



## Corporate Social Responsibility and Sustainability Policy- Revision- II

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- CSR and Sustainability Policy was approved in 208<sup>th</sup> BOD held on 30/11/2011
- 1<sup>st</sup> revision of CSR and Sustainability Policy was approved by 232<sup>nd</sup> BOD held on 07/11/2014

## 1. Preamble

SJVN Limited, a Mini Ratna, Category-I and Schedule –‘A’ CPSE under the administrative control of Ministry of Power, Govt. of India, was incorporated on May 24, 1988, as a joint venture of the Government of India (GOI) and the Government of Himachal Pradesh (GOHP). Beginning with a single Project and single State operation (i.e. India’s largest 1500 MW Nathpa Jhakri Hydro Power Station in Himachal Pradesh) the Company has commissioned five projects totalling 2015.2 MW of installed capacity including wind and solar power. SJVN is presently implementing power projects in Himachal Pradesh, Uttarakhand, Bihar, Maharashtra and Gujarat in India besides neighbouring countries viz. Nepal and Bhutan. SJVN envisions for best-in-class Indian Power Company globally admired for developing affordable clean power and sustainable value to all stakeholders.

The CSR and Sustainability Policy of SJVN has been evolved based on CSR and Sustainability guidelines issued from time to time by the Ministry of Heavy Industries and Public Enterprises and the Companies (Corporate Social Responsibility Policy) Rules 2014 notified by Ministry of Corporate Affairs in pursuance to the Companies Act, 2013 and various amendments/ clarifications notified from time to time. In case of any contradiction between this policy and provisions of the Companies Act, the later shall prevail.

## 2. Definitions

In this policy, unless the context otherwise requires:

(a) "**Act**" means the Companies Act, 2013;

(b) "**Corporate Social Responsibility (CSR)**" means and includes but is not limited to:-

- (i) Projects or programs relating to activities specified in Schedule VII to the Act; or
- (ii) Projects or programs relating to activities undertaken by the board of directors of SJVN in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of SJVN subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

(c) "**CSR Committee**" means the Corporate Social Responsibility Committee of SJVN Board constituted as per section 135 of the Act.

g) **"CSR Policy"** relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of SJVN;

f) **"Net profit"** means the net profit of SJVN as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-

- (i) any profit arising from any overseas branch or branches of the SJVN' whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

### **3. SJVN's CSR Vision**

To make people and earth partners in our growth.

### **4. SJVN's CSR Mission**

SJVN is pledged to fulfil its social and environmental commitments; because we know that our growth is meaningful when we share it with society.

### **5. SJVN's CSR and Sustainability Policy Statement and Objective**

SJVN is committed to the concerns of its stakeholders and strives to maintain good standards of Corporate Social Responsibility (CSR) and Sustainability in its business activities. To meet this commitment, SJVN will respect the rule of law, local communities and societies at large and will make conscious efforts to enhance the quality of life and environmental sustainability through its CSR and Sustainability programmes.

### **6. SJVN's Approach for CSR and Sustainability**

Power projects are located in far reaches of isolated regions which are scarce in infrastructural facilities and where the populace is socio-economically backward. SJVN being a responsible corporate citizen strives to bring about overall positive impact on societies living in such regions. Besides, it's CSR and Sustainability activities, SJVN will also cover a wide range of issues relevant to the larger society and of activities that could have a lasting impact. SJVN endeavours to leverage green technology, processes and

standards to produce goods and services that contribute to social and environmental sustainability. CSR programmes in SJVN shall not be adjunct to R&R activities. Further CSR activities shall not include the activities undertaken in pursuance of normal course of business of SJVN.

