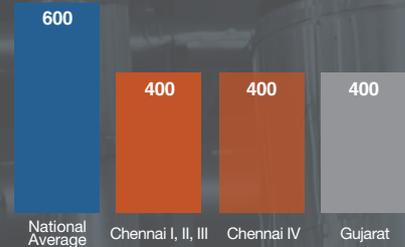


OUR PEOPLE

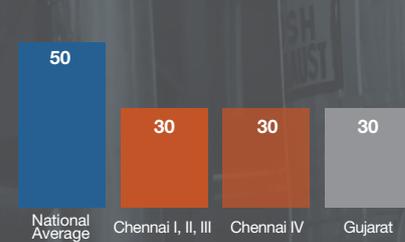
Maintaining our social responsibility.

Sox Emission (mg/Nm³)
(Typical values)



Source: CEA, GOI, Ministry of Power

Stack Emission-SPM (mg/Nm³)
(Typical values)



Source: CEA, GOI, Ministry of Power

177 FIELD, AREA AND CONTROL ENGINEERS

Safety and environmental compliance

The Company made good progress with its safety programme, recording a reported incident rate in FY16 for Chennai of 0.28 versus 0.40 in FY15 and 0.49 in FY14. Our target for FY16 was 0.35. Gujarat performance will become a focus in the current year as it was recently commissioned.

We remain compliant of the environmental norms and take initiatives to improve and exceed these where possible.

Continual progress on
our environmental and
safety performance.

87 TECHNICIANS
AND OPERATORS



SUSTAINABILITY REPORT

We ensure that our plants are compliant with all national environment, health and safety regulations. Safeguards are maintained either through management programmes or operational control procedures to minimise impact as well as mitigate risks.

Sustainability and Responsibility is at the core of our operations. Maintaining our social responsibility is vital to successfully delivering on our growth plans and creating value from our operations. We aim to achieve international best practices with our efforts and continually evaluate our health, safety, environment, and community practices to ensure we are delivering to all our stakeholders. We are committed to improving the lives of the societies in which we operate through the integration of economic prosperity, social development and environmental protection.

Health and safety

Health and safety is the matter of greatest importance at OPG

The Board's Health, Safety and Environment Committee ('HSE Committee') was instituted to develop, implement and oversee a health and safety culture in the Company and to assist the management in its drive towards achieving and maintaining industry-leading performance in these areas. This is crucial to ensure, through management, that the Company's employees, customers, suppliers and contractors enjoy a safe and healthy workplace.

Across the Company, we continually monitor and review health and safety procedures, acting promptly if any improvements are required. Our motto of SAFETY FIRST is inculcated in all our personnel and in all our operations and projects under development. And of course we ensure that our plant locations are compliant with all national health and safety regulations.

The OPG Chennai site is OHSAS 18001:2007 certified. OHSAS 18001 is a standard used for an occupational health and safety management system, which enables an organisation to control its risks and improve its performance in this area. The standard provides a systematic approach to identifying hazards, and then either eliminates or reduces the risks of the hazards.

At both Chennai and Gujarat sites, continuous training programmes in safety management are established. Targets have been introduced to enable year on year improvements and these are monitored by the Company's HSE Committee. To drive the improvement programmes the Company has adopted the Policy of Zero Harm.

Following were key initiatives/improvements that we have introduced at our power plants:

Safety initiatives

- Safety induction for all new employees and contract workmen as per standard programme
- Safety training of all employees by external experts
- Manual call point checking (monthly)
- Monthly EHS training programme for contract employees
- Weekly EHS training programme for OPG employees
- Extinguisher and fire hydrant training for new contract workmen and employees (monthly)
- Carrying out the IMS (Integrated Management Systems) internal audit
- Fire hydrants and extinguishers healthiness and availability inspections (monthly)
- Safety Committee meetings (monthly)
- Training of 15 employees in first aid by a certified body
- Five days' training on occupational health safety, conducted by Regional Labour Institute, Government of India
- Emergency preparedness and response mock drills conducted (internal and external)
- Increased number of safety signage boards placed inside the plant
- Increased number of fire hydrants and monitors included in revamping activities
- Visitor's safety guidelines introduced
- Safety Committee agenda modified as per Factories Rules 1950
- EHS external audit was carried out by a third-party safety consultant
- EMS 14001 and OHSAS 18001 second surveillance audit carried out
- Alcohol detector procured to monitor coal truck drivers



Safety training

Sustainability and Responsibility is at the core of our operations.



