



POWERING A GREENER TOMORROW



catalyze

inclusive
development



partner



empower



transform

doing business
responsibly



sustain

beyond
philanthropy

SUZLON FOUNDATION

Working with Business

Working with Business

Assess business impacts on different aspects of sustainability and prepare a strategy to offset negative and enhance positive impacts.

Mapping Footprint

Prioritize Intervention Projects

Suzlon CSR’s strategy is to address the business impacts on all the aspects of development through programs at three different levels. The table below presents internal and/or external issues that can come across in determined location, examples of intervention and the outcome expected.

Employee wellbeing	Neighborhood development	Vision championing
Reality	Example of response	Outcome/Business case
<ul style="list-style-type: none"> • Low retention rates • Low skilled workers • Employee moral and productivity • Health morbidity • Poor work life balance • Low civic society engagement • Low control of contr-actors and suppliers • Resistance and halting of operations 	<ul style="list-style-type: none"> • Cause related employment • 5S program • Health behavioral change drives • Employee CSR involvement program • GRI framework (PIME) • Supplier safety program • Early entry - land procurement • Education/vocational training 	<ul style="list-style-type: none"> • Higher retention rates • Improved employee moral and productivity • Reduced stress levels • Increasing health levels/lower absenteeism • Active civil society members /good societal relationships • Higher standard in complete value chain • License to operate

Employee wellbeing	Neighborhood development	Vision championing
Reality	Example of response	Outcome/Business case
<ul style="list-style-type: none"> • Low education levels • Poor health levels • Loss of livelihood • Biodiversity loss/soil erosion • Time, money and energy spent on firefighting • Heavy waste generation (materials, energy etc) • Green-washing • Poor effluent and emission standards • Straight throughput system (lack of life cycle and close loop thinking) • Low knowledge and awareness among managers and employees 	<ul style="list-style-type: none"> • Community health programs • Women self help groups/micro credit • Soil and water conservation • Energy conservation program • Zero waste • GRI implementation • Awareness workshops 	<ul style="list-style-type: none"> • Wider employment base (better educated and healthier) • Stable operating environment (lower unemployment rates, less social friction) • Strengthening corporate image and reputation • Reduced PR expenses • Lower energy costs • Production efficiency gains • Lower risk for brand flaws exposure • Strengthening brand interaction • Increasing access to capital • Living up to customers expectations

Determine impact of Suzlon's business on local area

It is necessary that basic details regarding the neighbourhood villages, impact of Suzlon's business activities on the local environment and the village communities and history of relations with the neighbourhood community be collected before identifying the villages for intervention. This information provides the basis for any interventions that are proposed for internal and/or external areas. The process involves different steps.

A. Discussions with Business Unit Head

The first step is to have discussions with the BU Head as he/she is the person who has maximum knowledge regarding the issues outlined above. A neighborhood profile matrix has been developed so that information and data can be collected systematically. The format also provides guidelines for the points for discussion.

The first part of the format relates to Suzlon's business. This should be filled up first in consultation with the BU Head.

- (1) **Suzlon Information:** Basic information about Suzlon's business operations (For e.g., number of manufacturing units, MW capacity of MUs, number of Turbines installed, geographical area covered, etc)
- (2) **Neighborhood details:** Names of villages having given land to Suzlon, priority villages for Suzlon, villages having highest impact of business operations, and unaddressed problems in the villages.
- (3) **Impact of Business Operations:** The impact has to be assessed keeping in mind following aspects.

Environment: deforestation, soil degradation, wasteland creation, biodiversity destruction, air and water pollution, waste generation in and around the Business Units (BU) and in neighbourhood areas

Health: threat to the health on Suzlon employees and the community of the neighbourhood area due to a) vehicular or any other pollution, b) dust generation because of construction activity, c) hazardous waste

Livelihood: disturbed livelihood of the community members due to land alienation

Infrastructure: damage to the local roads or other infrastructure because of heavy vehicular movement for BU operations

Note : BU can be a manufacturing unit, wind farm or SEZ where any of the Suzlon Group's companies has operations

B. Collect Secondary Data relating to Neighborhood Villages

Secondary data is available with the local Gram Panchayats which is available on request. Use this data to fill up related columns in the Baseline Data Format. It contains information about Suzlon's site, government departments such as PRI, Health, Education, etc., socio-demographic situation, local land use, etc. The Secondary Data Collection form should be used to gather this data.

C. Conduct needs Assessment of Villages

The tour to neighbourhood areas is conducted to assess the development status and basic needs of the villages and communities. The Matrix provides a list of probable problems faced in the villages. The code of reference should be used to complete the Neighborhood profile Matrix. This baseline will give a fair idea of the development status of the neighborhood villages and overall impact of Suzlon's business operations on local area and will provide valuable information for selecting the package of strategic initiative to be implemented in the location. For gathering qualitative data, Focused Group Discussions (FGDs) and Household Surveys should be conducted. At the same time, the data gathered from secondary sources should also be verified using the check list. The check-list for FGDs provides guidelines for holding the discussions.

