustainability following points may be considered:

- (i) Priority will be given to those activities which are in and around our areas of operation / projects.
- (ii) Priority shall be given to the backward districts as identified by Planning Commission. At least one project shall be taken up every year in such districts.
- (iii) Wherever possible, the targeted communities and the local authorities, specialised agencies may be closely involved in the process of indentifying, planning and implementation of the CSR and Sustainability activities.

6.11 Services of external specialized agencies/NGOs/non-profit organisations, Industry & Business Organisations preferably from the available panels of such agencies maintained by the Government Ministries/Departments, Planning Commission, autonomous organizations or the National/Regional CSR Hub, may also be availed for planning, implementation, monitoring & impact assessment of various CSR & Sustainability activities. Collaboration with academic institutions such as TISS, IIMs, IITs and similarly placed other institutions may also be developed for studies, surveys, advocacy, research, implementation etc. None of the Board Members should have any conflict of interest with such NGOs/organisations. The expenditure incurred on collaborations with such institutions and for their services will be eligible under expenditure on CSR & Sustainability.

7.0 REPORT

- 7.1 Each Region will prepare an annual report of CSR and Sustainability activities undertaken in their Region mentioning the activities undertaken, budget utilization, the benefits accrued to communities and the number of people benefited.
- 7.2 The Corporate CSR Department will compile the report received from the Regions and of CSR and Sustainability activities undertaken in Corporate Centre and prepare a comprehensive annual report for the Corporation and submit to the Board Level Committee.
- 7.3 The summary of the report will be published in print and also posted on the POWERGRID website under a separate dedicated section on Corporate Social Responsibility & Sustainability. The website will include the policy, the details of community development activities undertaken or any other details.
- 7.4 A report on CSR & Sustainable activities shall also be included in the Annual Report of POWERGRID for communicating with various stakeholders.

- 7.5 POWERGRID shall publish biennial 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, regional offices and corporate office for audit and sustainability reporting.

8.0 MONITORING:

- 8.1 The monitoring of implementation of the projects/activities shall be carried out by RHQ at Regional level and by Corporate CSR and Board Level Committee at national level. Monitoring shall be done with the help of Key performance Indicators—in Project mode with continuous feedback mechanism and recourse to mid-term correction.
- 8.2 Impact assessment: The Impact assessment for projects above Rs.3 crores shall be undertaken through external agencies. However, keeping in mind economy of scale the impact assessment for smaller projects below Rs.3 crores internal assessment shall be carried out as per guidelines and Rules framed and approved by the Chairman and Managing Director. Moreover 10% of each category of projects shall be audited by the Internal Audit Department annually.

9.0 ALLOCATION OF FUNDS:

- 9.1 1 % - 2 % of the PAT of the preceding year will be added to the fund for CSR & Sustainability activities. The quantum of percentage of PAT of previous year to be earmarked for CSR purpose shall be decided by the Board of Directors on year to year basis. The unspent amount of the budget allocated for CSR and Sustainability activities for a year will have to be spent within the next two financial years, failing which it would be transferred to a “Sustainable Fund” to be created separately by DPE for CSR and Sustainability activities.
- 9.2 5 % of the total annual budget will be earmarked for emergency needs towards relief, rehabilitation and restoration work on account of natural calamity/disasters. In exceptional circumstances, supported by reasons recorded in writing and approved by the administrative ministry, the budgetary allocation can be enhanced by 5% in a particular year. However, such enhancement will not become a regular feature. In case this amount is not utilized in the year of allocation, it would be carried forward to the next

year for utilization for CSR & Sustainability activities, which if not spent within two years would be transferred to the “Sustainability Fund” to be created separately by DPE for CSR & Sustainability activities.

- 9.3 All expenditure incurred on the activities involved in the need assessment / baseline study, planning, implementation, monitoring and impact assessment of the projects will 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 Powers for Approval: The delegation of powers to approve CSR & Sustainability activities shall be notified separately after approval of the Board of Directors.

10.0 GENERAL:

- 10.1 This policy shall stand modified by the provisions of the new Companies Act, updated SEBI guidelines 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 DPE’s guidelines 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 will be responsible for the implementation of the Rules framed in accordance with and in furtherance of the Policy as approved by the Board.

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