## **7. CSR Implementation Process**

### **7.1 CSR Committee**

- I. In line with the provisions of Companies Act, 2013, there will be a Corporate Social Responsibility Committee at the Board level consisting of three or more directors, out of which at least one director shall be independent. The CSR Committee shall,
  - a) Recommend to the Board CSR Policy of SJVN which shall indicate the activities to be undertaken; and any changes/ amendments in the CSR Policy from time to time based on legislations/ Govt. Policies/ directives related to CSR and sustainable development.
  - b) Recommend the amount of expenditure to be incurred on the activities related to CSR and Sustainable development.
  - c) Monitor the Corporate Social Responsibility activities of SJVN from time to time.
- II. The composition of the CSR Committee shall be disclosed in the Board's report under clause (o) of Sub-section (3) of Section 134 of Companies Act, 2013.

### **7.2 SJVN Foundation**

There shall be SJVN Foundation in the nature of a Trust comprising of the following trustees to implement CSR and Sustainability activities:

- |                              |   |                  |
|------------------------------|---|------------------|
| a) Director (Personnel)      | - | Chairman         |
| b) Corporate Head (F&A)      | - | Member           |
| c) Corporate Head (HR)       | - | Member           |
| d) Head (Corporate Planning) | - | Member           |
| e) HOP (Project 1)           | - | Member           |
| f) HOP (Project 2)           | - | Member           |
| g) Corporate Head (R&R/ CSR) | - | Member Secretary |

The tenure of Member-Trustee from each of the two projects will be for two years. Every project will have its representative in the Board of Trustees on a rotational basis to be

nominated by the Trustees. The Trust with the permission of the Chairman can co-opt any special invitee from time to time.

The charter of the Foundation will cover the following:

- a) SJVN's vision and mission on societal issues.
- b) To support institutions for long term activities in the areas of education & skill development; health & hygiene; sustainable development; infrastructural & Community development; preservation and promotion of culture, heritage & sports; assistance during natural disaster; and welfare of disadvantaged and the underprivileged section of society etc. i.e projects or programs relating to activities specified in Schedule VII of the Companies Act, 2013.
- c) To allocate a certain portion of the budget to cover works that meet local demands in project areas and to support relief measures during natural disasters.
- d) To identify schemes in project areas in consultation with local communities and administration and regular dialogue & consultation with key stakeholders to ascertain their view as per Communication and Knowledge Management Plan for stakeholders that is already in place.
- e) To leverage technology for production of goods and services which are resource-efficient, consumer-friendly and environmentally sustainable.
- f) To align the CSR and Sustainability programmes with the activities as may be specified from time to time by statutory authorities/ Govt. Notifications.
- g) To have overall supervision, monitoring and control of CSR and Sustainability programmes.

### **7.3 Involvement of specialized agencies and community-based organizations**

In order to make a linkage between corporate, social and environmental processes, the services of specialized agencies which can effectively deliver should be engaged to identify and implement CSR and sustainability activities. Such agencies could be Community Based Organizations (CBOs) whether formal or informal, Voluntary Agencies or NGOs, Govt. Institutes, Academic Organizations, Professional Consultancy Organizations, Companies formed under Section 8 of Companies Act, 2013, etc.

#### **7.4 Implementation Structure**

There will be two-tier structure i.e. Project Level and Corporate Level. The project level CSR Department will be responsible for implementing CSR programs whereas Corporate Level CSR Department will be responsible for implementation as well as coordination and reporting.

### **8. Strategy for execution and implementation**

- a) CSR & Sustainability plan will be formulated based on need assessment in consultation with local bodies, Panchayats, district administration, various stakeholders, village development advisory committees (VDAC), etc.
- b) The modalities of execution of the project will be decided on case to case basis while obtaining approval. The duration and implementation schedule of each CSR activity/ program/ project will be decided upon the nature of the project. Release of instalments will be linked to the execution of stages and implementation schedule at different milestones (wherever possible within the pre-estimation of quantum of resources required within the allocated budget). In order to observe transparency and due diligence in selection and implementation of CSR activities above the threshold limit (decided by SJVN Foundation from time to time), the implementation agencies (NGO, Community Based Organisations) will be required to fill up the 'CSR & Sustainability Compliance Checklist' (**Appendix-1**) and the same will be scrutinized by SJVN Foundation. However, submission of checklist will not be required for projects implemented through Govt. Agencies.
- c) As far as possible, CSR and Sustainability activities are taken up in project mode. Every effort will be made to ensure that approved activities are implemented within time schedule. Once an activity is approved and funds are allocated, the activity is continued and is carried forward in subsequent years until completed/ foreclosed.

