ANNEXURE II TO THE DIRECTORS' REPORT

Business Responsibility Report

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L40101DL1989GOI038121
2	Name of the Company	Power Grid Corporation of India Ltd
3	Registered address	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016
4	Website	www.powergridindia.com
5	E-mail id	sustainability.report@powergrid.co.in
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Sector(s) / ITC Code No. Inter State Transmission System (ISTS), Central Transmission Utility (CTU) of country / 99691110 Telecom / 99841100 Consultancy & Project Management / 99833244
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i) Transmission ii) Telecom iii) Consultancy Services (Domestic / International)
9	Total number of locations where business activity is undertaken by the Company i) Number of International Locations (Provide details of major 5) ii) Number of National Locations	(i) **International**: POWERGRID is providing Consultancy services in all facets of Transmission System. POWERGRID is having footprints in Twenty Countries. Major five countries include Nepal, Bhutan, Bangladesh, Fiji and CASA (Kyrgyz Republic, Tajikistan, Afghanistan & Pakistan). (ii) **National**: Total 256 which includes 245 sub-stations (including subsidiaries), 10 Regional headquarters and 1 corporate office at Gurgaon. Telecom department has its points of presence in more than 680 locations spread across the country. Apart from above, a no. of substations and transmission lines are presently under construction and personnel are located on various site(s).
10	Markets served by the Company - Local/State/National/ International/	POWERGRID has footprint in all the markets-Local/State/National/ International.

Section B: Financial Details of the Company

1	Paid up Capital (INR)	5231.59 crore
2	Total Turnover (INR)	35618.07 crore
3	Total Profit after Taxes (INR)	9938.55 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During FY 2018-19, the Company has spent ₹195.52 Crore [i.e. 2.09% of average net profits of the Company for last three financial years] on various CSR activities.
5	List of activities in which expenditure in 4 above has been incurred	Health, Education, Environmental Sustainability, Sanitation, Rural Development, Skill Development programmes, etc.

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

As on March 31, 2019, POWERGRID had thirteen wholly owned subsidiary Companies viz. POWERGRID NM Transmission Limited, POWERGRID Vemagiri Transmission Limited, POWERGRID Vizag Transmission Limited, POWERGRID Unchahar Transmission Limited, POWERGRID Kala Amb Transmission Limited, POWERGRID Jabalpur Transmission Limited, POWERGRID Warora Transmission Limited, POWERGRID Parli Transmission Limited, POWERGRID Southern Interconnector Transmission System Limited, POWERGRID Medinipur

Jeerat Transmission Limited, POWERGRID Mithalanchal Transmission Limited (formerly ERSS XXI Transmission Limited), POWERGRID Varanasi Transmission System Limited(formerly WR-NR Power Transmission Limited) and POWERGRID Jawaharpur Firozabad Transmission Limited (formerly Jawaharpur Firozabad Transmission Limited).

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes. The BR initiatives of POWERGRID generally apply to its subsidiaries also.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. The Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompasses the company, its Joint Venture Company-Powerlinks Transmission Limited, subsidiaries in general and relative aspects pertaining to Vendors / Suppliers/ Contractors through contract conditions. Vendors/Suppliers/ Contractors are required to comply with the provisions of the labour laws, environmental laws & effectual safety plans through stipulations in the Conditions of Contract. The percentage of such Vendors' /Suppliers'/ Contractors' are more than 60%.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The detail of the Director responsible for implementation of the BR policy/policies is as under:

- DIN Number : 02018931
- Name : Shri Rajeev Kumar Chauhan*
- Designation : Director (Projects)

*Appointed as Director (Projects) w.e.f. 23.08.2018. Prior to this, Shri Prabhakar Singh was holding the charge of Director (Projects), Shri Singh had superannuated on 30.06.2018.

b) Details of the BR head (as on 31.03.2019)

S.No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Dr. R.K. Srivastava#
3.	Designation	Chief General Manager - Incharge (Environment and Social Management Department)
4.	Telephone number	0124-2571980
5.	e-mail id	rks@powergridindia.com

Dr. R. K. Srivastava took over the charge as BR head w.e.f. 01.03.2019. Prior to this, Shri S.K. Gupta, ED(ESMD, CSR & LA) was holding the said charge, who had superannuated on 28.02.2019.

