

**CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY POLICY
OF RATLE HYDROELECTRIC POWER CORPORATION LIMITED (RHPC)**



रतले हाइड्रोइलेक्ट्रिक पावर कॉर्पोरेशन लिमिटेड
(एनएचपीसी लिमिटेड और जेकेएसपीडीसी लिमिटेड का संयुक्त उद्यम)
RATLE HYDROELECTRIC POWER CORPORATION LIMITED
(A Joint Venture of NHPC Limited and JKSPDC Limited)

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CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY POLICY

1. PREAMBLE:

1.1 Ratile Hydroelectric Power Corporation Limited has been incorporated on 01.06.2021 as Joint Venture Company between NHPC and Jammu & Kashmir State Power Development Corporation Ltd (JKSPDC) with equity shareholding of 51% and 49% respectively. The Company is a responsive organization for development of clean power with due care and concern to the environment.

1.2. The commitment of Ratile Hydroelectric Power Corporation Limited towards environment and people is affirmed through its Corporate Vision and Mission, policies and practices adopted by the organization.

1.3. Ratile Hydroelectric Power Corporation Limited's Corporate Social Responsibility & Sustainability Policy aims at facilitating long-term environmental, social and economic development issues of the Company and its stakeholders.

2.0 CORPORATE SOCIAL RESPONSIBILITY VISION AND MISSION:

2.1 Corporate Social Responsibility Vision:

- To contribute to sustainable development and inclusive growth while taking care of People, Planet and organizational goals / growth.

2.2 Corporate Social Responsibility Mission

- To become socially responsible corporate entity committed to improving the quality of life of the society at large.
- To create and develop facilities for the communities we engage with.
- To balance social, economic and environmental development objectives through collective and unified efforts of all stakeholders.

3.0 INTRODUCTION:

3.1 The Corporate Social Responsibility & Sustainability Policy will form the basis for conducting Ratile Hydroelectric Power Corporation Limited's business. It will aim to integrate the objectives of profit maximization & long-term growth with

sustainable development and adoption of ethical business practices.

3.2 Corporate Social Responsibility & Sustainability Policy is thus a statement of company's commitment to fulfill stakeholders' aspiration and contributing to sustainable development of people, planet and the organization.

3.3 Ratle Hydroelectric Power Corporation Limited's key stakeholders include Employees, Shareholders, Project Affected Families, Local Communities, Local Bodies such as Panchayat, Block and District Administration etc.

3.4 The thrust of the Policy is two pronged viz,

a) Conducting the business in a socially responsible way by maintaining high level of organizational integrity and ethical behaviour, in conformity with expected standards of transparency in reporting and disclosing the performance in all spheres of our activities, demonstration of concern for welfare of the employees, adoption of operational methods and management practices. This will promote social and environmental sustainability to win the trust and confidence of all stakeholders.

This is proposed to be achieved through collective and united efforts of all employees with active involvement of top management, backed up by active internal communication strategies to spread awareness, sensitize and internalize amongst all internal stakeholders the need to adopt socially and environmentally sustainable methods.

b) Addressing the social, economic and environmental concerns of key stakeholders directly impacted by Ratle Hydroelectric Power Corporation Limited's operations & activities.

3.5 Ratle Hydroelectric Power Corporation Limited's Corporate Social Responsibility & Sustainability activities will extend beyond mere philanthropic gestures and will aim to integrate it with organization's business goals.

3.6 Baseline survey and/or Need Assessment study may be conducted, wherever desirable to understand the need and aspiration of the stakeholders. Based on the same, suitable Corporate Social Responsibility & Sustainability schemes/activities will be identified for implementation.

3.7 Selection of Corporate Social Responsibility & Sustainability schemes will be made to ensure maximum benefits reach the poor/backward & needy sections of the society and contribute to improve the quality of environment.

3.8 Expenditure on mandatory activities, or activities carried out for fulfillment of any other statutory obligations under any law in force in India will not be accounted against Corporate Social Responsibility & Sustainability schemes/activities.