### **9. CSR and Sustainability programmes**

- a) The CSR & Sustainability activities will primarily emanate from Schedule VII of the Companies Act, 2013 and the same will be a part of this policy as per **Appendix- 2** as amended from time to time. However, as per the General Circular no. 01/2016 dated 12/01/2016, Schedule VII will be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. Due diligence will be used while selecting the CSR activities.

- b) For undertaking CSR and Sustainability activities, SJVN shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

## 10. Budget Allocation

- a) The Annual CSR and Sustainability Budget provision for a financial year will be 2% of the average net profits made during the three immediately preceding financial years or any limit prescribed by the law.
- b) The average net profit shall be calculated following the provisions of Section 198 of the Companies Act, 2013 revised from time to time.
- c) The CSR funds will be transferred to a dedicated/ special account opened in the name of SJVN Foundation.
- d) If the CSR funds allocated in a financial year are not spent fully, the Trust shall inform the CSR Committee the reasons for unutilized funds; subsequently, the BOD shall include the reasons in its report made under the clause (0) of subsection 134 of the Companies Act, 2013. The unutilized fund in SJVN Foundation account, if any, on ongoing CSR programs will be carried forward to next year and will become part of the next year's CSR & Sustainability Budget.
- e) Further, the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company and will become part of the current/ next year's CSR and Sustainability Budget Plan.

## 11. Monitoring and Evaluation

- a) **Monitoring:** Monitoring will be done to ensure timely completion of activities and to achieve deliverables. Regular reviews will be done at Unit level, wherein bottlenecks will be identified and remedial measures will be taken.

Periodic MIS on status and issues of CSR & Sustainability activities will be put up to appropriate level and intervention will be sought wherever required. Review of CSR and Sustainability activities and budget utilization will be done at Corporate level.

Besides, SJVN shall prepare a separate chapter on CSR and Sustainability activities for its Annual Report.

- b) **Evaluation:** The impact evaluation study of the CSR and Sustainability activities will be carried out by an independent external agency every four years. The



## SJVN CSR Compliance Check List

### EXECUTIVE SUMMARY

<b>About Project</b>		
Title of the proposed project		
Proposed project activities	1. 2. 3. 4.	
Objectives of the proposed project	1. 2. 3. 4.	
Who are direct beneficiaries with approx. number		
Project location		
Total project cost and	Total Project Cost :	Total OPEX: Total CAPEX :
Support required from SJVN		
Proposed project duration		

### About Organization/Agency

Name & registered address of implementing agency:		
Goals and objectives of the agency as per Memorandum of Association/Bylaws/Articles of Association		
Legal status of agency and date of Registration		
Contact details (office no., mobile no. and e-mail)		

1. All the information sought is mandatory to be complied with. Failing which, proposal would be considered as incomplete and liable to be rejected.

2. All documents submitted to this office should be in English/Hindi. In case the documents are in local language, translation duly certified by the legal authority must be submitted.