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted following nine areas of Business Responsibility:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

2a. Details of compliance (Reply in Y/N)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?*	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify?* (50 words)	Y	Y	Y	Y	Y	Y#	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.powergridindia.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? *	Y	Y	Y	Y	Y	Y	NA	Y	Y

*Conforms to / are updated / reviewed in accordance with, the National Standards including GOI/ CVC/ DPE Guidelines, applicable laws etc.

POWERGRID's Environmental and Social Policy & Procedures (ESPP) based on principles of Avoidance, Minimization, Mitigation in that order of preference and Restoration wherever needed is accepted by The World Bank and Asian Development Bank under their policy of "Use of Country System" (UCS) and "Country Safeguard System" (CSS) in 2009 & 2017, respectively.

2b. If answer to questions at S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	Principle 7- Responsible public policy advocacy
1.	The company has not understood the Principles	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3.	The company does not have financial or manpower resources available for the task	-
4.	It is planned to be done within next 6 months	-
5.	It is planned to be done within the next 1 year	-
6.	Any other reason (please specify)	POWERGRID is a member of various industrial and trade bodies and participates in these forums on issues and policy matters that impact the interest of our stakeholders. Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory Cell is in place to undertake POWERGRID's endeavor of a pro-active approach as part of policy advocacy with the stakeholders and CERC. Wherever felt necessary, we give our comments on various approach papers, consultation papers, draft regulations etc issued by CERC, TRAI and other authorities.

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  3-6 months

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Yes, the Company publishes "Sustainability Report" based on Global Reporting Initiative (GRI) Guidelines. These reports are being published biennially and are available on company website at following link:

  https://www.powergridindia.com/sustainability-report

Section E: Principle-wise performance

Principle 1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. POWERGRID is committed to observe transparency and consistency in all its operations. POWERGRID follows a no. of policies/ rules to strengthen ethical conduct at all levels including the following:

a) **Code of Business Ethics & Conduct:** POWERGRID has laid down two separate Code of Business Ethics & Conduct – one for Board Members and another for Senior Management Personnel (including those deputed in Subsidiaries/ Joint Ventures) in alignment with Company's Vision & Mission and aims at enhancing ethical and transparent process in managing the affairs of the Company.

b) **POWERGRID Conduct and Discipline Appeal rules (POWERGRID CDA Rules):** POWERGRID CDA Rules define the desirable and non-desirable acts and conduct for the employees and extend to all employees working with it (including those deputed in Subsidiaries/ Joint Ventures). The aspects of Bribery and Corruption are also covered under CDA rules. There is laid down procedure for actions in the case of non-compliance with the defined terms as well as for any misconduct.

c) **Whistle Blower and Fraud Prevention Policy:** Whistle Blower and Fraud Prevention Policy provides a system for disclosures made by employees or complaint of any fraud or suspected fraud involving employees of POWERGRID (all full time, part time or employees appointed on adhoc/ temporary/contract basis) as well as representative of vendors, suppliers, contractors, service providers or any outside agency (ies) doing any type of business in POWERGRID.

Since, POWERGRID is a designated public authority, the provisions of the Right to Information Act, 2005 are applicable on us. The Chief Public Information Officers (CPIO) at the Corporate and regional level ensure smooth access to information in a timely manner.

Several initiatives have been taken/are being taken by POWERGRID to strengthen Integrity, transparency and fairness in its business practices which includes the following:

(i) Well defined "Delegation of Powers" is in place delineating the powers of the top executives and below for carrying out work in systematic manner.

(ii) POWERGRID has implemented "Works & Procurement Policy and Procedure (WPPP) for Pre-award and Post-award Stages" (as amended from time to time) with a view to making the policies and procedures more systematic, transparent and easy to administer uniformly throughout its business operations with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.

(iii) "Integrity Pact Program" has been implemented which is considered as a useful tool in ensuring transparency in the procurement process. Contracts above ₹100Crore are also monitored by a panel of "Independent External Monitors (IEMs)".

(iv) Manuals and Procedures are in place for Construction, Operation & Maintenance.

(v) e-procurement mechanism for most of the project procurements has been implemented.

(vi) e-Reverse auction mechanism is in place.

(vii) The Project "RUPANTAR", the Enterprise Resource Planning (ERP) initiative of our Company has been implemented and majority of the key processes related to business are running on ERP.

