



NHPC LTD.

(A Govt. of India Enterprise)

CSR & SD COMMUNICATION

STRATEGY



Corporate Office

CONTENTS

1.	Preamble	:	2-2	
2.	Scope	:	2-2	
3.	Objective	:	3-3	
4.	Stakeholder's Communication	:	3-3	
5.	NHPC CSR & Sustainability Communication Strategy	:	4-4	
	5.1	Awareness & Sensitization	:	4-4
	5.2	Communication & Feedback Interventions	:	4-5
	5.3	Other Means of Communication	:	5-6
	5.4	Sustainability Reporting & Disclosure	:	6-8
	5.5	Monitoring	:	8-8
	5.6	Review	:	8-8
	5.7	Responsibility	:	8-8
	5.8	Record Keeping	:	9-9
	5.9	Management Information System	:	9-9
6.	Generic Conditions	:	9-9	
7.	Appendix	:	10-10	

1. **PREAMBLE**

The potential benefit of Corporate Social Responsibility (CSR) can be fully realized only when its goals and objectives are emphatically communicated to the stake holders. CSR Communication has a catalytic role in actualizing the potential benefits of CSR. It can help leading CSR spending from expenditure to an investment.

Communication should always be two ways. This paradigm shift from one-way to two-ways communication has numerous positive impacts, from increasing the impact of CSR communication/ reporting efforts, to increase transparency and to refurbish faith on the company by its stakeholders in a sustained manner. The most effective CSR communication has to match with the company's aspirations, the priorities of the people, employees, customers, community representatives, State Government and the shareholders.

In the context of NHPC, communication with all stakeholders is necessary so as to bring about affective changes in the approach and attitude of the public towards CSR & Sustainability initiatives undertaken in NHPC and to inculcate the culture of trust, accountability and information sharing which would, in long term, help secure a sustainable competitive advantage.

2. **SCOPE**

The Department of Public Enterprises (DPE) Guideline on Corporate Social Responsibility & Sustainability for CPSEs, effective from 1st April 2013 states *“Communication is critical to keep all the stakeholders well informed, especially the employees so as to ensure that not only all the business processes are in tune with the globally accepted ethical systems and sustainable management practices, but also their engagement with external stakeholders is based on these values”*.

The DPE guideline further states that CPSEs must adopt a CSR Communication strategy specific to their company with the approval of Board of Directors. The Company should also disclose their CSR and Sustainability initiatives on official websites.

The Corporate Enterprises are expected to take initiative to promote organizational integrity and ethical business practices through transparency in disclosure and reporting procedures. Documentary evidence and other records in respect of the progress made or success achieved in implementing CSR and SD Projects should be maintained for Sustainability reporting and disclosure of information to all stakeholders. The CSR & Sustainability agenda is to be internalized in the organization at all levels, deriving internal communication strategies to spread awareness of CSR & Sustainability among employees.

3. OBJECTIVE

An organization needs to communicate to the people. It needs to be in constant touch with its stakeholders to keep them conversant with its goals, objectives and initiatives put in and also major achievements.

Communication is all the more important when feedback is also taken from the stakeholders, which can be an important source for a company in terms of improvement opportunities and preparing the future road map for community development activities after ascertaining the needs and aspirations of all the stakeholders.

NHPC's Corporate CSR Communication strategy has been framed to meet the following objectives:

- To promote organizational integrity and ethical business practices through transparency in disclosure and reporting procedures.
- To provide the information on CSR & Sustainability activities being undertaken to stakeholders through CSR & Sustainability report.
- To inform the community about the benefits of community development and to generate community goodwill, create social impact and visibility.
- To secure involvement of the stakeholders in the CSR & Sustainability projects/ programmes and encourage their participation.
- To encourage positive media coverage of CSR & Sustainability activities/ initiatives of NHPC.

