

GRI-G4

Aligned

2013-14 SUSTAINABILITY REPORT



OPGC
Power for Progress

Odisha Power Generation Corporation Ltd.



Vision

A world-class power utility committed to generate clean, safe and reliable power, enhancing value for all stakeholders and contributing to national growth.

Mission

To attain global best practices by adopting, innovating and deploying cutting edge solutions.

To achieve excellence in Reliability, Safety and Quality of power by creating a culture of empowerment and high performance.

To be a responsible corporate citizen having concern for environment, society, employees and people at large.

Our Strengths

Dedication

We are completely dedicated towards Environment, Health and Safety

Integrity

Integrity is the foundation of all that we do with Honesty, Decency, Consistency and Courage

Commitment

We are committed to generate and provide Clean, Affordable and Reliable Power

CSR

We are committed to inclusive growth and holistic development of all sections of the society

Corporate Governance

The affairs of the Company are dealt with Fairness, Transparency and Accountability





❧ Accolades ❧

Certificate of Appreciation in the 3rd Annual **Greentech CSR Award 2013** by the Greentech Foundation
(January 2014)

Best CSR Practice Awards 2014 – Odisha CSR Awards organized by Think Media Inc., New Delhi
(January 2014)

8th Indy's CSR Award in 2 categories organised by Stars of Industry Group and Indy
which is a news week published from USA (February 2014)

Global CSR Excellence Award organised by ABP News in collaboration with World CSR Congress
(February 2014)

Pathbreaking CSR in Power Sector – National CSR Awards organized by Think Media Inc., New Delhi
(March-2014)





Sustainability Report

2013-14



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About The Report

This is OPGC's first Sustainability Report prepared in accordance with Global Reporting Initiative (GRI)-G4 guidelines and Electric Utility sector Supplement. In this report, we have disclosed information on our material issues identified through stakeholder engagement – both internal as well as external. It conforms to the “in-accordance Core” option of reporting and contains information for FY 2013-14.

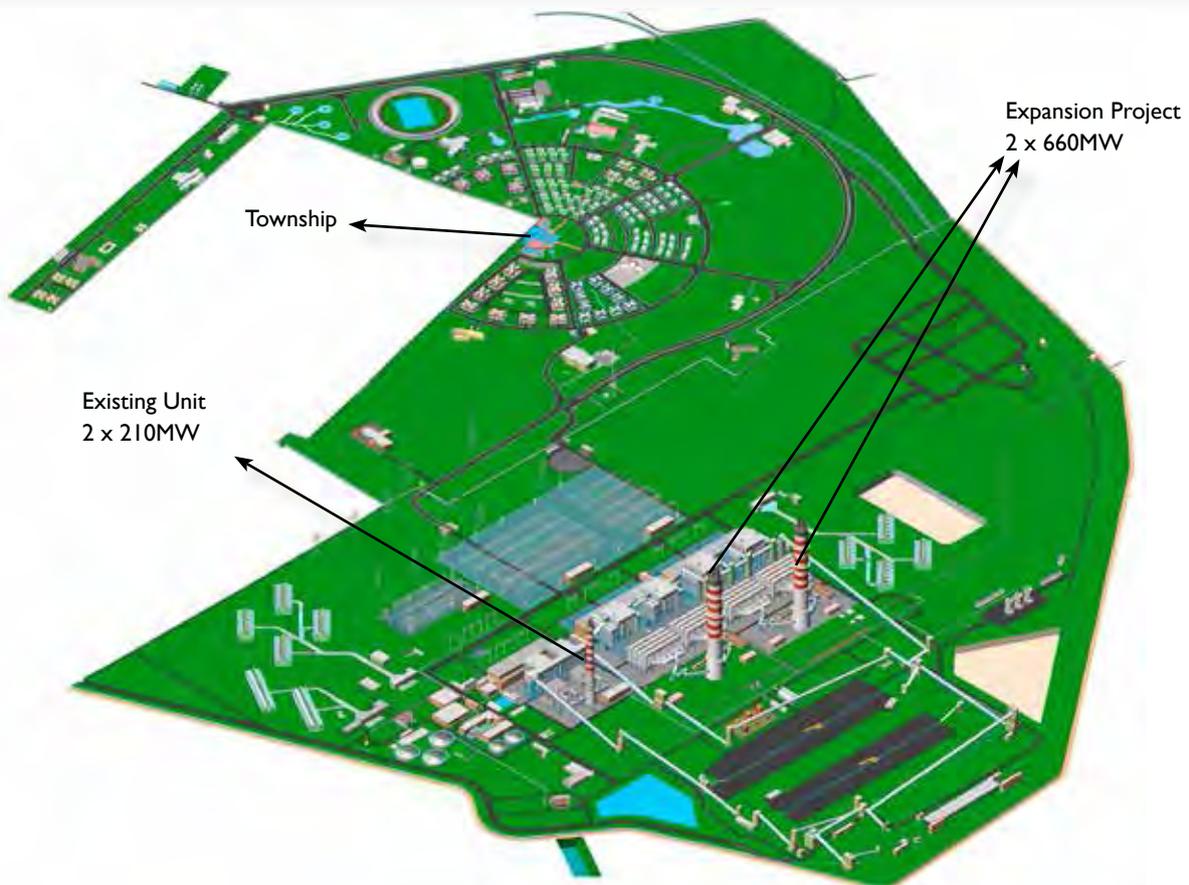
This report marks the beginning of our formal communication on our commitments and progress on sustainability front to our stakeholders. Our sustainability report highlights our performance across key focus areas: economic growth, environmental prosperity, social equality and responsible governance. With this first sustainability report, we have embarked upon our journey to make disclosures on our impacts across our value chain and plans of action to mitigate the same. Our sector faces lots of risks and challenges. Therefore, a vision of our own sustainability risks and performance shall help us to set standards, define metrics and strive for continual improvement by measuring progress.

Our report boundary constitutes only our thermal operating station “Ib Thermal Power Station” located at Banharpali, Jharsuguda. Therefore, this report contains data and information for the identified material aspects for Ib Thermal Power Station only.

Since this is the beginning of sustainability journey for us, we believe that reporting is going to yield many more benefits to us in future than just reporting information. We value your feedback which may be sent to sustainability@opgc.co.in.



Plant Layout





Our Sustainability Approach

Being a state-owned Power Utility, we owe a great sense of responsibility towards environmental protection, contribution to national growth and social development. Though generation of power through thermal sources is considered to be the most reliable way, there are lots of associated risks like maintaining efficiency, GHG emissions, coal availability and quality, ash utilization, safety of workforce, employee retention, etc. Our plans and course of actions are therefore sustainability-centric. We believe in creating economic value with minimal cost to environment, leading to creation of better social capital.

Our approach to sustainability starts with our Vision and Mission statements. OPGC has a code of conduct, supported by ethical business practices and good governance mechanism.

AES, as a global energy company, has been a strategic partner of OPGC since 1998. The 'Global Excellence' practices and values like 'Put Safety First' as followed in AES have been very effectively adopted by OPGC into its own organisational practices. It has had a positive impact on the sustainability agenda of OPGC for over last one and a half decade.

We regularly analyse our potential sustainability issues and set targets for managing them. Installation of mini/micro hydro plants is an effort towards expression of our sustainability intent through harnessing renewable sources of energy.

Towards community upliftment, OPGC has a CSR policy with well laid out vision and scope. The policy intends to provide an

insight into the systems and procedures to be followed while conceptualising as well as implementing all CSR projects in line with the vision and mission of OPGC. The policy sets directions towards strategizing and executing corporate social responsibility parameters in its operational areas.

We are committed to nurturing and caring for our employees. OPGC's training policy emphasizes on the basic philosophy to make training an effective instrument in transforming itself into a learning organisation. Growth and development opportunities have helped OPGC to retain employees and foster a high performance work culture. A formal employee grievance mechanism has been put in place to discourage and redress any kind of discrimination and harassment.

OPGC's Rewards and Recognition Policy helps recognise the out-performers and helps sustain a talent management strategy riveted on intrinsic motivation.

OPGC has instituted open stakeholder engagement forums to capture their concerns and issues. It is in the process of creating appropriate grievance mechanisms for external stakeholders.

Besides the above, the organisation's HR Policy, Code of Conduct, Safety Values, IT policy, CSR Policy and EHS Policy help OPGC manage its performance in economic, environmental and social domains.





From the Managing Director

I am pleased to present the first Sustainability Report of our Company. Our maiden effort is a small step which reflects our commitment towards Sustainable Development and reporting progress to our stakeholders in a continuous fashion.

Being a power generating company, we are deeply aware of our pivotal responsibility towards the growth of our country. Providing reliable power supply lies at the core of our Sustainability strategy. Our operations are driven by the approach to utilize limited natural resource in an efficient manner. Towards this, we leverage advanced technologies that lead to less impact on the environment. Our communities are our indicator of Sustainability as, in their prosperity lies the key to our business profitability.

Our Approach to Environment Conservation

All our activities are identified and associated impact with each activity is assessed through a well-developed matrix and significant aspects are earmarked to be addressed on priority. Concerned action plan includes:

- Standard operating and maintenance practices
- Audit, inspection and monitoring
- Review of effectiveness of corrective actions
- Setting objective and targets against most significant aspects which cannot be managed through routine procedures

Our Endeavours towards Inclusive Growth

Impacts on society are assessed by continuous consultation with communities, elected representatives and district administration officials. A number of actions are taken which are mostly geared towards augmenting human development. These actions include interventions related to educational improvement of school-going children, primary health services provided to people of all ages, building community infrastructure in the villages to enhance quality of life, provision of safe drinking water, skill building of youth and women and furthering women's livelihood generation through capacity building of women's self help groups.



Challenges in the Business Scenario

Macro-economic factors like inflation and oil prices affect OPGC's operational cost in terms of increase in compensation cost, day-to-day maintenance cost and plant running cost and also revenue earned. All these may affect profitability as the increase in all costs cannot be passed on through increase in electricity tariffs.

Our focus areas to ensure continued profitability includes -

- Compliance to all applicable legal requirements
- Optimising plant load factor (PLF) keeping in view the volatility in quantity and quality of coal
- Ensuring systematic and comprehensive plant life audit to ascertain asset conditions, bottlenecks, degradation and factors contributing to degradation
- Action plan for rejuvenation /de-bottlenecking of the old plant machinery

Sustainability Reporting at OPGC

This is our first attempt to present our sustainability performance in the form of a report. The report follows the internationally accepted Global Reporting Initiative [GRI] G4 guidelines. It meets the Core Level requirements as set out in the guidelines. Additionally, we have also responded to the Electric Utility Sector Supplement [EUSS] as part of this report.

We believe that Sustainability reporting is going to streamline the internal mechanisms and make the company smarter in implementing its targets effectively. This will also help in enhancing the company's profitability, stakeholder satisfaction and environmental performance.

At the heart of our Sustainability journey lies the belief that inclusive growth and disclosures lead to a better engaged set of stakeholders. This in turn builds a relationship of trust integral to foster mutually beneficial co-existence.

MR. SANKARAN SUBRAMANIAM
Managing Director



About OPGC

OPGC is a profit-making PSU in the 'GOLD' category with excellent track record of physical and financial performance.

Odisha Power Generation Corporation Limited was incorporated on November 14, 1984, as a wholly-owned Government Company of the state of Odisha with the main objective of establishing, operating and maintaining large thermal power generating stations. In the pursuit of its objective, OPGC established Ib Thermal Power Station with two units of 210 MW each in the Ib valley area of Jharsuguda District in the State of Odisha. The entire generation from these units is committed to GRIDCO on the basis of a long-term Power Purchase Agreement (PPA). In 1998-99, 49% of the equity shares have been divested in favour of AES Corporation, USA, the strategic partner through a process of international competitive bidding.

OPGC is now pursuing its expansion project comprising of 2 x 660MW power plants at the same location – ITPS and partnering in development of a coal mine in the district of Sundargarh. The construction of Main Plant and the Balance of Plant (BOP) have been awarded to BHEL and BGR Energy Systems Ltd. respectively and work is currently in progress. The power plant is scheduled for commercial operation towards end of 2017-18.

Present Business

As its maiden venture, OPGC has set up Ib Thermal Power Station with two units with a capacity of 210 MW each in the Ib valley area of Jharsuguda District in the State of Odisha (Ib Thermal Power Station) at a cost of ₹11,350 million. It has also undertaken the construction of seven Mini Hydel stations with a total capacity of 5075 kW as our commitment to clean energy.

GRIDCO purchases the entire power generated and payment is secured through an Escrow Account and revolving Letter of Credit.

| Project Name | Capacity (KW) | Status |
|-------------------|---------------|-------------------------------|
| Biribati MHP | 2 X 325 | Under Operation |
| Kendupatna MHP | 2 X 250 | Under Operation |
| Andharibhangi MHP | 1 X 325 | Under Operation |
| Badanala MHP | 2 X 325 | Revival Proposal in Phase II |
| Banpur MHP | 2 X 150 | Revival Proposal in Phase II |
| Harabhangi MHP | 2 X 1000 | Revival Proposal in Phase III |
| Barboria MHP | 2 X 325 | Revival Proposal in Phase III |

Shareholding Pattern

| Shareholder | Percentage | No. of Shares | Amount (₹) |
|----------------------------------------------|------------|---------------|---------------|
| Govt. of Odisha | 51 | 25,00,109 | 25,00,109,000 |
| AES India Pvt. Ltd. | 16.24 | 7,96,178 | 7,96,178,000 |
| AES OPGC Holding (incorporated in Mauritius) | 32.76 | 16,05,887 | 16,05,887,000 |



Our Strengths

- This is a Pithead Power plant with coal field located nearby and a Merry Go Round system for Coal transportation.
- There is adequate water availability from the nearby Hirakud Reservoir with an Intake Channel connected to Reservoir.
- Long-term PPA with the State Bulk Power Supply Utility i.e. GRIDCO for 100% off-take from its operational units.
- Payment security mechanism comprising Escrow Account and revolving Letter of Credit with GRIDCO.
- Infrastructure like land and common facilities are already available for expansion of two more units.
- A dedicated workforce of well-experienced engineers and support staff.

Recent Developments

Construction work of OPGC 3 and 4 units commences

The Hon'ble Chief Minister of Odisha Shri Naveen Patnaik kicked off the construction work of 1320 MW expansion project of OPGC (Units 3 and 4) on 23/02/2014 at the Ib Thermal Power Station premises where he flagged off the construction of OPGC Units 3 and 4 in the presence of Minister of Energy and I and PR, Dr. Arun Kumar Sahu, along with Secretary (Energy), Mr. P K Jena, IAS who is also the Chairman of OPGC; CMD of GRIDCO, Mr. Hemant Sharma, IAS; Managing Director of OPGC, Mr. Sankaran Subramaniam; Director (Operations) of OPGC Mr. Indranil Dutta; Chief Operating Officer of AES Corporation Mr. Andrew Martin Vesey, along with other senior OPGC and AES officials.