SN	All information/documents mentioned below are mandatory in order to examine the proposal	Sl.No.
1	<b>Organization Details</b>	
1.1	Brief description of the organization/agency	
1.2	Details of similar projects ongoing/completed by the organization/agency in previous three years	
1.3	The impact assessment (Third party) of the previous projects executed by your organization in Details of previous support received from SJVN.	
1.4	The details of largest project undertaken by the agency in recent past. Please provide the financial implication involved in it.	
2	<b>Project Details</b>	
2.1	Details of the proposed CSR project to be undertaken by your organization	
2.2	Brief on Goals and objectives of the project	
2.3	Report of Need Assessment/Baseline Survey for the proposed project, if any. Justification for taking up proposed CSR project	
2.4	Brief about the targeted beneficiaries under proposed CSR project	
2.5	Methodology of the selection of the beneficiaries and number of beneficiaries in detail	
2.6	Details about physical and social milestones/deliverables to be achieved through the proposed CSR project	
2.7	Detail timeline/duration of the proposed project	
2.8	Budget estimate of the project with detailed budget break-up of each expenditure head along with documents providing rate reasonability.	
2.9	What is the monitoring mechanism for the project as far as project activities and benefits to the beneficiaries are concern?	
2.10	Documents depicting the funding sources for the total budget of project under reference other than SJVN and details of the amount funded by each organization, if any.	
2.11	How sustainability of the project is planned to be ensured?	
2.12	Branding/Visibility/Mileage to SJVN from the project.	
3	<b>Mandatory Documents Required (at initial stage)</b>	
3.1	Copy of Trust Deed /Registration Certificate/By laws of Society (Trust/Society/Section 8 company must have been registered minimum for the past three	

	Years)	
3.2	Income Tax Exemption Certificate, if any	
3.3	TDS Exemption Certificate for the current FY	
3.4	Cancelled Cheque	
3.5	Copy of PAN Card	
3.6	Copy of Audited Account Statement of previous 3 financial years	
3.7	Affidavit (as per Annexure I)	
<b>4.</b>	<b>If Civil Construction is involved</b>	
4.1	The documents proving ownership of land where the civil construction is proposed. In case the documents are in local language, please submit copy of its English/Hindi translation duly certified by the legal authority.	
4.2	Copy of approved construction map and estimate duly vetted and signed by the certified Architect with NOC from the government authorities for construction	
4.3	Detail budget estimates of the construction plan as per SOR/DSR	
<b>5</b>	<b>If Procurement of Capital Items are Involved</b>	
5.1	What is the need of requirement of capital items with respect to benefits to the beneficiaries?	
5.2	What is the life of capital items and who will bear the maintenance cost of the capital items and till what duration?	
5.3	Quotations for each of the capital items.	

**Declaration:**

**I hereby declare that whatever has been stated above is true to the best of my knowledge, correct and nothing has been concealed there from.**

**Place:**

**Date:**

**Signatory with Common Seal**

**[Format for Affidavit]**

(Affidavit on Rs. 100 non-judiciary stamp paper duly notarized)

**UNDERTAKING**

1. We, \_\_\_\_\_ (name of agency), PAN no. \_\_\_\_\_ registered at \_\_\_\_\_ (registered address) have not taken any support from any of the SJVN work centres including Headquarters & corporate office during the financial year < \_\_\_\_\_ >
2. There are no pending disputes or enquiries in connection with cheating, misappropriation of funds exploitation of beneficiary, etc. on the name of \_\_\_\_\_ (name of agency). The organization has never been "Black listed" or "Reprimanded" either by Govt./Govt. Agencies/CPSEs/NCSR Hub or by reputed private organization.
3. The proposed project is neither covered under any existing scheme of Govt. of India / State Govt. nor is being funded by any other organization to ensure that there no duplicity of the CSR activity under reference.
4. Any of Board of Directors/Trustees/Executive Committee members of \_\_\_\_\_ (name of agency) or the organization itself does not have any material or pecuniary relationship of transactions with SJVN, its Promoter, its Directors, its Senior Management or its Holding Company, Subsidiary and Associates which may influence the process of administrative approval or financial concurrence or fund disbursement for the proposed project.
5. We, \_\_\_\_\_ (name of agency) have not directly or indirectly supported/contributed by any political party or its affiliations and vice-versa.
6. We, \_\_\_\_\_ (name of agency) assure that if SJVN approves any financial support towards proposed CSR project;
  - a. We will submit a Fund Utilization Certificate to SJVN, issued by a Chartered Accountant.
  - b. We will retain all relevant documents like Cash Book, Bank Book, Ledger, Journal, Relevant Bills, Vouchers and Receipts etc. for a period of at least 03 years from the Project/Event.
  - c. That during this period of 3 years agency will allow authorized representative(s) of SJVN for audit (s) / inspection(s) of above documents as and when asked by SJVN.
  - d. That during the period of 3 years as mentioned above, on SJVN's demand agency will provide the desired documents/ information pertaining to income & expenditure detail of the project/ event including copies of relevant Bills, Vouchers and Receipts etc. for internal and/ or external purposes (for supplying to 3rd party) as per law.