4. STAKEHOLDERS' COMMUNICATION

Communication strengthens trust between the organization and its stakeholders. Engaging stakeholders in a dialogue to know their expectations is an important aspect of Corporate Social Responsibility and Sustainability. Genuine stakeholder engagement enhances stakeholder receptiveness and the usefulness of CSR & Sustainability efforts including Sustainability Reporting.

Key Stakeholders

- Employees (Internal stakeholders)
- Local community and affected population.
- District Administration & State Government Departments.
- Elected Public Representatives.
- Shareholders & investors.
- NGOs/ Community Based Organizations (CBOs)/ Civil Societies
- Contractors
- Education institutions.

5. NHPC'S CSR & SUSTAINABILITY COMMUNICATION STRATEGY

Keeping in view the objectives illustrated at Para 3, the CSR & Sustainability Communication Strategy has been framed in following broad categories:

- i) Sensitization/ Increasing awareness on CSR & Sustainability and encourage the CSR & Sustainability in value chain
- ii) Engaging the key stakeholders to ascertain their views and priorities regarding the selection and implementation of CSR & Sustainability Projects/Activities and identification of the aspects
- iii) Sustainability reporting and disclosure in conformity with GRI 4 Guidelines

5.1 Awareness & Sensitization

Lack of awareness and sensitization of CSR and Sustainability issues may jeopardize the company's effort in the implementation of CSR & Sustainability initiatives. It is therefore imperative to sensitize the internal and external stakeholders to channelize their commitment with the organization's CSR & Sustainability efforts. With this understanding, all the stakeholders shall be sensitized through communication on:

- NHPC's CSR and Sustainability goals, plans and strategies.
- UN Millennium Development Goals on education, poverty eradication, gender equality and women empowerment, improving maternal health and reducing child mortality, combat HIV/ AIDS, malaria and other diseases, ensuring environmental sustainability etc.
- Best practices on community development works in vogue for great social economic and environmental sustainability.
- Role and responsibilities of each individual stakeholder.

5.2 Communication & Feedback Interventions

Sensitization and feedback from all stakeholders would be done through the following interventions:

a) **Communication with Internal Stakeholders:**

- The communication at the Corporate/ Regional level, to sensitize the employees on CSR and Sustainability issues, organization's CSR goals and strategies, the communication with the HODs and Regional Heads will be done by the ED (CSR & SD) as per the requirement. The HODs/ Regional Heads in turn will hold meetings with officials under their control on the above issues. Feedback from the HODs/ Regional Heads shall be taken and areas of improvement in the CSR & Sustainability strategy, if any, shall be identified.
- All Regional office/ Projects/ Power stations shall nominate a CSR-Coordinator, who shall act as a nodal officer for all internal communication

- Senior Officers of CSR & SD Division (GM/ CE) shall communicate on CSR and Sustainability goals and strategies with the Heads of the Project/ Power stations (HOPs) and their team looking after the CSR & Sustainability works at Project/ Power Stations level. The frequency of the communication may be decided as per the requirement. Feedback from the HOPs and their team shall be taken and areas of improvement in the CSR & Sustainability initiatives, if any, shall be identified.
- Outcome of the above meetings shall be periodically communicated by the CSR Division to Management/ Board level committee.
- Trainings/workshops/symposiums/seminars on CSR & Sustainability shall be organized by the CSR & SD Division, Corporate Office and Regional Offices/ Projects/ Power Stations.
- Labour Union engagement: One day session devoted to CSR & Sustainability will be conducted with Union Representatives both at Corporate Office and Projects/ Regional Offices/ Power Stations

b) Communication with External Stakeholders:

