

NEPRA Social Investment Guidelines 2021

NOTIFICATION

The th 11 day of November, 2021, Islamabad

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S.R.O. ----- (I)/2021. In exercise of powers conferred by Section 48 read with Section 7(2)(i) and 31(2) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997), the National Electric Power Regulatory Authority hereby notifies the following guidelines to encourage initiatives to protect the environment and to effectively mitigate adverse climate change, promote the well-being of local communities and human development in the electric power sector with the purpose to ensure that power brings prosperity.

Section 1: Introduction

Part 2: General

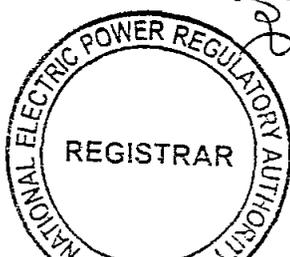
2.1. Short title and commencement -

- (1) These guidelines shall be called NEPRA Social Investment Guidelines, 2021.
- (2) These guidelines shall apply to licensees and shall be applicable with immediate effect.

2.2. Definitions: -

2.2.1. In these guidelines, unless there is anything repugnant in the subject or context,

- (a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);
- (b) "activity" means the doing of something intentionally including collectively or individually any steps, actions, decisions, projects, programs;
- (c) "Authority" means the National Electric Power Regulatory Authority (NEPRA);
- (d) "better-off" means having a positive or beneficial impact;
- (e) "local community" means any community of people living or having rights or interests in a distinct geographical area that is directly or indirectly impacted by the operations of a licensee;
- (f) "stakeholders" means those groups and individuals who can affect, or are affected by the operations and activities of the licensee collectively or individually;
- (g) "Social Investment" means any activity which ensures collectively or individually the environment, climate change, local community, and human development are:
 - i) Not worse-off compared to the time before the activity is carried out; or
 - ii) Better-off compared to the time after the activity is carried out.



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(h) "statement of policy" means the internal policy of a licensee which expresses the commitment of the licensee to promote and implement social investment.

(i) "worse-off" means having an adverse impact

(j) "Pledge" means a solemn promise or agreement to do or refrain from doing something, made by the licensee with different government (federal, provincial & local) authorities

2.2.2 Words and expressions used but not defined in these guidelines shall have the same meaning as in the Act and Rules and Regulations framed thereunder.

2.2.3 Singular words shall include the plural where the context demands

Part 1: Commit

1.1 Licensees are encouraged to display their commitment to social investment as given below: -

1.1.1 Place responsibility at the highest level within the organization to carry out CSR activities

1.1.2 Design and implement integrated decision-making structures, with clearly delineated responsibilities and accountabilities;

1.1.3 Develop a strategy, vision, mission, and value statements;

1.1.4 Develop and communicate a statement of policy to all internal and external stakeholders, and implement the statement of policy into the business processes;

1.1.5 Seek commitment to social investment from business partners;

1.1.6 Annually prepare and implement a social investment plan, with financials.

1.1.7 Set measurable targets and identify performance measures;

1.1.8 Hold Stakeholder/ Community Engagement sessions to prepare a social development plan aligned with NEPRA's Social investment Guidelines to capture priority needs in the local context.

1.1.9 Create and implement internal and external communication plans;

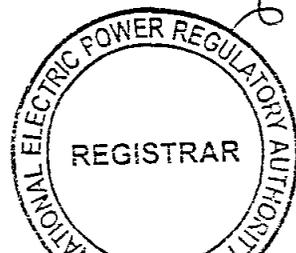
1.1.10 Make and announce commitments to the general public and relevant stakeholders;

1.1.11 Align its social investment plans and reporting format with the UN Sustainable Development Goals, 2030 (SDGs).

Part 2 - Assess

2.1 Licensee are encouraged to design assessment tools for social investment to: -

2.1.1 Identify risks and opportunities;



2.1.2 Conduct gap analysis

2.1.3 Identify legal and compliance requirements;

2.1.4 Identify values and ethics;

2.1.5 Identify internal and external drivers which drive the licensee's commitment to social investment;

2.1.6 Compliance with all laws of the land relating to health, safety, and environment should be tracked and recorded

2.1.7 Compliance with all laws of the land relating to development, health, safety, and environment should be tracked and recorded.