**Declaration:**

**I hereby declare that whatever has been stated above is true to the best of my knowledge, correct and nothing has been concealed there from.**

Date: \_\_\_\_\_

Authorized signature

Place: \_\_\_\_\_

**(Seal of the organization)**

## An indicative list of CSR & Sustainability programs

Item No.	Schedule VII	CSR & Sustainability projects/ programs/ activities
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.	<ul style="list-style-type: none"> <li>• Health Care through Mobile Medical Units, Ayurvedic &amp; Allopathic Health Camps.</li> <li>• Support for welfare projects for persons with disabilities.</li> <li>• Support to agencies for implementing health projects and health institutions</li> <li>• Construction of PublicToilets</li> <li>• Activities related to SwachhBharat Mission.</li> <li>• Augmentation and renovation of natural water resources etc.</li> </ul>
II.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	<ul style="list-style-type: none"> <li>• Sponsoring local youths in Govt ITIs/ Polytechnic colleges.</li> <li>• Strengthening and augmentation of technical colleges.</li> <li>• Scholarship for students giving thrust on EWS, BPL, PWD students</li> <li>• Reward to meritorious students.</li> <li>• Skill development programs for youths through accredited agencies aiming at employment generation and income enhancement</li> <li>• Farm(Horticulture, Agriculture and Veterinary) training and awareness programs to farmers for income enhancement</li> <li>• Financial support for the strengthening of educational institutes, etc.</li> </ul>
III.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and	<ul style="list-style-type: none"> <li>• Financial assistance for setting up homes and hostels for women and orphans, old age homes, daycare centres.</li> </ul>

	<p>such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.</p> <ul style="list-style-type: none"> <li>• Financial assistance for women and child welfare.</li> <li>• Women empowerment program</li> <li>• Health care of old aged through MMUs, etc.</li> </ul>
<p><b>IV.</b> 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].</p>	<ul style="list-style-type: none"> <li>• Activities related to protecting and maintaining the environment including climate action.</li> <li>• Energy conservation programme.</li> <li>• Soil conservation measures, etc.</li> </ul>
<p><b>V.</b> 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;</p>	<ul style="list-style-type: none"> <li>• Financial assistance for the construction and renovation of national heritage sites.</li> <li>• Adoption of cultural heritage sites</li> <li>• Support for setting up public libraries.</li> <li>• Promotional and development of traditional arts and crafts, etc.</li> </ul>
<p><b>VI.</b> Measures for the benefit of armed forces veterans, war widows and their dependents;</p>	<ul style="list-style-type: none"> <li>• Activities for the benefit of armed forces veterans, war widows and their dependents, etc.</li> </ul>
<p><b>VII.</b> Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports</p>	<ul style="list-style-type: none"> <li>• Activities for promotion of sports, etc.</li> </ul>
<p><b>VIII.</b> 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</p>	<ul style="list-style-type: none"> <li>• Support to the victims of Natural Calamities.</li> <li>• Contribution of Prime Minister Relief Fund.</li> <li>• Activities for the welfare of SCs, STs, OBCs and Women, etc.</li> </ul>

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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.** 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), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Support for technological developments activities, etc.
- X.** Rural development projects.
- Support for the infrastructural and community development activities in rural area. Development of farm based entrepreneurships, practices aiming at

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livelihood promotion through participatory approach, etc.

**XI.** Slum area development.

- Activities for cleanliness, health and education and other development, etc.

**XII.** Disaster management, including relief, rehabilitation and reconstruction activities

- Assistance during natural calamities.
  - Rehabilitation of family accepted by any natural calamities or any other activities.
  - Community assets by Pandemic / Epidemic, etc.
-