

# 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, Bangalore - 560 025
4. **Website** : www.gmrgroup.in
5. **E-mail id** : Sounderarajan.CP@gmrgroup.in
6. **Financial Year reported** : 2013- 2014
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 & Special Economic Zone (SEZ) 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 sectors.

### 9. Total number of locations where business activity is undertaken by the Company:

- i. Number of International Locations (Provide details of major 5): Indonesia, Singapore, Nepal, Maldives, Philippines.
- ii. Number of National Locations: GIL has business activities undertaken in more than five states in India viz Bangalore, Hyderabad, Mumbai, Kamalanga (Orissa), Chattisgarh, Chennai, Hospet (Karnataka), Warora (Maharashtra).

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

The International locations of GIL's Subsidiaries / JVs / Associates include Indonesia, Philippines, Singapore, Maldives, Nepal, Isle of Man, Cyprus, Netherlands, Turkey, South Africa 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).

### 10. Markets served by the Company - Local / State / National / International:

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 - Mactan Cebu International Airport in Philippines

The Company's subsidiaries also served following geographies in FY 2013-14 but currently do not have any presence:

- Sabiha Gökçen International Airport, Istanbul in Turkey with a capacity to handle 25 MPPA (million passengers per annum)

On the National level, the Company's subsidiaries own and operate 2 airports on Public Private Partnership (PPP) (Delhi & Hyderabad), 8 energy assets operating in Tamil Nadu, Andhra Pradesh, Gujarat, Maharashtra & Orissa and 3 projects under construction (including Coal based power plant in Chhattisgarh, Hydro based plant in Himachal Pradesh and Gas based plant in Andhra Pradesh) and 2 transmission projects in Rajasthan and 1 Hydro plant in 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) including minority stake in two.

#### Section B: Financial Details of the Company

	(₹ In Crore)
1. Paid up Capital (INR)	: 1525.91
2. Total Turnover (INR)	: 791.06
3. Total profit after taxes (INR)	: 165.90
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	0.06%
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 about 350 Government schools to improve educational quality; Supporting 180 Anganwadis and

Bala Badis; Conducting after school tuitions, extra-curricular activities; Running 15 Tent Schools for migrant labour children; Managing 29 IBM Kid Smart Early Learning Centers; Supporting complete educational expenses for 264 children; providing scholarships etc.

#### Health, Hygiene and Sanitation

Running 135-bed multi-specialty hospital at Rajam; Running 29 medical clinics, 3 Mobile Medical Units and 2 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 4500 unemployed youth during the year; supporting about 300 women Self-Help Groups; Providing 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 123 subsidiary Companies, as on March 31, 2014.

##### 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 participates 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. The suppliers/ distributors etc of the company do not participate in group wide BR initiatives of the company.

#### 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 : 00061669
- Name : Mr. Grandhi Kiran Kumar
- 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	+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, which 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	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	#	Y (ISO 14001:EMS, & OHSAS 18001 & ISO 9001:QMS)	#	#	#	Y (MoEF, respective State Pollution Control Board and ISO 14001:EMS)	#	#	#
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	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	Y
6.	Indicate the link for the policy to be viewed online?	Y*	<a href="http://www.gmrgroup.in/Corporate/pdf/EHS-policy.pdf">http://www.gmrgroup.in/Corporate/pdf/EHS-policy.pdf</a>	Y*	Y	Y	<a href="http://www.gmrgroup.in/Corporate/pdf/EHS-policy.pdf">http://www.gmrgroup.in/Corporate/pdf/EHS-policy.pdf</a>	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	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	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	Y

# Wherever the Group Policy is not compliant with local laws, they are suitably modified. There is no known non-compliance with international standards.

\* The policy is available in Company's intranet.

\*\* The Company and the Subsidiaries wherever applicable have relevant systems and practices in place to implement and adhere as per the principles.

**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 assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance will be assessed 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**

**1. 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.

**2. 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, 223 investors' complaints were received during the financial year 2013-14, which have been fully resolved.

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

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

Since inception, sustainability has remained at the core of our business strategy. While ensuring shareholder benefit over the years, safe operations, environment conservation and social well-being have always been at the core of our philosophy of sustainable business. GMR Group strongly advocates philosophy of sustainability in and around each location of its operations. GMR Group has been aligning sustainability to assist organization in identifying the cross-cutting dimensions of triple bottom line performance and in understanding the process elements of corporate responsibility and commitment and engagements.

As a responsible corporate citizen, we are striving to meet the expectations of our communities through GMR Varalakshmi Foundation. The foundation reaches out to the neighboring communities around our plants and other locations, works closely with them and strives to impact the lives of millions of farmers, youth, women and children.

