

NHPC Stakeholder Engagement Policy

1.0 Preamble

- 1.1 NHPC Limited is a Mini Ratna Category-I Company with major shareholding of Government of India. NHPC Ltd. is committed to plan, promote and organize an integrated and efficient development of power through conventional and non-conventional sources in India and abroad.
- 1.2 NHPC's commitment towards environment and people is affirmed through its Corporate Vision and Mission, policies and practices adopted by the organization.
- 1.3 As part of our efforts to deliver our Sustainability Vision, NHPC Limited or 'the Company') has established this Policy to demonstrate our commitment towards development of strategic relations with our stakeholders and their continuous & progressive engagement in the Company's activities and operations.

2.0 Introduction:

- 2.1 As a responsible enterprise of Govt. of India, with a diverse business portfolio and units spread across India, NHPC's stakeholders bouquet is quite large and includes the Government and its statutory bodies, security holders, customers, employees, suppliers, contractors, local communities, and the society at large - who are directly or indirectly affected by the Company's operations.
- 2.2 NHPC, over its journey since inception, has built a constructive relationship with its stakeholders based on mutual trust, transparency, ethics and accountability.
- 2.3 Stakeholder engagement at NHPC is a continuing process wherein the company interacts with various stakeholders at different forums / levels to understand and address their expectations and collaborates with them.

3.0 Objective of the Policy:

- To foster a good grasp of stakeholders' requirements & expectations while continuing to increase stakeholders' trust and confidence in our procedures & actions.
- To establish good communication and involve stakeholders' in two way dialogue process.
- To express and reaffirm NHPC's commitment to develop strategic relations with all of its stakeholders who are directly or indirectly affected by the Company's operations.

4.0 The Policy:

- 4.1 NHPC Ltd is committed to engage with all stakeholders, including those coming from vulnerable and marginalized communities, defining the scope of engagement and channels of communication for interaction with them.
- 4.2 NHPC Ltd. is strived to meet stakeholders' expectations and to work towards addressing the stakeholder differences or grievances in an equitable, transparent, fair, and constructive manner in time.
- 4.3 NHPC Ltd. is committed for a structured stakeholder management mechanism, that comprises of Stakeholder identification, Stakeholder engagement strategy/process, Understanding their concerns and Developing strategic response, with periodically updated information about frequency, agenda, touch points, analysis, review etc.
- 4.4 An indicative summary of NHPC's stakeholder groups, purpose of engagement, mode and frequency along with interfacing departments is part of this policy.
- 4.5 The issues / concerns raised by various stakeholders during the engagement process along with the Company's response towards them shall be presented in the relevant disclosures.
- 4.6 NHPC Ltd. will provide awareness to its employees about the importance of listening to the stakeholders concerns and training programs on identifying and addressing the stakeholder grievances in an equitable, fair, timely, and constructive manner in time.

5.0 Applicability

This policy applies to Board Members, Key Managerial Personnel (KMP) and employees of NHPC Ltd. (herein collectively referred to as "Company"). This policy shall also act as an advisory for the independent contractors and business partners, who are associated with the 'Company', to uphold and adopt the principles enshrined in this policy.

6.0 Communication of the Policy, Reporting & Implementation:

- 6.1 This policy is communicated to all employees across all locations of NHPC in an appropriate and meaningful manner through Intranet & Notice Boards.
- 6.2 Designated Nodal Department i.e. Company Secretariat shall ensure the policy is implemented throughout the Company.
- 6.3 Compliance will be ensured at the Projects/Stations/Regions by their respective Heads and at the corporate level by the respective HoDs.

- 6.4 Compliance of the Policy will be regularly monitored by Heads of respective departments/ units / locations and any grievances/complaints with respect to violation of the policy shall be reported by all concerned to Nodal Department i.e. Company Secretariat for necessary measures / disclosure in this regard.
- 6.5 Interfacing departments, designated as the owners of the concerned engagement process, shall have the responsibility of ensuring end to end coverage and shall identify and address the critical concerns of stakeholders.
- 6.6 NHPC Ltd. will effectively communicate the policy on Stakeholder Engagement to all its employees to familiarize them with its key elements and grievance redressal mechanism in case of violation.
- 6.7 The reporting on compliance of the policy shall be done through NHPC Business Responsibility and Sustainability Report.