Debt financing of 8,660 crore has been tied up jointly with Power Finance Corporation (PFC) and Rural Electrification Corporation (REC). The power plant will be constructed under two EPC packages, Boiler - Turbine - Generator (BTG) supply and erection, which has been awarded to BHEL and Balance of Plant (BOP) supply and erection, which has been awarded to BGR Energy Systems Ltd.





Our Performance

OPGC recorded a total generation of 2855.902 MUs corresponding to an average Plant Load Factor (PLF) of 77.62% at plant availability of 84.78% against the previous year performance of 3181.594 MUs on PLF of 86.48% at plant availability of 93.57%. The fall in the PLF is partly attributable to loss of generation due to poor quality of coal and partly due to 57 days shut down of Unit 1 for executing the ESP upgradation to meet the statutory norms.

Continuous efforts are made for improving the plant reliability and productivity through renovation/modernisation and system upgradation as required.

ESP upgradation of Unit 2 will be completed by March 2016, with an objective to achieve stack emission level within 50 mg/Nm³ as per the Action Plan submitted before the State Pollution Control Board.

On the commercial front, OPGC and GRIDCO have come to a settlement and filed before the Odisha Electricity Regulatory Commission (OERC) the amended PPA for their approval. Final hearing has taken place and order is awaited.

| Economic value generated and distributed | 2011-12 (₹ lakh) | 2012-13 (₹ lakh) | 2013-14 (₹ lakh) |
|------------------------------------------|---------------------|---------------------|---------------------|
| A. Economic value generated | | | |
| a. Revenues | 57,278.04 | 6,33,603.36 | 62,264.01 |
| B. Economic value distributed | | | |
| b. Operating costs | 33,453.48 | 5,95,474.83 | 39,282.36 |
| c. Employee wage and benefits | 3,065.05 | 3,376.15 | 4,530.51 |
| d. Payments to providers of capital* | 0 | 9,685.63 | 0 |
| e. Payments to government | 6,969.71 | 8,280.81 | 5,626.21 |
| f. Community investments -CSR | 80.94 | 42.85 | 67.76 |
| Sub-total B. (b+c+d+e+f) | 43,569.18 | 6,16,860.27 | 49,506.84 |
| Economic Value Retained (A-B) | 13,708.86 | 16,743.09 | 12,757.17 |
| [a-(b+c+d+e+f)] | 0 | 0 | 0 |

Financial Highlights

| | (₹ lakhs) | | | | |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Financial Performance | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
| Revenue | 62,264.01 | 63,603.36 | 57,278.04 | 50,413.66 | 45,594.27 |
| PBDIT | 20,222.05 | 26,549.48 | 22,149.72 | 18,232.62 | 17,763.53 |
| Depreciation and Amortisation | 1,839.76 | 1,525.59 | 1,521.15 | 1,588.48 | 5,138.38 |
| PBT | 18,382.29 | 25,023.89 | 20,628.57 | 16,644.14 | 12,625.15 |
| Taxes | 5,625.12 | 8,280.80 | 6,919.71 | 5,139.67 | 4,505.73 |
| PAT | 12,757.17 | 16,743.09 | 13,708.86 | 11,504.47 | 8,119.42 |



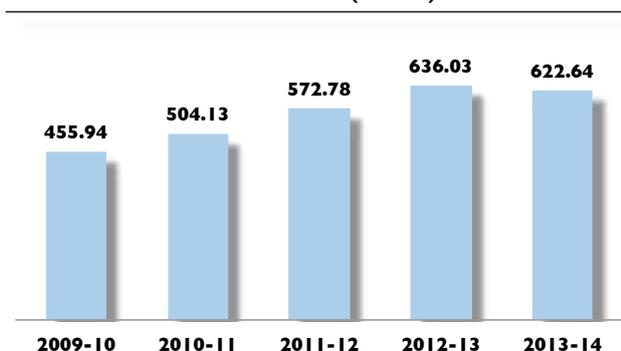
| Per Share Data | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
|------------------------|----------|----------|----------|----------|----------|
| EPS (₹) | 260.24 | 341.54 | 279.65 | 234.68 | 165.62 |
| Book Value (₹) | 2,831.03 | 2,646.84 | 2,602.32 | 2,322.67 | 2,101.73 |
| Dividend for Share (₹) | 65.00 | 255.00 | - | - | - |

(₹ lakhs)

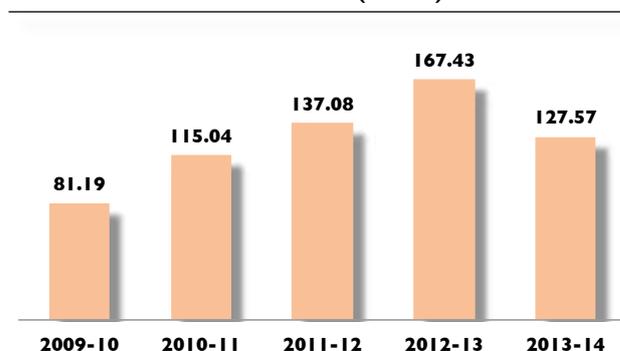
| Financial Position | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
|----------------------|------------|------------|------------|------------|------------|
| Share Capital | 4,9021.74 | 4,9021.74 | 4,9021.74 | 4,9021.74 | 4,9021.74 |
| Networth | 138,782.22 | 129,752.00 | 127,570.54 | 113,861.67 | 103,030.71 |
| Total Debt | 41,987.37 | - | - | 231.95 | 900.85 |
| Tangible Assets | 20,611.86 | 19,873.20 | 20,468.09 | 21,519.72 | 20,800.04 |
| Intangible Assets | 74.65 | 49.42 | 52.26 | 58.85 | - |
| Cash and Investments | 84,266.89 | 89,730.20 | 83,267.24 | 75,728.91 | 61,956.85 |
| Current Assets | 97,415.09 | 105,018.20 | 102,439.26 | 96,260.24 | 86,696.66 |

Growth and Performance Charts

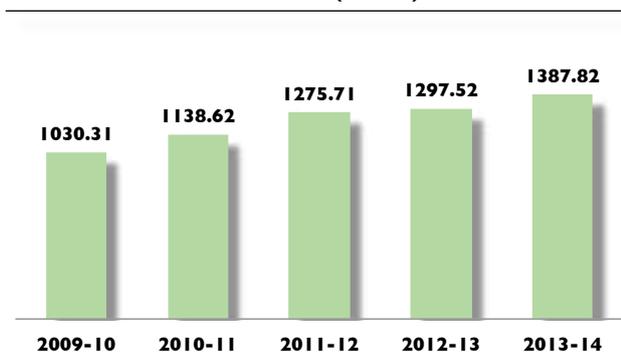
Total Revenue (₹ crore)



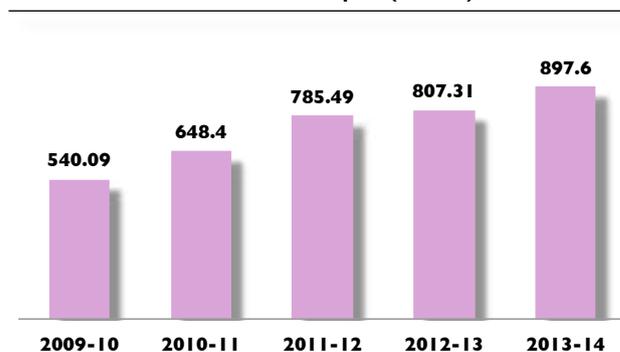
Profit after Tax (₹ crore)



Net Worth (₹ crore)

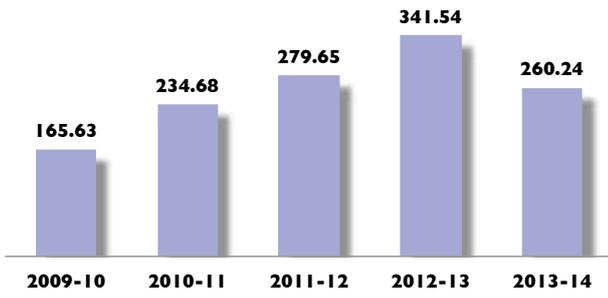


Reserves and Surplus (₹ crore)

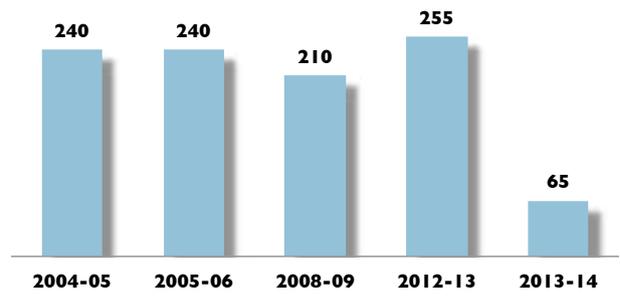




EPS (₹)

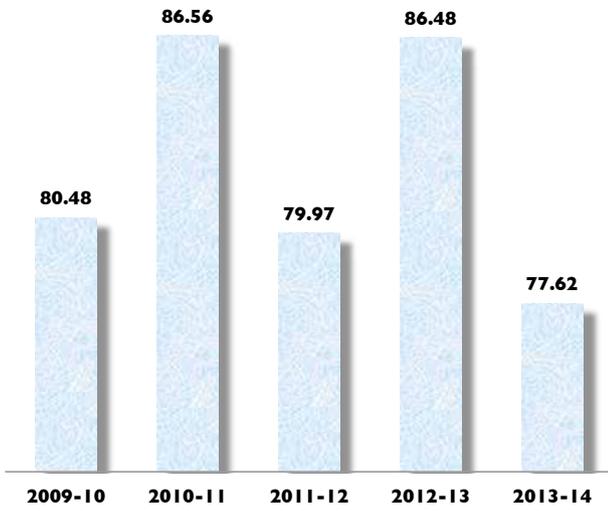


Dividend per share (₹)

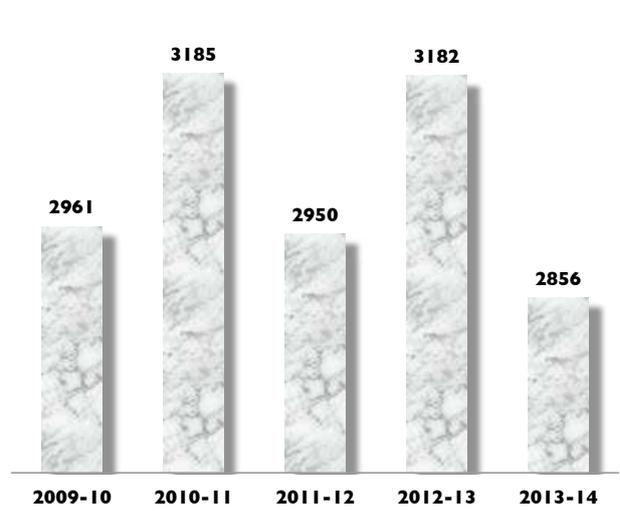


Growth and Production Charts

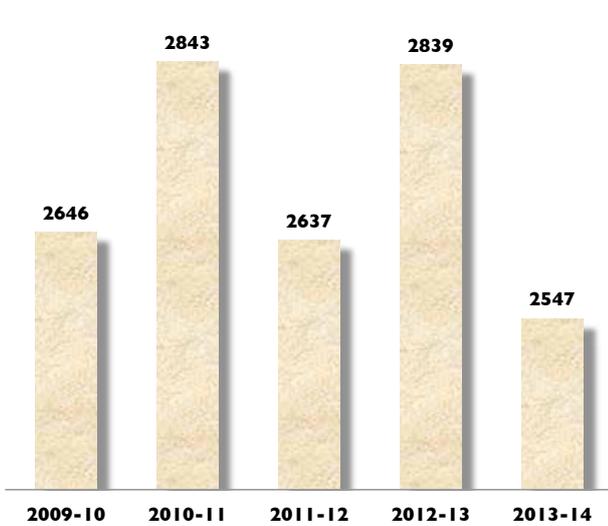
PLF (%)



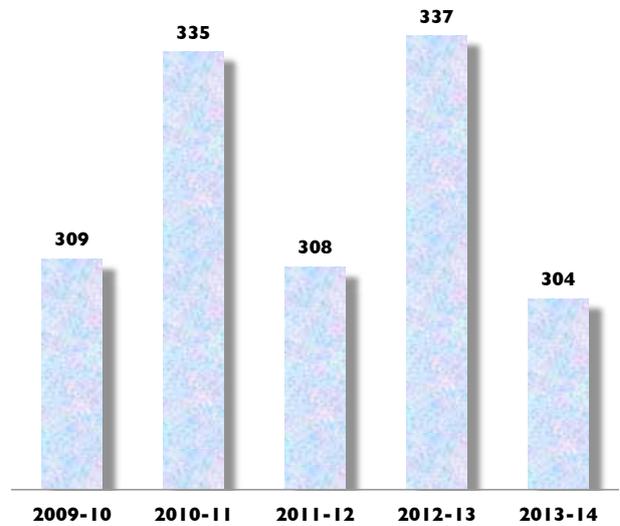
Energy Generated (MU)



Energy Sold (MU)



Energy Consumed (MU)





Corporate Governance

The management of the affairs of OPGC vests with the Board of Directors. The Shareholders' Agreement, envisages equal number of nominees from both the investors in the Board of Directors. While the Chairman and Director (Finance) are nominated by Govt. of Odisha, the Managing Director and the Director (Operation) are the nominees of the strategic investor, AES Corporation, USA. The present Board of Directors consists of 6 members – 3 members nominated by each partner. Commissioner-cum-Secretary - Energy, Govt. of Odisha is the ex-officio Chairman of the Company. The Managing Director is in-charge of the day-to-day management under the supervision of the Board. They in turn are assisted by a team of dedicated and experienced professionals in various fields. It is one of the three companies in the State Sector which has signed a corporatization agreement with GoO which has bestowed considerable freedom to the Board of Directors in managing the affairs of the company.

OPGC is not a listed company. As a measure of good Corporate Governance, OPGC has volunteered to adopt governance norms of the corporate administration and in order to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board of Directors comprising of three Directors two of whom are Non-executive Directors. Audit Committee of the Board of Directors, regularly reviews the adequacy and effectiveness of internal audit environment and monitors implementation of internal audit recommendations including those relating to strengthening of OPGC's internal control system against unscrupulous, unethical and fraudulent transactions.

Major terms of reference of the Committee include overseeing the financial reporting process, review of the financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending

appointment and remuneration of the internal, cost and statutory auditors to the Board of Directors and review of adequacy of internal control systems and internal audit function.

Composition and terms of reference of the Audit Committee are in compliance with Section 292A of the Companies Act, 1956. During the year under review, three meetings of the Committee were held on 5th June, 2013, 19th September, 2013 and 28th October, 2013.

OPGC has a well-placed Internal Control system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with applicable laws and regulations. It ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Internal Auditors independently evaluate the adequacy of internal controls and audit the majority of the transactions in value terms. The observations and recommendations for improvement of the business operations are reviewed by the management and are reported to the Audit Committee. Internal audit programme of the company covers the project management and operational controls and ensures adherence to policies and systems. Though OPGC does not have a structured Committee to monitor business risks but through various policies and practices, it mitigates the perceived risks of business, environment and social issues.

