

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L45203KA1996PLC034805
2. **Name of the Company** : GMR Infrastructure Limited
3. **Registered address** : SKIP House, 25/1, Museum Road, Bengaluru - 560 025
4. **Website** : www.gmrgroup.in
5. **E-mail id** : Sounderarajan.CP@gmrgroup.in
6. **Financial Year reported** : 2012- 2013
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** : The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others; and is a holding company for the investments made in Airports, Energy, Highways and Urban Infrastructure & SEZ (Special Economic Zone) sectors.

Group	Class	Sub Class	Description
421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways.
429	4290	42909	Other civil engineering projects n.e.c
439	4390	43900	Other specialized construction activities

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)**

The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others.

The Company is a holding company for the investments made in Airports, Energy, Highways and Urban Infrastructure & SEZ (Special Economic Zone) sectors.
9. **Total number of locations where business activity is undertaken by the Company:**
 - i. Number of International Locations (Provide details of major 5): NIL
 - ii. Number of National Locations: GIL has business activities undertaken in more than five states in India viz Bangalore, Hyderabad, Mumbai, Kamalanga (Orissa), Chennai, Hospet (Karnataka), Warora (Maharashtra).
10. **Markets served by the Company - Local / State / National / International :**

Number of International and National locations for Subsidiaries, JVs and Associates:

The International locations of GIL's Subsidiaries / JVs / Associates include Turkey, Indonesia, South Africa, Singapore, Maldives, Nepal and the National locations include Bangalore, Delhi, Hyderabad, Chennai, Vemagiri, Kakinada and Rajahmundry (Andhra Pradesh), Krishnagiri (Tamil Nadu), Chandigarh, Chamoli (Uttarakhand), Chamba (Himachal Pradesh), Raikheda (Chhattisgarh), Charanka (Gujarat), Rajasthan, Kamalanga (Orissa), Hospet (Karnataka), Warora (Maharashtra).

The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others in India.

Over the past two decades, GMR Group has grown from a regional to a global infrastructure player.

The international presence of the Company's subsidiaries extends to the following geographies:

- Stakes in international coal assets in Indonesia - PTBSL & Sinarmas;
- Hydro-power projects in Nepal - Under various stages of developing;
- In Airports - 40% stake in Sabiha Gökçen International Airport, Istanbul with a capacity to handle 25 MPPA (million passengers per annum).

The Company's subsidiaries also served following geographies in FY 2012-13 but currently do not have any presence:

- Coal assets in South Africa: Successfully operated for many years but divested completely in 2012-13;
- Project in Singapore: Project was under development but divested completely in FY 2012-13;
- Airport in Male: Operated the Airport till December 2012 but after change in the political leadership in Maldives, the concession agreement was terminated. The matter is sub-judice as per the terms of the Concession Agreement.

On the National level, the Company's subsidiaries own and operate 2 airports on Public Private Partnership (PPP) (Delhi & Hyderabad), 7 energy assets operating in Tamil Nadu, Andhra Pradesh, Gujarat, Maharashtra, 4 projects under construction (including power plants in Orissa & Chhattisgarh and 2 transmission projects in Rajasthan) and 2 Hydro plants (Himachal Pradesh & Uttarakhand) under development, and 9 different highways (mix of toll as well as annuity) at various locations in India - Andhra Pradesh, Karnataka, Punjab and Tamil Nadu).

Section B: Financial Details of the Company

	(₹ In Crore)
1. Paid up Capital (INR)	: 389.24
2. Total Turnover (INR)	: 1461.37
3. Total profit after taxes (INR)	: 53.45
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 0.34%
5. List of activities in which expenditure in 4 above has been incurred:	
The above expenditure has been incurred for promotion of the following activities:	
• Education	
• Health	
• Empowerment and Livelihood	

The subsidiaries of the Company have contributed towards CSR activities undertaken by GMR Varalakshmi Foundation (GMRVF), a Corporate Social Responsibility (CSR) arm of the Company, which develops social infrastructure and enhances the quality of life of communities around the locations, where the Company/subsidiaries have a presence.

The activities include:

Education Programs

Running educational institutions; Working with Government Schools and Anganwadis; Running Bala Badis; Conducting after School tuitions, extra-curricular activities; providing scholarships etc.

