

Corporate social responsibility policy

1 PURPOSE

- 1.1 Sembcorp Energy India Limited (“**Company**” or “**SEIL**”) is a company incorporated under the Companies Act, 1956 and is operating a 1,320 MW (2x 660MW) Thermal Power Plant utilizing super-critical technology at Pyanampuram and Nelaturu Villages of Muthukur Mandai in SPS Nellore District of Andhra Pradesh (‘the **Project**’).
- 1.2 Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and Non-Government organizations, local communities, environment and society at large.
- 1.3 The Effective Date of Policy on Corporate Social Responsibility is effective from **19 February 2018**.

2 OBJECTIVES & SCOPE

- 2.1 SEIL has undertaken/shall continue to undertake appropriate CSR measures having direct/indirect, measurable and positive economic, social and environmental impact on the community with particular emphasis on the local area and area around where it operates.
- 2.2 The objective of SEIL's CSR policy is to ensure that the families living in close proximity to the Project improve their standards of living, earning capacity and production levels through a process in which they participate through their own social and cultural institutions. Therefore, SEIL's CSR Policy is developmental and participatory in nature with emphasis on ensuring that development in the area fosters full respect for their dignity, human rights and cultural uniqueness.
- 2.3 The villages in and around the Project premises are classified into 'Inner Ring Villages' falling within 3 Km. radius and 'Outer Ring Villages' falling within a radius of 3-10 Kms. As such, the needs of Inner Ring Villages, who are the most affected shall be given special focus/attention.

3 FRAMEWORK OF CSR

- 3.1 The following areas/aspects shall be broadly considered for designing/devising the CSR strategy/plan of SEIL keeping in view UN Millennium Development Goals set during the Millennium Summit of UN held in the year 2000.
 - 3.1.1 Inclusive social-economic growth and empowerment of communities.
 - 3.1.2 Environment protection
 - 3.1.3 Promotion of green and energy efficient technologies
 - 3.1.4 Development of backward regions
 - 3.1.5 Uplifting of marginalized and under-privileged sections of the society
 - 3.1.6 Promotion of Education
 - 3.1.7 Promoting gender equality and empowering women
 - 3.1.8 Reducing child mortality and improving maternal health
 - 3.1.9 Combating human immunodeficiency virus, acquired immune deficiency syndrome,

malaria and other diseases

3.1.10 Eradicating extreme hunger and poverty

3.1.11 Ensuring environmental sustainability

3.1.12 Employment, enhancing vocational skills

3.1.13 Social business projects

3.1.14 Contribution for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and

3.1.15 Such other matters as may be prescribed.

4 CSR GUIDING PRINCIPLES AND VISION:

4.1 CSR GUIDING PRINCIPLES

SEIL is committed to establish best practices in CSR and guided by the following principles:

4.1.1 **Shared Responsibility-** As CSR involves everyone in organization therefore sharing the responsibilities of ownership as well as its rewards

4.1.2 **Openness and Accountability** – CSR policy, objectives and performance will be communicated openly to our consumers, shareholders, employees, local community and society at large

4.1.3 **Continuous Improvement-** As part of our best practices, will commit to measuring and improving our CSR performance. Will develop and implement specific environmental and social policies and procedures, monitor our performance, set targets for improvement and report our progress.

4.1.4 **Demonstrate Statutory Compliances-** Will meet all relevant statutory legislation and compliances and where none exists will seek to develop and implement own appropriate methods and standards.

4.2 CSR Vision:

"To actively contribute to the social and economic development of the communities in which we operate and beyond. In doing so, build a better, environmentally sustainable way of life for all the stakeholders, local community and society at large"

5 FOCUS AREAS UNDER SEIL CSR POLICY

Under the SEIL CSR Policy, the Company shall work in the following Six Focus areas: (i) Education (ii) Basic Healthcare (iii) Village Infrastructure (IV) Skill Development (v) Social Reform and (vi) Environment Sustainability. Besides these Focus Areas, the Company shall also undertake interventions in the fields of Disaster Relief, Child Relief and Self Employment /labor Welfare, etc. as per the requirement of the surrounding society at large and beyond. (Refer **Annexure A** of the policy which incorporates CSR areas mentioned under Schedule VII of the Companies Act, 2013).