Right to Information

OPGC has implemented Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. OPGC has designated a Public Information Officer (PIO) and an Appellate Authority who are dealing with the information requests of the public in compliance with the applicable provisions of the said Act.



Our Governance Body



Mr. P. K. Jena, IAS
Chairman-cum-Principal
Secretary, Department of
Energy, Govt. of Odisha
(29.07.2012 - 16.09.2014)



Mr. S. Subramaniam
Managing Director
(22-01.2014 - till date)



Mr. K Murali Kotharamath
Managing Director
(20.08.2013 - 21.01.2014)



Mr. Venkatachalam K
Managing Director
(30.12.2010 - 19.08.2013)



Mr. Indranil Datta
Director Operations
(12.04.2011 - till date)



Mr. H. P. Nayak, IRAS
Director Finance
(16.08.2012 - till date)



Mr. Hemant Sharma
IAS [CMD, GRIDCO]
Director
(20.05.2013 - till date)



Mr. A. Srinivas Rao
Director
(02.04.2012 - till date)

Towards Ethics and Integrity

The success of the organisation is built on the trust of its employees, customers, and the general public. The best way to gain that trust is to demonstrate ethics and integrity in business, not because of statutory requirements, but because it is the right thing to do. This is what we, as an organisation, believe in.

We believe that evolving to a value-based system to make ethical choices and greater disclosures to become more transparent is the only alternative available to businesses.

OPGC in order to enhance ethics / transparency in the process of awarding procurement and execution contracts has signed a Memorandum of Understanding (MoU) with Transparency International India (TII) in 2011. Under the said MoU OPGC enters into a contract called Integrity Pact (IP) with all participating bidders where-under both OPGC and bidders commit to adopt and follow a fair and transparent bidding process. Since December 2011, the IP has become an integral part of bidding process and is a qualification requirement for all tenders for supply and work execution

worth ₹2.5 crore and above. An Independent External Monitor has been appointed with the consent of the TII for redressal of complaints of the bidders, if any, and making general review of the tendering process. Regular meetings are organised with Independent External Monitor.

Further, in order to strengthen its commitment to conduct business with integrity and in compliance with all regulations and laws, company has adopted Ethics and Compliance (E&C) Charter. The E&C charter envisages adoption of Code of Conduct containing anti-bribery and anti-corruption provisions and ethical standards for all its employees and setting up of a help-line for reporting suspected violation of law, code of conduct and enabling investigation thereof through Compliance Officer. With implementation of the E&C Charter, the company is confident that everyone associated with it shall merit and enjoy respect and esteem of the public and the wider business community in which it operates, including contractors, suppliers and government authorities. It is incumbent upon all employees of OPGC to act in accordance with E&C Charter.



Stakeholder Engagement and Materiality Analysis

OPGC has been engaging with broad range of stakeholders on a regular basis. It reflects OPGC's approach and belief in creating strong stakeholder relationships. For the purpose of identification of sustainability concerns of different stakeholders in relation to OPGC's business activities, stakeholders were engaged through existing fora wherever possible. However, there have been more than one benefits of this kind of engagement to OPGC. The process also helped OPGC to identify its sustainability risks and challenges. This insight has been of strategic importance to us, as the thorough analysis of findings helped us to set the action plans to mitigate the identified risks and explore the ways we could convert them into opportunities. Through these disclosures we want our stakeholders to make the best use of the information available.

OPGC adopted a systematic procedure to engage with relevant stakeholders, in most cases utilising the existing mechanisms of engagements wherever possible. The core team constituted for the assignment deliberated on the stakeholder groups and listed down the important ones. Further, the categorisation of important stakeholders according to their relevance to OPGC's business was carried

out. OPGC then chose to engage with the stakeholders at the top positions in the priority list.

We applied the Principle of Stakeholder Inclusiveness throughout the process, to identify the key stakeholders and understand their views and interests and how their views may affect decisions on the report content. The analysis helped us translate the varied opinions of different stakeholders into a series of decisions on what to include and exclude from the report.

Out of all stakeholders, AES and Government of Odisha and employees were identified as the most important stakeholders to be engaged with, for this reporting period. Not considering other stakeholders like suppliers/vendors, contractors, etc., does not mean that they are not important to OPGC but for practical reasons, for this reporting period, we have consulted stakeholders with the highest impact on OPGC's operations. We shall report our engagement with other relevant stakeholders next reporting cycle onwards. OPGC also has a plan to develop a robust stakeholder engagement process and implement the same as a regular feature for engaging with more stakeholders in the future.





Stakeholder Engagement

| Stakeholder | Mode of Engagement and Frequency | Stakeholders' Concerns and Issues | Response to Stakeholders' Concerns and Issues |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Government and Regulatory Authorities | <ul style="list-style-type: none"> • Environment Statement on annual basis • Meetings on monthly/quarterly basis • Reports/ communication • Visits as and when required • Annual reports and regulatory filings | <ul style="list-style-type: none"> • Regulatory compliances related to forest and land, emission, Local and national developmental issues, Infrastructural activities, • Renewable energy obligations • Energy efficiency requirements • Other applicable Acts like The Mines and Minerals (Development and Regulation) Act, 1957, The Factories Act, 1948 etc. | Detailed environmental parameters from page no. 24 to 29 |
| Business Partner (AES) | <ul style="list-style-type: none"> • Interactions/Meetings on almost daily basis • Official communications | <ul style="list-style-type: none"> • Review of business performance • Profit and Loss • Employee welfare • Labour issues • Environmental and regulatory norms | <p>Economic Permanence given from page no. 12 to 14</p> <p>Employee Welfare, Labour issuers covered in social section from page 30-34</p> <p>Environment and regulatory norms covered from page no. 24-29 in the environment section of the report</p> |
| Employees | <ul style="list-style-type: none"> • Employee meetings on quarterly basis • Regular Communication to employees through website/emails, bulletin boards, newsletter, internal website etc • Employee grievance cell • Interactions with unions/ associations | <ul style="list-style-type: none"> • Employee benefits and compensation • Performance management and recognition • Employee grooming and development • Employee retention plans | Section on employee from page no. 22-23 and 30 to 34 |
| Community | <ul style="list-style-type: none"> • Interactions/meetings on regular basis • Quarterly newsletter | <ul style="list-style-type: none"> • Community development initiatives • CSR expenditure • Infrastructural activities/ education, health, etc. | Covered from Page no. 35-40 in section on community development "Our Social Capital" |



Materiality Analysis

OPGC conducted the materiality assessment in order to identify major business risks, covering not only financial but also key social and environmental concerns such as safety and emissions, waste generation etc. Utilising the existing practices, a diverse range of stakeholders concerns were mapped to be reviewed and reported. While doing this, internal as well as external stakeholders were involved as their views and expectations are integral to our materiality analysis process. Our objective to conduct such engagements has not been limited to just identification of material issues to be reported but to gain insight into our own sustainability challenges expressed through external shareholders' views. In this report we have included the issues raised by our stakeholders and attempted to address their concerns in the best way possible.

Though there are various entities included in the OPGC's consolidated financial statements like ITPS, Corporate Office,

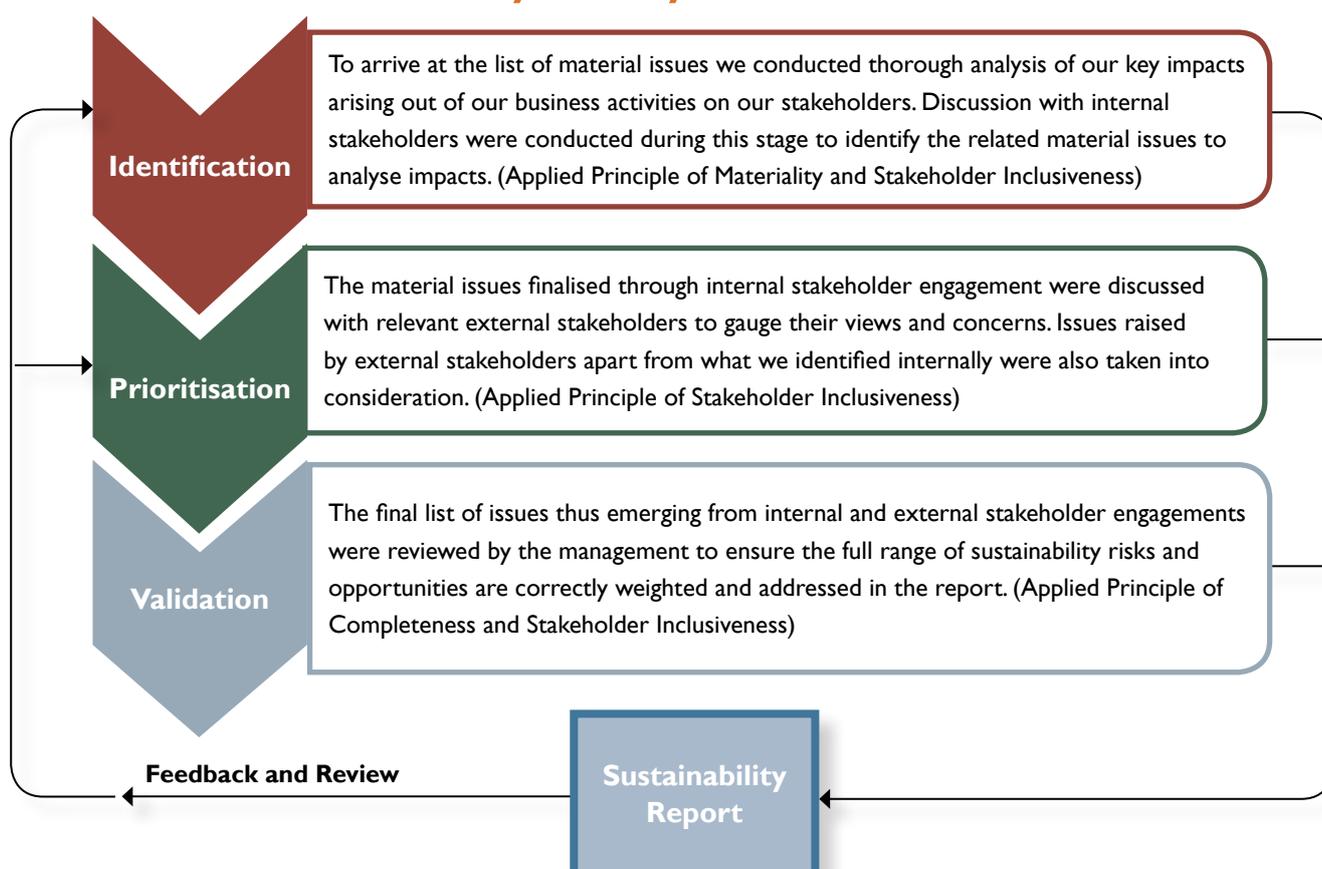
Coal Mine in this report, the report boundary has been restricted to 1b Thermal Power station only. For defining the report content and the Aspect Boundaries, detailed materiality analysis has been conducted.

For the identification of material issues we used the reporting principles for defining report content as given in GRI-G4 guidelines Further, a thorough analysis of the disclosures was conducted to assess our preparedness to report on same.

As we move forward we wish to measure the effectiveness of our existing procedures to assess the sustainability issues through internal and external stakeholder engagement and improve them wherever required.

From the materiality analysis carried out with internal and external stakeholders, materiality matrix is developed. These represent the broad sustainability topics for OPGC and relevant material indicators are identified. The identified material aspects are listed in the figure below:

Materiality Analysis Framework



The following graphic represents the material aspects and the boundary matrix. To the extent possible, the issues that were accorded high priority by stakeholders and OPGC have been included in the form of performance indicators in the report while others on low/medium priority to OPGC and stakeholders have been covered either through the DMA or other disclosures.

Materiality Index

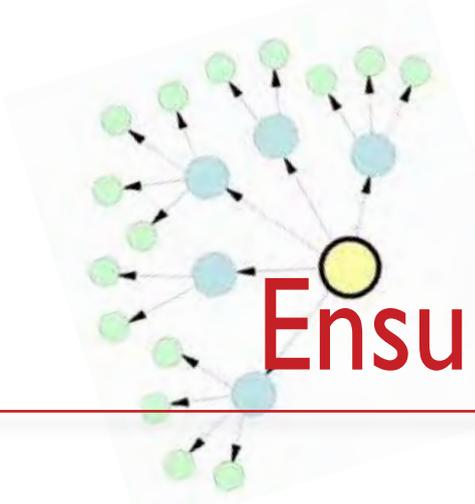


| Identified Material Aspect | Impacts within the Organisation | | Impacts outside the Organisation | | |
|------------------------------|---------------------------------|------------------|----------------------------------|------------------------|---------------------|
| | ITPS | Corporate Office | Suppliers/Vendors | Transmission Utilities | Customers/End Users |
| Environment | | | | | |
| 1 | ● | | ● | ● | |
| 2 | ● | ● | | ● | ● |
| 3 | ● | ● | | | |
| 4 | ● | ● | ● | ● | ● |
| 5 | ● | ● | ● | | |
| 6 | ● | | | | |
| 7 | ● | ● | ● | ● | ● |
| 8 | ● | ● | ● | ● | ● |
| Social-Labour Aspects | | | | | |
| 9 | ● | ● | | | |
| 10 | ● | ● | ● | ● | ● |
| 11 | ● | ● | ● | | |
| 12 | ● | ● | | | |
| 13 | ● | ● | ● | | |
| 14 | ● | ● | ● | ● | ● |



| Identified Material Aspect | Impacts within the Organisation | | Impacts outside the Organisation | | |
|-------------------------------|---------------------------------|------------------|----------------------------------|------------------------|---------------------|
| | ITPS | Corporate Office | Suppliers/Vendors | Transmission Utilities | Customers/End Users |
| Social-Human Rights | | | | | |
| 15 | ● | ● | ● | ● | |
| 16 | ● | ● | | | |
| 17 | ● | ● | ● | ● | |
| 18 | ● | ● | ● | ● | |
| 19 | ● | ● | ● | ● | ● |
| Social-Society | | | | | |
| 20 | ● | ● | ● | | |
| 21 | ● | ● | ● | ● | ● |
| 22 | ● | ● | ● | ● | ● |
| 23 | ● | ● | ● | | |
| Product Responsibility | | | | | |
| 24 | ● | ● | ● | ● | ● |
| Economic | | | | | |
| 25 | ● | ● | ● | ● | ● |
| 26 | ● | ● | ● | ● | ● |
| 27 | ● | ● | ● | ● | |
| 28 | ● | ● | ● | ● | |

Note: The dots indicate the relevance of identified material aspects within and outside the organisation.



Ensuring Reliable Supply

OPGC has firmly established its credentials as a successful power generating company both technically and commercially by providing clean, safe and reliable power. With the available resources and fuel security in terms of allocation of coal mine, OPGC has rightfully capitalized on its credentials and experience to further expand its capacity by adding 2x660 MW units. During the Reporting Period, total 2856 Million Units (MU) electricity was generated, out of which 2552 MU was sold to the grid. Our auxiliary consumption has gone down as compared to last year owing to our efforts for energy conservation.