3.9 Provisions of Ratle Hydroelectric Power Corporation Limited's Corporate Social Responsibility & Sustainability Policy will be revised/ amended in accordance with the guidelines on the subject as may be issued by the Government from time to time. Any changes in the legal provisions or Government guidelines shall be deemed to be adopted as per applicability provisions issued from time to time.

4.0 OBJECTIVES & SCOPE:

4.1 OBJECTIVES:

(i) To address the social, economic, environmental and welfare concerns of key stakeholders including those directly impacted by Ratle Hydroelectric Power Corporation Limited's operations & activities.

(ii) Adopt green technologies, processes and standards that contribute to social and environmental sustainability.

(iii) Contribute to inclusive growth and equitable development through capacity building measures, empowerment of marginalized and underprivileged sections/communities Corporate Social Responsibility - Sustainability Policy.

4.2 SCOPE:

(i) Schemes/ Activity chosen under Corporate Social Responsibility / Sustainability should primarily benefit stakeholders other than the staff of Ratle Hydroelectric Power Corporation Limited. In case, the benefits of the initiative are extended to Ratle Hydroelectric Power Corporation Limited employees & their families, the proportionate expenditure incurred on other than Ratle Hydroelectric Power Corporation Limited employees & their families shall be considered under Corporate Social Responsibility.

(ii) Ratle Hydroelectric Power Corporation Limited will have an appropriate organization structure for identification & selection of Corporate Social Responsibility & Sustainability schemes, guidance in implementation, monitoring and review of the schemes/ activities.

(iii) Ratle Hydroelectric Power Corporation Limited will take steps to sensitize and impart training to its employees regarding Corporate Social Responsibility & Sustainability policies of the Corporation and to bring about the desired attitudinal change towards environmental protection, social development & the need to adopt ethical business practices.

(iv) Ratle Hydroelectric Power Corporation Limited will take up schemes/activities which would give visible social, economic or environmental benefits to the society.

(v) Ratle Hydroelectric Power Corporation Limited will also make efforts, to the extent possible, to involve the Suppliers and Contractors associated in the adoption of sustainable technologies as a part of its Corporate Social Responsibility - Sustainability endeavours.

5.0 PLANNING:

5.1 For Planning of project, available data will be used by Ratle Hydroelectric Power Corporation Limited for identification of Projects/Schemes in the thrust areas. Ratle Hydroelectric Power Corporation Limited will prepare preferably medium term (1-3 year) projects for Corporate Social Responsibility & Sustainability Development activities which will be reviewed from time to time.

5.2 Priority will be for activities contributing to benefits of needy section of the society and environmental sustainability.

5.3 The stakeholders residing in the vicinity of our project area and who are directly impacted by its operations and activities will be given priority as beneficiary of Corporate Social Responsibility and Sustainability activities.

5.4 Choice of Corporate Social Responsibility & Sustainability schemes for implementation will preferably be made in consultation/association with the Administrative authorities of District/Sub-division/Blocks/ Panchayats. This will help to avoid overlapping of the works/initiatives being undertaken by these authorities so that the genuine requirements of the targeted segments of the society are addressed by the chosen schemes and also ensure availability of authentic Baseline data or proper Need Assessment of identified schemes at the grassroots level.

5.5 Ratle Hydroelectric Power Corporation Limited will endeavour to concentrate its Corporate Social Responsibility & Sustainability efforts in the following thrust areas:

- (i) Facilitating Community Development.
- (ii) Support Environmental protection and conservation of Biodiversity.
- (iii) Creation of Education, training infrastructure including upgrading existing educational institutions.
- (iv) Creation of Sustainable livelihood generation opportunities.
- (v) Improvement in Health and Family Welfare infrastructures.
- (vi) Creation & improvement of Sanitation facilities, drinking water schemes.
- (vii) Adoption of innovative methods of irrigation, conservation of water, management of energy requirements and waste management.
- (viii) Promotion of Indigenous methods of agricultural farming techniques and conservation of indigenous knowledge on medicinal plants.
- (ix) Preservation & promotion of sports, heritage, art, music & culture in keeping with the Indian tradition.

