

19 April 2012**LANCO's Commitment in Support of UNGC Programme**

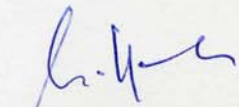
As one of India's leading business entities, Lanco Infratech Limited has been driving growth across a synergistic chain of verticals comprising EPC, Power, Solar, Natural Resources and Infrastructure.

LANCO is an environment friendly company in all its activities, products and services besides providing safe and healthy working environment to all its stakeholders. Our Power manufacturing units are accredited to the latest international standards viz. ISO 14001 certification for Environment Management, OHSAS 18001 for Occupational Health and Safety Management Systems.

The company reiterates its commitment to United Nation's Global Compact (UNGC) Programme and intent to advance GC principles within the company's sphere of influence and has made it part of the strategy, culture and day-to-day operations.

Company publicly advocates with its employees and other stakeholders by regularly incorporating its commitments towards GC programme through Annual Report, Press Conference and other public documents.

LANCO continues to view the UN Global compact as an important guide, and are pleased to continue its active support.



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Communication on Progress

April 18 2012

Year 2011 – 2012

Mission - Development of Society through Leadership Entrepreneurship Ownership

Vision - Most admired Integrated Infrastructure Enterprise

Company Profile

As one of India's leading companies, Lanco Infratech Limited has been driving growth across a chain of verticals comprising EPC, Power, Solar, Natural Resources and Infrastructure. Today, Lanco is among the top three private sector power developers in India with 4410 MW under operation, 4968 MW under construction, and 7103 MW of projects under development.

Focused on fast-track execution of large capital intensive projects, Lanco's EPC vertical provides world class solutions to its customers. The Infrastructure division of Lanco is developing roads of around 440 Kms on National Highways. Lanco's solar business is building different verticals across the entire solar value chain including Project Development, EPC, Products & Systems and Manufacturing. Marking its foray into the global resources industry, Lanco has acquired Griffin Coal Mining Company, which owns the largest operational thermal coal mine in Western Australia. As part of its business strategy, Lanco has chalked out an ambitious growth plan – in Power and Solar energy. It also envisages aggressive plans for EPC with a strong order book growth.

Global partnerships with top-notch companies such as Genting, Harbin, GE, Dongfang, Doosan, etc have borne rich dividends for Lanco. A people driven organization, Lanco has a pan-India presence and international operations in 12 countries and 20 states in India, with a human resource base of over 8416 people. Lanco is a privileged member of the World Economic Forum . Lanco is recognized for its Corporate Social Responsibility initiatives led by the Lanco Foundation.

Strategic Business Units

- EPC
- Power
- Solar
- Natural resources
- Infrastructure

LANCO INFRATECH LIMITED | Sustainability Report 2011 – 2012
UN Global Compact Communication on Progress

UN Global Compact Principle

Human Rights

Principles	Lanco's Position	Action Taken
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>	<ul style="list-style-type: none"> At Lanco we recognize the impact that can have on the realization of fundamental human rights. Through our business operations and our citizenship efforts we seek to help more people and organization realise their full human potential. LANCO has the following policies in place in support of the Human Rights. <ol style="list-style-type: none"> Policy on HIV / AIDS – The purpose of AIDS policy is to reassure employees that AIDS is not spread through casual contact during normal work practices and to reduce unrealistic fears about contracting an AIDS virus related condition. This policy also protects the legal right to work of employees who are diagnosed with an AIDS virus – related condition and provides guidelines for situation where infection with the AIDS virus is suspected. Our policy is to encourage sensitivity to and understanding for employees affected with a condition on the AIDS virus. 	<ul style="list-style-type: none"> All the employees have access to the policies through employee Standard Operating Policies (SOPs). Lanco also developed Value statements to be adhered by every employee. We are committed to maintaining a healthy work environment by protecting the physical and emotional health and well-being of all employees in the work place. This AIDS policy is a direct outgrowth of those commitments. It provides guidelines for situations when a question as to an aids virus-related condition arises. There are two major points: <ol style="list-style-type: none"> Employees who are diagnosed with an AIDS virus-related condition may continue to work if they are deemed medically able to work and can meet acceptable performance standards. We will provide reasonable performance standards and accommodate them reasonably if necessary to enable these employees to continue working.