In our operation we face a lot of challenges, therefore continuous efforts are made to strike a balance between what we can do and what we are expected to do. OPGC Unit-1 and 2 (2x210MW Coal fired Power Plant) Boiler and auxiliary equipment are designed for 42% ash content coal. But, the quality of Coal received from Coal supplier has been inconsistent.

The ash content often remains at a higher side than the desired level since the equipment are not designed for handling high ash content coal, there has been accelerated erosion of the components. OPGC has therefore planned a systematic and comprehensive plant life audit to ascertain asset conditions, bottlenecks, degradation and factors contributing in degradation and arrive at an action plan for Renovation and Modernization (R&M). In the given challenging situation, the Engineering and Efficiency Cell conducted a lot of consultations supported by the results from various performance tests and cost benefit analysis report and zeroed down on potential areas of improvement, which include Pulveriser, Air Pre Heater, Boiler Feed pump and Condenser. Few of the other initiatives undertaken include Replacement of conventional electrical water heaters with solar water heaters, Replacement of conventional street lights with LED lights. Various benefits envisaged include:

1. Reduction in auxiliary consumption: 10.7% to 10.4%
2. Reduction in Net Heat rate: 127 Btu/kWh

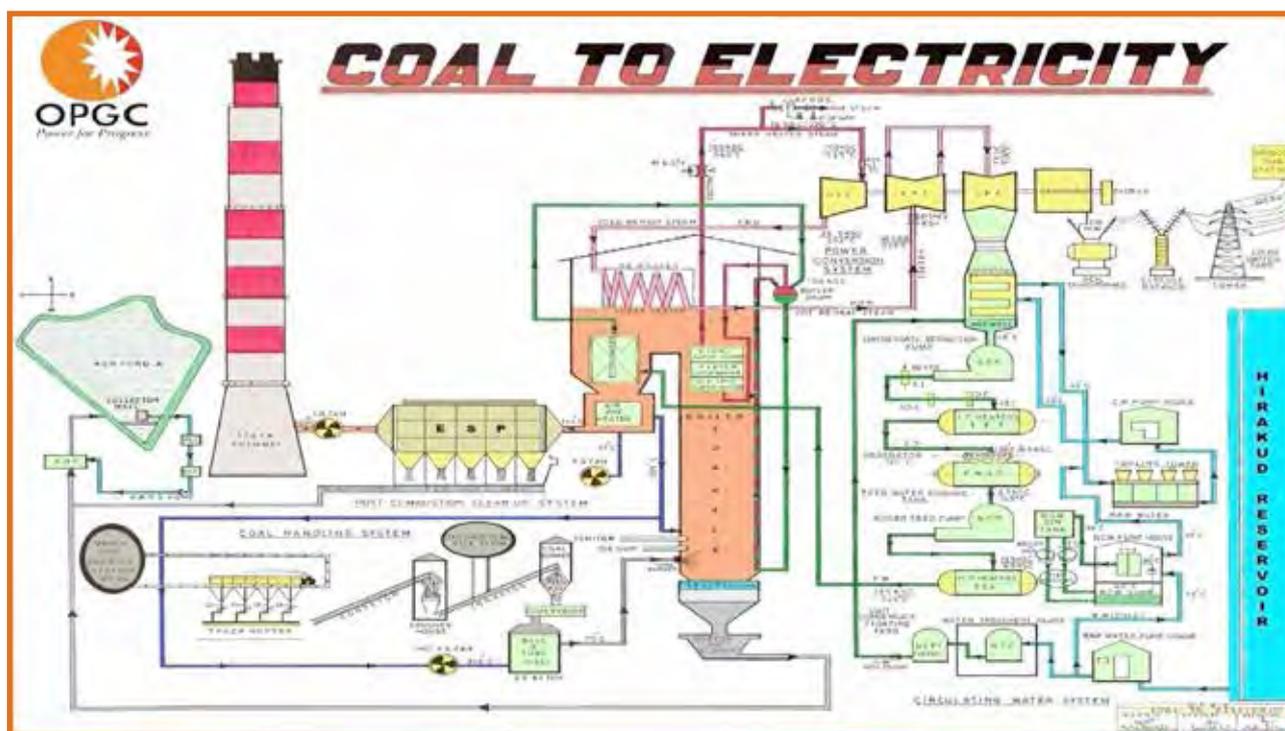
3. Reduction in CO₂ emission: 47338 T/Annum
5. Financial gain of ₹ 4.89 crore in 2014

Being a power producing organisation, we have referred to the Energy Utility Sector Supplement of the GRI guidelines. Based on our operations, we have responded to the ones that are applicable and relevant to us.

We produce electricity by burning coal. In terms of energy, total energy generated in 2013-14 was 2.855902 GWh. Efficiency in thermal power production is governed by the limitations of Carnot cycle of thermodynamics. Our average annual gross PLF in 2013-14 stood at 77.62% and the net PLF was 76.5%. The details about our installed capacity is detailed below:

| Fuels used for producing energy in the plant | Coal |
|------------------------------------------------|------------|
| Installed capacity of the plant | 2 x 210 MW |
| Total Installed capacity of the utility in MW. | 420 MW |

The Power Plant O&M is carried out by Engineers and Technical staff of OPGC. The Annual Over-hauling, which is a one-time activity and breakdown maintenance work are carried out by engaging contractors and sub-contractors. No contract employee is engaged in the Operation of Power plant. Contractors are engaged in non-Operation and Maintenance activity like Watch and ward, Canteen, Dusting, cleaning and janitor activity. The Safety, Health and Social security provisions are a part of Contract Agreement. OPGC also ensures these provisions through its internal implementation mechanism. The Reporting Period does not include the Construction of New Power Plant. All our contractor employees undergo Environment, Health and Safety training which is a mandatory aspect before they join work in our premises. At OPGC, we accord highest priority to safety. There have been no reported incidents or fatalities to the public involving Company assets in the reporting period.



| Sl.No | | O&M Maintenance | Total mandays |
|-------|-------------------------------------------|-----------------|---------------|
| 1 | No. of Contractors engaged during 2013-14 | 17 | 34017 |
| 2 | Manpower engaged during 2013-14 | 2767 | 5536087 |

For the purpose of responding to the indicator, we have two categories of employment – Executive and Non-executive.

| Superannuation in Next 5 Years | | Superannuation in Next 10 Years | |
|--------------------------------|---------------|---------------------------------|---------------|
| Executive | Non-Executive | Executive | Non-Executive |
| No. | % | No. | % |
| 26 | 20% | 46 | 17% |
| 45 | 34% | 150 | 55% |



At OPGC, generation of electricity is based on the capacity of the plant not on the demand as such. The average plant availability factor has been given below:

| | |
|-----------------------------------------------------------------------------|-------------|
| Total No. of Hours of Planned Outage in the reporting period (year 2013-14) | 1920.28 hrs |
| Total No. of Hours of Forced Outage in the reporting period (year 2013-14) | 787.4 hrs |
| The average availability factor by energy source and by regulatory regime | 84.78% |

Customer Satisfaction Surveys are conducted on regular basis and necessary steps are taken to further improve the performance on the areas identified by the customers in the surveys, if any.



Our Environmental Capital

In the given sustainability contexts businesses are expected to perform in alignment with growing regulatory requirements and Stakeholder expectations. In this scenario, it is important that we rethink our business models to imbibe the concept of sustainability in day-to-day functioning. Our business decisions reflect the sustainability realm of the organisation starting from sourcing of raw materials to disposal of waste product. And therefore, material, wastes, energy are important aspects to be reported. OPGC is certified to ISO 14001: 2004 and has mechanisms to capture information on these aspects and has set goals to improve performance in these areas thereby aligning itself to the approach of measure, manage and change.

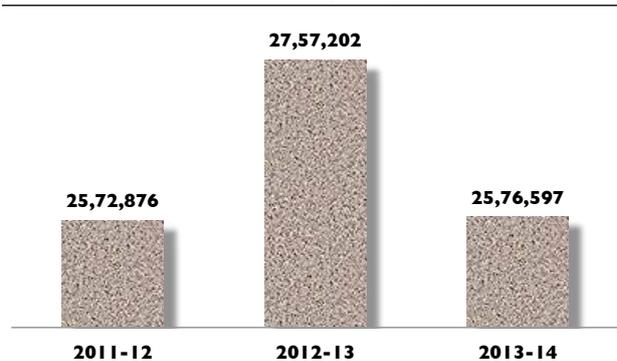
During the FY 2013-14, OPGC has spent Rs. 13,15,77,665/- towards environment protection and management.

Resource Consumption

Thermal power plants basically thrive on energy in the form of fuel and water for the production of electricity. Therefore, the main raw material used at Ib Thermal Power Station is coal. LDO and diesel are used as start-up fuel and to run DG sets, respectively. In case of emergency/ forced shutdown etc. Other chemicals like grease and lubricants are used as associated process material only. There are no semi-manufactured goods or packaging material required in our process since electricity is transmitted through lines directly to the GRID. The daily coal requirement of the existing units is around 8,000 MT. There is an MGR rail system to transport coal from Ubuda coal siding located a distance of approximately 11 kms from Coal Handling Plant of Ib Thermal Power Plant, from where MCL supplies the coal to the Coal Handling Plant of Ib Thermal Power Station. Four (04) rakes of coal is transported daily to CHP with approx capacity of 2,000 MT/rake.

For the year 2013-14 our total consumption of coal was 25,76,597 MT. Coal gets completely used in the process to generate the final product i.e. electricity also leading to by products like fly ash. OPGC is exploring the opportunity to

Coal Consumption (MT)



utilise the huge quantity of fly-ash generated in the process. However other chemicals and lubricants get completely used up in the process and therefore cannot be recycled or reused.

The location of Ib Thermal Power Plant at the pitheads of coal mine and its proximity to the Hirakud reservoir gives it the distinct advantage in terms of low cost of inputs incurred during supply of coal and water respectively.

There are four 220KV lines, which are connected to the Budipadar substation of GRIDCO located at around 36 km away from ITPS, which in turn exports energy to Eastern and Western grid.



Energy Management

Given the rising global concern on energy and climate change, it is obvious for any industry to be affected by it or contribute towards elimination of it. Considering that our energy conservation measures will have detrimental effect on climate



change owing to fuel consumption specially coal. Therefore, we think it is our responsibility to communicate our efforts on related aspects like energy, emissions and climate change.

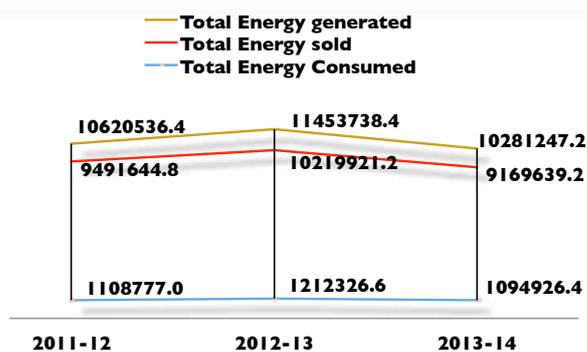
In the year 2013-14, the total amount of electricity produced, is 2855.902 MU out of which 304.146212 MU has been used for auxiliary consumption and 2547.122 MU has been sold out to GRIDCO. Our electricity generation as well as consumption has gone down during the reporting period due to low production and efficiency measures respectively. So has been the improvement in our energy intensity in the financial year 2013-14. Due to various initiatives with respect to conversion and retrofitting of Equipment, 16401.89 joules of energy has been saved.

During the FY 2013-14, OPGC produced, 10281247.2 Gigajoules of energy. Out of the total amount of energy produced, 9169639.2 Gigajoules was sold to GRIDCO and remaining 1094926.4 Gigajoules was utilised for auxiliary consumption.

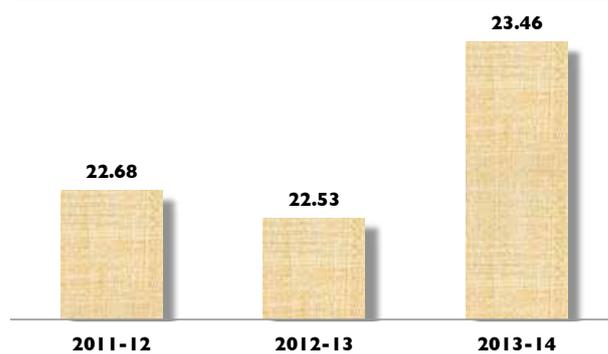
OPGC has been consistently striving to be an energy efficient power utility and a lot of initiatives are taken in this regard. Most of the energy saving has been done during the reporting period through conservation of fuels wherever possible and regular maintenance of equipment and machinery to attain high efficiency.

Taking tangible steps in this direction, OPGC has established its footprints in the use of renewable energy. Producing electricity from river/canal water is one of the oldest technologies. Small Hydel Systems have an advantage over the large hydel power, as they can be used in harnessing power from canal falls, irrigation dams and natural falls

Energy Generated and Consumed (Gigajoules)



Energy Intensity (MT)



scattered all over the State of Odisha, especially in remote and hilly areas. There are seven Mini Hydro plants located at different parts of Odisha. Two hydro plants are under operational stage and the remaining plants are being revived. Power Purchase Agreement with GRIDCO related to above projects are at the final stage.



Location: Biribati, Cuttack
Capacity: 2 X 325 KW



Location: Kendupatna, Kendrapada
Capacity: 2 X 250 KW



Location: Andharibhangi, Subarnapur
Capacity: 1 X 325 KW



Our Energy Management initiatives

Implementation of PRDS (Pressure Reducing and De-superheating station)

PRDS is a process requirement for a Steam Turbine Unit. This system is used for supplying conditioned steam to auxiliary systems namely (a) vacuum ejectors (b) gland sealing extraction steam and (c) soot blowing/steam for Coal Mill inerting.

A new modified PRDS system that OPGC has incorporated for better energy efficiency, for better operational convenience and for lower maintenance cost. The modified system improves Steam Turbine output by 88.7kw (supported by theoretical calculation), gross heat-rate by 1.6 kcal/kWh (supported by theoretical calculation), and in terms of money the energy saving potential is rupees one crore per annum.

The modified new PRDS system was planned to take care of the issues of earlier system and also for achieving better energy efficiency.



Water Management

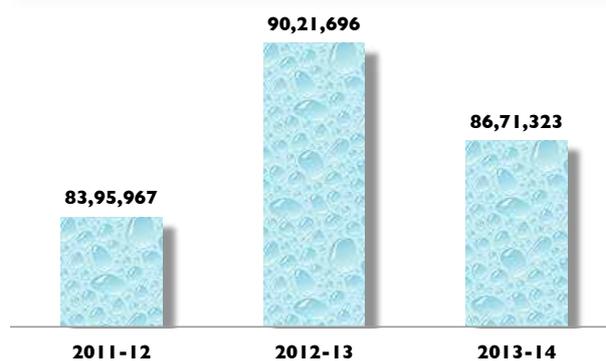
Water is another important essential resource for a thermal power plant. Though fresh water consumption in our process is very low, water is still an essential resource to be recycled/reused to be managed. Maintaining water balance has been of concern to our stakeholders as well.