As part of their monthly and yearly reporting, plant managers are required to submit details of training activities and other initiatives. Most often these activities tend to focus on:

- Fire handling
- Mock emergency drills
- Occupational ill health awareness

The above activities typically take place at monthly intervals with a compulsory annual safety awareness day being held at both plants.

In addition to processes for reporting specific incidents, plant management are required to submit a monthly safety report setting out:

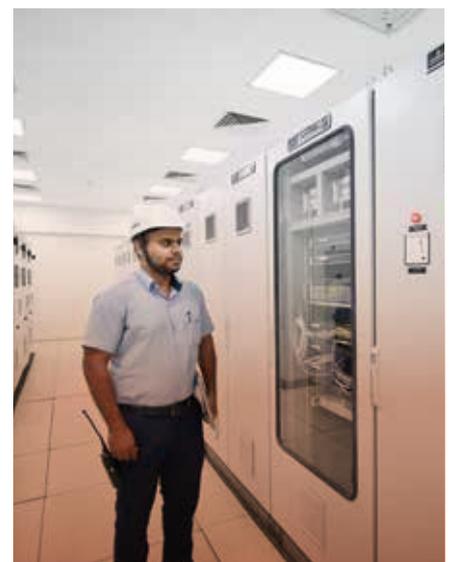
- Injuries by number, nature, seriousness and cause
- Information on near miss incidents
- Safety concerns arising and improvement actions to be taken
- Safety promotion activities along with details of attendees

At Chennai, this information revealed six lost time injuries at the plant and a Total Recordable Injury Rate ("TRIR") of 0.28 down from 0.40 in FY15 and 0.49 in FY14. At the Gujarat site, the first year of its operations, the TRIR was 0.64.

There were no employee fatalities at either plant during the year.

Health initiatives:

- Carbon monoxide measurement monitoring in coal handling plant (twice monthly)
- Lux monitoring day and night (weekly) lighting improvement measures taken
- Ambient Air Quality ('AAQ') monitoring with 12 parameters (yearly)
- Source noise monitoring day and night (weekly)
- Annual health check-up for all employees
- Occupational ill-health awareness classes
- Surprise visit to observe Personal Protective Equipment compliance



SUSTAINABILITY REPORT CONTINUED



OPG believes that safety is everyone's responsibility. The main objective is to motivate the employees and associates to put safety first in the workplace and contribute towards making OPG a healthier and safer place to work.

Environment

OPG is committed to achieve continuous improvements in environmental performance and seek to prevent, mitigate, reduce or offset the environmental impact of our operations. The Company's objective is to remain compliant and exceed the standards set out by the Ministry of Environment and Forest regulations and State Pollution control boards. Water conservation is an area of additional focus at both our sites where we have installed air cooled condensers which reduce water usage by over 90% as compared to water cooling technology used more widely in the industry.

Environmental and green initiatives

The OPG Chennai site successfully obtained the ISO 14001:2004 certification. This specifies requirements for an environmental management system to enable an organisation to develop and implement policies and objectives with respect to the environment.

At the Gujarat site, the Company instituted various programs and policies being the first year of operations such as

- Annual environmental audit
- Monthly testing of chemical parameters of water of both internal and nearby water sources
- 9 Piezometer were constructed in the premises to monitor the level and the quality of the underground water
- Construction of new hazardous waste rooms and hazardous waste management carried out
- 5,500 tree saplings planted

In addition, activities such as sprinkling of water on road surfaces and mechanical sweeping is carried out to minimise dust.

Our people

Employee consultation

The Group places considerable value on keeping employees informed on matters affecting them and on the various factors affecting the performance of the Group. This is achieved through informal meetings and presentations on new developments both within the Company and the wider industry. The Group is committed to providing equal opportunities and opposes all forms of unfair or unlawful discrimination. Employees will not be discriminated against because of race, colour, nationality, ethnic origin, disability, sex or sexual orientation, marital status or age.

