



HGIEL
We Make People Move...

Version 2.0

Business Responsibility & Sustainability Reporting Policy



Document Owner:
H. G. INFRA ENGINEERING LIMITED



 HGIEL <i>We Make People Move...</i>	H. G. Infra Engineering Limited		
	Document No.	Version No.	Effective Date:
	HGIEL/BRSR/1/22	V02	09.11.2022
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1. BACKGROUND


The Ministry of Corporate Affairs (MCA), Government of India, in July 2011, came out with the “National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business” (NVGs). This was expected to provide guidance to businesses on what constitutes responsible business conduct. In order to align the NVGs with the emerging global concerns, the Sustainable Development Goals (SDGs) and the ‘Respect’ pillar of the United Nations Guiding Principles (UNGP), the process of revision of NVGs was started in 2015. After revision and updating the new principles were released as the National Guidelines on Responsible Business Conduct (NGRBC) in March 2019.

In November 2018, the Ministry of Corporate Affairs (MCA) constituted a Committee on Business Responsibility Reporting (“Committee”) for finalizing Business Responsibility Reporting formats for listed and unlisted companies, based on the framework of the NGRBCs. SEBI was also part of this Committee and worked on the report. The report of the Committee was released on August 11, 2020. The Committee recommends that the Business Responsibility Report be called the Business Responsibility and Sustainability Report (BRSR).

Further Securities and Exchange Board of India (SEBI) vide Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 (“SEBI Circular”) dated May 10, 2021 has made Business Responsibility & Sustainability Report (BRSR) mandatory for Top 1000 listed entities by market capitalization with effect from financial 2022-23. The report was voluntary for the year 2021-22. The BRSR is a notable departure from the existing Business Responsibility Report (“BRR”) and a significant step towards bringing sustainability reporting at par with financial reporting. SEBI Circular further states that the BRSR is an initiative towards ensuring that investors have access to standardized disclosures on ESG parameters. Access to relevant and comparable information will enable investors to identify and assess sustainability-related risks and opportunities of companies and make better investment decisions.

2. OBJECTIVE, SCOPE AND APPLICABILITY

H. G. Infra Engineering Ltd. falls within the list of top 1000 listed entities by market capitalization & hence it is mandatory for the company with the submission of Business Responsibility & Sustainability Report (BRSR) with effect from April 01, 2022. In view of this, the company hereby formulates this Business Responsibility and Sustainability Development Policy.

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The objective of this policy is to adopt the principles and guidelines on Social, Environmental, Governance and Economic responsibilities promoted by the regulators and to ensure a unified and common approach to the dimensions of Business Responsibility across HGIEL and act as a strategic driver that will help the company to respond to the complexities and challenges that keep emerging, to align the company with the best of global business conduct principles and be abreast with changes in regulations.

The National Guidelines for Responsible Business Conduct (“NGRBC”) are to be used across HGIEL and provide a useful framework for guiding our overseas operations, in addition to aligning with applicable local national standards and norms governing responsible business conduct.

Furthermore, the NGRBC encourages us to ensure that not only do we follow these guidelines in business contexts directly within our control or influence, but that we also encourage and support our suppliers, vendors, distributors, business partners/associates and other stakeholders to follow them.

The Policy will also be a part of the training/ awareness program for all employees so that they are fully aware of its elements, and are committed to its implementation.


3. ESG COUNCIL

HGIEL has constituted an Environmental, Social, and Governance (ESG) Operations Council (the “ESG Council”) comprising members of the Company's executive leaders & top management to oversee matters related to organization-wide ESG initiatives, priorities, and leading ESG practices.

Managing Director has the authority to constitute and re-constitute ESG Council, from time to time, as may be considered beneficials in best interest of the company.