Health, Hygiene and Sanitation

Running 135-bed multi-specialty hospital at Rajam; Running 28 medical clinics, 4 Mobile Medical Units and 4 Ambulances; Conducting health and hygiene awareness sessions; Running Nutrition Centers for pregnant and lactating women; Building and maintaining public toilets.

Empowerment and Livelihood

Running 8 vocational training centers which trained about 4000 unemployed youth during the year; supporting about 300 women Self-Help Groups; Support to farm and non-farm livelihoods; supporting women to take up income generation activities and marketing their products.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**
Yes, the Company has 127 subsidiary Companies, as on March 31, 2013.
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Yes, the Company along with its subsidiary companies participate in group wide Business Responsibility (BR) initiatives on a wide range of topics. All subsidiaries are aligned to the activities under the aegis of GMRVF, a Corporate Social Responsibility (CSR) arm of the Company, which develops social infrastructure and enhance the quality of life of communities around the locations, where the Company / Subsidiaries have a presence.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**
No

Section D: BR Information

1. **Details of Director / Directors responsible for BR**
 - a) **Details of the Director / Directors responsible for implementation of the BR policy / policies:**

- DIN Number : 00051167
- Name : Mr. B.V.N. Rao
- Designation : Managing Director

b) Details of the BR head:

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. C.P. Sounderarajan
3.	Designation	Company Secretary and Compliance Officer
4.	Telephone number	T: +91-80-4053 4000
5.	e-mail id	Sounderarajan.CP@gmrgroup.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect, protect, and make efforts to restore the environment.
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should support inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7***	P8	P9***
1.	Do you have a policy /policies for.....	Y	Y	Y	Y	Y The Code of Conduct, Ethics and HR Policies cover Human Rights aspects.	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	--**	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Wherever the Group Policy is not compliant with local laws, they are suitably modified. There is no known non-compliance with international standards.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	--**	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	--**	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y*	--**	Y*	Y	Y	Y*	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	--**	Y	Y	Y	Y (internal stakeholders)	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	--**	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy /policies to address stakeholders' grievances related to the policy/policies?	Y	--**	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	--**	Y	Y	Y	Y	Y	Y	Y

* The policy is available in Company's intranet.

** The Company and the Subsidiaries wherever applicable have systems and practices to adhere as per the principles.

*** The Company and the Subsidiaries have systems in place and have practices as per the Principles and formal policy based upon systems and practices will be placed before the Board for approval.

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify)									

Not Applicable

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

It is proposed to assess the BR performance on an annual basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Annual Report containing Business Responsibility Report will be uploaded in Company's website.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

Yes. The Code of Business Conduct and Ethics policy of the company embodies the Group's Values and Beliefs and endeavour 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 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. There is also a supplier Code of Conduct and Business Ethics to ensure transparent business governance.

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

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

As specified in the Corporate Governance Report, 85 investors' complaints were received during the financial year 2012-13, which have been fully resolved.

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

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The Company's EPC business as a separate operating division is catering to the requirements for implementing the projects undertaken by the subsidiaries and others.

GMR Group (including the Company) believes in integrating strong Environmental Management practices into its industrial enterprises across all processes. Several unique schemes have been implemented to prevent pollution and conserve natural resources to achieve sustainable development.

- Energy - All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorised agencies. Efficient monitoring systems have been set up at appropriate locations in and around the plants and the Environmental performance indicators like stack emissions, ambient air quality, among others are maintained well within the stipulated norms.
- Delhi Airport - the Operational Environment management focuses on energy management, air quality, noise level, emissions management, waste management, water and waste water management, natural resource conservation and bird and animal hazard management. Proactive and collaborative efforts such as Workshop on Carbon Footprint of Indian Aviation with DGCA, Airports and Airlines, Community Noise issues discussions along with DGCA and Ministry of Civil Aviation

(MoCA) and Collaborative Environment Management Programs with stakeholders are examples of efforts on social concerns. DIAL has established an Aircraft Noise Monitoring System (ANMS) in order to develop a database of aircraft noise which will help in formulating future mitigation strategies on noise in parity with the working group on airport noise formed by DGCA. 'Track your Aircraft Noise' program is one of the noise mitigation initiatives by the team, which offers an awareness on noise levels 10 decibels(A) below the DGCA standard for both night and day periods for aircraft movements taking place at IGIA.