- Energy - Energy sector has initiated to align its energy business in alignment with comprehensive "Environment, Health & Safety (EHS) Framework" addressing all related aspects. The sector has been adopting best manufacturing practices, optimizing energy, natural resources and technology, etc. With all necessary statutory clearances in place, all the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed

through Pollution Control Board authorised agencies. Efficient automated and manual environmental 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. The monitoring reports are being submitted periodically to statutory authorities. Energy Sector has continuously ventured to promote cleaner fuel operations and renewable energy. The supercritical technology power plant is under development at Chhattisgarh. The 25 MW capacities Solar Photo-Voltaic based power generation and 2.1 MW and 1.25 MW wind turbine generators in the state of Gujarat and Tamil Nadu respectively with the total capacity of the wind turbine generator being 3.35 MW are fully operational which underscores the company's commitment towards sustainability in terms of clean and renewable energy resource. Sustainability Report for the Energy Sector for FY 13-14 is being prepared as per GRI-G4 guidelines and will be Published during FY 14-15.

- Delhi Airport - Delhi International Airport Private Limited (DIAL) has incorporated many proactive measures to address its impacts associated with its business aspects. At DIAL, we are committed to conduct our business in an environment and social friendly manner by adopting all possible operational and technological measures to minimise the impact of our activities on the environment and society. Environment Sustainable Management is an integral part of our business strategy which helps in achieving social credibility and business sustainability by efficient integration of policy, system, procedures, infrastructure and community support. All our business aspects and associated impacts on society due to our services and operations are assessed and addressed by effective aspect and impact analysis tools with necessary action plan and control within the framework of ISO 14001:2004 Environment Management Systems (EMS). The system also provides the platform for periodic review and continual improvements. We have adopted all possible proactive sustainable approach for the airport to develop an environment friendly posture that accommodates the community's concerns while still meeting all regulatory requirements. Our key environmental & social elements which have direct/indirect impact on society are aircraft noise, emission, air quality, water & wastewater, solid waste and conservation of natural resources. We have a dedicated team of professionals dealing with all areas of environmental and social concerns. DIAL recognizes that all the impacts associated with its business aspect can be resolved by working closely with the communities around the airport by proper knowledge sharing forum, media communications, communication to stakeholders and stakeholders meeting, further with the support of regulatory and government agencies. DIAL is also in the process of preparing its Sustainability Report for FY 13-14. Both these reports will be prepared and

published during FY 14-15. It would be made available to relevant stakeholders.

- Hyderabad Airport - GMR Hyderabad International Airport Ltd. (GHIAL) is complying with the applicable environmental legal requirements of DGCA, APPCB and MoEF. A proposal for 5 MW Solar Power Plant has been initiated as part of green energy promotion - 'Consent for Establishment' for the plant has been obtained from the State Pollution Control Board. An 'Environmental Portal' has been developed for the environmental data management of Rajiv Gandhi International Airport (RGIA). RGIA has been accredited for Level 3 (Optimization) 'Airport Carbon Accreditation' by Airports Council International (ACI). RGIA became the 1st Airport in the country and 2nd Airport in the Asia Pacific Region to get this accreditation. Continuous Improvement Projects (CIP) on water conservation has been awarded 1st Prize in GMR group level CIP competitions. Also CIP on reduction in energy consumption has been awarded 1st Prize in GMR group level CIP competitions. World Environmental Day 2013 was celebrated at RGIA. On this occasion, various awareness programmes on environmental issues were conducted with the participation of employees and stakeholders. Earth Hour, Ozone day and Earth Day were observed to create awareness on global environmental issues amongst the airport community. RGIA has won 1st prize for the best landscape in private institutions category, in the competition conducted by the Department of Horticulture, Government of Andhra Pradesh, for the year 2014 (fourth consecutive time), ASSOCHAM-CSR Excellence Award 2012-13 for Corporate Sustainability and FICCI CSR Award 2012-13.

**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 is certified for ISO 9001:2008 [Quality Management system] and for OHSAS 18001:2007 [Occupational Health & Safety Management system] and have plans to implement ISO 14001:2004 [Environment Management System] in an integrated form in the near future. Also we have received Green Certification [LEED - India] for DAV School, Rajam. As part of our sourcing strategy, priority is given to sourcing of local raw materials like sand, aggregate etc [unless specified otherwise by client] for construction of Roads,

Buildings and Power Projects. Also procurement procedures form part of our standard ISO procedures. In addition, EPC division strives to design & construct sustainable Projects which includes Water and Energy conservation measures, continuous monitoring of Environmental parameters [like noise, air, water], identify & use of resources that are environment friendly, green technologies and deployment of fuel efficient equipment's & machineries.