5.6 In accordance with Schedule VII of the Companies Act, 2013 as amended from time to time, the items of Corporate Social Responsibility activities, may be undertaken by Ratle Hydroelectric Power Corporation Limited. The activities notified in Schedule VII as on date is placed at Annexure-A. The same whenever amended/clarified from time to time by the Government will be suitably incorporated after the approval of Board of Director. Expenditure on any other activity / items not in conformity with the list of items given in Schedule VII will not be accounted towards Corporate Social Responsibility expenditure.

5.7 While planning long-term / mid-term projects, budgetary provisions to meet cost of each project till its completion will be ensured. Each long-term / medium term project will be broken up into annual targets and activities to be implemented each year and budget be allocated for the implementation of these activities and achievements of targets set for each successive year till the completion of the project.

5.8 While shortlisting the Corporate Social Responsibility & Sustainability activities, ad-hoc/ one time/ philanthropic activities, which do not contribute

to social value creation, environment protection or sustainable development, will be avoided.

5.9 The Ratle Hydroelectric Power Corporation Limited Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for the financial management shall certify to the effect.

6.0 MANAGEMENT STRUCTURE FOR IMPLEMENTATION:

6.1 The Management structure for Corporate Social Responsibility & Sustainability will be as follows:

- a) The Board of Directors to allocate budget, review the progress and guide various Corporate Social Responsibility & Sustainability initiatives.
- b) A Below Board Level Corporate Social Responsibility Committee shall be constituted consisting of Officers from HR, Finance, Civil, Environment Functions as decided by the Chief Executive Officer- Ratle Hydroelectric Power Corporation Limited. An Officer heading Corporate Social Responsibility & Sustainability Functions shall be the designated Nodal Officer in the Committee. The Committee shall identify and select Corporate Social Responsibility & Sustainability schemes/activities and also exercise an effective oversight on progress of implementation of the same.

7.0 ROLES & RESPONSIBILITIES:

7.1 Below Board Level Corporate Social Responsibility Committee:

- (i) To oversee formulation of broad guidelines for selection of projects, planning, execution, monitoring, evaluation, impact assessment and strategies for efficient implementation of Corporate Social Responsibility & Sustainability schemes.
- (ii) To formulate and recommend to the Board, an annual action plan in pursuance of its Corporate Social Responsibility Policy, for allocation of budget to Corporate Social Responsibility & Sustainability schemes/ activities.
- (iii) The Annual Plan shall include the manner of execution of such projects or programmes, the modalities of utilization of funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes, details of need and impact assessment, if any for the projects or programmes.
- (iv) The Board may alter such plan at any time during the financial year, as per the recommendation of its Below Board Level Corporate Social Responsibility Committee, based on the reasonable justification to

- that effect.
- (v) Selection and recommendation for approval of projects shall be in accordance with the policy framework of Ratle Hydroelectric Power Corporation Limited and Guidelines/ Notifications/ Circulars issued by the Ministry of Corporate Affairs / DPE.
 - (vi) Periodic monitoring of implementation of Corporate Social Responsibility & Sustainability activities.
 - (vii) Sustainability Reporting of Corporate Social Responsibility & Sustainability schemes annually.
 - (viii) Submission of half yearly report to the Board of Directors for their information, consideration and necessary directions.

7.2 Nodal Officer:

- (i) To get Baseline/Need Assessment studies conducted wherever feasible and required.
- (ii) To finalize and shortlist the Corporate Social Responsibility and Sustainability Schemes, annual targets and prepare annual budgetary requirement keeping in view the financial targets in terms of the policy and getting it processed for approval of competent authority.
- (iii) To organize training workshops and seminars for the employees of Ratle Hydroelectric Power Corporation Limited for Sensitization and education of the internal stakeholders for efficient implementation of Corporate Social Responsibility & Sustainability Initiative.
- (iv) To ensure approval of scheme and allocation of budget, implementation, monitoring & sending the monthly progress report of the Corporate Social Responsibility & Sustainability Scheme along with photographs, video clippings and/or documentary proofs.
- (v) To get Impact Assessment studies done for the long term and other scheme wherever applicable as per applicable guidelines on Impact assessment.
- (vi) To submit quarterly, half yearly, yearly report on the progress of Corporate Social Responsibility & Sustainability initiatives to the Chief Executive Officer.
- (vii) To prepare annual Corporate Social Responsibility & Sustainability Report indicating progress and achievement of the activities and impact assessment reports of activities, wherever feasible, to be undertaken annually or at any other suitable time intervals.

