

GMR Group

Business Responsibility Policy

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1. INTRODUCTION

The Business Responsibility Policy is framed pursuant to Regulation 34(2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“SEBI LODR”) read with SEBI circular no. CIR/CFD/CMD/10/2015 dated November 04, 2015 governing provisions related to Business Responsibility Report.

2. Scope and Purpose

Regulation 34(2) of the SEBI LODR provides for reporting of Business Responsibility Report in Annual Report as mandatory for the top 500 listed companies based on market capitalization.

This Policy of the Company is a compilation of 9 policies framed on the basis of the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business published by the Ministry of Corporate Affairs.

3. Definitions

- 3.1. “Board” shall mean Board of Directors of the Company.
- 3.2. “Companies Act” shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.
- 3.3. “Company” shall mean GMR Infrastructure Limited
- 3.4. “Group” shall mean the GMR Group and shall include the Company, its subsidiaries, associates, joint ventures and group companies.
- 3.5. “Policy” or “this Policy” means Business Responsibility Policy.
- 3.6. “SEBI LODR” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The SEBI, as amended, from time to time.
- 3.7. “Stock Exchange” shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (regulation) Act, 1956.

4. Applicability

This policy is designed to ensure a unified and common approach across the group and shall be applicable to employees, subsidiaries, affiliates, vendors, service providers, consultants and other stakeholders of Company, as may be relevant. This Policy applies to all the directors of the Company also.

The Board of Directors of the Company (Board) had approved this Policy at its meeting held on February 14, 2019.

This Policy shall be effective from the date of approval by the Board.

5. Key principles

This policy embodies the Group's philosophy and elements on the following principles which are elaborated hereinafter:

- **Principle 1:** *Businesses should conduct and govern themselves with ethics, transparency and accountability*
- **Principle 2:** *Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle*
- **Principle 3:** *Businesses should promote the wellbeing of all employees*
- **Principle 4:** *Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised*
- **Principle 5:** *Businesses should respect and promote human rights*
- **Principle 6:** *Businesses should respect, protect, and make efforts to restore the environment*
- **Principle 7:** *Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner*
- **Principle 8:** *Businesses should support inclusive growth and equitable development*
- **Principle 9:** *Businesses should engage with and provide value to their customers and consumers in a responsible manner*

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

Philosophy:

The Group endeavors to conduct its businesses and strengthen relationships in a manner that is dignified, distinctive and responsible. The Group adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. The Company has adopted various codes and policies to carry out its duties in an ethical manner viz., Code of Conduct for Board Members and Senior Management, Code of Business Conduct and Ethics applicable to employees, Policy on Whistle Blower, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct for Prohibition of Insider Trading, Policy on Disclosure of Material Events and Information etc. There is also a Suppliers' Code of Conduct and Business Ethics to ensure transparent business governance.

The Code of Business Conduct and Ethics policy of the Company embodies the Group's Values and Beliefs and endeavors to lay down guidelines for employees of the Group to follow in their day to day work life. The policy applies to all employees on regular rolls of the Company including Full Time Directors, Advisors, In-house Consultants, Expatriates and employees on contract.

As an extension of the Code of Conduct, Company has a Whistle Blower policy which also applies to third parties with concerns regarding any serious malpractice or impropriety within the Group. Third parties include Vendors, Service providers, Partners, JV employees, and customers.

The Company has always been committed to good corporate governance practices, including matters relating to Related Party Transactions. The Company has formulated the Policy on Related Party Transactions through which it monitors the transactions of the Company with the related parties. The details of the transactions with related parties are placed before the Audit Committee and Board of Directors from time to time.

The Group also has an Ethics and Intelligence Department to expeditiously investigate and take action to protect the culture and ethical environment.

The Group has a 'zero tolerance' approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all the business dealings and relationships, wherever it operates.

Policy:

- i. The Company shall have governance structures, procedures and practices that ensure ethical conduct at all levels across, where ever is applicable, its value chain.
- ii. The Company shall communicate transparently and shall assure access to information about its decisions that impact relevant stakeholders.
- iii. The Company shall not engage in practices that are abusive, corrupt, or anti-competition.
- iv. The Company shall truthfully discharge its responsibility on making financial and other mandatory disclosures timely.
- v. Every employee of the company shall abide by the values and the commitment to ethical business practices reflected in the company's Code of Conduct and HR policies.
- vi. The Company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.
- vii. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Philosophy:

Since inception, sustainability has remained at the core of our business strategy. Besides economic performance, safe operations, environment conservation and social well-being have always been at the core of Group's philosophy of sustainable business. The Group has invested substantially and allocated other resources to proactively adopt and implement business processes to increase its adherence to environmental standards and pollution control measures and enhance its industry safety levels. At GMR Group, the challenges due to the Company's operations related to Environment, Health and Safety (EHS) aspects of the business, employees

and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures. Our continuous endeavor to go beyond compliance and conserve natural resources helps to march towards attaining excellence in environment management and efficient and sustainable operations as well. As the Company operates in an increasingly resource- constrained world, being environmentally conscious and efficient is key to our operations. The Group has evolved as Sustainability leader by registering 7 CDM Projects with United Nations Framework Convention on Climate Change (UNFCCC).