(viii) Detail of Award is posted on the website on real time basis.

(ix) POWERGRID focuses on Preventive, Pro-active as well as Punitive Vigilance. Aiming at better transparency and to inculcate good governance within the organization, POWERGRID has taken a number of initiatives. For details, section on 'Commitment to Transparency & Vigilance Function' under Directors' Report may be referred.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During FY 2018-19, 74 nos. of complaints were received. About 48.30% of complaints have been disposed of during the year and the remaining are under due process.

Principle 2 -Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(i) Adoption of modern techniques viz. GIS / GPS, satellite imaging etc. help in selection of most optimum line route avoiding ecological and social sensitive areas as far as possible thus, resulting in minimum ecological and social footprint.

(ii) Technological initiatives such as use of innovative towers (pole, multi circuit) and adoption of high voltage levels transmission system (1200 kV, ±800kV HVDC, 765kV etc.) not only conserved the precious Right of Way (RoW) but also substantially reduced felling of tree as well as conservation of wildlife in ecologically sensitive areas.

(iii) Initiative to utilize the unused inductive power in earth wire for powering of telecom antennas to eliminate use of DG sets by mobile operators- a constant source of pollution and GHGs emission.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

These activities are being carried out under various policies / guidelines and are implemented from time to time.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainability in sourcing is enforced through the Environmental and Social Policy & Procedures (ESPP) of POWERGRID which extends to Suppliers/Contractors/Vendors through contract conditions.Vendors/ Suppliers/Contractors are required to comply with ESPP, Labour laws, Environmental laws & effectual Safety plans through stipulations in the Conditions of Contract. Contracts provide penalties to be imposed on the Vendors/ suppliers / contractors in the event of breach of the said provisions.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We encourage participation of local vendors for certain works in & around our establishments through local competitive bidding process.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Due to nature of the Company's business there is no process waste generated and the waste is restricted primarily to metal scraps, used batteries, used transformer oil, e-waste etc. However, Company has put in place systems for reuse/recycling of these waste materials. The wastes such as used transformer oil, used batteries, & e-waste are disposed either to govt. authorized recyclers/reprocessors or channelized back to manufacturers for recycling as per the applicable rules/regulations, which takes care of 100% recycling of such wastes. For further details on quantity and disposal method, refer Sustainability Reports available at below hyperlink;

https://www.powergridindia.com/sustainability-report

Besides, the "Waste Paper Recycling" plant installed at Gurgaon Substation is also contributing in proper disposal/recycling of waste paper.

Principle 3- Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Total numbers of employees as on March 31, 2019 were 9255.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on contractual basis as on March 31, 2019 were 631 (excluding contractual labour).

3. Please indicate the Number of permanent women employees.

Number of permanent women employees as on March 31, 2019 were 687.

4. Please indicate the Number of permanent employees with disabilities

Number of permanent employees with disabilities as on March 31, 2019 were 206.

5. Do you have an employee association that is recognized by management.

Employees under the 'Workmen' category are represented through Trade Unions and the organization has recognized workmen-management forum.

6. What percentage of your permanent employees is members of this recognized employee association?

All employees under the 'Workmen' category are members of Trade Union. Workmen represent about 24% of the employee strength in POWERGRID.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Employees	% of Employees given safety & skill up-gradation training in the last year i.e. FY 2018-19
Permanent Employees	79.98%
Permanent Women Employees	79.62%
Casual/Temporary/ Contractual Employees	83.35%
Employees with Disabilities	71.85%

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, POWERGRID has mapped its internal and external stakeholders. We recognize Shareholders, Regulatory Authorities (GoI), Customers, Communities/persons residing around our areas of operation, Projects Affected Persons (PAPs)/Communities, Employees, Suppliers & Contractors, Research & Development Institutions, Funding Agencies and Media as our key stakeholders in economic, environment & social dimensions.

POWERGRID engages with its identified stakeholders on an ongoing basis and the prioritization of such engagement has been done considering factors like Dependency, Influence, Responsibility and Proximity. There is a structured Stakeholder Engagement Matrix which details specific engagement mechanisms including mode & frequency of engagement for each stakeholder category.