- Hyderabad Airport - As part of Corporate Environmental responsibility, GHIAL has voluntarily initiated and completed the GHG accounting for the calendar years 2009, 2010, 2011 & 2012. Further, it successfully completed verification of the GHG data of three years by M/s. Bureau Veritas as per ISO 14064-1 specifications. Bio-fuel tree plantation (Jatropha) is one of the novel initiatives taken by RGIA towards promoting green environment. Energy conservation practices are also being implemented.

In addition to this, various Energy and Water Conservation initiatives are underway within Energy sector and both Delhi & Hyderabad Airports.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

EPC division of the Company seeks to source locally available material (unless otherwise Specified), deploys energy conservation measures and work with clients on Sustainability / Green initiatives. EPC division has built DAV School at Rajam, Andhra Pradesh, for which Green Certification is under process. Construction Equipments deployed by EPC division at project sites are fuel efficient and in compliance with emission norms.

The fuel in the Energy Sector subsidiary companies is sourced through pipelines to the plant avoiding wastages like leak, vapourisation etc. The Company and its subsidiaries have a Procurement Policy in place and vendors agree to the GMR Code of Conduct and Business Ethics.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

There are several services at the construction sites of the Company for which local people have been given opportunity. These include housekeeping services, photography and Canteen, Mess services, Printing stationary. Apart from that supply of various building material such as sand, aggregate, Fly ash bricks, Moorum etc. has been given to local persons only. Many local people have been appointed and trained in various technical skills for execution of work like quality lab technicians, Plant and Machineries helper, Store assistant, operator for Transits mixture and Tough rider.

For subsidiary companies in Energy Sector: The Companies have a policy of procuring goods and services like horticulture, housekeeping and the like from nearby suitable sources of supply. The Companies have its internal methodology of procuring goods and services like horticulture, housekeeping, Hospitality support services, selling of products made by nearby community trained and managed through its CSR wing GMRVF.

For subsidiary companies in Airport Sector:

- (i) Hyderabad Airport (GHIAL): There are several services at the Airport for which local people have been given exclusive opportunity through the Business Development and CSR team of GHIAL. These include housekeeping services, photography and photocopy services, barber saloon services, tyre inflation puncture repair, grocery shop, etc. These businesses are having more than ₹ 40 lakhs turnover in a year. While these refer to the individual entrepreneurs, GHIAL CSR runs at vocational training centre and enterprise centre for local women. The vocational training centre capacity builds youth towards different technical skills and more than 700 people from Airport surrounding villages have been provided employment in the Airport in different entry-level jobs. For the women enterprise, women from surrounding villages have been trained in making handicrafts and these are marketed through different channels. GHIAL has provided two shop spaces at the Airport, including one at international departure for selling these products. The total revenue for this initiative has grown from ₹ 8 lakhs in 2008-09 to more than ₹ 70 lakhs in 2012-13. Every year GHIAL itself buys many products for its own requirements from this enterprise approximately to the tune of several lakhs every year.
- (ii) Delhi Airport (DIAL): The Company has been procuring Goods & Services from Local & Small producers, traders & service Providers and based on quality of their deliverables, these Agencies are being considered for further opportunities. There are several steps taken to procure services from the communities surrounding place of work at the airport, for which local people have been given exclusive opportunity through the Business Development and CSR team of DIAL. Some of these are as below:

- Efforts have made to develop small entrepreneur's to procure Public Health related engineered Products (Urinal Sensor etc.), Horticulture Products, Flower Arrangement etc.;
- Tenders are generally invited from NGO's / War Widows for Cleaning Material & Consumables;
- For the women enterprise, 15 women from Meharamnagar village have been trained in making handicrafts (cushion covers, stoles, mobile pouches, ladies bags etc.) and to enable marketing of products made by these women, DIAL - CSR has set up one "EMPOWER Shop" at MLCP (Multi level car parking) at Terminal 3;
- Artificial Jewelry making activity of women group has also been set up at Savda Ghevera and marketing of the same is done through EMPOWER Shop;
- DIAL CSR is also running one screen printing centre at Savda Ghevera with four women for income generation;
- DIAL-CSR identified 11 poorest of the poor individuals from the displaced community at Savda and provided livelihood support for their individual income generation activities like laundry, Refrigerator and Air-conditioner repairing shop, rickshaw, envelope making, sewing machine etc;
- Centre for Empowerment and Livelihoods (CEL), Delhi is engaged in imparting vocational skill trainings for under-privileged dropout youth;
- Training is provided in various vocations like Basic Computers; Basic Electrical; Refrigeration and Air Conditioning; and Cargo related courses like Cargo Handling and Basic Cargo Management and Airport Systems (PBB/BHS/VHT);
- During the last three years, around 1100 under-privileged youth were trained and more than 950 of them have been successfully placed in different jobs;
- One of the major accomplishments in the area of vocational training program was the launch of 'Basic Cargo vocational training course' at CEL- Delhi with an end -to- end partnership with CELEBI Delhi Cargo Management India Private Limited. 2 batches of Basic Cargo trainings were completed during the year in which about 30 poor and needy graduates were trained. More than 20 of them are currently working with CELEBI at Cargo Terminal;

- The CSR team also extended support to DIAL-HR team for the recruitment of "Passenger Attendant" for IGI Airport New Delhi. More than 200 youth from under-privileged background were mobilized for this recruitment drive.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company's subsidiaries operate in different business sectors like Energy, Airports, Highways and Urban Infrastructure. The waste water at the power generation plants and Airport is recycled and used for gardening and other cleaning purposes. Also, wastes generated during the operations of the power generation plants are sent to the authorized agencies of CPCB/SPCB for treatment.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees:**

Sl No.	Category of Employees	No. of Employees
1	Managerial Staff (Executive Cadre)	550
2	Operations Staff (Non-Executive Cadre)	226
	Total	776

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis:**

Sl No.	Category of Employees	No. of Employees
1	Advisors & Consultants	12
2	Sub-Contracted Employees	2023
3	Casual Employees	NIL
	Total	2035

3. **Please indicate the Number of permanent women employees:**

Number of permanent women employees : 76

4. **Please indicate the Number of permanent employees with disabilities:**

Number of permanent employees with disabilities : NIL

5. **Do you have an employee association that is recognized by management?**

There is no employee association in the Company.

6. **What percentage of your permanent employees is members of this recognized employee association?**

NIL

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/forced labour/involuntary labour	NIL	The Company does not hire child labour, forced labour or involuntary labour; hence not applicable.
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	The company does not discriminate in the recruitment process; hence not applicable.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees: 100%
- Permanent Women Employees: 100%
- Casual / Temporary / Contractual Employees: 100%
- Employees with Disabilities: N.A.

All the contractual employees of the Company receive mandatory safety training before entering their premises and receive the job training through the contractor and the Company.

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

1. Has the company mapped its internal and external stakeholders? Yes/No

Whenever the Company sets up a business, it surveys the surrounding communities and identifies key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

There is a specific focus on identifying the vulnerable amongst the stakeholders. These include landless, tribal communities, socially and economically backward sections, people with disabilities, women-headed households, etc.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

For the Company, community is a major stakeholder of business. Thus, 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. GMR Varalakshmi Foundation (GMRVF) initiated Tent School program in Bangalore for the children of migrant labour communities. About 1000 children get benefit from this Tent School initiative that otherwise had to drop out of education due to migratory nature of their families. At Delhi, the CSR unit is running

Samarth program for mainstreaming differently-abled persons through inclusive education, creation of livelihood opportunities, facilitating their rights and entitlements etc. To address the health care needs of disadvantaged elderly people, GMRVF is running 4 Mobile Medical Units at different locations which take quality health care to the doorsteps of about 7000 elderly and vulnerable people. At Shahdol, GMRVF partnered with Women and Child Welfare Department to set up Anganwadi centers in tribal hamlets which provide pre-school education, nutrition support etc. for children of 0-5 years age, adolescent girls, pregnant and lactating women. Further, to ensure all the children access quality education, GMRVF is providing school bus support, boarding support etc. for the children (mostly from tribal communities) in hilly remote areas which enabled them to continue their education. In the vocational training program of GMRVF also, preference is given to the candidates from disadvantaged backgrounds and special efforts are put to mainstream them through provision of required skills. GMRVF also has focused programmes to reach out to women and improve their livelihoods.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?