The ESG Council shall:

- i) ensure that the company has an ESG Strategy and that it remains fit for purpose;
- ii) ensure that objectives for ESG activities are in place and that key metrics are monitored and reported on;
- iii) ensure compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters;

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- iv) ensure that ESG related policies, procedures, codes, guidelines, processes, etc. are in place including its approval for adoption/ modification/ amendment/ revision of the same and the same are regularly reviewed for their relevance, effectiveness and compliance with relevant regulations;
- v) monitor and review current and emerging ESG trends, relevant national/international standards and legislative requirements; identify how these are likely to impact on the strategy, operations, and reputation of the Company; and determine whether and how these are incorporated into or reflected in the company's ESG policies and objectives;
- vi) approve any projects developed in response to the ESG strategy;
- vii) identify, manage and mitigate or eliminate ESG risks in connection with the company's operations and corporate activity;
- viii) approve all internal and external ESG reporting including information to be included in the annual report and Business Responsibility and Sustainability Reporting (BRSR);
- ix) review the results of any reviews or independent audits of the company's performance in regard to ESG matters and review any strategies and action plans developed by management in response to issues raised; and
- x) make recommendations to the Board on any of the matters listed above that the Committee considers appropriate.


4. APPLICABILITY

This policy shall be applicable on H. G. Infra Engineering Ltd. (parent company) and its wholly-owned subsidiaries (hereafter referred as "HGIEL" or "The Company")

5. GUIDING PRINCIPLES

HGIEL is committed to operating and growing its business in a socially responsible and environment friendly manner. Our Business Practices shall be governed by the guiding principles of NGRBC.


In line with the revised guidelines of the National Guidelines on Responsible Business Conduct 2018, issued by MCA, the sustainable development and business responsibility of HGIEL will be primarily based on nine thematic pillars that are known as Principles, which are mentioned below. These principles are interdependent, interrelated and non-divisible and all business are urged to address them holistically.

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Principle 1. To govern and conduct business with integrity which is also ethical, transparent & accountable

At HGIEL, we have formulated & implemented various policies, procedures, principles & guidelines in accordance with the 9 thematic principles of the National Guidelines on Responsible Business Conduct 2018, issued by MCA. These are being engraved into the work culture of all internal & external stakeholder and must be taken in to account while taking business decisions. As part of this principle:


- i. The Company's Code of Business Conduct & Ethics shall be abide by the directors, management and employees at all levels to ensure good governance, ethical practices, transparency and accountability in conducting affairs of the Group and dealing with stakeholders across the value chain.
- ii. The company has developed and put in place structured policies, programs and procedures that promote the principle of ethical conduct at all levels, prevents its contravention and effect prompt and fair actions against any transgressions.
- iii. The company shall conduct periodic training programmes on awareness of this code of conduct & ethics along with understanding of all the 9 principles as developed by NGRBC among its employees and stakeholders
- iv. The Company shall disclose and communicate transparently and assure access to information about the policies, procedures, performance (financial and non-financial) and their decisions, that impacts the relevant stakeholders form the fundamental basis of operationalizing responsible business conduct.
- v. The Company shall ensure that the business does not engage in illegal and abusive practices, bribery, anti-competition and corruption activities and shall take action in timely and fair manner whenever such transgressions are detected.
- vi. Every employee of the company shall abide by the values and the commitment to ethical business practices reflected in the Company's Code of Conduct.
- vii. The Company shall follow appropriate structure, policies and procedures to address conflicts of interest involving its members, employees and business partners.
- viii. The company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.
- ix. The Company shall ensure ethical behaviour in all operations, functions and processes, and encourage its business partners and third parties with whom it conducts business to abide by this policy.
- x. The Company has dedicated e-mail id esg@hginfra.com for investor correspondence.

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Principle 2. To provide goods and services that are safe and sustainable in nature

HGIEL's Sustainable sourcing policy will integrate Sustainable Development in Infrastructure building and our Environment Management Policy & OHS policy ensures safe & Environment friendly operations at all our project locations. As part of this principle:


- i. The company shall work towards safe and optimal resource use over the lifecycle of its products and services, including recycling and safely disposal of resources wherever possible.
- ii. The company shall work towards sourcing significant raw materials, products and services in a manner so as to continuously improve the balance between social, economic and environmental impacts.
- iii. The company shall work towards ensuring that all goods and services are procured, manufactured and delivered embedding the principles of labour practices, human rights, ethics, occupational health, safety and environment.
- iv. The Company shall ensure that its products and services comply with all applicable statutes and regulations.
- v. The company shall continue to progressively factor in relevant social and environmental considerations during the process of development of products / services.
- vi. The Company shall regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
- vii. The Company shall recognize and respect the rights of people who may be owners of traditional knowledge and other forms of intellectual property, wherever relevant.
- viii. The company shall work towards building capacity such that all the value chain partners, namely the sub-contractors, service providers including suppliers of significant raw materials, are sensitised and empowered to fulfil their roles and responsibilities towards sustainability.