2. Of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the company has identified the disadvantaged, vulnerable & marginalized stakeholders and are broadly divided into two categories viz. Internal Stakeholders [Employees – Persons with Disabilities (PWD) / SC/ ST/ Women] and External Stakeholders [Project Affected Persons / Families (PAPs / PAFs) : Widow women headed families, SC/ST/ Persons with Disabilities (PWD)].

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

POWERGRID has taken following initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders:

- Internal Stakeholders (Employees- Persons with Disabilities (PWD)/ SC/ ST/ Women) – POWERGRID ensures diversity at workplace through efforts to recruit, develop and retain the most talented people from the pool of SC/ ST/ OBC/ Ex-servicemen/ Persons with Disabilities (PWD) candidates, in accordance with GoI directives on reservation matters. The special initiatives taken include-

  A time bound mechanism for the redressal of grievances is in place as under:

  a) A Reservation Cell has been constituted at the corporate, as well as regional level to comply with GoI directives on reservation matters for SC/ST/OBC/Ex-servicemen/ Persons with Disabilities (PWD). This cell is under control of nominated liaison officer(s). The Liaison Officer(s) are available on a pre-fixed day and time for interaction once in a week. Wide publicity regarding availability of the liaison officer is ensured amongst SC/ST employees. Regular meetings with SC/ST/OBC Employee's Association are conducted. 'Awareness Programme' are organized to acquaint the SC/ST/ OBC/PWD employees about the relaxations and concessions available to them under Government directives.

  b) Internal Complaints Committees (ICCs) under Sexual Harassment of Women in Workplace (Prevention, Prohibition, Redressal) Act, 2013 exist in the company in order to handle complaints related to the harassment of sexual nature of women.

  Women employees are extended certain relaxation like posting in soft locations, etc. Facilities like Ramp etc are provided to Persons with Disabilities.

- External Stakeholders {Projects Affected Persons / Families (PAPs / PAFs)- Widow women headed families, SC/ST/ Physically Handicap} - The special initiatives taken include –

  a) Rehabilitation and Resettlement (R&R) measures: Vulnerable groups like widow women headed families / SC / ST/ physically handicap who have suffered loss of land / loss of structure / loss of livelihood (wage or occupation) are considered for additional need based benefits.

  b) CSR Initiatives: Corporate Social Responsibility (CSR) activities of POWERGRID are focused towards initiatives that promote inclusive growth and address the basic needs of the under privileged and weaker sections of the society. The organization addresses the issues of Community Development with thrust on Health, Education, Sanitation, Skill development, Infrastructure creation for Rural Development, environmental sustainability, etc. primarily around its areas of operations. A large number of women, girls, SC/ST/Minority, poor & marginalized section of the population were benefitted as a result of POWERGRID's CSR initiatives. Various CSR initiatives such as improvement in facilities at public healthcare/ educational institutions, Scholarship/ financial assistance to the deprived students, etc. had been undertaken for improving the quality of life of the less privileged population. Besides, a large number of projects involving infrastructure development in rural areas like Installation of solar street lights, creating sanitation and drinking water facilities, construction/ renovation of roads, Classroom, community centers, toilets in school, providing schools furniture etc. have been undertaken to make the basic facilities and services available to the community. In addition, the Company continues to undertake several CSR Skill Development initiatives by imparting livelihood oriented skill development training through the reputed institution like NSDC, Indo-German Institute for Advanced Technology (IGIAT), Vizag, Indo German Tool Room (IDTR), Indore for imparting high-end skill training to youth to enable them for meaningful and decent employment.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Human Rights issues are incorporated under related policies & practices of POWERGRID which extend to the employees including those deputed in Subsidiaries/ Joint Ventures and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition. Further, The Conduct and Discipline Appeal rules ("CDA Rules") of POWERGRID also define the desirable and non-desirable acts and conduct for the employees (including those deputed in Subsidiaries/ Joint Ventures). There is a laid down procedure for actions in case of non-compliance with the defined terms as well as for any inappropriate or unwelcome sexually-oriented behavior. To promote fair and equitable employment relationship, a scheme for Grievance Redressal of employees is also in place which ensures a time bound redressal of grievances. Internal Complaints Committees (ICCs) have been constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redess complaints received regarding sexual harrasment.

