

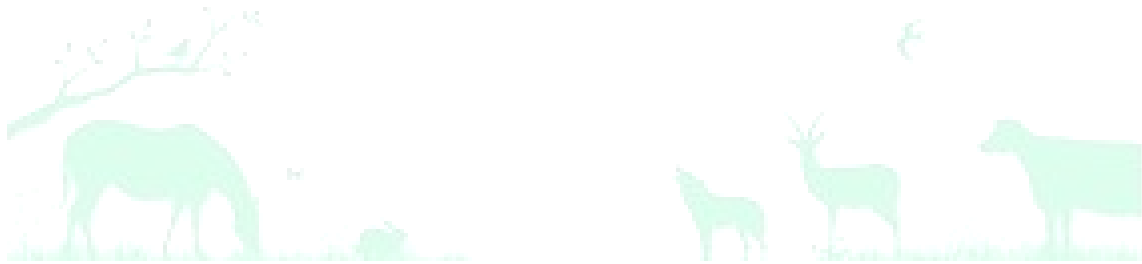
Biodiversity Policy 2018

NTPC LTD.



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I. Purpose

Biodiversity is variability among living organisms from all sources including diversity within species, between species and of ecosystems.

All phases of the life cycle of electricity generation have impact on water, air, land and the ecosystem dependent on them. Being an environmentally conscious power producer, NTPC recognizes the impacts of its constructional and operational activities on ecosystem and values its dependence on biodiversity.

Considering the strategical and tactical importance of Biodiversity, NTPC is committed towards its sustainable management. This is also in line with United Nations Convention on Biological Diversity (CBD) and National Biodiversity Action Plan (NBAP) 2008 which recommends set of actions towards biodiversity management. To have a comprehensive vision and guiding principle for conservation, restoration and enhancement of biodiversity, NTPC has developed Biodiversity Policy 2018. This policy is an integral part of our Environmental Policy 2017 and its objectives are aligned with that of environmental and sustainability policies.

II. Policy Statement

To mainstream the concept of biodiversity across NTPC's value chain and adopt a precautionary approach for sustainable management of biodiversity in all decision making processes so that the earth's variety of life is ensured in and around the business units of NTPC.

III. Applicability

All existing and upcoming business units of NTPC. Also, each employee is a partner in implementing the policy.