The Company does not have an independent Human Rights Policy. However, policies like Code of Conduct, Whistle Blower Policy, Disciplinary Policy, Policy Against Sexual Harassment, Policy on Work Environment coupled with transparent HR processes and practices adequately cover the human rights aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There are no reported complaints received during the financial year 2012-13.

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs/ others.

The policy related to principle 6 is applicable to all the units of GMR Group, its contractors and its employees.

2. **Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company and the Group has strategies to address global environmental issues such as Climate Change and Global Warming.

GMR Group has initiated the process of Clean Development Mechanism in 2008 and commenced assessment of Carbon Footprint of its units.

3. **Does the company identify and assess potential environmental risks? Y/N**

Yes, the company has a procedure to identify and assess potential environmental risk.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, the Company and the Group is actively involved in the development of Clean Development Mechanism (CDM) projects. It has taken the initiative towards developing the projects which are energy efficient, utilizes cleaner fuel, and uses renewable energy resources as fuel. In such endeavor, the Group has registered five CDM projects at United Nation Framework Convention on Climate Change (UNFCCC) during FY 2012-13. Also, UNFCCC has issued 1,11,667 certified emission reduction in FY 2012-13. The Group does not have the requirement to file any environmental compliance related to CDM; however, the environmental aspects related to compliance and sustainability are included in the Project design document of CDM.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc Y/N. If yes, please give hyperlink for web page etc.**

Yes. 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. Delhi Indira Gandhi International Airport, Terminal 3 has been awarded green building "LEED INDIA GOLD" rating from Indian Green Building Council (IGBC) thereby making it one of the largest Green Buildings in the world¹. The Rajiv Gandhi International Airport (RGIA) Passenger Terminal Building has 'Leadership in Energy and Environmental Design' (LEED) certification for its unique design, which allows maximum natural lighting, and other features that enable optimal use of energy and water. RGIA is the first airport in the world to be awarded the LEED silver rating for its eco-friendly design². Upcoming thermal power plants projects based on Coal are planned with the latest available technology viz Supercritical Technology and wherever feasible the projects are developed to use Natural Gas, which is the Clean fuel resource. The operating power plants viz. GMR Power

Corporation Limited (GPCL) and GMR Vemagiri Power Generation Limited (GVPGL) are already identified as energy efficient power plants as per the Notification [S.O. 687 (E) dated March 30 2012] issued by the Ministry of Power under the Perform, Achieve and Trade (PAT) Mechanism. The Company is involved in developing the projects under renewable portfolio. The Company takes the pride of commissioning 25 MW grid connected Solar Photo Voltaic based power plant at solar park developed by Gujarat Power Corporation Limited, Charanka in Gujarat. The Company has also commissioned the wind mill in Gujarat (2.1 MW Capacity) and Tamil Nadu (1.25 MW Capacity).

¹<http://www.newdelhiairport.in/environment.aspx>

²<http://www.hyderabad.aero/environment.aspx>

6. **Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Yes, all the emissions and waste generated by the company including its subsidiaries is well within the permissible limits prescribed by CPCB/ SPCB.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

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

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of:

- Confederation of Indian Industry (CII), Chennai
- The Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi
- Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi
- Bangalore Chamber of Commerce & Industry (BCCI)
- Indo-Japanese Chamber of Commerce & Industry (Karnataka) - (IJCCI)
- PHD Chamber of Commerce & Industry (PHDCCI), New Delhi

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, following are the broad areas:

- (i) Economic Reforms
- (ii) Airport Services
- (iii) Public Utility

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, GMR 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 thus ensure a high level of participation from the communities.

Under the area of Education, GMR Group is running an Engineering, Degree, Polytechnic and Community colleges in AP apart from several schools. 20% of the seats in all the schools are provided to the children from poor communities free of cost. Group also supports the education of poor students by facilitating Scholarships and Educational loans. About 3000 students have received such support. GMR Group also focuses on improving the infrastructure facilities and quality of education at Government schools and pre-schools, apart from running its own Bala Badis (Pre-schools for children of 3-5 year age group). Over 300 Govt. schools are supported reaching out to over 30000 children. About 4000 per school age children in 180 Bala Badis and Anganwadis across the country benefit from the Group's initiatives. Technology enabled learning is also facilitated with the setting up of 26 IBM Kid Smart Early Learning Centers across the locations.