Policy:

- i. The Company shall assure safety and optimal resource use over the lifecycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.
- ii. The Company shall raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
- iii. In designing the product, the Company shall ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
- iv. The Company shall regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
- v. The Company shall recognize and respect the rights of people who may be owners of traditional knowledge and other forms of intellectual property.
- vi. The Company shall recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.

Principle 3: Businesses should promote the wellbeing of all employees.

Philosophy:

The Group believes that the employees are the most valuable asset for an organization. The Company has robust process of human resource development which strives to provide all employees with opportunities for learning, professional growth and development.

The Disciplinary Policy and Policy on Work Environment and transparent HR processes and practices endeavor to provide a work atmosphere free of any discrimination. The Group has recently included Inner Excellence as one of its core values and beliefs which relates to the mental and spiritual well- being of the employees.

The Group also has in place an Anti-Sexual Harassment Policy and an Internal Complaints Committee (ICC) to address complaints received regarding sexual harassment, if any. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

Policy:

- i. The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
- ii. The Company shall provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- iii. The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- iv. The Company shall take cognizance of the work-life balance of its employees, especially that of women.
- v. The Company shall provide facilities for the wellbeing of its employees including those with special needs.
- vi. The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- vii. The Company shall provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees. The Company should communicate this provision to their employees and train them on a regular basis.
- viii. The Company shall ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. The Company should promote employee morale and career development through enlightened human resource interventions.
- ix. The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Philosophy:

For the Group, community is a major stakeholder of business. Whenever a business is set up, the Group surveys the surrounding communities and identifies the key stakeholders. There is a specific focus on identifying the vulnerable amongst the stakeholders. These include landless, displaced, tribal communities, socially and economically backward sections, people with disabilities, women-headed households, etc. Need assessment studies are conducted in business locations and the needs of communities with special focus on disadvantaged and vulnerable communities are identified and all the CSR activities are planned and implemented based on the identified needs of the communities. GMR Group works with the under-privileged communities around its business operations for improving their quality of life. A special focus is laid on vulnerable and marginalized sections of the community such as differently-abled persons, elders, tribals, migrant labour etc.

Policy:

- i. The Company shall systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.
- ii. The Company shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- iii. The Company shall give special attention to stakeholders in areas that are underdeveloped.
- iv. The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5: Businesses should respect and promote human rights

Philosophy:

The Group has various policies towards promoting human rights like Code of Conduct, Whistle Blower Policy, Disciplinary Policy, Policy against Sexual Harassment, and Policy on Work Environment coupled with transparent HR processes and practices adequately cover the human rights aspects.

Policy:

- i. The Company understands the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights.
- ii. The Company appreciates that human rights are inherent, universal, indivisible and interdependent in nature.
- iii. The Company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations and ensuring all individuals impacted by the business have access to grievance mechanisms.
- iv. The Company shall recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
- v. The Company shall, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
- vi. The Company shall not be complicit with human rights abuses by a third party.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

Philosophy:

The Group has a Corporate Environment, Health, Safety and Quality (EHSQ) Policy to articulate, guide, and adopt an integrated approach towards implementing EHSQ objectives and the

Company is committed to the Policy. These established systems certified by reputed certifying agencies have helped to monitor and manage our operations systematically, safely and in environmental friendly manner. The Company understands the global thrusts for minimizing the effect of developmental projects towards global warming. The Company has developed various projects voluntarily and some of the projects are under development stage, which ultimately reduces Green House Gases (GHG) emissions into the atmosphere and thus, minimizing the global warming effect. GMR Group has initiated the process of Clean Development Mechanism (CDM) in 2008 and commenced assessment of Carbon Footprint of its units. The Company understands the thrust of achieving energy efficiency, and effectively utilizes the available clean technology and renewable energy resources in all its business developments.

Policy:

- i. The Company shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- ii. The Company shall take measures to check and prevent pollution. The Company should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
- iii. The Company shall ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
- iv. The Company shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- v. The Company shall develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
- vi. The Company shall report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
- vii. The Company shall proactively persuade and support its value chain to adopt this principle.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Philosophy:

The Group recognizes that businesses operate within the specified legislative and policy frameworks prescribed by the Government. The Company also participates in initiatives undertaken by the Government and Regulators.