6 TRAINING/ AWARENESS OF CSR

Training/Awareness programs will be conducted for the employees/other stakeholders on CSR Aspirations of the Company, provided total expenditure on such training/awareness programs does not exceeds 5% of total CSR expenditure in a financial year. The focus will be on socially and environmentally sustainable methods and practices.

7 VOLUNTEERING BY SEIL EMPLOYEES

SEIL employees and their families will also be encouraged for participating in the CSR activities of the Company.

8 ADMINISTRATIVE SET-UP

The CSR Committee constituted or as may be re-constituted by the Board will govern and review the CSR Activities of the Company from time to time. The CSR Committee will recommend the Annual Business Plan for CSR to the Board for its approval. The plan will include resource requirements and allocation across interventions and locations. The present composition of the CSR committee of the Board is as below:

8.1	Sangeeta Talwar	Chairman
8.2	R. S. Sharma	Member
8.3	T.V.Sandeep Kumar Reddy	Member
8.4	Vipul Tuli	Member
8.5	HC Chew	Invitee

9 REPORT

As a part of reporting SEIL's CSR activities, SEIL will adopt an international standard framework called "London Benchmarking Group (LBG)". This Benchmark provides guidelines on assessing and reporting SEIL contributions (cash, kind, etc.), focus of the contributions (area of CSR contribution) as well as the motives of the contributions. This reporting framework would ensure that the impact of SEIL's CSR initiatives among the surrounding community would be effectively measured.

- 9.1 A periodical report on CSR activities will be published in print and also posted on the SEIL website under a separate dedicated section Corporate Social Responsibility.
- 9.2 A report on CSR activities shall also be included in the Annual Report of SEIL for communicating with various stakeholders in the format prescribed under the Companies Act, 2013.
- 9.3 As a policy of good governance, every year the CSR expenditure shall be audited by a reputed independent audit firm. A report will be submitted to the CSR Committee by the Audit firm on CSR Expenditure.

10 GENERAL

- 10.1 The surplus arising out of the CSR projects or programs or activities will not form part of the business profit of SEIL.
- 10.2 SEIL shall consider the specific commitments required to be fulfilled under MOEF clearance and other statutory/mandatory directions including The Companies Act, for planning and executing the CSR projects/activities. Recommendations of State/District Administration/ Panchayat Raj Institutions, Ministries of Government of India and other stakeholders shall also be considered for undertaking activities /projects under CSR.
- 10.3 SEIL shall undertake socio-economic survey for preparation of Social Assessment and Management Plan (SAMP) for the area affected by the possession of land for construction of Power Project through independent agency. The SAMP, on the basis of discussions with the affected people shall also identify the areas of concern and requirement of infrastructure, skill development etc. for the overall development of area and its habitants.

- 10.4 Resources may be pooled with other neighboring companies for taking up high value projects, which have greater visibility, more number of beneficiaries and wider and long lasting visible impacts.
- 10.5 The CSR Department will prepare annual plan and detailed project of CSR activities to be undertaken in the Project area including tentative budget estimate.
- 10.6 This policy shall stand modified from time to time keeping in view of the provisions/ amendments applicable to The Companies Act, Government guidelines as and when these are in place and made enforceable.
- 10.7 The power to modify /amend the CSR Policy will vest with the Board of Directors.

11. DISASTER RELIEF

The Company may undertake disaster relief measures including the following;

- 11.1 Extending relief measures during times of natural disasters, anywhere in the country
- 11.2 Undertaking and supporting rehabilitation measures post-disasters

The Disaster relief activities undertaken by the Company as above will be categorised differently.