In the area of health, GMR Group is providing health services to under-served communities by running a 135-bed hospital, 27 medical clinics, 4 ambulances and 4 Mobile Medicare Units. The medical clinics of the Foundation are serving over 7000 patients per month. The 135-bed secondary care hospital is established in Srikakulam, one of the poorest districts of Andhra Pradesh, to serve the communities in this area by offering world class treatment at comparatively very low prices. 19 public toilets have been constructed in both rural and urban locations to improve sanitation facilities which are used by about 30000 people per month. Many awareness programs are organized on health and hygiene related issues which have shown lot of impact on the health status of the communities.

Enhancing the livelihoods of the communities is another area of the focus areas, and to achieve this, as part of the CSR, 8 vocational training centers are run in different locations through which about 4000 under-privileged youth are trained every year in different

market relevant skills. Over 80% of these trainees are settled in wage or self-employment. The Group also works towards women empowerment by promoting and strengthening Women Self Help Groups. About 300 groups are formed so far with more than 3500 members and are receiving thrift, credit, capacity building and market support.

Further, the community development initiatives focus at establishing village libraries, promoting youth and children's clubs and also on generating awareness among communities on key social and environmental issues.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

GMR Group implements the community development programs through GMR Varalakshmi Foundation, a Section 25 Company. The Foundation is governed by a Board of eminent professionals chaired by the Group Chairman. It has its own professional staff drawn from top academic institutions.

3. Have you done any impact assessment of your initiative?

Yes, GMRVF conducts impact assessment studies in its project locations to understand the effectiveness of the programs.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company and the Group Companies during the year contributed to community development projects to the extent of ₹ 23.71 Crore

Projects undertaken:

Education:

- 1) Supporting Govt. schools with Vidya Volunteers, Teaching Learning Materials, After School Learning Centers, Small infrastructure, Teachers' training etc. to improve the quality of education;
- 2) Supporting Govt. Anganwadis and setting up Bala Badis to provide quality pre-school education;
- 3) Support to students with coaching for different entrance and competitive examinations, scholarships and loans for pursuing higher education etc.

Health, Hygiene and Sanitation:

- 1) Running Medical Clinics, Mobile Medical Units and Ambulances where ever there is a gap of such health facilities;
- 2) Conducting need based general and specialized health check-up camps and school health check-ups;
- 3) Conducting health awareness programs with special focus on seasonal illnesses, HIV/AIDS etc.

Empowerment and Livelihoods:

- 1) Running 8 vocational training centers for training under-privileged dropout youth in different vocational programs;
- 2) Promoting and strengthening Self-Help Groups of women and providing training, input and marketing support for them to take up income generation programs;
- 3) Running community libraries, supporting youth clubs, conducting awareness programs on social issues etc.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

GMRVF lays a greater 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. For example, in the education programs, GMRVF strengthens School Management Committees, Parents Associations and facilitates parent teacher meetings so that these committees monitor the programs closely and effectively. Where relevant, SHG federations have been formed and strengthened so that they would take the responsibility of facilitating and monitoring the SHGs. Child clubs, Youth clubs, Self Help Groups and other community based institutions are made involved in all the community development programs which help in building ownership of the programs.

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

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

NIL

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A. /Remarks (additional information)**

Not Applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

NIL

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**

The Company measures customer satisfaction at four stages viz during initiation & 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 on the service offerings. Balance Score Card (BSC) and Goal Sheets (of related employees) have weightage for Customer feedback and Satisfaction index.

The subsidiaries of the Company i.e. Delhi International Airport Limited (DIAL) and GMR Hyderabad International Airport Limited (GHIAL), as per the covenants of the concession agreement, have to regularly conduct stakeholder surveys (including passengers & airlines) in order to evaluate the performance resulting in form of the internationally accepted ASQ scores. Based on the same, both DIAL and GHIAL are at second positions across the globe in their respective categories.