POWERGRID also got certified to Social Accountability standard SA-8000 for its human resource and labour management policies and practices. Vendors /Suppliers / contractors are required to comply with the provisions of the labour laws/ Human rights etc through stipulations in the conditions of contract. As per the Contract agreement, contractors are prohibited from subjecting their workers to any child, forced or compulsory labour. All contractors are required to comply with various compensation and regulatory acts. All suppliers to POWERGRID have to confirm to General Conditions of Contract and SA 8000 clauses. POWERGRID takes declaration regarding Social Accountability from the bidders/contractors for compliance of all requirements of Social Accountability Standards i.e., SA8000 (latest Standard available at www.sa-intl.org), this declaration forms part of Contract Documents. Provision of penalties for non-adherence of the same are also included in the contract conditions.

POWERGRID promotes awareness of the importance of respecting Human Rights within its value chain and discourage instances of abuse. Besides conducting technical and behavioral trainings, the training on Human Rights issues to sensitize people towards women, the differently-abled and the socially weaker sections of the society have also been imparted.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received regarding human rights violation during the reporting period (2018-19).

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

The Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompasses the company, its Joint Venture – Powerlinks Transmission Limited, subsidiaries in general and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, Company has taken various initiatives for mitigating climate change to fulfil its commitment towards the goal of sustainable development and to meet the GoI's Nationally Determined Target (NDC) under Paris agreement. Some major initiatives in this regard are:-

- Following the cardinal principle of avoidance, minimization as per Environmental and Social Policy and Procedures (ESPP), involvement of forest land in its transmission line project has been progressively reduced from 6% in 1998 to 2.26% at present, thus playing a major role in preserving the precious carbon sink in line with GoI's commitment to Paris agreement. It is estimated that approx. 1.25 million tons of CO_2 absorption by above saved forest annually through this initiative.
- POWERGRID is playing a key role in integration of renewable energy resources by establishing high capacity "Green Energy Corridors" dedicated for renewable energy including solar parks across the country. Such initiative not only reduced the dependency on thermal generation but also provided boost to renewable generation by providing reliable grid connectivity which was earlier thought to be a major impediment for renewable energy development. POWERGRID is implementing inter-state transmission system for eight solar parks of about 7,200MW in five States. Such transmission corridors will facilitate transfer of 43 GW of renewable energy against INDC target of 75 GW.
- Recognizing the importance of solar power in combating Climate change and in-line with GOI's commitment towards Paris Agreement, POWERGRID has been installing solar street lighting and Solar PV Systems in its substation premises and office establishments. We are in the process of installing 5 MWp Rooftop Solar PV Systems covering more than 50 locations in its premises. This initiative will result in further saving of 7-8 Million Units (MUs) of Grid connected energy per annum, thereby, further reducing atmospheric emission of approx. 35916 mt. of CO_2 per year.
- Another significant initiative is the use of inductive power in earth wire for powering of telecom antennas. This inductive power which otherwise goes waste will eliminate the use of DG sets, a constant source of pollution and GHGs emission. The technology has been successfully tested at pilot scale and regulatory approval of the CERC has also been received.
- In line with GoI E- Mobility mission towards lowering vehicular emission and to ensure energy sustainability, POWERGRID has been using e-vehicles for its day to day official transportation. POWERGRID is also developing Electric Vehicle (EV) Charging Stations across India to facilitate E-mobility solutions in road transport covering 2-Wheelers, Rickshaws/Autos, Taxis, Cars, Buses etc.

Further, on the Technological Initiatives front, efforts are being made for conservation of energy in our projects – right from planning stage, to the execution stage and throughout the Operation & Maintenance period. We are implementing ±800kV HVDC systems and 765kV D/C lines to minimize RoW and environmental problems. We have also developed 1200kV Ultra High Voltage (UHV) AC technology indigenously, the highest transmission voltage level in the world, in collaborative efforts with domestic manufacturers. This will enable transfer of 6000-8000 MW power over single corridor. In addition, efforts are being made to switch to high performance conductors in existing and new lines which involve lower sag as against conventional conductor at higher operating temperatures thereby resulting in reduction of tower weight and increasing span and consequently, reduce the total steel requirement resulting into lower carbon footprint. These latest technologies will have wide influence in minimizing environmental and social impact of high voltage transmission line and these initiatives will show extensive results in optimization of RoW and its associated environmental and social impact. POWERGRID has also been designing and