All employees are encouraged to raise genuine concerns about possible improprieties in the conduct of our business, whether in matters of financial reporting or other malpractices, at the earliest opportunity and in an appropriate way.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged.

Training and development

Employing the right people and encouraging the continuous development of the skills of our employees is critical to developing a successful business. The Company recruits graduate engineering trainees and provides them with a comprehensive six-month on-site training programme. This will ensure that, in keeping with the growth of the Company's assets, adequate well trained and competent personnel are available for in-house operations and project development.

Supply chain

The Group works with a team of industry-leading suppliers and contractors.

The Company's power generation plants are fuelled by coal sourced from India but also from imported coal from Indonesia. Availability of supplies has not been an issue given the flexibility of coal types we can use.

Community

OPG respects the rights and acknowledge the aspirations and concerns of the communities in which it works. We recognise the importance of engaging with the local communities in which we operate. Promoting and respecting fundamental needs is at the heart of our values and business principles, and crucial to maintaining positive relations with local communities where we operate.

Chennai floods assistance

During December 2015 areas around Chennai in Tamil Nadu experienced high levels of rainfall and flooding. Despite a lack of continuous power and water for many residents, we are able to report that the well-being of all of our management, staff and contractors had been established. Our Chennai plant did not suffer any damage and remained available for production throughout the rains. This was as a direct consequence of (a) coal stocks being available in our on-site sheds and (b) drainage of excess water from the

plant site operating in accordance with our design. The design incorporated tolerances for significant single rainfall events. Drainage was in fact effective to the point that we were able to assist local communities by making available our drainage systems and expertise for the considerable relief efforts that were required nearby. OPG sheltered about 5 villages in and around the community providing them with food, provisions and other basic needs.

OPG Outreach

OPG Outreach, launched in July 2011 near our Kutch site, has now completed five successful years and has been expanded to the Chennai site as well during 2013.

The first free primary healthcare centre that we built in 2013 at Sitha Raja Kandigai (the nearest village to our Chennai site), runs daily, handling 50 patients on an average per day. The centre is serving the medical requirements of the residents of five nearby villages.

The second healthcare centre has also commenced at the Periya Obulapuram village, also near the Chennai site. It is run daily and served by a full-time qualified doctor and nurse, attending to an average 50 people a day. OPG is confident that both these centres and their associated facilities will provide much needed basic care and medical aid to the communities around the OPG power plant.

In collaboration with Rotary Club of Chennai (an NGO), we have organised distribution of tricycles and hearing aids.

Rural infrastructure development

In continuation of our community development efforts, our Gujarat team has distributed cattle feed and provided assistance in building Gowshalas (cow shelters), water storage tanks in nearby villages of Kutch district, Gujarat.

On request of the people of Kayalar Medu village, Gummidipoondi, we have assisted in patchwork repair of the pothole-ridden roads in the village. The construction of a prayer hall/church, which we started last year is steel roofed and is expected to be completed shortly.

Educational aid

OPG believes that education and employment will provide opportunities for people and communities to develop and prosper, thus increasing their standard of living.

We continue to sponsor education of children from local communities studying in various Government schools. 1,080 school

children, an additional 230 students from last year, belonging to the villages Periya Obulapuram, Chinna Obulapuram, Kayalarmedu, SR Kandigai received full school supplies (uniforms, shoes, books, bags, etc.) for the entire year before the commencement of the school year. A further 86 students from below poverty line families are also granted annual school/college fees to ensure that lack of funds does not preclude their advancement.

As part of OPG Outreach, a strong awareness programme has been developed to promote girl child education. To support this, the Company started a sponsorship programme last year in higher secondary education at a reputed private school. Under this scheme, three girls will be selected every year based on academic background and economic needs, and their entire education will be funded by OPG Outreach.

OPG has also sponsored monthly salaries to 11 PTA teachers in four Government schools situated in the vicinity of the plant. This programme is intended to provide support to Government owned schools in imparting quality education to children.