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Principle 3. To respect and promote the well-being of all employees, including those in their value chains

HGIEL is people centric Business organization rather than profit centric. The company has implemented policies as per the core labour standards and is operating as an equal opportunities employer. As part of this principle:

- i. The company shall provide a workplace environment that is safe, clean, hygienic, humane for employees, customers, partners and the community which upholds the dignity of all.
- ii. The Company shall ensure that all regulatory requirements pertaining to its employees are complied with.
- iii. The Company shall provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- iv. The Company shall ensure not to use child labour, forced labour or any form of involuntary labour, paid or unpaid by itself or any
- v. The Company shall ensure that no employee is made to work against his / her will or to work as bonded/forced labour, or subjected to corporal punishment or coercion of any kind, related to work.
- vi. The Company shall put systems and processes in place to support the work-life balance of its employees, especially that of women.
- vii. The Company shall provide facilities for the wellbeing of its employees or workers including those with special needs. The Company shall ensure fair, timely and transparent payment of statutory wages of all employees, including contract and casual labour without discrimination.
- viii. The Company shall ensure continuous skill enhancement and competence development of all employees by providing access to necessary learning opportunities on an equal and non-discriminatory basis.
- ix. The Company shall promote employee morale and career development through enlightened human resource interventions.
- x. The company shall provide a work environment that is free from any form of discrimination, including but not limited to sexual harassment.
- xi. The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities and a workplace with adequate provisions of Grievance Redressal.

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Principle 4. To respect the interests of and be responsive to all its stakeholders

Key Stakeholders identified by HGIEL includes Investors, Clients, Lenders, Employees or Contractual Workforce, Government/Regulatory Authorities, Society, Vendors & Suppliers, Board of Directors & Leaders. We appreciate support of all our stakeholders and respects the interests and concerns they have towards it. The company and its employees shall provide value-based services to all the stakeholders. To ensure effective response to our stakeholder:


- i. The Company should acknowledge, assume responsibility and shall work in transparent manner about the impact of its policies, decisions, products, operations, and practices on all stakeholders and the natural environment.
- ii. The Company shall develop systems, processes and mechanism to identify its stakeholders, understand their concerns, define purpose and scope of engagement, consult with them in developing policies and processes that impact them, and commit to resolving any differences with stakeholders in a just, fair and equitable manner.

Principle 5. To do business by respecting and promoting Human Rights

HGIEL has committed to maintain adequate implementation of fundamental human rights in line with the business process. This also includes adherence to corporate business policies and compliance with all the applicable human rights and statutory laws including nationally recognised human rights as per National Human Rights Commission and the same established in Constitution of India in the form of Fundamental Rights and the directive principles of State Policy.

HR Policies applies to all direct employees, consultants (including fixed term appointees), associates, trainees, suppliers, vendors, etc. of HGIEL. As part of this principle:


- i. The Company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations and ensuring all individuals impacted by the business have access to grievance mechanisms.
- ii. The Company should make its employees aware of the human rights, relevant laws and policies.
- iii. The Company shall recognize and respect the human rights including right to minimum wages, remuneration, salary, of all relevant stakeholders within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
- iv. The Company shall, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
- v. The Company shall ensure that where it is causing, contributing or otherwise linked to adverse human rights impacts shall takes corrective actions to address such impacts.
- vi. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

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Principle 6. To do business by respecting and making efforts to protect and restore the Environment

HGIEL's Environment & Social Management plan along with Occupational Health & Safety policy & plan ensures that all its business activities are being monitored & effective mitigation action being taken on identified Environmental & Social impacts. As part of this principle:

- i. The Company shall ensure to update appropriate policies, procedures and structures formulated to assess, measures and address any adverse impacts on the environment and natural resources at all business locations, at all stages of life cycle from establishment to closure.
- ii. The Company shall develop appropriate strategies for sustainable and efficient use of natural resources and manufactured material, giving due consideration to expectations and concerns of all stakeholders and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- iii. The Company shall take measures to check and prevent pollution. The Company shall assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
- iv. The Company shall assess the energy consumption, water consumption or any other natural resources and take actions to conserve & minimize its usage by adopting reduce, reuse, recycle & restore principle.
- v. The Company shall ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
- vi. The Company shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting reduction, reuse, recycling and recovery of material and resources, promoting use of energy efficient, low-carbon technologies, environment friendly technologies and use of renewable energy.
- vii. The Company shall develop & continuously improve their Environment & Social Management Systems (ESMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
- viii. The Company shall report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
- ix. The Company shall proactively persuade and support its value chain to adopt this principle.