At OPGC (Ib Thermal Power Station), surface water has been the major source for water consumption in production process. Our total water consumption during the reporting period stands at 86,71,323 m³.

We take appropriate measures towards water conservation as well.

The ash water generated in the process is recycled back. This amounts to a huge indirect water conservation by reducing fresh water withdrawal. Further, recycling/reuse of waste water has been given priority to conserve water.

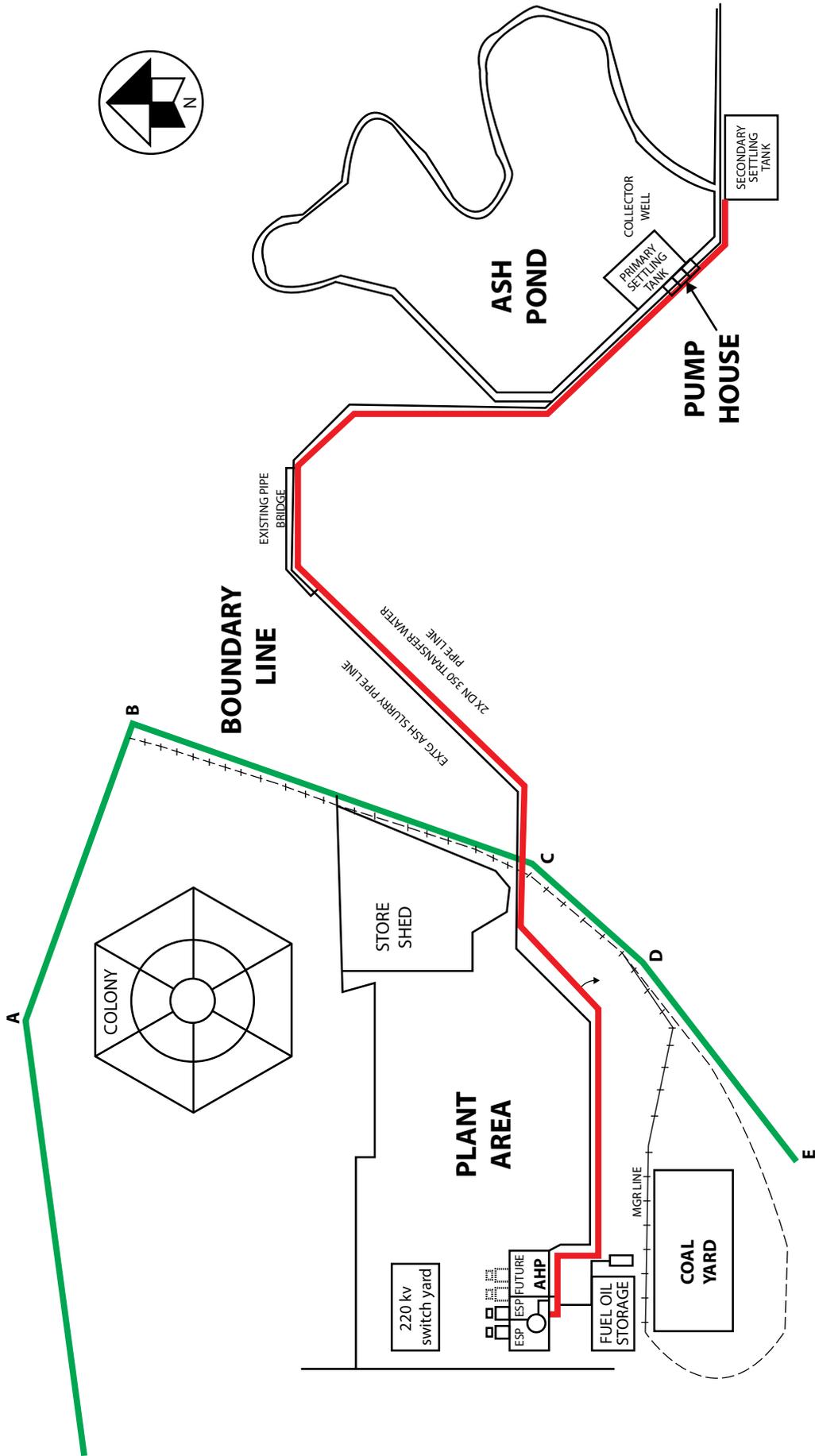
Surface Water Withdrawn (M³/yr)



During FY 2013-14, total quantity of 11,168 m³ of waste water was recycled and reused after required treatment. This is low grade effluent having little higher suspended solids. The waste water is taken to a natural settling pond where suspended matter settles down. The effluent parameters remain well within the prescribed limit.



Flow Diagram – Ash Water Recycling System



LEGEND
 Boundary Line
 Ash Pipe Line

Not to scale



Our Water Management Initiatives

Adequate control measures exist to minimize and prevent water pollution. All the process liquid effluents and colony domestic effluents are being used after required treatment except gravity sand filter back wash and CT drift water. Effluents generating from different sources are used as follows-

1. DM Plant effluent reused as Condenser cooling make up.
2. Boiler and Turbine effluent reused as Ash handling make up.
3. Condenser Cooling System Blow down reused as ash handling make up.
4. Ash Pond water is recycled and reused for ash handling.
5. C.H.P effluent re-cycled for fire fighting in coal yard.
6. Plant Sewage treated in Septic Tank and discharged to Soak Pit.
7. Colony Sewage is treated in STP and used for watering of Green belt, Park and Lawns.

OPGC township is having a STP of 1 MLD (Million Litre per day) capacity. The sewage from the colony household is diverted into the STP through a network of sewer lines. The treatment philosophy adopted for treatment of domestic waste water is 'Extended Aeration System, which consists of primary, secondary and tertiary treatment. The treated effluent after proper disinfection process is used for green belt development, garden development and landscaping purpose. Sludge from the STP is used back in the horticulture purpose as manure.

Emission

Being a coal based thermal power plant, the nature of raw material being used for power generation leads to various type of emissions.

In our process, we use LDO as a Unit start-up fuel. Besides, Diesel is used in the DG sets to run in case of emergency situations like plant shutdown etc. Another major source of GHG emission in a thermal power plant is coal consumption to produce electricity. We have calculated the total emission from consumption of Coal by using CO₂ baseline database by CEA userguide version 9.0. The same has been depicted in the graph.

GHG emission resulting from the consumption of coal has gone down during the reporting period partly due to decreased generation; the major reason being the

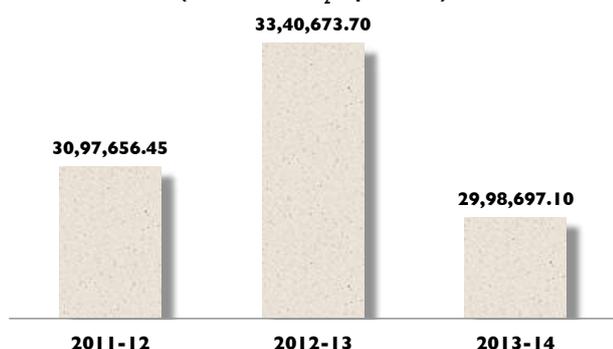
maintenance and efficiency improvement work carried out for the equipments and machinery

Continuous emission monitoring system (CEMS) for online monitoring of stack emission is functional since the year 2005. The online emission monitoring system comprises principally of two sub systems –

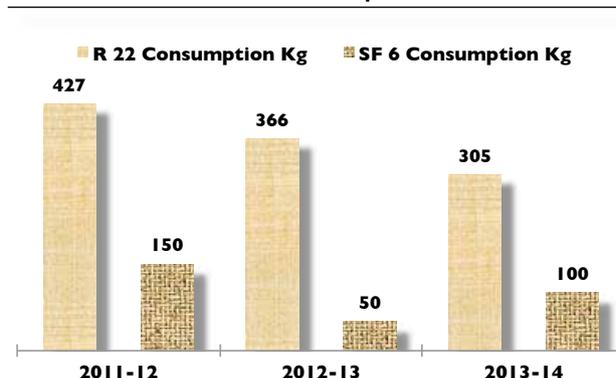
- a. Opacity meter – measures the particulate matter concentration in flue gas.
- b. CEMS – measures the gaseous elements – SO_x, NO_x, CO in the flue gas.

During FY 2013-14, there has been consumption of R-22 and SF 6 at ITPS. As such there is no NO_x, SO_x emission limit prescribed by SPCB for coal based power plant.

GHG Emission
(Tonnes of CO₂ equivalent)



ODS Consumption





Our Emission Management Initiatives

At OPGC Ammonia Flue Gas Conditioning (AFGC) system was retrofitted for controlling the particulate matter emission through stack. In the system gaseous ammonia and air was injected at inlet of ESP through number of nozzles for uniform and proper mixing of ammonia with flue gas. Mixing Ammonia results in a chemical reaction with flue gas. This produces highly cohesive, relatively large particles resulting in increased ESP efficiency. This agglomeration of fine ash particles helps effective collection of ash.

But for enhancing the ESP efficiency further to meet the legal requirement, decision has been taken for ESP retrofitting job for both of the operating units. The retrofitting job involved addition of parallel pass with old ESP. Accordingly AFGC system is being dismantled in a phased manner.

Waste Management

Waste management is an integral component of our strategy towards environment protection and management. Relying on the concept or reduce/reuse/recycle we make an attempt to minimize waste generation and reuse/recycle wherever possible. Our approach and expectation of regulatory authority make this issue relevant for us to report.

Wastes, hazardous as well as non-hazardous are generated in a power generating industry. Amongst the non-hazardous wastes the most important is 'Ash' due to nature, quantity and handling. While others like scrap, used oil and grease, spent resin etc., are also generated and need to be disposed off in an appropriate way so as not to create adverse impact on environment.

Our total waste generated during FY 2013-14 stands at approximately 327 tonnes of Non-hazardous waste and 10.6 tonnes of hazardous waste (used grease and spent resin). In addition, 71.2 KL of used oil was also generated as hazardous waste during the reporting period. All the wastes generated were disposed of through authorised recyclers. Used Oil and

grease, which are temporarily stored at the site, are also disposed through SPCB certified/ recognized/ authorized agencies. Waste management has been given due emphasis, enabling OPGC to achieve zero discharge status in terms of effluent discharge.

Our Waste Management Initiatives

The principal solid waste generated from the power generation process is the fly ash. Part of the fly ash is being stored in dry form in dry ash silos for further usage in brick manufacturing, low lying area development and road construction work.

The bottom ash and unutilized fly ash from both units flow to separate slurry sump. Ash slurry is being disposed to the Ash pond through slurry pipeline. 100% ash water recycling system has been operating since year 1999. Treated ash water is re-cycled for reuse as make up water in wet ash handling system after necessary treatment.

OPGC, being aware of its social responsibility, is in the process of further strengthening its current resources for better Environment, Health and Safety management.

| Type of wastes | Quantity | Disposal method |
|------------------------|----------|---------------------------------------------|
| Non-hazardous | | |
| MS Scrap [Tonnes] | 324.429 | Disposed to scrap dealers through MSTC Ltd. |
| SS Scrap [Tonnes] | 2.5 | Disposed to scrap dealers through MSTC Ltd. |
| Hazardous waste | | |
| Used oil [KL] | 71.2 | Recycling after temporary on site storage |
| Used grease [Tonnes] | 9.0 | Recycling after temporary on site storage |
| Spent Resin [Tonnes] | 1.6 | Stored in underground concrete chamber |



Our Human Capital

Employee Profile and Turnover

Well laid down rules and procedures can help an organisation to attain confidence and trust of concerned stakeholders. The success of any organisation is dependent on talent and capability of its employees, ultimately, ensuring its survival in long run. Our code of conduct and related national/international regulations make this a material issue for us.

OPGC has devised an effective and progressive workforce intake strategy that is aligned to the business needs of the organisation and suited well to contain the varied complexities and evolving business environment. OPGC has been able to maintain diverse workforce despite its limitation of specific to one geographical location i.e. the state of Odisha. As on 31.3.14 OPGC has a total of 646 employees (males: 614 and females: 32). During the year under report 81 persons with requisite skill sets were inducted in to the executive cadre to meet part of the manpower requirements of ITPS and Corporate Office as well as to replenish the manpower loss that occurred in the previous years. Around 27 young talents as Engineer Trainees (ET) joined during the year and were sent to Power Management Institute, NTPC, for specialised training and then groomed to man the positions in the area of operation and maintenance of the present and the forthcoming units under expansion plan. To support the expansion plan, people are being recruited on short-term contract basis (Project Roll). During the year, 27 persons have joined in the Project Roll.

OPGC is maximising its efforts towards recruitment of more female employees in coming years. The employees in the regular

New Employee Hires during 2013-14

| Region | Type | Male | Female | <30 | 30-50 | >50 | TOTAL |
|------------------|---------------|-----------|----------|-----------|-----------|----------|------------|
| Corporate Office | Executive | 1 | 0 | 0 | 1 | 0 | 2 |
| | Non-executive | 0 | 0 | 0 | 0 | 0 | 0 |
| ITPS (1 and 2) | Executive | 39 | 1 | 31 | 6 | 2 | 79 |
| | Non-executive | 0 | 0 | 0 | 0 | 0 | 0 |
| MHP | Executive | 0 | 0 | 0 | 0 | 0 | 0 |
| | Non-executive | 0 | 0 | 0 | 0 | 0 | 0 |
| Mines | Executive | 5 | 0 | 1 | 4 | 0 | 10 |
| | Non-executive | 0 | 0 | 0 | 0 | 0 | 0 |
| CMT | Executive | 28 | 2 | 13 | 17 | 0 | 60 |
| | Non-executive | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | 73 | 3 | 45 | 28 | 2 | 151 |

Employee Turnover

| Reason | Type | Corporate Office | ITPS (1 and 2) | MHP | Mines | CMT | TOTAL |
|------------------|---------------|------------------|----------------|----------|----------|----------|-----------|
| Death in Service | Executive | 0 | 0 | 0 | 0 | 0 | 0 |
| | Non-executive | 0 | 2 | 0 | 0 | 0 | 2 |
| Resigned | Executive | 0 | 12 | 0 | 1 | 1 | 14 |
| | Non-executive | 0 | 0 | 0 | 0 | 0 | 0 |
| Retired | Executive | 0 | 1 | 0 | 0 | 0 | 1 |
| | Non-executive | 1 | 4 | 1 | 0 | 0 | 6 |
| Dismissal | Executive | 0 | 0 | 0 | 0 | 0 | 0 |
| | Non-executive | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | 1 | 19 | 1 | 1 | 1 | 23 |

cadre are entitled to various benefits which include Medical Benefit/ Reimbursement, Hospitalization Reimbursement, Parental Leave (Paternity Leave and Maternity Leave), PF and Gratuity, Unutilised leave encashment, Life Insurance, Reimbursement of expenditure on Children's education and Merit Scholarship, Employee Family and Self Rehabilitation Scheme, Leave Travel Concession and others like HRA, Education Loan, etc. During the Reporting Period, families of 17 deceased employees have been benefited with the Employee Family and Self Rehabilitation Scheme (2004) under which financial assistance equivalent to 40% of the normal salary (Basic + DA) has been extended to the nominees. The total amount comes to Rs. 6,21,136/- for FY13-14.



