



Environmental, Social and Governance (ESG) Policy

NTPC LIMITED

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A. Statement of Intent

NTPC ESG Policy fortifies our commitment to sustainable power generation while protecting the environment enabling societal good and adhering to good corporate governance standards. We shall ensure that our stakeholders are guided by an effective ESG framework across all business operations. We shall promote transparency and accountability on ESG-related matters through periodic reporting and disclosures.

B. Our Commitment to ESG

NTPC is committed to provide clean and affordable energy in a responsible and sustainable manner. NTPC believes that management of environmental, social, and governance (ESG) considerations across its business operations can create long-term sustainable value for all stakeholders.

We at NTPC aim to adopt an integrated ESG approach, where economic goals will be attained through conscious efforts to conserve our planet and its natural resources while improving the quality of life for current and future generations. We shall integrate ESG principles into core decision-making processes and governance structures. The principles will also be regularly monitored with key performance indicators to ensure effective implementation across operations.

We shall comply with applicable laws of the land and be responsive to existing and emerging global ESG concerns on a proactive basis.

C. ESG Principles

NTPC is conscious of its responsibilities towards customers, employees as well as all other stakeholders.

To demonstrate our approach and commitment to ESG, we shall ensure the integration of the following core principles across our operations:

- Ensure compliance with all relevant and applicable statutory rules and regulations.
- Integration of environmental, social, and ethical governance criteria within our operations and business decisions.
- Demonstrate accountability to ESG-related concerns of all stakeholders.
- Embrace key international ESG standards and guidelines, relevant to our business and jurisdiction, and strive to adopt best practices to make the entire power generation value chain sustainable.
- Allocate resources towards training the workforce on ESG policy and commitments, and to instill an ESG conscious organization-wide culture.
- Regularly review ESG and associated policies considering new and emerging risks as well as stakeholder concerns.

Principles for environmental sustainability:

- Ensure optimal use of resources across the entire power generation value chain to improve productivity and preserve air quality, water, and biodiversity.
- Rolling out environmental management initiatives across operations. This includes the provision of facilities and educational and engagement resources that encourage energy efficiency, waste management, and sustainable water consumption.
- Acknowledge the growing concern of climate change and reduce greenhouse gas emissions.
- Minimize the waste footprint of own operations, by recycling and reusing materials where practicable.

Principles for social sustainability and occupational health and safety:

- Promote and encourage, a safe and healthy working culture by engaging with our workforce, customers, and other stakeholders periodically.
- Respect the human rights of all stakeholders (employees & workers, suppliers, vendors, local communities including indigenous people, customers, etc.) in line with NTPC's human rights policy, across NTPC's operations.
- Offer equal employment opportunities to all and ensure zero tolerance to discrimination or harassment in any form.
- Establish and maintain effective grievance redressal channels for all stakeholders (including own and third-party staff).
- Prevent child labor and forced labor in any form, within own operations.
- Strive to identify and mitigate the risks related to child Labor / forced labor within supply chains by putting in place adequate risk assessment procedures and raising awareness among the value chain stakeholders about child Labor / forced labor.
- Ensure all employees are responsible for the promotion of and adherence to health and safety measures in the workplace.

Principles for good governance:

- Develop and implement a robust and effective corporate governance framework, adhering to applicable national regulatory requirements, and in line with leading global guidance on good corporate governance.
- Establish robust internal controls to ensure compliance with policies and practices.
- Ensure transparency and objectivity in dealing with all our stakeholders.

D. Policy Applicability and Communication

This policy applies to all business units of NTPC including subsidiaries, associate companies, and joint ventures that are under its control.

This policy applies to and shall be communicated to all staff (both permanent and third-party) at all levels and all functions of the organization. NTPC shall allocate appropriate resources and conduct in-house training to ensure the effective implementation of the ESG policy.

The policy shall be communicated to vendors and customers of the company. Disclosure of this policy shall be maintained on NTPC's website for general viewing.

E. Applicable Reference Frameworks

While we ensure compliance with applicable local and national regulations, this ESG Policy and its principles are also aligned with various leading global ESG standards and frameworks, such as:

- IFC Performance Standards
- IFC's Corporate Governance Development Framework (CGDF)
- The ILO Fundamental Conventions
- UN Sustainable Development Goals (SDGs)
- National Guidelines on Responsible Business Conduct (NGRBC)
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights

F. Linkages to Other Internal Policies

In addition to this ESG policy, NTPC has also established other policies which complement this ESG Policy and demonstrate our commitment to good governance practices and to promote a sustainable, environmentally conscious, diverse, fair, transparent and decent working culture, as listed below:

- Environment Policy, 2022
- Water Policy, 2022
- Biodiversity Policy, 2022
- Waste Management Policy, 2022
- Ash Policy, 2015
- E-waste Policy, 2014
- Integrated Plastic Management Policy, 2019
- Rainwater Harvesting Policy, 2018
- Sustainable Supply Chain Policy
- Human Rights Policy, 2018
- Rehabilitation & Resettlement (R&R) Policy, 2017
- Initial Community Development (ICD) Policy, 2009
- Safety Policy, 2022
- Emergency Preparedness and Response Policy, 2021
- Corporate Social Responsibility (CSR) Policy, 2019
- Complaint Handling Policy, 2023
- Anti-Bribery and Anti-Corruption Policy, 2023
- Whistle Blower Policy, 2014
- Fraud Prevention Policy, 2007

G. Policy review and approval

This policy shall be reviewed at opportune time, but not later than once in three years. CMD, NTPC is the approving authority and has reviewed and authorized the ESG policy document.

The current status of this document is shown below:

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Current revision approval date	08.03.2024

Version	Revision Date	Summary of changes
1.0	-	-