Part 3 – Inform

3.1 The Authority may direct the licensee, from time to time, to provide information relating to its social investment.

3.2 The Authority may direct that assessment tools are shared with the Authority and other licensees to embed best practices.

3.3 The Authority may encourage social investment in particular activities to address immediate or long-term areas of interest to the power sector.

3.4 Licensee shall submit an annual report on its social investment, outlining annual spending, objectives, activities carried out and its impact.

3.5 Licensee shall submit a report on social investment for five years immediately preceding the day these guidelines come into force.

3.6 Licensee shall annually submit a draft social investment plan to the Authority to obtain input and guidance. The social investment plan may be used by the Authority to align social investment across the licensees.

3.7 Licensee shall deploy any software application/ use data portal as prescribed, approved and notified by the Authority to track, monitor, and report the social investment programs of the licensee.

Part 4 - Encourage

Licensee is encouraged to consider all social investment, but more specifically encouraged to invest in key areas outlined below:

4.1 Employees Development

Licensee is encouraged to make policies and develop programs for the protection and development of employees ensuring fair and transparent hiring practices and;



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- i. Training and Development
- ii. Gender Diversity
- iii. Retention Policies
- iv. Preference to hire skilled and semi-skilled employees from local communities/project areas
- v. Employment of Pakistanis both in operations as well as in management staff.
- vi. Paid Internship and Apprenticeship Programs for local communities.
- vii. Skill development programs for local communities.
- viii. Other Benefits include but are not limited to adequate health coverage for employees and their families.
- ix. Protection of workforce from work hazards and application of prescribed safety standards.

4.2 Community Development

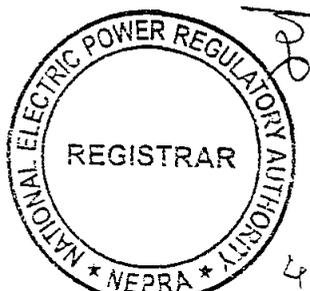
Licensee is encouraged to conduct activities in the local community in the following areas for social investment: -Safeguarding the legitimate interests and rights of the local community relating to land, assets, natural resources, etc.

- i) Safeguarding the legitimate interests and rights of the local community relating to land, assets, natural resources, etc.
- ii) Resettlement and Rehabilitation of displaced communities
- iii) Disaster management and emergency relief
- iv) Education
- v) Healthcare
- vi) The welfare of marginalized groups and rural areas
- vii) Accessibility to clean drinking water and sanitation
- viii) Women empowerment
- ix) Skills development and vocational training
- x) Accessibility to affordable clean energy
- xi) Rural infrastructure developmental projects
- xii) Livelihood interventions
- xiii) Creation of local employment and retention of the workforce
- xiv) Art, Cultural Heritage and Sports

4.3 Environment (Climate Change)

Licensee is encouraged to conduct activities to impact the environment in the following areas for social investment: -

- i) Water & waste management
- ii) Emission controls
- iii) Reduction in the use of harmful substances
- iv) Use of clean technologies
- v) Noise mitigation
- vi) Underground contaminations
- vii) Safety of local communities
- viii) Mitigating land degradation, preserving threatened species, protecting indigenous species
- ix) Environment conservation and protection initiatives



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4.4 Compliance

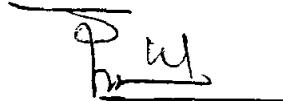
4.4.1 To invest against the pledges already made to the local, provincial and/or federal government, regulatory authorities as well as with the international financiers/investors/lenders, and submit regular compliance reports to the Authority.

4.4.2 To set its benchmarks/ measurable targets to ensure compliance in a manner as prescribed in NEPRA's Key performance indicators (KPIs) issued by the Authority from time to time.

4.5 Power with Prosperity Initiatives

Licensees are encouraged to design their CSR plan/projects in the manner provided in these guidelines and bring all under the umbrella of 'Power with Prosperity' (PwP) drive of NEPRA in the following manner;

- i. Execute CSR Projects on its own and get them all endorsed from NEPRA to acknowledge and support the projects; or
- ii. Develop Bilateral Agreements with National, International & Local NGOs, Donors, and Social Development Organizations through NEPRA's facilitation under PwP Fund (where Licensee may pool in money for the project execution through an external implementing partner with NEPRA's support).



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(Syed Safer Hussain)
Registrar