- Consultation with Stakeholders' on NHPC's CSR & Sustainability policy, strategy, initiatives etc. shall be done through interactive meetings / workshops. These meetings/ workshops shall be held at the Regional level, wherein, representatives/ stakeholders enlisted at Para 4 shall be invited. Feedback from all the stakeholders shall be taken and communicated to Corporate CSR & SD Division.
- The programme is to be conducted by the concerned Regional Offices. In exceptional cases, due to distance limitations, these meetings/workshops can also be held at project level after seeking requisite approval from the competent authority.
- Outcome of the meeting shall be communicated to Corporate CSR & SD Division through quarterly progress report or by any other appropriate means.
- The programmes to be given good Media coverage highlighting the major issues of concern and feedback/suggestions received from the stakeholders.
- NHPC's CSR & Sustainability policy, communication strategy, Annual Report on CSR & Sustainability etc. shall be prominently displayed on the NHPC's website for reference of all the stakeholders (both internal & external).

5.3 Other Means of Communication

Communication of NHPC's initiatives under CSR & Sustainability to its stakeholders is of utmost importance. There are many effective communication mediums in place to communicate with the

internal and external stakeholders. NHPC shall make use of these means of communication, the suggestive list of which is as under:

(A) Paid Advertising

- Print media – newspapers, magazine
- Mass media viz. radio, television, local cable channels
- Mall display and display at Airports, Hospitals, Railway Stations and other installations

(B) Print Material

- Brochures/pamphlets/publications
- Posters/ Banners
- Newsletters
- CSR & Sustainability Annual report

(C) Mass Media

- One-on-one interviews with the media
- News releases

(D) Community Relations

- Key Stakeholders meetings
- Personal Interactions

(E) Corporate Communications

- Display of Cutouts and Blowups at National & International Conferences, Trade Fairs, Business Meets etc., highlighting CSR & Sustainability works undertaken by NHPC
- Running of documentary films on CSR & Sustainability Initiatives undertaken by NHPC on above occasions

5.4 Reporting and Disclosure

Sustainability reporting helps the organization to set goals, measure performance and manage change in order to make their operations more sustainable. A sustainability report conveys disclosures on an organization's impacts – be they positive or negative – on the environment, society and the economy. In doing so, sustainability reporting makes abstract issues tangible and concrete, thereby assisting in understanding and managing the effects of sustainable development on the organization's activities and strategy. Public disclosure and reporting is no less important than the initiatives themselves.

DPE Guidelines state that disclosure of a company's financial performance is a traditional practice, but disclosures of non-financial parameters, which offer a holistic view of a company's performance, is a relatively recent phenomenon which is rapidly gaining acceptance and recognition as a good corporate practice that enhances the reputation, improves the financial performance and increases

the competitive advantage of the company in the long run. Large number of companies is resorting to sustainability reporting and the format is generally patterned on the internationally accepted reporting frameworks like the **Global Reporting Initiative (GRI)**.

Preparing a sustainability report using the **GRI 04 Guidelines** is the most recent phenomenon. At the core of preparing a sustainability report, is the focus on the process of identifying *Material Aspects* that reflect the organization's significant economic, environmental and social impacts.

NHPC's Sustainability Report shall include the following:

a) NHPC's Profile:

NHPC's profile shall include the details on location of projects, power stations, salient features of the company as whole, details of employees, financial & non financial details as deemed necessary.

b) Sustainability context:

The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental and social conditions, developments, and trends at the local, regional or global level. Sustainability Report will present the NHPC's performance in the wider context of sustainability.

c) Materiality Principle:

The report would cover Aspects that would reflect NHPC's significant contribution on Economic, Environmental and Social aspects.