While some of these are mandated by laws some have been initiated by OPGC on voluntary basis to contribute to employee welfare. During the reporting period one male employee in the executive category availed parental leave and returned to work. He is continuing his employment with OPGC till date.

Equal Opportunity Employer

Owing to our presence confined to Odisha, maintaining a highly diverse workforce has been challenging for us. We value diversity and promote equal opportunities in recruitment, employment, development and retention. This includes non-discrimination in respect of gender, religion, caste, creed, colour or ethnic/geographical origin. In order to attract and retain talent, OPGC has implemented the Market Based Compensation Structure linked to Performance Based Service Conditions with the consent of both of its premier Stakeholders, i.e. GoO and AES. All recruitments during the Reporting Period has been either in Market Based Structure or on Project Roll, after following the duly approved procedures and by ensuring equality of opportunity under Article 16 read with Article 14 of the Constitution of India. Screening is done through telephonic/ personal interviews, written examination (as applicable) and matching the career profile with the requirements set out in the Job Description/ Specification. At OPGC, out of total no. of 40 employees in senior management 29 are local employees (72.5%). Our non-discriminatory approach helps us to retain our employees thereby retaining the knowledge and talent. OPGC ensures that its contract labour workforce receives the minimum wages as prescribed by the Government of Odisha. However, OPGC employees in 'Workmen' category are paid way above the minimum wages along with other benefits.

| | Minimum Wages: (As Per Government Notification w.e.f. 09/10/2012 @ Rs./day) | | Standard entry level wages comprising of (Basic+DA) | | Ratio of standard entry level wage to minimum wage of skilled labour in respective State |
|-----------------|-----------------------------------------------------------------------------|--------|-----------------------------------------------------|--------|------------------------------------------------------------------------------------------|
| | Male | Female | Male | Female | |
| W0 Unskilled | 150 | 150 | 150 | 150 | 1:1 |
| W1 Semi-skilled | 170 | 170 | 170 | 170 | 1:1 |
| W2 Skilled | 190 | 190 | 190 | 190 | 1:1 |

Employee Health and Safety

We believe excellence in Health, Safety and Environmental practices is vital to the well being of people everywhere and essential aspects of our business. OPGC is committed to being an industry leader in Environment, Health and Safety practices, to maintain a safe and healthy workplace. Occupational health and safety at workplace is one of the prime concerns of our top Management as well and therefore utmost importance is given to provide safe working environment and inculcate safety awareness among the employees thereby making it indispensable to include this aspect in our report.

OPGC is OHSAS 18001: 2007 certified and has well defined processes and EHS function which enables it to take all safety measures for minimizing environment, health and safety hazards. With its Environment, Health and Safety and management system, OPGC aims to effectively control risks and prevent any kind of injury or harm to its people during the course of their work. As a part of EHS management system, a comprehensive EHS policy has been laid down for guidance and translating it into action. Regular plant inspection and internal safety audits by our own officers at ITPS and external safety audit by reputed organisations as well as statutory bodies are carried out regularly. Recommendations of auditors are reviewed and complied with. In compliance with the statutory requirement, an apex safety committee has been constituted which meets regularly to review the safety performance of OPGC against the set objectives. The Management at OPGC encourages reporting of all Environment, Health and Safety related hazards, potential hazards, incidents and near-



miss. Thereafter, the reports are reviewed seriously to investigate the root-cause so as to prevent the recurrence. Health and safety committees have been constituted with equal representation from management and workers to discuss the related concerns from time to time.

Since, maintenance services provided by contractors are highly labour intensive, OPGC ensures that the contractors are meeting all the statutory compliances. Further while doing job on site all the safety precautions and training are imparted to them before start of job. All the safety standards are strictly ensured and any violation on this aspect is not permitted.

While we are progressing steadily towards our target of zero accidents, we are well cognizant of the health hazards that may occur due to various activities workforce is involved in. In power generating industry, workforce may be exposed to occupational diseases arising due to exposure to Chemical fumes, Coal and Ash dust, High Noise, Blood borne pathogens etc. However, the nature, severity and length of exposure are the determining factors for getting affected. All the employees including workforce at OPGC are provided free health checkups. If any disease or abnormality due to such exposure is detected then the person is given immediate medication and hospitalization, if required. OPGC follows practices like job rotation which help to build their capacity in different functions of business activities. At the same time, this is beneficial to OPGC as it removes monotony and keep the interest alive among employees. Same is followed with the contractual workforce too with the perspective to reduce the length of exposure due to activity the workforce is involved in.

The medical team has been conducting compulsory annual medical check-up of all employees, their spouses, contract employees, children of DAV and SVM Schools. The medical unit has developed an MIS data base to track health status of all concerned and take preventive steps against health hazards.

OPGC achieves 365 days without Lost Time Injury (ZERO HARM CONCEPT)

OPGC completed 365 days without Lost Time Injury (LTI) on 15th June 2013, with three million hours Lost Time Working Hours. This achievement clearly demonstrates OPGC's commitment towards safety and willingness to embrace key learning from past significant incidents. OPGC has appealed everybody associated with it to be dedicated fully to its value "Put Safety First" and current year's Safety Day theme "Doing it right is doing it Safely". There had been no fatalities as well during the reporting period.

TEN SAFETY CARDINAL RULES OF IB THERMAL POWER STATION (ITPS)

1. Personal Protective Equipments (PPEs) as applicable to a given task must be used at all times
2. All high or medium risk jobs must be performed with valid Job Safety Analysis (JSA) followed by Pre-job briefing
3. No entry to ITPS Plant Premise or no permission to do any work at ITPS under the influence of alcohol or drugs
4. Do not walk or work under a suspended load & use only tested & certified lifting tools & tackles on the job
5. Do not handle and operate equipments unless authorised & licensed to do so
6. Do not tamper or remove guards, hand rails and other safety systems unless authorised to do so
7. Ensure energy isolations, lock-out tag out (loto) and strictly follow work permit instructions
8. Never work of & above 06 feet (1.8 meters) without fall protection
9. All injuries & near misses must be reported
10. Illegal handling or disposal of hazardous materials not allowed

All people working for and on behalf of ITPS shall strictly abide by Safety Cardinal Rules. On doubt ask your supervisor.

Managing Director, OPGC

Nurturing Talent

Retaining and nurturing a highly motivated work force can drive the company along its vision and mission with the values and work culture that foster operational excellence through team work. Believing in the same philosophy and considering the aspect raised by stakeholders in positive way has been the greatest achievement and strength for OPGC.

OPGC believes in continuous development of its human resource to foster productivity and makes in their respective work areas. Skill and proficiency are strengthened further by imparting in-house training and encouraging their participation in external workshops, symposiums and crash courses organised by professional institutes of national repute.

OPGC has a dedicated training policy. Training needs are analysed based on competency and skill gaps of the individual within the organization at large and his/her role in the business and department in specific. A centralised training function with clearly demarcated responsibilities has been set up. It collates, monitors and defines training and development needs using inputs from the Competency Assessment driven through the Performance Management System on regular basis.



As part of career progression policy and broader objective of maintaining a motivated workforce, 31 executives and 20 non-executives were promoted to higher positions. OPGC also has Grievance Redressal Mechanism for both the Executive and Non-Executive employees to raise their concerns to the management.

All executives as well as non-executives receive regular performance review. In the Beginning of the financial year all the Executive employees (appraisees) need to set their KRA with the consultation of their respective Team Leaders (appraiser) taking four perspectives into consideration i.e. Financial, Customer, Internal Process and Learning and Growth. There are two reviews carried out in a year i.e. One in Six Months (Mid Year Review) and another is in the end of the year (Final Review).

In Mid-Year review, KRAs and targets are revisited to see if there are any road blocks in achieving. If there is any, then modification is made.

In final review the achievements filled up by the appraisees are validated by the appraisers who rate them in a five-point scale i.e. A, B, C, D, E and submit the same for Reviewers' rating. Reviewers give final rating to the appraisees with his remarks. Finally, the moderation committee decides the final rating of the appraisees based on Bell Curve Method. Similarly for non-executives, Performance Appraisal forms are sent to the respective HoDs at the end of the calendar year. Different type of attributes to rate the employee based on five-point scale (Below Average to Excellent or Outstanding) are fixed. This is also subject to review by senior management.

During the year, 61 in-house training programmes covering all employees were organised to empower them with latest knowledge on various subjects and 168 employees were given opportunity to attend institutional training programmes and seminars.

| Type of training | Training Hours | | | | Training Hours | | | |
|------------------|----------------|--------|----------------------------------------------|--------|----------------|--------|----------------------------------------------|--------|
| | Executive | | (No. of training Days x total hours per day) | | Non-Executive | | (No. of training Days x total hours per day) | |
| | Male | Female | Male | Female | Male | Female | Male | Female |
| In-House | 337 | 11 | 6024 | 152 | 221 | 3 | 2932 | 24 |
| External | 129 | 7 | 25048 | 128 | 9 | 3 | 136 | 120 |
| In company | 190 | 6 | 1644 | 54 | 152 | | 1064 | 0 |
| Total | 656 | 24 | 32716 | 334 | 382 | 6 | 4132 | 144 |

Employee Grievance Redressal Mechanism

OPGC Management believes in the philosophy of an open door policy in the matter of redressal of grievances, be it collective or individual. In view of the growing business,



industrial activity and modernization in the technology, complexities and problems arise requiring formal grievance redressal mechanism. The need of a formal grievance procedure for executives has been felt since sometime in the past by OPGC and the same has been under consideration. Keeping in view this need, a formal time bound grievance redressal procedure is laid down for the Executives. For this, staff council has been constituted by the Director (Operation) for its operational unit and Managing Director for Corporate Office consisting of HoDs/ and other senior officials. The grievances are settled within 30 days by staff council and reviewed by the Managing Director whose decision is final. No such case has been filed during the reporting period.

Industrial Relations

OPGC has maintained healthy, cordial and harmonious industrial relations at all levels. The year under report, has not registered any major concern in the industrial relation front and no man days were lost due to any industrial



relation issues. OPGC extends collective bargaining opportunities to all its workforce members. Monthly Departmental Communication Meetings are held in each and every department to encourage the employees to take part in the collective bargaining and the departmental development and review the Departmental KRA, target and also the employees are getting platform to exchange their ideas for the betterment of the organisation.

Formation of association by employees is permissible. Out of total 646 employees, 109 employees of executive rank are members of OPGC Officers' Association (Registered under Societies Registration Act, 1860).

Non-executive employees are part of three unions which are registered under Trade Unions Act, 1926. All these Unions participate in the Collective Bargaining Process although none of these Unions is recognised.

Ensuring Human Rights

OPGC proactively has developed various systems to ensure that issues like discrimination does not occur. Existence of employee grievance redressal mechanism enables immediate cognizance of the employee grievances. Discrimination of any kind based on age, gender, caste, race or religion etc is strongly discouraged. Its business ethics lead a way to fair judgements and equal opportunity. There has not been any instance of any kind of human rights violation at OPGC so far. OPGC extends its reach to the boundaries beyond its operation to its suppliers and contractors when it come to human rights. Suppliers and Contractors are scrutinised with respect to parameters like forced/compulsory labour, child labour, equal wages, etc. before selecting them and visits are conducted afterwards to ensure the same. No case of child/forced/compulsory labour has come to our notice during reporting period.

Supply Chain

OPGC's supply chain consists of purchase, contracts and warehouse. All the dealings and purchases are channelised through respective departments. While purchase department arranges the Spares, plant parts and equipment; the contracts department provides the services for carrying out the maintenance by contractors; and warehouse stores the spares and provides the stock spares required for conducting various maintenance activities. The purchase order/work orders are finalized as per the standard procedures defined in SCM manual. There is clearly defined Delegation of Power



(DOP) for recommendation of a proposal and award of purchase order or work order.

In total, about 2154 suppliers are engaged by OPGC for providing various supplies, out of which 514 contractors provide the maintenance services. During FY 2013-14 approx, 382 suppliers/vendors provided material and support services to OPGC. These numbers are updated on yearly basis as new vendors are introduced through "Defined New Vendor Registration Procedures" relying on the suppliers/contractors technical and commercial scrutiny, existence of adequate installed machinery and capacity, laboratory facilities, man power, financial stability, safety and quality standards maintained and taking performance feedback from reputed clients. Since preference is given to local suppliers, most of the suppliers and contractors are from India itself while few spares are arranged from foreign suppliers depending upon the requirement. These suppliers are either Original Equipment Manufacturers (OEM) or their authorized dealers. For FY 2013-14 about Rs.173.51 crores was spent by OPGC on procurement of supplies and services out of which local spend stands at 40.54%.

Suppliers' and Contractors' performance are evaluated periodically based on the defined set of parameters. Their rating is updated based on the quality of supplies/work, meeting safety parameters, abiding by technical and commercial obligations as well as statutory requirements.



Our Social Responsibility

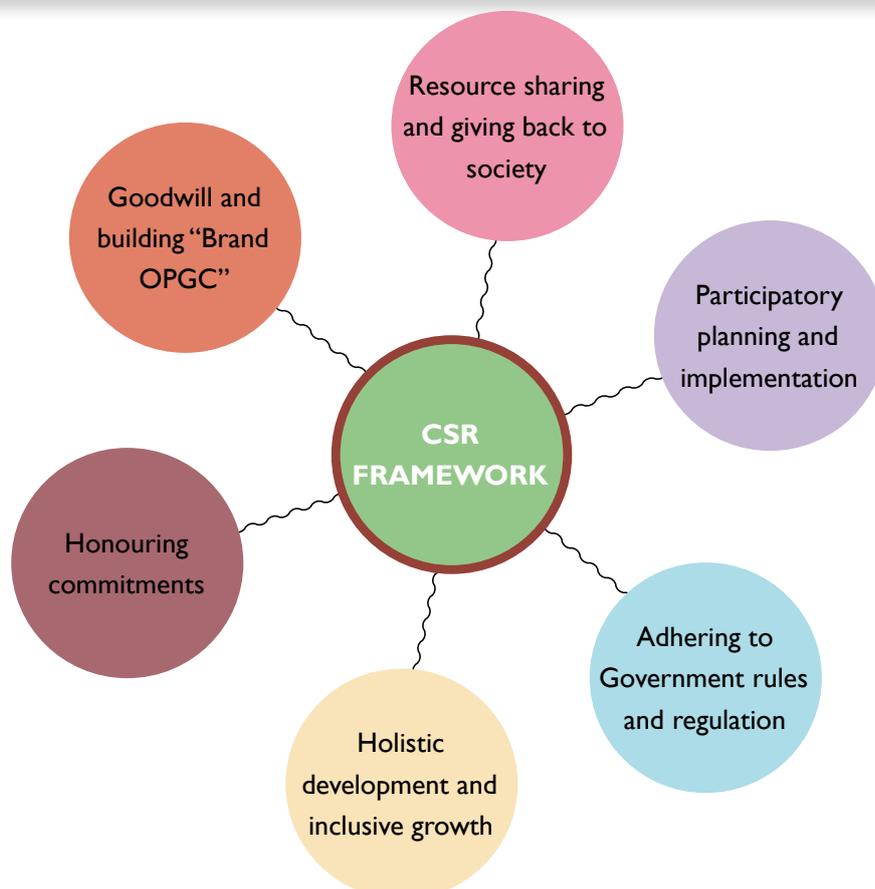
The CSR Vision of OPGC is based on 'Resource Sharing' and 'Inclusive Growth'. At OPGC, corporate responsibility has been part of the Company's ethos for last three decades and a fundamental part of its approach to business. It is central to OPGC's role as a value creator for the periphery and project affected villages and the society at large. In the year 2013, we revisited our CSR policy and constituted a CSR committee comprising of its Managing Director, Director Finance and a Non-executive Director to particularly focus on guiding and monitoring CSR initiatives of the company. The Committee with the approval of the Board recommends CSR Programmes to be implemented. Our development interventions are aimed at directly or indirectly benefitting the socio-economically marginalized sections of society.