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 materials such as sand, aggregate, Fly ash bricks, Moorum etc. have 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. Now many of them have been absorbed by our subsidiary, EMCO Energy through their various out sourcing agencies for O&M of Power plant.

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 their 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 primacy 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 a 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 about ₹ 80 lakhs in 2013-14. Every year GHIAL itself buys many products for its own requirements from this enterprise approximately to the tune of several lakhs. One major bulk order last year from GHIAL was supply of '5<sup>th</sup> Anniversary Gift Packs- (with jutebags, chocolates, etc.) made by the women group, which was given to all GHIAL employees on 5<sup>th</sup> anniversary of the Hyderabad airport. This order worth was ₹ 6 lakhs. The women group also supplied more than 20,000 chocolates worth about ₹ 1 lakh for use in ASQ surveys, festivals, etc. This year, a new supply initiated was the uniform (shirts and trousers) stitching order for Aviation Academy students. 45 sets of uniforms were supplied by the women group.

- (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:

- Continuous efforts are 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 NGOs / War Widows for Cleaning Material & Consumables;
- Products made by Mehram Nagar community women: There were eight women regularly coming to the production centre for 3 to 4 hours and engaged in producing products like designer bags, folders, pouches etc for EMPOWER Shops. These 8 women were specially trained for different parts of products;
- Marketing of EMPOWER Products at Terminal 3: Enabling Marketing of Products of Women Entrepreneurs (EMPOWER) is an initiative of GMR Varalakshmi Foundation, the Corporate Social Responsibility arm of GMR Group, to market different products made by under-privileged women. DIAL-CSR supported this initiative by supplying these products to one of the concessionaires - India Delight-at Terminal-3:
  - o To promote products, Foundation team also put stalls in different corporate house in different occasions like Raksha Bandhan, Dussehra, Diwali, Christmas, New Year and Holi. Apart from that, the Mehram Nagar Production centre has successfully delivered products to DIAL in different events like kids' carnival and International Women day, also to different agencies like India Delight, Apparel Training and Designing Centre, Galgotia University, Khushboo Welfare Society.

- o Further, the DIAL-CSR team has set up the “EMPOWER Shop” at Multi Level Car Parking (MLCP- T3) to sell products made by women groups to the national and international passengers. It is now operational.
- DIAL CSR is also running one screen printing centre at Savda Ghevera with four women for income generation;
- Like every year, 10 individuals from Savda community were provided financial support to start self-enterprises or to upscale their existing business in order to enhance their family income. Each individual has been supported with the material or equipment cost up to INR. 5,000 to 10,000/-. Their income has been increased up to INR 2,000 to 4,000 per month;
- Centre for Empowerment and Livelihoods (CEL), Delhi is engaged in imparting vocational skill trainings for under-privileged dropout youth:
  - o Trainings are provided in various vocations like Basic Computers, Facility Care and Management, Apparel Training and Design Basic Electrical, Refrigeration and Air Conditioning and Cargo related courses like Cargo Handling and Basic Cargo Management and Airport Systems (PBB/BHS/VHT); some of the advanced courses like certificate in Multimedia and Web-designing etc;
  - o During the last 4 years, 79 batches were completed and around 1574 under-privileged youth were trained and more than 1290 of them have been successfully placed in different jobs;
  - o One of the major accomplishments in the area of vocational training program was the launch of Apparel Training Designing vocational training course at CEL-Delhi with an end-to-end partnership with ATDC Delhi.

**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.**

**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.

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 Airports 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:**

SI No.	Category of Employees	No. of Employees
1	Managerial Staff (Executive Cadre)	303
2	Operations Staff (Non-Executive Cadre)	110
	Total	413

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

SI No.	Category of Employees	No. of Employees
1	Advisors & Consultants	NIL
2	Sub-Contracted Employees	NIL
3	Casual Employees	NIL
	Total	NIL

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

Number of permanent women employees : 18

**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

**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: N.A.
- 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**

Yes. 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. Over 200 persons/children with disabilities benefit from this initiative. 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 (MP), GMRVF partnered with Women and Child Welfare Department to set up Anganwadi centres 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. Foundation is also running 10 Nutrition Centres which provide supplementary nutrition, health check-ups and health awareness to pregnant and lactating women from under-privileged families. 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. Further, Foundation has set up Girijan Institute of Rural Entrepreneurship Development in the Seethampet Agency area in Srikakulam district of Andhra Pradesh which provides skill trainings to tribal youth in different vocations. 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 has a policy on Human Rights. Additionally, 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 2013-14.