- Economic Aspects shall include details on Economic Performance including:
 - i. Revenue generated.
 - ii. Cost towards employees wages and benefits.
 - iii. Social and Community Development costs

- Environmental Aspects shall include details on **Environmental Performance** including details on initiatives undertaken towards:
 - i. Energy conservation.
 - ii. Reduction of carbon footprints through use of non conventional energy resources
 - iii. Environmental conservation initiatives.
 - iv. Waste management/ reduction and recycling
 - v. Water conservation/ harvesting
 - vi. Clean Development Mechanism
 - vii. Awards and recognition in the field of Environment
 - viii. Any other environmental initiative

- Social Aspects shall include details on Social Performance including details on initiatives undertaken towards:
 - i. Social and community development works undertaken
 - ii. Peripheral Development works.
 - iii. Labour practices/relations.
 - iv. Occupational Health & Safety.
 - v. Vocational trainings to local community.
 - vi. Skill Development Initiatives.
 - vii. Gender equality.
 - viii. Non discrimination at work place.
 - ix. Awards and recognition in the field of HR/ Social.
 - x. Any other social issue of concern.

5.5 Monitoring

- To ensure proper and effective communication of CSR & Sustainability activities at the projects/power stations, periodic monitoring shall be done by the CSR & SD Division, Corporate Office.
- Besides CSR coordinator, CSR committee shall be also constituted at Projects/ Power stations/ Units/ Regional Office comprising 3-4 members of respective projects /power stations/units/ Regional Office for periodic meeting.

5.6 Review

The Head of CSR & SD Division will carry out an annual review of the CSR Communication Strategy for its effectiveness with a view to make corrective actions/modifications, if any required, for further improvement.

5.7 Responsibility

Nodal Officer (Head of the CSR & SD Division, Corporate Office) shall be responsible for overall implementation of this CSR & Communication Strategy.

To measure whether the communication goals have been achieved, following measurement tools are to be used.

- Internal Surveys through structured questionnaires, interviews, discussions etc.
- External feedback through workshops/seminars/ meetings etc.
- Media reporting.

5.8 Record Keeping

All correspondence made with the stakeholders shall be maintained in the relevant files of the CSR & SD Division, Corporate Office in a fast retrievable manner. Record of all the meetings conducted with the Stakeholders in compliance of the CSR & SD Strategy shall be maintained by the Corporate Office and concerned Project/Power Station/Regional Office.

5.9 Management Information System

Periodic status reports will be submitted by the CSR coordinator of the respective projects/power stations/ Regional Offices to the CSR & SD Division, Corporate Office on quarterly basis. The CSR & SD Division shall utilize the data submitted through above quarterly progress report for preparation of CSR & SD Annual Report. A suggestive format is enclosed as **Appendix-A**.

6. GENERIC CONDITIONS

- Communication will be open, honest and two way.
- Communication will be conducted on a sustained basis.
- Messages will be customized to meet the needs of the target groups.
- To ensure information effectively reaches the targeted stakeholders, it is important that they be conveyed through a variety of channels.
- Feedback will be generated and evaluated in order to monitor, check and improve communication.
- All proposals relating to CSR & Sustainability for publicity in electronic and in print media are to be routed through CSR coordinators at Power stations/ Projects and at Corporate level by CSR&SD division for production, publication and telecast/broadcast.
- In view of high cost of telecast/broadcast on TV/ Radio channel, publicity in electronic media may be undertaken very judiciously depending upon the publicity requirement and the availability of fund.
- To meet the expenditure for publicity Campaign the Corporate Office/ concerned project/Regional Office/units shall allocate adequate funds for CSR related PR works.

FORMAT FOR REPORT OF CSR ACTIVITIES

Name of Project/Power Station/Unit :

(A) Activities related to MOU Targets:

S.No.	CSR MOU Milestones for 2013-14	Target allocated	Month	Description of Activities undertaken	Physical Progress	Expenditure incurred till the end of month	Media Coverage	Documentary Proof	Public Body involved (Gram Panchayat/ SDM/Local Authority etc.)	Remarks

(B) Any Other CSR Activities undertaken:

S.No.	Name of Activities undertaken	Timeline/ target	Month	Description of Activities undertaken	Physical Progress	Expenditure incurred till the end of month	Media Coverage	Documentary Proof	Public Body involved (Gram Panchayat/ SDM/Local Authority etc.)	Remarks