Annexure A
CSR Interventions

S. No.	Broad area specified under Schedule VII of the Companies Act, 2013	Indicative list of CSR programs that may be undertaken
I	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water:	Eradication of hunger <ul style="list-style-type: none"> • Distribution of survival ration to the families in need. Eradication of Poverty <ul style="list-style-type: none"> • Financial assistance to the families surviving under extreme poverty. Health <ul style="list-style-type: none"> • Setting up and running clinics and hospitals • Running mobile medical vans and ambulances • Organizing health camps • Providing financial assistance and waivers for needy patients, on a case-to-case basis • Providing family planning services • Reducing infant and maternal mortality • Preventing and treating communicable diseases like malaria, tuberculosis and HIV I AIDS • Treating and rehabilitating persons with disabilities • Working on adolescent and reproductive sexual health issues • Promoting awareness about various health issues and generating demand for health services • Undertaking and supporting research on health-related issues • Ensuring access to potable drinking water and hygienic sanitation
II.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Education <ul style="list-style-type: none"> • Setting up and running educational institutions and hostels • Setting up and running mid-day meal kitchens • Training of teachers and headmasters • Improving quality of education in existing schools • Augmenting and supporting infrastructure in educational institutions • Offering scholarships and financial assistance to needy and meritorious students • Bridging drop-out children and mainstreaming them to formal schools • Making adults functionally literate • Developing educational material and methodologies
		<ul style="list-style-type: none"> • Supporting and promoting co-curricular activities • Advocacy of best practices • Education for mainstreaming disabled children Livelihood <ul style="list-style-type: none"> • Setting up and running skill development centres,

		<p>industrial training centres, diploma and polytechnic institutes, community colleges, etc</p> <ul style="list-style-type: none"> • Sponsoring candidates for skill development and vocational training programmes offered at identified institutions • Coaching candidates to appear for entrance examinations of different institutions • Creating, training and supporting entrepreneurs • Creating, training and supporting self-help groups, federations, co-operatives, societies and similar institutions • Building capacities of farmers on improved methods of agriculture and other allied sectors • Developing water harvesting structures and irrigation facilities • Supporting farmers with quality inputs, technical know-how and timely information • Creating markets and marketing linkages for farm and forest based produce • Undertaking and supporting research on agriculture and other allied sectors
III.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers 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 setup by the Central Government for	<ul style="list-style-type: none"> • Undertaking plantations and afforestation activity • Promoting renewable sources of energy • Recharging ground water levels • Conserving biodiversity and supporting research, awareness and advocacy on issues related to biodiversity rejuvenation of river Ganga; • Promoting awareness about environmental issues
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 and handicrafts:	<ul style="list-style-type: none"> • Preserving and promoting tribal languages, scripts and literature • Preserving and promoting fine arts and performing arts • Preserving and promoting various aspects of folk and tribal cultures • Organizing cultural events • Restoring and renovating memorials, monuments and heritage structures • Mainstreaming Particularly Vulnerable Tribal Groups (PVTGs) • Undertaking and supporting research on anthropological and ethnic issues
VI.	Measures for the benefit of armed forces veterans, war widows and their dependents;	

VII.	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;	Rural Sports <ul style="list-style-type: none"> • Constructing stadia and sports infrastructure • Setting up and running academies and sports training centres • Organizing sports tournaments and coaching camps for community • Supporting sportspersons to participate in state, national and international events • Offering scholarships and sports equipment's to deserving sportspersons • Promoting adventure sports • Preserving and promoting indigenous sports • Organizing leadership and motivational camps
VIII.	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio- economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	
IX.	Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.	Funding research projects at technology hubs for environmental and social sustainability
X.	Rural development projects	Rural development projects of building and maintaining community-based rural infrastructure like roads, bridges, culverts, drains, rural electrification, water infrastructure, community centres, youth clubs, etc.
XI.	Slum area development <i>Explanation</i> – For 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.	