Our interventions cover a wide spectrum of development themes:

- | | |
|------------------------------------------------|-------------------------------------------------|
| a. Promoting quality and value-based education | d. Social Infrastructure |
| b. Provision of clean and safe Drinking Water | e. Skill Development and Sustainable Livelihood |
| c. Preventive Health-care | f. Promotion of Sports and Culture |

OPGC's CSR Vision

A responsible corporate citizen committed to facilitate the sustainable development of the local communities by improving their living standard through quality education, health services, infrastructure, amenities and livelihood opportunities.





Project Selection Process

OPGC follows the Periphery Development Guidelines issued by Revenue and Disaster Management Department, Govt. of Odisha to identify the needs of the community. It ensures that all its practices are participatory and transparent to make planning and implementation as effective as possible. OPGC has a dedicated CSR team which, with the help of village coordinators conducts transect walk or physical survey of the villages and hamlets and organizes consultative meetings and focus group discussions (FGD) in all the villages. Recommendations from the Collector and District Magistrate, Tahsildar, BDO, Sarpanch, MLA, MP and other concerned government officials are also taken into consideration. These consultations help to list out the development needs of the community. This is then ultimately converted to different type of projects to be implemented. The CSR team collates and compiles all the projects details which is subject to review by Senior Management. The projects are selected based on feasibility, priority and allocation of funds. The project that benefit women, senior citizens and children etc. are given adequate priority while selecting projects

During 2013-14, our community development initiatives focused on around 25 villages with a population of 8000, located around Ib Thermal Power Station, its Ash Pond and MGR Line. The projects were planned, implemented and evaluated with stakeholder participation. Total CSR expenditure in the year 2013-14 was ₹ 3,76,53,153 i.e. 2.61% of the PAT average of last three years.

Our CSR initiatives reached out to the people residing around our operation areas. The focus of these initiatives was mainly on improving school-based education, promoting good health livelihood, employability and income generation, women empowerment and augmentation of the community infrastructure.

OPGC believes that it is the right of every individual to have access to quality and value based education to all the people. Therefore, OPGC has undertaken a number of initiatives for the improvement of availability, accessibility and quality of education in the project area.

Education

When OPGC started its operation, the biggest challenge was to strengthen the school education of the project area so that the local community will get advantage of the emergent opportunities and did not feel neglected and let-off. It is in this context, the corporation started its interventions to improve and strengthen education around the project area in terms of availability, accessibility and quality. Different projects taken by OPGC to achieve this objective have been given below:

Establishment of Schools

OPGC has established two schools in its plant premises. The Dayanand Anglo-Vedic (DAV) School is an English medium school which was the first

and one of the few English medium schools with CBSE pattern in the entire Lakhanpur block. The school strength is 450 out of which more than 50% children are from the periphery villages. The children enrolled are from nursery to Higher Secondary level (10+2). The school started in the year 1990 and since then it is a premier and much sought after school of the locality.

The Corporation has established another school in which the mode of teaching is the regional language, Odia. The school is managed by Saraswati Vidya Mandir, Odisha. It has a total strength of 450 students from class I to class 10. Out of the total strength more than 75% of the students are from periphery villages. Started in 1995, the school has been providing value based education to the students from periphery villages.

Improving School Infrastructure

OPGC has been consistently providing quality infrastructure facilities and renovating and repairing of school buildings to strengthen the school education in project area. The corporation has repaired a number of schools in the recent times to maintain the quality of infrastructure. Some of the schools repaired are Rengali Upper Primary School, Banharpali Project Upper Primary School, Remanda High School. OPGC has also taken major steps to construct boundary wall of schools.

OPGC has been working for the improvement of water and sanitation facilities in the schools. The corporation has constructed such facilities



100-bedded SCIST Girls' Hostel constructed by OPGC in Dalgaon Ashram School located in its periphery.



in Banharpali Project Upper Primary High School, Prasanna Kumar Panda Memorial High School, Banharpali and Jawahar High School, Adhapada.

Improving the Quality of School Education

- ▶ Engagement of community teachers: The corporation has initiated a dialogue with the local community and school authorities for the engagement of community teachers in those schools where there is inadequate teaching staff. OPGC has engaged 5 community teachers in 2 schools of Power Plant areas since 2010. This initiative has improved the teacher student ratio in school, quality and standard of education.
- ▶ Curricular and Extra Curricular Activities: OPGC has been organizing curricular and extra-curricular activities to improve the quality of education in the project and coal mine areas. As a part of this programme, OPGC has been organizing Shishu Mela and Shishu Mahotsav on the auspicious occasions of Independence Day and Republic Day in more than 50 schools located in its periphery in which various competitions are organised



for the students such as sports, drawing, debate, essay-writing, quiz, math race to promote a competitive spirit and encourage talent.

- ▶ Scholarship Programme: The AES Corporation (USA), which holds 49% stake in OPGC, has been providing scholarship to meritorious students of DAV Public School, ITPS for the last 10 years. The scheme 'AES Prativa Vritti' is meant to provide financial support to the meritorious students belonging to socio-economically marginalized section of the society from the periphery villages of Ib Thermal Power Station. Till date 163 such students studying from Class VI to X have been awarded with an annual scholarship of Rs. 3000- Rs. 5000 each which has helped them to meet a part of their day-to-day expenses while

pursuing higher studies. During the Reporting Period, 8 students have been awarded with the scholarship.

- ▶ With the belief that education is key to achieve holistic, integrated and sustainable development, OPGC is continuously working towards achieving universal primary education in the project area of ITPS utility ever since its operationalization.

OPGC's efforts have substantially improved the availability, accessibility, and quality of education thereby helping to enhance the standard of education in the community in which it exists.

Quality Health Services

Lakhanpur Block is one of the resource rich-areas in the state of Odisha but lack of quality health services was identified as one of the biggest challenges of the region. The Corporation started a quality health centre in its ITPS premises to provide quality health service to the local community free of cost. The mission was to improve the general health standard of the local community and bring sustainable development.

With this objective, OPGC has set up a hospital at its ITPS premises in 1993. The hospital has 3 ambulances for emergency medical services and shifting of critical patients to Burla Medical College and Hospital, Burla, located at a distance of 100 km; Ispat General Hospital (IGH), Rourkela located at a distance of 180 Km or other identified treatment facilities. The hospital has all the modern diagnostic equipments. The medical services include free medical check-up, consultation, treatment and testing facilities, in-door patient treatment facility, ambulance services etc.

Statistics of past 7 years exhibits that more than 80% of the total patients provided with out-door and in-door medical services belong to periphery villages.





Number of Out-door patients

| Year | OPGC | Non OPGC | Total | OPGC (%) | Local Community (%) |
|------|------|----------|-------|----------|---------------------|
| 2007 | 5405 | 23470 | 28875 | 19 | 81 |
| 2008 | 4898 | 23916 | 28814 | 17 | 83 |
| 2009 | 5206 | 27585 | 32791 | 16 | 84 |
| 2010 | 4778 | 29398 | 34176 | 14 | 86 |
| 2011 | 4536 | 27418 | 32854 | 14 | 86 |
| 2012 | 5906 | 35715 | 41621 | 14 | 86 |
| 2013 | 4653 | 37685 | 43338 | 11 | 89 |



Number of In-door patients

| Year | OPGC | Non OPGC | Total | OPGC (%) | Local Community (%) |
|------|------|----------|-------|----------|---------------------|
| 2007 | 239 | 3092 | 3331 | 7 | 93 |
| 2008 | 241 | 3186 | 3427 | 7 | 93 |
| 2009 | 227 | 2364 | 2591 | 6 | 94 |
| 2010 | 255 | 3399 | 3654 | 7 | 93 |
| 2011 | 258 | 3403 | 3661 | 7 | 93 |
| 2012 | 232 | 3374 | 3606 | 6 | 94 |
| 2013 | 228 | 3798 | 4026 | 6 | 94 |



Apart from providing regular and free out-door and in-door medical services to the local communities, OPGC's medical team has been organizing free health camps in the nearby villages especially in those areas which are inaccessible and have special health requirement. The health camps engage multi-specialty doctors and facilities like free consultation, checking and distribution of free medicine. During the Reporting Period, OPGC has organized two (02) such camps covering 619 patients.

Sustainable Drinking Water Project through Community Ownership and Management



The villages in the periphery of ITPS are located in an upland area and in-between the Lakhanpur Open Cast Mines of M/s Mahanadi Coal Field Limited and Hirakud reservoir. The geo-morphology of the region has rocky outcrop and it is topographically undulating in nature. This region falls under a dry zone and causes acute water crisis in the summer season. The close proximity of this region to Lakhanpur Open Cast Coal Mining project is also a major cause for water scarcity in this locality. The active mining activities are not only affecting the open sources of water but also drastically depleting the ground water level.

OPGC management took a conscious decision to supply filtered drinking water through pipelines to adjacent villages from its own Water Treatment Plant (WTP) at its own cost. The project started in the year 2006-07 to supply safe and potable drinking water to 17 periphery villages of ITPS,



Banharpali. The project is directly benefitting around 1100 to 1200 households having population of about 6000 to 7000.

OPGC believes that “users of water are the best managers of water” hence, emphasizes on community participation and ownership. The company has been striving to promote active participation of the local community in project management as well as Operation and Maintenance (O&M).

Women Empowerment

OPGC has initiated an innovative project for capacity building and skill development training of women and adolescent girls from periphery villages of its utility at Ib Thermal Power Station, Banharpali. The project has three components i.e., skill development training, mission employment and strengthening of women self help groups (WSHG). The corporation has collaborated with IL and FS and started “mission employment” for youth of periphery villages. In the first batch 18 adolescent girls were identified, selected and counselled for placement-linked Sewing Machine Operator (SMO) training in IL and FS Skills School at Rourkela in Odisha. All the girls were provided with job in a garment industry in Erode district of Tamil Nadu after completion of one month training course. Our intervention is aligned with the Millennium Development Goals (MDGs) which emphasizes on “gender equality and women’s empowerment”.

Need assessment, situational analysis and livelihood mapping in the periphery villages have revealed that the women and adolescent girls in the periphery villages, are mostly working as domestic help and wage labour. They are not contributing visibly to the income of their family. Their economic dependence and low literacy level also undermine their position in the community.



Drinking water point at village Rengali

The objectives of this initiative are as follows:

- ▶ Capacity building of women and adolescent girls through skill development training
- ▶ Strengthening of SHGs to make them functional, productive and a viable economic and social unit
- ▶ Income generation and engagement of women and adolescent girls in gainful self-employment
- ▶ Contribution of women in family’s income for decent standard of living
- ▶ Economic and Social empowerment of women

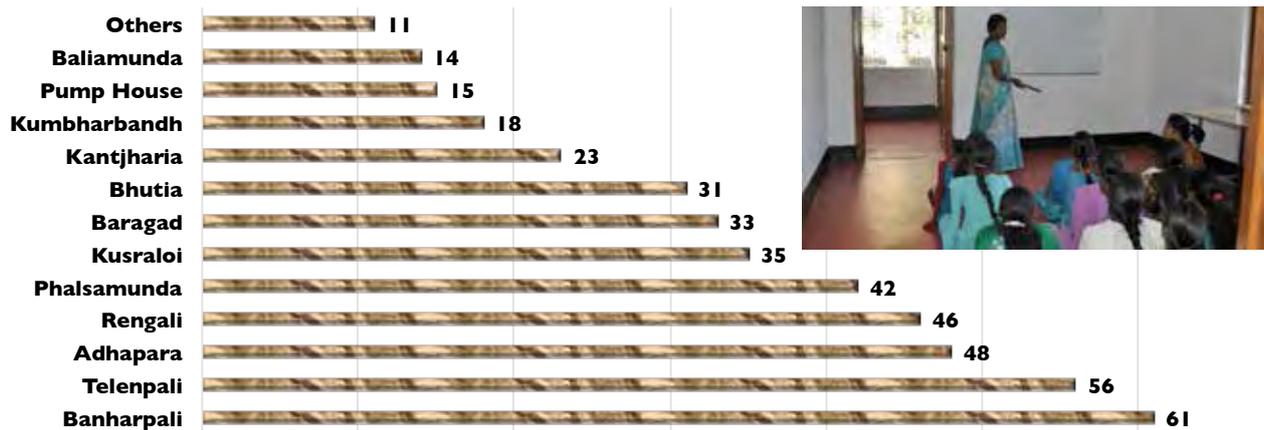
The CSR team conducted several consultative meetings and focus group discussions with members of Women Self Help Groups and adolescent girls of periphery villages. A comprehensive situational analysis and need assessment was done to understand their status, present engagement, aspirations, opportunities and challenges.

Till date more than 400 adolescent girls and women from periphery villages have been imparted tailoring training free



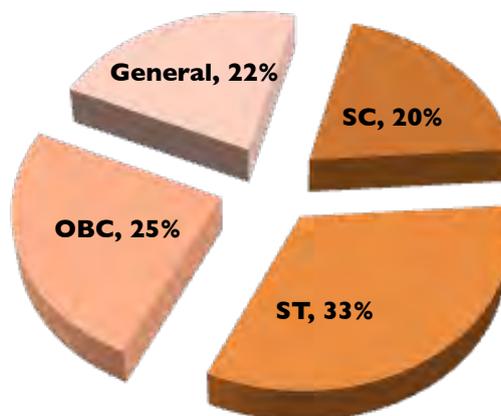


Village-wise distribution of trainees



of cost. The graph above indicates that the trainees are mostly from the nearby villages and a substantial number of them are from villages such as Banharpali, Telenpali, Adhapada, Rengali and Phalsamunda. It is imperative to mention here that village Banharpali was displaced due to construction of Ib Thermal Power Station in 1990 and the inhabitants were resettled in a colony near ITPS. Similarly, the government had acquired private, govt. and forest land of villages Telenpali, Rengali and Phalsamunda for power plant and other facilities. There is also a preponderance of Scheduled Castes (SC) and Scheduled Tribes (ST) population in the periphery villages. These factors emphasise the need for various development interventions.