The Company is a member of trade bodies and associations. Some of the major ones are listed below:

- A. Confederation of Indian Industry (CII), Chennai
- B. The Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi
- C. Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi
- D. Bangalore Chamber of Industry & Commerce (BCIC)
- E. Indo-Japanese Chamber of Commerce & Industry (Karnataka) – (IJCCI)
- F. PHD Chamber of Commerce & Industry (PHDCCI), New Delhi
- G. Maharashtra Economic Development Council (MEDC)
- H. Thought Arbitrage Research Institute (TARI)

Policy:

- i. The Company, while pursuing policy advocacy, shall preserve and expand public good and shall not advocate any policy change to benefit the Company or select few alone.
- ii. To the extent possible, Company shall utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

Principle 8: Businesses should support inclusive growth and equitable development.

Philosophy:

The Group works with the communities surrounding its business operations with a vision to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. The programs are designed based on the local needs identified through the baseline studies at each location. Thus, all the programs are sensitive to the needs of local communities and ensure a high level of participation from the communities.

GMR Group implements the community development programs through its own Foundation i.e. GMR Varalakshmi Foundation which is governed by a Board of eminent professionals chaired by the Group Chairman. GMRVF conducts impact assessment studies, both external and internal, in its project locations to understand the effectiveness of the programs.

GMRVF lays great emphasis on involving community in their development process. Towards this, GMRVF conducts wide consultations with the communities before initiating any program and develops programs based on the local needs identified by the communities. Community members are engaged at every stage of the programs and all the systems and procedures have been made accountable and transparent for the communities.

Policy:

- i. The Company understands their impact on social and economic development, and respond through appropriate action to minimise the negative impacts.
- ii. The Company shall innovate and invest in products, technologies and processes that promote the wellbeing of society.

- iii. The Company shall make efforts to complement and support the 8 development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
- iv. The Company shall be sensitive to the local concerns while operating in regions that are underdeveloped.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Philosophy:

As part of Customer focus initiatives, at regular intervals, the Satisfaction levels of Clients (Internal as well as External) are captured to trace their stated and unstated needs and expectations. The Group measures the Customer Satisfaction at four stages viz., during initiation and mobilization, execution, handing over and defect liability period. Customer Satisfaction Survey captures feedback on various criteria like Planning, Execution, Safety and Quality on the scale of 1 to 5 and also captures suggestions / comments, if any, from the Customer. This information is analyzed to arrive at actionable points to improve our service offerings. Business Balance Score Card (BBSC) and Goal Sheets (of related employees) have weightage to improve Customer feedback and Satisfaction index.

The Group, wherever applicable, regularly conducts passenger surveys in order to evaluate the performance resulting in form of the internationally accepted ASQ scores.

Policy:

- i. The Company, while serving the needs of their customers, shall take into account the overall well-being of the customers and that of society.
- ii. The Company shall ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
- iii. The Company shall disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, the Company should also educate their customers on the safe and responsible usage of their products and services.
- iv. The Company shall promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
- v. The Company shall exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- vi. The Company shall provide adequate grievance handling mechanisms to address customer concerns and feedback.

6. Implementation and monitoring

The Managing Director of the Company shall have the authority to oversee the implementation of this Policy. The Company Secretary shall be responsible for implementing the Business Responsibility initiatives. He shall be responsible for, providing clarifications on the Policy, guiding the staff in implementation, reviewing the results, audit, impact assessment, etc.

In view hereof:

- Mr. Grandhi Kiran Kumar, Managing Director, is nominated as the Director responsible for implementation of the Business Responsibility policy/policies and
- Mr. T. Venkat Ramana, Company Secretary and Compliance Officer is nominated as the Business Responsibility Head (“BR Head”).

The Managing Director shall be the reviewing authority of this Policy and may make suitable changes in this Policy from time to time, however, such alterations shall not be inconsistent with the provisions of any law for the time being in force.

Compliance with the Policy shall be monitored and evaluated by the respective Functional Heads of the Departments/ Unit Heads of the Company / the Group on a regular basis.

Any grievance/ complaints with respect to violation of this Policy may be reported to the BR Head of the Company.

7. Disclosures

This policy shall be available on the website of the Company for the internal and external stakeholders. Further, it shall also be available on Company’s intranet.

8. Policy Review and Amendments

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authorities.

This policy is also supported by a series of existing policies, and the principles set out in this document are reflected in the existing policies and would be reflected in such other new policies that would be put in place from time to time, as relevant.

Any exceptions to the Business Responsibility Policy must be consistent with the SEBI LODR and must be approved in the manner as may be decided by the Board of Directors.