	<p>2. Recruitment policy and procedures</p> <p>3. Equal opportunity employer policy</p>	<p>2. We provide AIDS education for all employees to help them understand how the AIDS virus is spread and to reduce unrealistic fears of contracting as AIDS virus – related condition.</p> <ul style="list-style-type: none"> Across 10 Lanco Plant sites celebrated the Elder's Day on 16th December 2011 and 6619 elderly honoured.
	Outcomes	Plans for the Upcoming Year
	<ul style="list-style-type: none"> Trained around 7916 employees of Lanco in 20 locations in India on Corporate Values. Posters against sexual exploitation of women at workplace prepared and displayed in public places within Lanco Posters against discrimination of persons with disability prepared and displayed in public places within Lanco 	<ul style="list-style-type: none"> 16th December will be celebrated as Elder's Day
Labour		
Principles	Lanco's Position	Action Taken
<p>Principles 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4: businesses should support the elimination of all forms of forced and compulsory labour.</p> <p>Principle 5: businesses should support the</p>	<ul style="list-style-type: none"> We respect the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). Lanco does not encourage any forced labour, including child labour. As a policy Lanco does not recruit child labour, below the age of 14. 	<ul style="list-style-type: none"> ➤ Posters against employment of child labour prepared and displayed in public places within Lanco. ➤ Lanco Foundation CSR posters posted across all the locations/plants & head quarters across the group.- <ul style="list-style-type: none"> ➤ Posters Supporting Education ➤ Providing Safe Drinking water.

effective abolition of child labour. Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> • Lanco is an equal opportunity employer and no discrimination is shown based on the religion, region, caste, disability and sex. 	<ul style="list-style-type: none"> ➤ Developing the community. ➤ Empowering the disabled. ➤ Promoting health.
	Outcomes	Plans for the Upcoming Year
	<ul style="list-style-type: none"> • Displayed posters in 20 locations across all verticals of Lanco. <ul style="list-style-type: none"> ➤ Posters Supporting Education ➤ Providing Safe Drinking water. ➤ Developing the community. ➤ Empowering the disabled. ➤ Promoting health. 	<ul style="list-style-type: none"> ➤ Policy for elimination of discrimination in respect of employment of Persons with disability to be prepared and followed. ➤ Skill Development Programme being considered by Lanco Foundation.-It is an initiative taken, to deliver employability training & skill building programs to enable "PWDs-(People with disabilities), to be economically independent & contribute to the society at large. ➤ Lanco Foundation will identify agencies/Institutions who provide such training & link the trained PWDs to various economic opportunities.
Environment		
Principles	Lanco's Position	Action Taken
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p> <p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Health, Safety & Environment Policy –We are committed to safeguarding the Health and safety of all our employees and protect our environment through:-</p> <ul style="list-style-type: none"> • Institutionalising of HSE management process, with HSE organization. • Regularly communicating, educating & imparting training on safety, health, hygiene and environment to all 	<ul style="list-style-type: none"> • Celebrated World Environment Day (WED) on 5th June'2011 across 12 locations. • 1,14,740, saplings have been distributed to the community and encouraged them to plant them across 12 locations. • WED is celebrated by bringing together Village Communities, NGO's, local forest officials & local people.