using Compact towers / Pole type towers / Multi-circuit towers depending upon land topography and conditions. Gas Insulated Substation (GIS) are also being established by POWERGRID to reduce land use. POWERGRID has already implemented pilot projects on Substation Automation System with Process Bus architecture in the pursuit of Digital substation. Moreover a project on retrofitting conventional control and protection system with the latest Process Bus based solution at one of the old substation - 400/220kV Malerkotla substation, has also been initiated apart from utilizing the Process Bus in another upcoming green field project at Chandigarh. We have introduced 33kV Mobile Capacitor bank for enabling the distribution utilities to tackle voltage related issues during particular season of the year. As a major step towards the pro-active maintenance, POWERGRID has developed in-house tool for online condition assessment of transformers. POWERGRID is also developing a tool for health indexing of transformers as a next step towards efficient condition assessment. Apart from above, we have taken initiatives for development of Smart Grid in India towards bringing efficiency in distribution and are extending consultancy services for implementation of various projects on Smart Grid technology in different states.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. A detailed Risk Assessment and Management procedure is in place to identify and assess potential environmental and social risks, as part of overall project analysis. The POWERGRID's ESPP which is based on the principles of Avoidance, Minimization and Mitigation outlines POWERGRID's approach and commitment to deal with environmental and social risk/issues and lays out management procedures and protocols to mitigate the same. It provides a framework for identification, assessment, and management of environmental and social concerns at both organizational and project level. ESPP framework includes procedures for: (a) Screening and Identification of Risks (from environmental receptors, social receptors and other stakeholders); (b) avoidance of risks (including criteria and procedures for alternative routing); (c) mitigation of risk through impact management, implementation of Good International Industry Practices (GIIP), adequate compensation to affected stakeholders, public consultation and disclosure, and grievance redress; (d) monitoring, reporting, evaluation, feedback, management review and corrective action; and (e)responsibility and resource allocation including an organization structure for management of social and environmental risks.

POWERGRID is accredited with a Publicly Available Specification, PAS 99:2012 based Integrated Management System (IMS) that includes ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2007 (Occupational Health & Safety Management System).

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. POWERGRID continues to undertake initiatives on Energy Efficiency which includes energy audits of various industries/institutions/ transmission & distribution companies/ water management systems of canals & irrigation departments/ other commercial establishments/ third party consultancy for base-lining work/ Investment Grade Energy Audit reports for municipalities across India, etc. which is a basic need for implementation of Energy Efficiency solutions / Energy Service Company (ESCO) projects. We are also a BEE certified ESCO for undertaking implementation of energy efficiency projects. To facilitate implementation, POWERGRID has signed / is in the process of signing MoUs with Govt. agencies for undertaking consultancy & investment in Energy Efficiency Projects.

POWERGRID is playing a key role in integration of renewable energy resources by establishing high capacity "Green Energy Corridors" dedicated for renewable energy including solar parks across the country. Such initiative not only reduced the dependency on thermal generation but also provided boost to renewable generation by providing reliable grid connectivity which was earlier thought to be a major impediment for renewable energy development. POWERGRID has also evolved a comprehensive transmission plan for grid integration of various Renewable Energy Zones (66.5 GW) in the country.

For further detail, Sections on 'Energy Efficiency' and 'Integration of Renewable Energy' under the Directors' Report may be referred.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Power transmission project activities don't involve any direct emission/waste to environment. The only emission that can be attributed to our activity is from operation of DG sets used intermittently as power backup. However, regular maintenance of DG sets ensured containment of emission levels well within the permissible limits prescribed by Pollution Control Boards.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

POWERGRID did not receive any show cause/ legal notice from CPCB/SPCB.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

POWERGRID is a member of various industry bodies including the following:

1. Federation of Indian Chambers of Commerce and Industry (FICCI)
2. Confederation of Indian Industry (CII)
3. CII CPSE Council
4. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
5. PHD Chamber of Commerce & Industry (PHDCCI)
6. Central Board of Irrigation & Power (CBIP)

7. WEC India (formerly known as World Energy Council- India Member Committee)
8. Indian Institute of Plant Engineers (IIPE)
9. Standing Conference of Public Enterprises (SCOPE)
10. Internet Services Providers Association of India (ISPAI)
11. Association of Competitive Telecom Operators (ACTO)
12. Infrastructure Industry & Logistics Federation of India (ILFI)
13. India Infrastructure Forum (IIF)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas. (dropbox: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

POWERGRID participates through associations in (1) above on the issues and policy matters that impact the interest of our stakeholders.

Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory cell is in place to undertake POWERGRID's endeavor of a pro-active approach as part of policy advocacy with the stakeholders and CERC. Wherever felt necessary, we give our comments on various approach papers, consultation papers, draft regulations etc issued by CERC/TRAI/other authorities. Besides, POWERGRID also gives its comments in the field of Governance & Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Sustainable Business Principles etc, as and when sought by GoI. We have also made significant contribution in designing/planning eco-friendly measures to mitigate impacts of transmission line on wildlife as a member of Task force constituted by MoEF&CC.

Principle 8- Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

By the very nature of our business and as the Central Transmission Utility, we touch millions of lives every day and understand that real success is the result of inclusive development of the involved entities and stakeholders. We support the principles of inclusive growth and equitable development through corporate social responsibility (CSR) initiatives as well as through our core business.

Our commitment towards Social Responsibility (Labour, Employees, Communities, Employee's families) is amply reflected in our already adopted Integrated Management Policy, Environmental and Social Policy & Procedures (ESPP), Rehabilitation Action Plan (RAP), Corporate Objectives, OSHAS-18001 and Social Accountability SA 8000. Corporate Social Responsibility is primarily to showcase our abiding commitment and concern to pay-back to the society and environment for the benefits reaped so far. CSR has always been an integral part of our vision and the cornerstone of Core Values of Good Corporate Citizenship. We are committed towards taking responsibility for its impact, though very minimal in nature, on society and being accountable to the inhabitants of Mother Nature. We emphasize on overall socio-economic development of areas and communities around our operations through various community development programmes, initiatives such as Livelihood generation, Skill development, Healthcare, Education, Plantation, sanitation, drinking water, roads, drainage system, community centres, development and conservation of water bodies, etc.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The programs / projects are undertaken by in-house teams as well as through Govt./ Semi Govt. agencies/agencies of International and National repute, etc.

3. Have you done any impact assessment of your initiative?

Yes. Impact Assessment have been carried out inter-alia to understand/evaluate the community development activities undertaken, the benefits accrued to communities; and to gain insights for formulating & improving the community development activities in future. For projects below Rs 3 crore, impact assessment had been undertaken by POWERGRID internally, however, for larger projects external agencies were engaged.

Impact Assessment Study of the Rehabilitation Action Plan (RAP) implementation is carried out after 1-2 years of RAP implementation to ascertain whether the intended benefits and other objectives of the RAP have been achieved. Such assessment is carried out by independent agencies & measures to mitigate any shortcoming during such Impact Assessment are incorporated in the next implementation to avoid its reoccurrence. During the year, three such studies for Indore, Solapur & Parli substations have been carried out and the reports are disclosed/available on following link:

https://apps.powergridindia.com/esm-documents/resettlement-and-rehabilitation.aspx

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

An amount of ₹195.52 Crore has been incurred and more than 200 CSR projects worth about ₹360 crore have been sanctioned under CSR activities during the FY 2018-19. Community development works were undertaken for the overall improvement of surrounding villages and community. Based on social assessment outcome, we implement need based development works like supply and installation of Solar street lights, Water supply hand-pumps, water filtration plants, Water ATMs, construction of roads, community centers in villages, class rooms, toilets, schools furniture, water supply arrangements in different schools, supply of dustbins & Cleaning equipment etc. in association with local authorities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The communities intended to be benefitted are consulted and closely involved in the process of identifying, planning and implementation of the CSR activities. Wherever possible, the local authorities and specialised agencies are similarly consulted and involved. During implementation and just before handing over of facility, regular awareness programs are organized with the help of local bodies, etc. to inculcate ownership of facility.

Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   NIL

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   Not Applicable.

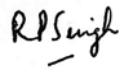
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   We engage with our customers on an ongoing basis and generally hold meetings on a regular basis. The objective of said meetings inter alia includes identification of process improvement areas, understanding concerns/expectations of customers. Based on feedback, company takes measures for system improvement, wherever required.

For and on behalf of the Board of Directors



(Ravi P.Singh)
Director (Personnel) & CMD
DIN:05240974

Place: New Delhi
Date: 19th July, 2019