

22 April 2013

Lanco's Commitment in Support of UNGC Programme

As one of India's leading business entities, Lanco Infratech Limited (Lanco) 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. While, our EPC and Solar verticals are ISO 9001 certified, our Power Generation units & Solar module production plant are accredited to the latest international standards viz. ISO 14001 certification for Environment Management and OHSAS 18001 for Occupational Health & Safety Management Systems.

The company reiterates its commitment to Global Compact (GC) 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 commitment towards GC programme through Annual Report, Press Conference and other public documents.

Lanco continue to view the GC as an important guide, and are pleased to continue its active support.



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Communication on Progress

Year 2012 – 2013

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 4732 MW under operation, 4636 MW under construction, and 6840 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, with a human resource base of over 5555 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 2012 – 2013

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 recognise the impact that can have on the realisation 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 	<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

	<p>on the AIDS virus.</p> <p>2. Recruitment policy and procedures</p> <p>3. Equal opportunity employer policy</p>	<p>to continue working.</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"> • Every Year 16th December will be celebrated as Elder's Day. Across 10 Lanco Plant sites celebrated the Elder's Day on 16th December 2012 and 6500 elderly honoured.
	Outcomes	Plans for the Upcoming Year
	<ul style="list-style-type: none"> • 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 	
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 effective abolition of child labour.</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. • Lanco is an equal opportunity employer 	<ul style="list-style-type: none"> • Posters against employment of child labour prepared and displayed in public places within Lanco. • Lanco Foundation CSR posters displayed across all the locations/plants & headquarters across the group on. <ul style="list-style-type: none"> ✓ Supporting Education ✓ Providing Safe Drinking Water ✓ Developing the Community

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.	and no discrimination is shown with regard to the religion, region, caste, disability and sex.	<ul style="list-style-type: none"> ✓ Empowering the Disabled ✓ Promoting health.
	Outcomes	Plans for the Upcoming Year
	<ul style="list-style-type: none"> Lanco Foundation has identified two agencies that provide training to People with Disability (PWDs). Lanco Foundation has trained 15 in Korba, Chhattisgarh and 51 PWDs in Vijayawada, Andhra Pradesh and arranged 6 programmes to make PWDs economically independent and contribute to the society at large. 	<ul style="list-style-type: none"> Though Lanco is following non-discrimination in respect of employment of persons with disability, a Policy for elimination of discrimination in respect of employment of Persons with disability to be prepared. Lanco Foundation will continue the Skill Development Programme - 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.
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 employees, contractors, contractors' 	<ul style="list-style-type: none"> Celebrated World Environment Day (WED) on 5th June'2012 across 11 locations. WED is celebrated by bringing together Village Communities, NGO's, local forest officials & local people. Safety Day was also celebrated on 4th March 2013 covering 14 locations. 1400, saplings were planted by site personnel during the campaign of WED.

	<p>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 eco-friendly methods; and conservation of natural resources like natural gas and water; complying with all relevant statutory and regulatory requirements; continual improvement in the environmental 	<p><u>Recent HSE Activities:-</u></p> <ul style="list-style-type: none"> • HSE Dept., in total has conducted 3586 workshops, awareness camps, conferences, training programs for employees and contractors covering all sites – the main objective was to create awareness on our HSE corporate framework system and to have greater understanding and coordination of HSE efforts. Provide support to site HSE efforts to improve the performance. • Organised awareness sessions on health in various topics and nearly 600 employees at Corporate Office attended.
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	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"> • Implemented 3 layer audit system. • Continuous focus is being made to create HSE awareness at all levels • Visual HSE manual has been made at select locations depending on critical activities. • Replenished the already distributed saplings • Awards received during the Year 2012-13 are <ul style="list-style-type: none"> ✓ Golden Award from National Safety Council conferred to Amarkantak Power Project ✓ CII-EHS excellence award conferred to Udupi Power Project ✓ Green-tech Safety Award to Amarkantak Power Project ✓ Environment protections and management Award to Lanco Tanjore Power Plant 	<ul style="list-style-type: none"> • Proactive Hazards & Risk Management • Behaviour Based Safety (BBS) Programme • Contractor Safety Management • Project Revamp HSE system development • Environmental awareness among communities around the plant areas is planned. • Sessions on awareness of Health related issues. • Planning to arrange 15 awareness sessions on health at Corporate Office and also planned to arrange such health talks at all sites for the benefit of site personnel, contractors and labour.

Anti-corruption		
Principles	Lanco's Position	Action Taken
<p>Principles 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<ol style="list-style-type: none"> Policy against Bribery – Our core value being Integrity, Honesty and we are committed to compliance with international anti-bribery standards as stated in the Global Compact and local anti-corruption and bribery laws. Policy to curb sexual harassment at workplace – Lanco is committed to ensure that no employee is subjected to sexual harassment and all steps has been 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. 	<ul style="list-style-type: none"> Whistle Blower posters displayed and complaint drop boxes were installed at all Lanco verticals. Appointed committees to oversee implementation of Sexual Harassment policy.
	Outcomes	Plans for the Upcoming Year
	<ul style="list-style-type: none"> Whistle blower policy prepared and widely circulated within Lanco. Posters about the policy widely circulated 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 continuously appraised. Integrity being one of the core Values and

		<p>will be given high priority in all our actions.</p> <ul style="list-style-type: none"> • Continuous Learning being one of the core values of Lanco Value system, and all employees across the group are 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.
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