**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 (CDM) in 2008 and commenced assessment of Carbon Footprint of its units.

The Company has evolved as Sustainability leader by registering 7 CDM Projects with United Nations Framework Convention on Climate Change (UNFCCC). Terminal 3 (T3) of Indira Gandhi International Airport (IGIA) has become the first terminal in the world to have successfully registered with UNFCCC as CDM project for its Greenhouse Gas (GHG) emission reduction initiatives.

DIAL is accredited by Airport Council International (ACI) for its Carbon Management at IGI Airport to "Optimisation Level". DIAL has installed 2 MW plant at IGI Airport and is the first airport in India having mega solar power plant at airside premises. GHIAL has been accredited for Level 3 (Optimization) 'Airport Carbon Accreditation' by ACI. GHIAL became the 1st Airport in the country and 2nd Airport in the Asia Pacific Region to get this accreditation.

GMR Vemagiri Power Generation Limited (GVPGL), GMR Renewable Energy Limited (GREL), Alaknanda hydro project, Bajoli-Holi hydro project, Gujarat solar Power project and Wind power projects at Gujarat and Tamil Nadu are registered as CDM Projects at UNFCCC.

**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. All operating units have implemented Environmental Management System as ISO 14001 international standard requirements and have been certified by external auditors (except EMCO, which is in the process of obtaining external certification).

**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, as well as the Group, is actively involved in the development of 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 Seven CDM projects at UNFCCC till date. Also, UNFCCC has issued 3,16,124 certified emission reduction in FY 2013-14. 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. DIAL has successfully registered "Energy efficiency measures at Terminal T3" at UNFCCC in the month of July, 2013.

**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 world<sup>1</sup>. The Rajiv Gandhi International Airport (RGIA) Passenger Terminal Building has 'Leadership in Energy and Environmental Design' (LEED) certification for its unique design<sup>2</sup>, 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 design. 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).

In addition to the above initiatives, DIAL has installed 2 MW plant at IGI Airport and is the first airport in India having mega solar power plant at airside premises. This measure has been taken to promote renewable energy use and reduce associate emission and also to support National Climate Change Action Plan. GHIAL has a proposal for 5 MW Solar Power Plant as part of green energy promotion.

<sup>1</sup><http://www.newdelhiaairport.in/environment.aspx>

<sup>2</sup><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:

- 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 Commerce & Industry (BCCI)
- E. Indo-Japanese Chamber of Commerce & Industry (Karnataka) - (IJCCI)
- F. PHD Chamber of Commerce & Industry (PHDCCI), New Delhi
- G. Association of Power Producers

**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
- (iv) Energy Sector

**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 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 3500 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 BalaBadis (Pre-schools for children of 3-5 year age group). About 350 Government schools are supported reaching out to over 35000 children. About 4000 per school age children in 180 BalaBadis and Anganwadis across the country benefit from the Group's initiatives. Technology enabled learning is also facilitated with the setting up of 29 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, 29 medical clinics, 2 ambulances and 3 Mobile Medicare Units. The medical clinics of the Foundation are serving over 7000 patients per month. A 135-bed secondary care hospital has been 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. 20 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 4500 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 Company registered under Section 25 of the Companies Act, 1956. 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, both external and internal, 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 ₹ 27.72 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 BalaBadis 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 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. 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?**

As part of Customer focus initiatives, the company at regular intervals captures the Satisfaction levels of its Clients (Internal as well as External) to capture the stated and unstated needs and expectations. The Company measures the 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 our service offerings. Business Balance Score Card (BBSC) and Goal Sheets (of related employees) have weightage to improve Customer feedback and Satisfaction index. In the Highways sector, we are one of the first Concessionaires to conduct a systematic survey to capture the expectations of road users through the Road User Satisfactory Survey (RUSS). We administered this survey twice in the year 2013 (Mar'13 - on pilot basis and then in Dec'13 - comprehensive & detail survey). These surveys helped us to identify the perception of road users about our project facilities and services. The survey highlighted our strengths vis-à-vis other highways and also helped identify areas for improvements to work on.

The subsidiaries of the Company i.e. Delhi International Airport Private Limited (DIAL) and GMR Hyderabad International Airport Limited (GHIAL), as per the covenants of the concession agreement, have to regularly conduct passenger surveys in order to evaluate the performance resulting in form of the internationally accepted ASQ scores.