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Principle 7. To engage in influencing public & regulatory policy in a responsible & transparent manner

As part of this Principle:

- i. The Company, while pursuing policy advocacy, shall preserve and expand public good and shall not advocate any policy change to benefit the Company or select few alone.
- ii. The Company shall utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy in a responsible manner.
- iii. The Company shall ensure that corrective actions to be taken based on adverse orders from regulatory authorities, if any.
- iv. The company shall ensure that policy advocacy is conducted ethically.

Principle 8. To promote inclusive growth and equitable development

HGIEL is committed for establishing competitive and sustainable value chains linked to the businesses which create sustainable livelihoods, especially among the poor in rural India.


HGIEL through H.G. Foundation, a registered public trust established by the Company, and its partnering organisations are investing the resources of HGIEL to support inclusive growth and equitable development in and around its businesses.

CSR Vision is to accomplish passionate commitment to the social obligation towards communities, fostering sustainable and integrated development, thus improving quality of life. For inclusive growth and equitable development, HGIEL focuses on following United Nations Sustainable Development Goals:



As part of this principle:

- i. The Company shall ensure that the business take appropriate actions to minimize any adverse impacts that it has on social, cultural and economic aspects of society including arising from land acquisition and use, construction of facilities and operations.
- ii. The Company shall assess, measure and understand their impact on social and economic development, and respond through appropriate action to minimize the negative impacts on society.
- iii. The Company shall make efforts to complement and support the development priorities at local and national levels.
- iv. The Company shall respect all forms of intellectual property and traditional knowledge and make efforts to ensure that benefits derived from their knowledge are shared equitably.
- v. The company shall undertake CSR activities in accordance with Schedule VII of the Companies Act, 2013 and as per the CSR policy of the company.

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Principle 9. To engage with and provide value to our customers in a responsible manner

The client satisfaction is essential for growth and success. At HGIEL, we strive hard to provide better products to client at large. As part of this principle:

- i. The Company shall take into account the overall well-being of the clients and that of society.
- ii. The Company shall exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- iii. The Company shall provide adequate grievance redressal mechanisms that are transparent and accessible, to address client concerns and feedback.
- iv. The Company shall promote and advertise its services in ways that do not mislead or confuse the consumers or violate any of the principles in this policy.
- v. The Company shall maintain privacy of consumer's confidential data in the normal course of its business.

6. DISCLOSURES


The Business Responsibility & Sustainable Development Policy shall be displayed on the website of the Company www.hginfra.com

7. POLICY REVIEW AND AMENDMENTS

This policy shall be valid until further modification/revision in the policy. Any directive/guideline issued by Reserve Bank of India/Securities and Exchange Board of India/Government of India/Ministry of Finance/ Ministry of Corporate Affairs in this regard shall automatically be part of this policy, during the currency of this policy.

This Policy shall be reviewed periodically in line with the regulatory guidelines/ internal requirements or as and when considered necessary. The Board may modify, add, delete or amend any of the provisions of this Policy. Any modifications, exceptions to the Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

In case there are any inconsistency between any of the provisions of this policy and applicable law, the applicable law shall prevail and any subsequent amendment/modification in applicable laws in this regard shall automatically apply to this policy and the policy shall be deemed to have been amended accordingly.

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Version #	Recommended by	Description of Change
1.0	Compliance Team	Initial Adoption
2.0	ESG Council	Policy changes in line with SEBI Guidelines for ESG related disclosures

Effective Date: **09/11/2022**

Date of the approval by the Board: **09/11/2022**

Approved by:

On Behalf of ESG Council -
ESG Council Member

On Behalf of Board of Directors -
Managing Director

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