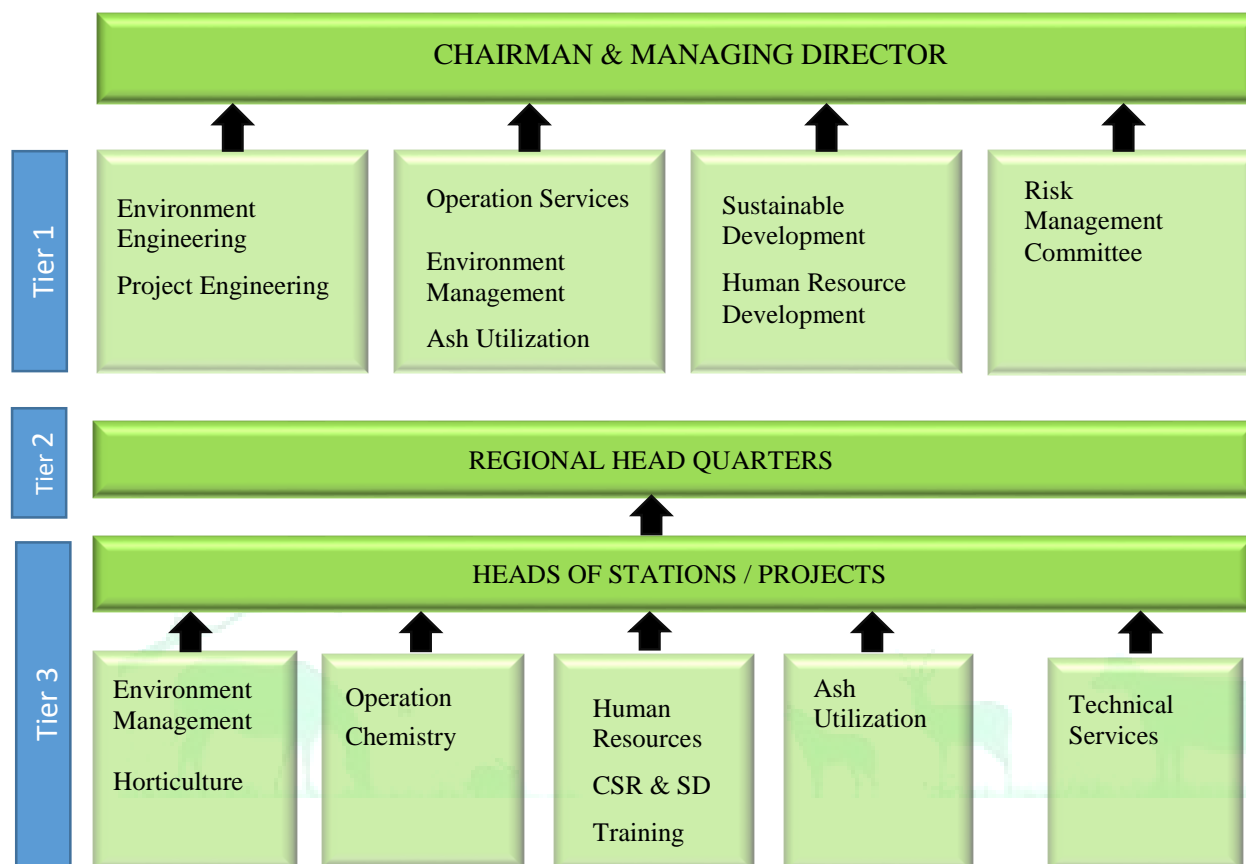
IV. Principles

This policy is guided by following five principles:

1. Consideration of biodiversity in all business decision right from planning to operations and closure of sites;
2. Minimization of adverse impacts on biodiversity through right combination of best industry practices and state of art technologies;
3. Biodiversity goals are not limited to statutory and regulatory compliances but are aimed at the continual improvement of the biodiversity;
4. Provision of accountability for all locations and creating systems to respond to any aberration;
5. Capacity building through inclusiveness and regular knowledge sharing on biodiversity with concerned stakeholders;

V. Institutional Framework

NTPC follows a three-tier structure as given below for managing conservation, restoration and enhancement of Biodiversity.



This does not reflect the organisation structure but serves to indicate the accountability at various levels in the organisation.

VI. Focus Areas

1. Compliance & Assurance

NTPC shall

- I. Ensure legal compliances with respect to biodiversity by complying to rules and regulations related to environment, forest, wildlife, coastal zone and green cover during planning and execution of our projects;
- II. Obtain all clearances along with accounting of any futuristic requirements for both new establishments and expansions to the best of our effort;
- III. Ensure concerned functions at operating stations to comply norms through reviews, appraisals and reporting and assure relevant stakeholders;

- IV. Establish systems for measuring and reporting indicators related to biodiversity risk and recommending appropriate action for deviations

2. Stewardship

NTPC shall

- V. Conduct studies on biological diversity in all its existing and upcoming projects. These studies shall include identification of protected/ unprotected areas rich in biodiversity;
- VI. Plan activities for all projects with minimal negative impacts on biodiversity and, when the impacts cannot be avoided, implement compensatory works for any residual negative impacts such that there is no net loss of biodiversity and, where applicable, have a net positive balance;
- VII. Create maps of local biodiversity network and develop “Biodiversity Management Plans” for areas near to our business units with priority to conserve rare and endangered species and also species of medicinal and religious values;
- VIII. Set measurable and overarching targets (beyond compliances) and regularly monitor and report its performance in the field of biodiversity conservation;
- IX. Take initiatives for restoration of degraded habitats and enhancement of biodiversity in areas (near or far to establishments) which may have been lost due to human interventions;

3. Capacity Building

NTPC shall

- X. Raise awareness among local communities, employees and its associates across supply chain about biodiversity through project specific and national level trainings in collaboration with experts.
- XI. Collaborate with local communities, organisations, regulatory agencies and research institutes of national/international repute in the field of biodiversity

VII. Review

This policy shall be reviewed according to need and opportunity but not later than once in three years.