8.0 RESOURCE ALLOCATION:

8.1 To achieve the goals set forth under the Corporate Social Responsibility & Sustainability Policy, Ratle Hydroelectric Power Corporation Limited will set apart an amount specified under sub-section (5) of section 135 of Companies Act 2013, which is at present, at least two percent of the average net profits of the company made during the three immediately preceding financial years, as the annual budget for Corporate Social Responsibility & Sustainability works during the year and approved by the Board of Directors.

8.2 Up to 5% of the annual budget for Corporate Social Responsibility and Sustainability activities will be earmarked for meeting the Emergency needs, which may arise on account of any relief works to be undertaken due to natural calamities/ disasters and contributions towards Prime Minister's or any other fund set up by the Central Government for socio-economic development and relief and welfare of Scheduled Caste, the Scheduled Tribe, other backward classes, minorities and women.

8.3 The expenditure incurred on baseline survey/need assessment/Impact assessment study, on capacity building programs such as training, workshops, seminars, conferences, etc. and on corporate communication strategies for engagement of all stakeholders, whether internal or external, to implement the Corporate Social Responsibility and Sustainability agenda of a company, would be accounted for as Corporate Social Responsibility and Sustainability expenditure from the budget allocated for this purpose.

8.4 (i) A consolidated proposal in the form of Corporate Social Responsibility & Sustainability Plan/Budget will be prepared & submitted by the Below Board Level Corporate Social Responsibility Committee through the Nodal officer for Corporate Social Responsibility & Sustainability works for approval of Chief Executive Officer.

(ii) In respect of Works/Projects not included in the approved annual plan, the same will be processed for approval of the Chief Executive Officer through the Nodal Officer.

(iii) Corporate Social Responsibility & Sustainability works approved as above will be executed in accordance with a set of delegations for Corporate Social Responsibility & Sustainability works to be drafted and got approved from the competent authority.

8.5 All out efforts should be made by Ratle Hydroelectric Power Corporation Ltd to utilize the allocated budget to achieve the targets fixed for the respective year. Any amount remaining unspent relating to an ongoing activity shall be transferred within a period of thirty day from the end of the financial year to an unspent Corporate Social Responsibility account in any Scheduled Bank for that financial year. This amount shall be spent in pursuance of its obligation towards the Corporate Social responsibility policy within a period of 03 financial years from the date of such transfer, failing which, the company shall transfer the same to a fund specified in schedule-VII, within a period of 30 days from the date of completion of the third financial year.

8.6 If an unspent amount does not relate to an ongoing project the referred amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The reasons for the non-utilization will be specified in Board's Report.

8.7 Any surplus arising out of corporate Social Responsibility Corporate Social Responsibility activities shall not form part of the business profit of the Company shall be transferred to the Unspent Corporate Social Responsibility Account and spent in pursuance of Corporate Social Responsibility policy or transfer such surplus amount to a fund specified in Schedule-VII, within a period of six months of the expiry of the financial year.

9.0 IMPLEMENTATION:

9.1 While engaging or partnering with the external agencies, apart from availability of necessary capabilities and expertise for the planned Corporate Social Responsibility - Sustainability works, credentials of reliability, integrity of such agencies should be got verified by the awarding authority. Such organizations will have a track record of at least 3 years in undertaking similar programs or projects. It shall be ensured that the Corporate Social Responsibility activities are undertaken by the Company itself or through:

(i) A Company established under section 8 of the Act, or a registered Public Trust or a Registered Society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under Section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or

(ii) A Company established under Section 8 of the Act or a registered Trust or a registered Society, established by the Central Government or State Government; or

(iii) Any entity established under an Act of Parliament or a State Legislature; or

(iv) A Company established under Section 8 of the Act, or a registered public trust or a registered Society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under Section 12A and approved under Section 12A and 80 G of the Income Tax Act, 1961 and having an established track record of at least three years in undertaking similar activities.