Prepare Strategies

Determine Strategic Importance of the Locations

To ensure that CSR programs are linked with the Corporate Group's strategies, the locations for CSR interventions have to be selected keeping in mind their strategic importance for Suzlon's business.

The locations are measured on 4 indicators:

1. Presence of Suzlon
2. Stage of operation
3. Community engagement history
4. Local development status

Scores are given for each indicator. Once scored, the locations are categorized in **High, Medium or Low importance** areas on the basis of the total scores achieved by each location. The rank will determine which location has priority for CSR activities.

Note : To determine the strategic importance of locations use Table 1.0 Classification of sites by Strategic Importance

STANDARD OPERATIONAL PROCESS MANUAL



Strategic Importance	High	Medium	Low
1. Presence of Suzlon	Extensive (3)	Scattered (2)	Marginal (1)
<i>Indicators for scoring</i>	<i>> 100 Mw &/ spread over larger land mass, SEZ &/ more than one MU</i>	<i><100 Mw, compact area &/ MU</i>	<i><50 Mw</i>
2 Stage of operation	Advanced (3)	Initial (2)	Preliminary (1)
<i>Indicators for scoring</i>	<i>Land procurement, project initiation</i>	<i>feas study and O & M</i>	<i>Desk / wind study</i>
3. Community engagement history	Requiring urgent attention (3)	Can be improved (2)	Neutral (1)
<i>Indicators for scoring</i>	<i>No conflicts, Severe and / or repeated conflicts / business discontinuation / protests</i>	<i>Minor and / or occasional conflicts</i>	<i>Noting in specific</i>
4. Local Development Status	Underdeveloped (3)	Developing (2)	Developed (1)
<i>Indicators for scoring literacy, infant mortality, poverty, infrastructure, and population density</i>	<i>Lower National average</i>	<i>Around National average</i>	<i>Well above the National average</i>
Range of total score	9 to 12	5 to 8	0 to 4

TABLE 1.0 Classification of sites by Strategic Importance

Prioritize and Select Villages

As per the strategic importance of the location, villages will be prioritized for development programs. There may be a list of 100 villages which are the neighbourhood villages. However, only a few, depending upon the strategic importance, will be selected for intervention. The priority list of villages can be obtained in consultation with respective BU Head. The number of villages in which development programs will be implemented will be as per the following criteria:

Strategic Importance	No. of Villages (minimum)
High	5
Medium	3
Low	2

Criteria for Selecting Villages:

Minimum of 5 villages in high, 3 villages in medium and 2 in low strategic importance areas as in some cases more will be taken. Also contiguous villages may be selected to optimize resources with proper justification.

It is always possible that there are more than 5 neighborhood villages around any wind farm or SEZ. In such cases, following criteria will be used to select 5 villages from among all the neighborhood villages for intervention.

Basis for Priority:

- (a) Villages from where maximum land has been procured
- (b) Villages where there is history of constant frictions between Suzlon and the community
- (c) Villages in which the farmers have given Suzlon Right Of Way

Prioritize Intervention Projects

After determining the strategic importance of the location the next step is to determine which programs will be implemented where.

The selection of programs is done at two levels:

- (1) Transformative: Transformative programs are for internal issues and processes such as Waste Management, Energy Management/Saving, Employee Engagement

- (2) Responsive: The packages of responsive interventions contain projects in 5 thematic areas that are identified by Suzlon Foundation for CSR programs:
 - a. Environment
 - b. Health
 - c. Education
 - d. Civic Amenities
 - e. Livelihood

The criteria used to select the package for the location has to consider the location rank (High, Medium or Low importance). The intensity of the activities or programs will differ according to the strategic importance of the location.

TABLE 2.0 Packages of Strategic Initiatives

Strategic Importance	High	Medium	Low
Coverage	5 Villages	3 villages	2 villages
1. Environment	<u>Up to 100%</u> area in Suzlon custody	<u>Up to 50%</u> area in Suzlon custody	<u>Up to 33%</u> the area in Suzlon custody
2. Health	Disease Treatment Prevention and Health Promotion	Disease Treatment and Prevention	Disease Treatment
3. Education	Literacy + improving standard of education+ Life-skill and livelihood education in 2 schools per village.	Literacy + improving standard of Education in at least 1 school per village	Literacy for out of school children and illiterate adults and educational support to primary schools
4. Livelihood	Support alternative livelihoods of deserving families through grant & micro finance (SHG federation)	Support for sustaining current livelihoods of disadvantaged families through training, marketing and micro credit support (SHGs)	Assess livelihoods and capacity building and organizing Self Help Groups (SHGs) savings and credit)

Determine Implementation Approach

Determine whether the project should be implemented directly or by an external agency.

- (1) **Implementation through External Agency:** If the project is long term (having continuous activities) or requires special expertise, it will be implemented through external agency. See Chapter 2: Implementation through external agency, for detailed procedure.
- (2) **Direct implementation:** The projects which are of event type (for e.g., health camp, cattle camp, plantation, etc.) or which can use internal expertise (for e.g. projects like developing village infrastructure, or short term training type of projects where resource persons can be hired from outside) should be implemented directly by CSR team members of Suzlon Foundation.

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