Social category of trainees



A substantial number of adolescent girls and women have adopted tailoring as their main source of livelihood. Some of them have purchased tailoring machines and started their own tailoring shops in their respective villages/homes to take up this job locally. They are stitching blouse, petticoat, dresses for women and girls of nearby villagers as well as selling readymade garments to the villagers. Whereas some others are working in their local tailoring/stitching shops as paid workers and have adopted it as their occupation. It has become a source of regular income for them.

Expenditure during the last 5 years

| Ib Thermal Power Station, Banharpali | | | | | |
|--------------------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|
| Theme | CSR Expenditure (in ₹) | | | | |
| | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
| Education | 77,46,071 | 95,41,998 | 72,82,673 | 1,18,99,439 | 1,69,28,599 |
| Drinking water | 12,79,315 | 8,50,296 | 14,92,500 | 13,32,644 | 18,09,747 |
| Health | 6,50,247 | 9,10,409 | 6,23,758 | 4,50,345 | 80,23,670 |
| Skill Development and Livelihood | — | 2,36,000 | 1,40,000 | 21,46,510 | 3,95,820 |
| Community Infrastructure | 13,21,057 | 48,88,853 | 1,55,48,000 | 4,25,566 | 1,01,77,152 |
| Sports and Culture | 4,60,000 | 3,90,000 | 3,40,000 | 1,99,279 | 3,18,165 |
| TOTAL(₹) | 1,14,56,690 | 1,68,17,556 | 2,54,26,931 | 1,64,53,783 | 3,76,53,153 |

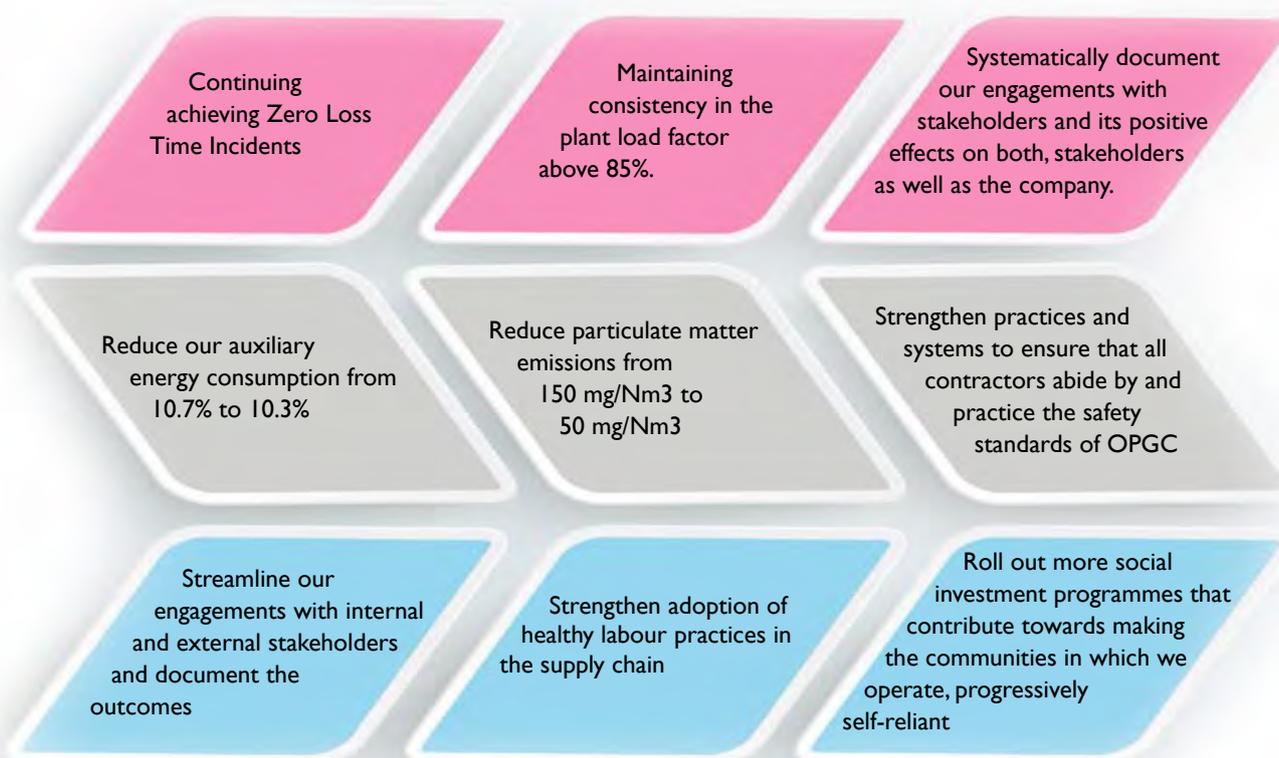


Way Forward

The demand for power is on increase with more industries being set up. There has been a rise in the trend for demand in domestic consumption too owing to changed standards of living in the past few years. Keeping up with this, OPGC has planned an expansion project of

Units 3 and 4 with installed capacity of 1320 MW.

We are well aware that only by serving the needs of our society, can we truly advance our growth agenda. We had set ambitious goals in the previous year as well – while most of them have been accomplished, we continue to redefine our targets and progress on other agendas. Some of these future plans include:



We are committed at all levels to ensure that our operations contribute to the sustainable development of the country and our corporate responsibility on environmental and social concerns evolves from this commitment. The main thrust of our sustainability efforts includes: maintaining high standards of business conduct, reducing environmental impact, providing a safe workplace while promoting professional development; and fulfilling our commitments to clients, investors, associates and all other stakeholders. Our operational targets for next 5 years are given below:

| Description | Targets | | | | |
|-----------------------------------|---------|-------|-------|-------|-------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Plant Load Factor (%) | 85.3 | 83.8 | 82.7 | 86.7 | 85.4 |
| Availability Factor (%) | 91 | 89.6 | 88.5 | 92.5 | 91.2 |
| Specific Oil consumption (ml/kWh) | 0.618 | 0.647 | 0.657 | 0.577 | 0.585 |

As one of the major future interventions we wish to further mainstream sustainability reporting process with our internal mechanisms with the belief that this will help us become smarter in effective implementation of targets. This in turn will help to enhance the company's profitability, stakeholder satisfaction and environmental performance.



GRI Index

| General Standard Disclosures | | |
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| G4-5 | Location of organization's headquarters | Back Page |
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| G4-8 | Markets served | 10 |
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| G4-10 (EUSS) | Total contractor workforce (contractor, subcontractor, independent contractor) by employment type, employment contract and regulatory regime | 23 |
| G4-12 | Description of organization's supply chain | 34 |
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| G4-21 | Material Aspect and Aspect Boundary outside the organization | | 20 and 21 |
| G4-22 | Effect of any restatements of information provided in previous reports, and the reasons for such restatements. | | Not Applicable |
| G4-23 | Significant changes from previous reporting periods in the Scope and Aspect Boundaries | | Not Applicable |
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| G4-28 | Reporting period | | 6 |
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| Specific Standard Disclosures | | | |
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| Category: Economic | | | |
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| | G4-DMA | 12 | Reported fully |
| G4-EC1 | Direct economic value generated and distributed | 12 | Reported fully |
| Material Aspect: Market Presence | | | |
| | G4-DMA | | Reported fully |
| G4-EC5 | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation | 31 | Reported fully |
| G4-EC6 | Proportion of senior management hired from the local community | 31 | Reported fully |
| Material Aspect: Indirect Economic Impacts | | | |
| | G4-DMA | | |
| G4-EC7 | Development and impact of infrastructure investments and services supported | 35-37 | Reported fully |
| G4-EC8 | Significant indirect economic impacts, including the extent of impacts | 35-40 | Reported fully |
| Material Aspect: Procurement Practices | | | |
| | G4-DMA | 34 | |
| G4-EC9 | Proportion of spending on local suppliers | 34 | Reported fully |
| Material Aspect: Availability And Reliability | | | |
| G4-EU10 | Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime | 22 | Reported fully |
| Material Aspect: System Efficiency | | | |
| G4-EU11 | Average generation efficiency of thermal plants by energy source and by regulatory regime | 22 | Reported fully |
| Category: Environmental | | | |
| Material Aspect: Materials | | | |
| | G4-DMA | 24 | Reported fully |
| G4-EN1 | Materials used by weight or volume | 24 | Reported fully |
| Material Aspect: Energy | | | |
| | G4-DMA | 25 | Reported fully |
| G4-EN3 | Energy consumption within the organization | 25 | Reported fully |
| G4-EN5 | Energy Intensity | 25 | Reported fully |



| Specific Standard Disclosures | | | |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|
| G4-EN6 | Reduction of energy consumption | 25 | Reported fully |
| Material Aspect: Water | | | |
| | G4-DMA | 26 and 28 | Reported fully |
| G4-EN8 | Total water withdrawal by source | 26 | Reported fully |
| G4-EN10 | Percentage and total volume of water recycled and reused | 27 and 28 | Reported fully |
| Material Aspect: Emissions | | | |
| | G4-DMA | 28 | Reported fully |
| G4-EN15 | Direct greenhouse gas (GHG) emissions (scope I) | 28 | Reported fully |
| G4-EN19 | Reduction of greenhouse gas (GHG) Emissions | 28 and 29 | Reported fully |
| G4-EN20 | Emissions of ozone-depleting substances (ODS) | 28 | Reported fully |
| G4-EN21 | NOX, SOX, and other significant air emissions | 28 | Reported fully |
| Material Aspect: | | | |
| | 21 | | |
| Material Aspect: Effluents And Waste | | | |
| | G4-DMA | 29 | Reported fully |
| G4-EN22 | Total water discharge by quality and destination | 29 | Reported fully |
| G4-EN23 | Total weight of waste by type and disposal method | 29 | Reported fully |
| G4-EN24 | Total number and volume of significant spills | NIL | Reported fully |
| Material Aspect: Compliance | | | |
| G4-DMA | — | | |
| G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | NIL | Reported fully |
| Material Aspect: Overall | | | |
| | G4-DMA | 24 | Reported fully |
| G4-EN31 | Total environmental protection expenditures and investments by type | 24 | Reported fully |
| Category: Social | | | |
| Sub-Category: Labour Practices And Decent Work | | | |
| Material Aspect: Employment | | | |
| | G4-DMA | 30 | Reported fully |
| G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region | 30 | Reported fully |



| Specific Standard Disclosures | | | |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------|
| G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | 30 | Reported fully |
| G4-LA3 | Return to work and retention rates after parental leave, by gender | 30 | Reported fully |
| G4-EU15 | Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region | 23 | Reported fully |
| Material Aspect: Occupational Health And Safety | | | |
| G4-DMA | | | |
| G4-LA5 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | 31 | Reported fully |
| G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | 32 | Reported fully |
| G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation | 31 | Reported fully |
| Material Aspect: Training and Education | | | |
| G4-DMA | | | |
| G4-LA9 | Average hours of training per year per employee by gender, and by employee category | 33 | Reported fully |
| G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | 32 | Reported fully |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | 33 | Reported fully |
| Material Aspect: Labour Practices Grievance Mechanisms | | | |
| G4-DMA | | | |
| G4-LA16 | Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms | 32 | Reported fully |
| Sub-Category: Human Rights | | | |
| Material Aspect: Non-Discrimination | | | |
| G4-DMA | | 32 | Reported fully |
| G4-HR3 | Total number of incidents of discrimination and corrective actions taken | NIL | Reported fully |



| Specific Standard Disclosures | | | |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|
| Material Aspect: Freedom Of Association And Collective Bargaining | | | |
| G4-DMA | | 34 | Reported fully |
| G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | 34 | Reported fully |
| Material Aspect: Child Labour | | | |
| G4-DMA | | 34 | Reported fully |
| G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour | 34 | Reported fully |
| Material Aspect: Forced or Compulsory Labour | | | |
| | G4-DMA | 34 | Reported fully |
| G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour | 34 | Reported fully |
| Sub-Category: Society | | | |
| Material Aspect: Local Communities | | | |
| G4-DMA | | 34 | Reported fully |
| G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs | 35 | Reported fully |
| G4-SO2 | Operations with significant actual and potential negative impacts on local communities | 35 | Reported fully |
| G4-EU22 | Number of people physically or economically displaced and compensation, broken down by type of project. | 40 | Reported fully |
| Material Aspect: Anti-Corruption | | | |
| | G4-DMA | | |
| G4-SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | All the units are analysed. | Reported fully |
| G4-SO5 | Confirmed incidents of corruption and actions taken | NIL | Reported fully |
| Material Aspect: Compliance | | | |
| | G4-DMA | | |
| G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | NIL | Reported fully |



Specific Standard Disclosures

Material Aspect: Grievance Mechanisms For Impacts On Society

| | | | |
|---------|------------------------------------------------------------------------------------------------------------------|-----|----------------|
| | G4-DMA | 34 | Reported fully |
| G4-SO11 | Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms | NIL | Reported fully |

Sub-Category: Product Responsibility

Material Aspect: Product And Service Labeling

| | | | |
|--------|------------------------------------------|----|----------------|
| | G4-DMA | 22 | Reported fully |
| G4-PR5 | Customer Satisfaction Survey and results | 23 | Reported fully |

Material Aspect: Customer Health and Safety

| | | | |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------|
| | G4-DMA | 22 | |
| G4-EU25 | Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases | 22 | Reported fully |

Material Aspect: Compliance

| | | | |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------|
| | G4-DMA | 22 | Reported fully |
| G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | NIL | Reported fully |





Glossary of Acronyms

| | | | |
|----------|--------------------------------|------|------------------------------------------|
| CEA | Central Electrical Authority | LDO | Light Diesel Oil |
| CHP | Coal Handling Plant | MCL | Mahanadi Coal Fields |
| DG | Diesel Generator | MU | Million Units |
| DM Plant | De-mineralisation Plant | OPGC | Odisha Power Generation Corporation Ltd. |
| EHS | Environment, Health and Safety | PAT | Profit After Tax |
| EPS | Earning per share | PBT | Profit Before Tax |
| ESP | Electrostatic Precipitator | PLF | Plant Load Factor |
| GHG | Greenhouse Gases | PMS | Performance Management System |
| GoO | Government of Odisha | PPA | Power Purchase Agreement |
| GRIDCO | Grid Corporation of Orissa Ltd | R-22 | A Refrigerant Gas |
| HRA | House Rent Allowance | SPCB | State Pollution Control Board |
| ITPS | 1b Thermal Power Station | SF6 | Sulphur-hexa-fluoride |
| JV | Joint Venture | SHG | Self Help Group in abbreviations |
| KRA | Key Result Areas | STP | Sewage Treatment Plant |





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