9.2 Steps in implementation:

(i) Memorandum of Understanding will be signed with the implementing partners with specific deliverables.

(ii) Detailed Annual Plan of implementation of approved projects will

be drawn up with key performance indicators/ milestones both with regards to physical and financial targets.

(iii) The required budgetary allocation for the project will be approved by the Management.

10. MONITORING:

10.1 Departmental Monitoring Committees (DMC) comprising of 2-3 members will be constituted to closely monitor the progress of Corporate Social Responsibility & Sustainability schemes

10.2 In case of schemes/activities, that require specialized subject knowledge, the committee will comprise of experts from suitable external agencies including representative from Ratle Hydroelectric Power Corporation Limited.

10.3 Regular monitoring of progress will be done in respect of all key performance indicators covering physical and financial parameters.

10.4 The progress of Corporate Social Responsibility & Sustainability schemes under implementation at each of the location will be reported by the DMC to Nodal Officer on a monthly basis. Records will be maintained along with photographs/videos to show progress of works.

10.5 Effective oversight & implementation of Corporate Social Responsibility & Sustainability Projects/Activities will also be exercised by the Nodal Officer (Corporate Social Responsibility /Sustainability) with the assistance of the team working with him.

10.6 The designated Nodal Officer will regularly submit reports regarding the progress of implementation of Corporate Social Responsibility and Sustainability activities to the Chief Executive Officer on quarterly basis containing reference to the approved timelines and year-wise allocation.

10.7 Ratle Hydroelectric Power Corporation Limited will also obtain feedback from beneficiaries about the implementation of activities and its outcome from time to time wherever possible and would take necessary actions, if required, for improvement.

11.0 EVALUATION OF PERFORMANCE, IMPACT ASSESMENT AND REPORTING:

11.1 The Corporate Social Responsibility & Sustainability Projects/activities undertaken for implementation will be evaluated under the MOU framework for the achievement of Physical and Financial targets wherever required.

11.2 Impact assessment studies shall be carried out through an independent agency, for Corporate Social Responsibility projects having an outlay of one crore rupees or more and which have been completed not less than one year before undertaking the impact study. The impact will be assessed and compared against the planned benchmarks fixed at the time of planning to gauge the degree of success or failure of the Corporate Social Responsibility / Sustainability initiative.

11.3 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on Corporate Social Responsibility.

11.4 The expenditure on undertaking the impact assessment may be booked towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total Corporate Social Responsibility expenditure for that financial year.

11.5 Video-graphic / Photographic records of the progress / achievements and impacts are systematically documented apart from the routine monitoring and field progress reports for the purposes of organization's own appraisal as well as for evaluation of performance against the MOU committment.

11.6 Disclosure of the composition of the Below Board Level Corporate Social Responsibility Committee, Corporate Social Responsibility & Sustainability Policy, Projects approved by the Board and initiatives undertaken by Ratle Hydroelectric Power Corporation Limited will be posted on Ratle Hydroelectric Power Corporation Limited's website in line with the existing practices and guidelines of Government of India.

11.7 The Corporate Social Responsibility amount may be spent for creation or acquisition of a capital asset, which shall be held by-

- (a) A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and Corporate Social Responsibility Registration Number sub-rule (2) of rule 4; or
- (b) beneficiaries of the said Corporate Social Responsibility project, in the form of self-help groups, collectives, entities; or
- (c) a public authority

11.8 The Board of the company, can set off any Corporate Social Responsibility amount spent in excess of requirement provided under sub-section (5) of section 135, upto immediate succeeding 03 financial years, subject to the condition that the excess amount available for set off shall not include the surplus arising out of Corporate Social Responsibility activities, if any in terms of clause 8.7 of Corporate Social Responsibility policy and Board of the company shall pass a resolution in this regard.

11.9 A brief summary of Corporate Social Responsibility & Sustainability initiatives and achievements will also be included in the Annual Report of Ratle Hydroelectric Power Corporation Limited as per applicable provisions/rules/guidelines.

SCHEDULE VII
(See [Section 135](#))

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

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

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

(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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

(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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports

(viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science

and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects

(xi) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.]