7.0 Review & Monitoring

- 7.1 The Company through its Stakeholder Committee will periodically review the policy and its proper implementation with respect to its suitability and effectiveness.
- 7.2 NHPC Ltd. also welcomes feedback from and dialogue with interested parties. All feedback and comments on this Policy should be sent through NHPC Website.
- 7.3 NHPC Ltd. may also seek third party intervention to monitor the adherence of this policy.

Indicative summary of NHPC's Stakeholders, their significance, frequency and mode of Engagement and Interfacing departments

Stakeholder and their significance	Purpose of Engagement	Frequency and Mode of Engagement	Interfacing departments
Government and Regulators: <ul style="list-style-type: none"> • Owner • Policy maker and Key enabler • Regulator and Monitor 	<ul style="list-style-type: none"> • Act and policy Compliances • Implementation of Govt. initiatives • Environmental Compliances • Regulatory Compliances 	Continuous: Calls and meetings with Government officials, MOU', Seminars and interactions with associations and industry chambers	<ul style="list-style-type: none"> • Planning • EDM • SBD&C • Commercial • Comp. Secy.
Public/Investors: <ul style="list-style-type: none"> • Owners / shareholders • Capital investor 	<ul style="list-style-type: none"> • Corporate Governance and Ethics • Cost optimization and improved Profitability • Return on Investment • Risk Management • Innovation and Digitization • Focus on Sustainability and ESG 	Monthly: Stock Exchange Filings Quarterly: Earnings conference calls and presentations, Investor and Analyst meets Annual: Annual Report, Annual General Meeting (AGM), Plant/Facility Visits Investors Grievance Mechanism	<ul style="list-style-type: none"> • Investor Relation Cell • Company Secretary
Board of Directors and Key Managerial Personnel: <ul style="list-style-type: none"> • Business Decision maker 	<ul style="list-style-type: none"> • Implementation of the Companies Vision, Mission, Objectives in true, transparent, efficient and ethical manner • Collective direction of the Company's affairs whilst meeting the appropriate interests of our stakeholders and shareholders • Corporate Governance 	<ul style="list-style-type: none"> • Scheduled Board meetings • Scheduled and special Board Committee meeting 	<ul style="list-style-type: none"> • Company Secretary
Distribution Companies (DISCOM's)	<ul style="list-style-type: none"> • Quality and Regular availability of Power 	Monthly: Meetings, Emails, Power Purchase Agreement, Industry meets	<ul style="list-style-type: none"> • Commercial

Stakeholder and their significance	Purpose of Engagement	Frequency and Mode of Engagement	Interfacing departments
<ul style="list-style-type: none"> Principal source of business sustenance 			
Employees: <ul style="list-style-type: none"> The key resource for competitive advantage and sustainable growth 	<ul style="list-style-type: none"> Health and Safety Remuneration and Appraisals Learning and Development Diversity and Inclusion 	Monthly: Emails, Meetings, Company Intranet, Employee Grievance Mechanism, social media, Trainings and Awareness programs	<ul style="list-style-type: none"> Human Resource T&HRD
Communities: <ul style="list-style-type: none"> Potentially affected (directly / indirectly) from business operations 	<ul style="list-style-type: none"> Local community development Employment generation 	Monthly: CSR programs, Meetings with communities, Grievance redressal mechanism	<ul style="list-style-type: none"> HOPs (PS / Projects) CSR EDM
Suppliers and Contractors <ul style="list-style-type: none"> Critical value chain partners Intrinsic to NHPC's business operations and delivery 	<ul style="list-style-type: none"> Procurement of Quality Raw Materials and Equipment Ethical business practices Payment terms 	Monthly: Suppliers meet Contract documents and agreements, Workshops, trainings and awareness sessions,	<ul style="list-style-type: none"> Contracts
Media <ul style="list-style-type: none"> Key Informer to stakeholders about our business development, activities and services as well as the impact of our business operations General Awareness generator about the Company's 	<ul style="list-style-type: none"> Transparency and relevance of information New business opportunity Financial and Operational Performance 	Monthly: Media briefings, Press Releases Continuous: Company website, Social Media Platforms like Facebook, Twitter, Instagram, YouTube	<ul style="list-style-type: none"> Corporate Communication

Stakeholder and their significance	Purpose of Engagement	Frequency and Mode of Engagement	Interfacing departments
operations & activities • Safety & precautions			
Employee Unions and Associations: • Key source of communication / messenger	• Help set standards for education, skill-levels, wages, health and employee benefits and working conditions of our employees	• Regular / Scheduled meetings • Dedicated survey	• Human Resource