	<p>employees, contractors, contractors' staff and consultants or visitors.</p> <ul style="list-style-type: none"> • Specifying and ensuring high standards of safety & environment at our site during construction & operation of our power plants etc. • Evaluating the HSE performance of our employees & contractors against the HSE requirements. • Conducting periodic Audit & Risk assessment by competent team. <p>The Health Safety & Environment policy will be applied throughout LANCO group via a set of documented company-wide and local policies and procedures.</p> <ul style="list-style-type: none"> • We recognize that our activities as integrated infrastructure enterprise have an impact on the environment, and prioritize the issue of climate change: • Lanco has Environment Policy in place and are committed to achieve satisfaction of interested parties and protect environment by generation of Power by implementing prudent econ-friendly methods; and conservation of natural resources like natural gas and water; complying with all relevant statutory and regulatory requirements; continual 	<ul style="list-style-type: none"> • 36 Green Awards given to villages that ensures tree plantation and protection. <p><u>Some HSE actions taken:-</u></p> <ul style="list-style-type: none"> • Contractor Safety Management • Developed design check list for the contractor. • Meeting with all the existing contractors to explain our HSE expectations & list of supervisors for critical hazards operations. • Personal Protective Equipment (PPE) standardization. <p><u>Recent HSE Activities:-</u></p> <ul style="list-style-type: none"> • Workshop with project site Directors-the main objective was to create awareness on our HSE corporate framework system. • Contractor Safety Management Training-Total 24 contractors companies attended the Safety Management Training from around 12 project site locations. <p>HSE awareness Programs at Sites:-The objective was to have greater understanding and coordination of HSE efforts. Provide a support hand to site HSE efforts to improve the performance. A total of 7050 employees attended of which 5700 are contractor employees.</p>
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	improvement in the environmental performance by minimizing the emission, discharges and prevention of pollution; use of environmentally friendly technologies and enhancing environmental awareness among employees, contractors and communities.	
	Outcomes	Plans for the Upcoming Year
	<ul style="list-style-type: none"> Lanco received Golden Peacock award for its CSR activities across all plants/sites. Lanco Tanjore received Golden Peacock Award 2011 for climate security. Lanco Tanjore received Greentech award 2011 for environment protection. Lanco Tanjore received Rajiv Gandhi National award 2011 for reduction in pollution. Lanco Kondapalli has bagged Environment, Health & Safety (EHS) Award for following best practices for the year 2011. 	HSE activities for upcoming year:- <ul style="list-style-type: none"> Implementation of 3-layer audit system. HSE awareness. Visual HSE manual. Replenish the already distributed saplings. Create environmental awareness among communities around the plant areas in and around 10 plant locations.
Anti-corruption		
Principles	Lanco's Position	Action Taken
Principles 10: Businesses should work against corruption in all its forms, including extortion and bribery.	1. Policy against Bribery – Our core value being Integrity, Honesty we are committed to compliance with international anti-bribery standards as stated in the Global Compact and local anti-corruption and bribery laws.	<ul style="list-style-type: none"> Whistle Blower Policy introduced across all Lanco verticals. Appointed committees to oversee implementation of Sexual Harassment policy. Organized Awareness session at head quarters and was attended by almost all

	<p>2. Policy to curb sexual harassment at workplace – Lanco is committed to ensure that no employee is subjected to sexual harassment and to this end all steps will be taken to prevent any acts of sexual harassment at the work place. This policy is designed to eradicate all forms of sexual harassment at workplace, to provide a forum for investigation into complaints of sexual harassment and to initiate disciplinary action against those who are found indulging in such acts of misconduct.</p>	<p>the employees across all the verticals in all the cadres.</p>
	Outcomes	Plans for the Upcoming Year
	<ul style="list-style-type: none"> Whistle blower policy prepared and widely circulated within Lanco across all the places. 	<ul style="list-style-type: none"> Lanco has 8 core values which will be given high priority, and are one of the key factors with which the employees will be appraised. Integrity being one the core Values and will be given high priority. Continuous Learning being one of the core value of Lanco Value system, all employees across the group are a part of regular Training programmes conducting across all verticals across the group. Each employee will have a minimum mandates for training programme which they have to attend in the calendar year.