

# Responsible Infrastructure



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## About the Report

Responsible Infrastructure 2018-19 is the 10<sup>th</sup> Annual Sustainability Report of Hindustan Construction Company Ltd. This report has been prepared in accordance with the GRI Standards: Core Option. The report presents management disclosure and performance highlights on the key sustainability issues material to the company. The reporting period is the financial year ending on March 31, 2019. GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

This report includes the 11<sup>th</sup> consecutive annual 'Communications on Progress' (COP) on the United Nations Global Compact's CEO Water Mandate Initiative, covering the same reporting period.

The report has undergone limited assurance (as per AA 1000 AS standard) by Thinkthrough Consulting Pvt. Ltd. (TTC), an independent professional services firm.

Our reporting boundary is inclusive of all HCC projects in progress during the reporting year. Any exceptions in the boundary with respect to specific performance disclosures are clearly mentioned within the report.

We will strive to continue enhancing our sustainability disclosures going ahead. Any feedback and queries are welcome, and may be directed to:

Aditya Patwardhan  
Assistant General Manager – Corporate Social Responsibility  
aditya.patwardhan@hccindia.com

## Message from the Chairman & Managing Director

Dear Reader,

I am happy to present HCC's 10th Sustainability Report. We are one of the few companies in the country to achieve the landmark of 10 years of consistent reporting. The 2018-19 report tracks our performance across the triple bottom-line, including environmental responsibility, stakeholder engagement and business sustainability.



This report is inclusive of our 11th consecutive Communication on Progress (COP) on the U.N. Global Compact's CEO Water Mandate, to which HCC is a signatory. The report adheres to the Global Reporting Initiative (GRI) Standards and is independently assured by a third party agency.

We have adopted construction practices that are sustainable, ensure prudent use of natural resources, minimize the impact on the environment and preserve the eco-system. Sustainability is embedded in the core values of our work as we continue to innovate and apply next-gen practices to execute some of the largest projects in the country.

This year, three of the Company's marquee projects were inaugurated by the Prime Minister Shri Narendra Modi. These projects include the 4.9 km Bogibeel Rail-cum-Road Bridge across the Brahmaputra in Assam - India's only fully welded steel bridge, the 330 MW Kishanganga Hydroelectric Project in Jammu & Kashmir and the 110MW Pare Hydroelectric Project in Arunachal Pradesh.

Over the years, our in-house water stewardship programme has helped enhance the sustainability of our operations. With improved water use efficiency across operations, accompanied by a community-based water conservation intervention which conserved more than 390 million litres of water, HCC has maintained Water Positive status for the fifth year consecutively. Beside efficient water usage in our operations, we also ensure that communities in the vicinity have better access to water.

In the year 2018-19, our Company has crossed several key milestones despite the challenging economic conditions in the country. We have taken several steps this year to strengthen the company, both financially and operationally. With focus on its core operations and strengths; emphasis is given to improve cost and operational efficiencies. We have also started the process of focused de-leveraging with a much stronger sense of purpose to create a more sustainable financial foundation for tomorrow's growth.

As we complete a decade of sustainability reporting, I look forward to the next decade of continued opportunities to shape sustainability in our industry.

*Ajit Gulabchand*

Chairman and Managing Director

## Organisational Overview

Founded by Industrialist Seth Walchand Hirachand in 1926, HCC Ltd, headquartered in Mumbai, has constructed a large number of India's landmark infrastructure projects - 25% of India's hydro power, over 65% of India's nuclear power generation capacities, more than 3800 lane kilometres of expressways and highways, over 335 km of complex tunnelling of which over 183 km are in the Himalayan region and over 365 major bridges. Today, HCC Ltd. serves the infrastructure sectors of transportation, power and water.

Landmark projects executed by HCC include the Bogibeel Bridge – India's longest rail-cum-road steel bridge; Kishanganga Hydro Power Project – Largest EPC contract of NHPC; Bandra Worli Sea Link – India's first and longest open sea cable-stayed bridge; Kudankulam Nuclear Power Plant – India's first and largest light water reactors and the Kolkata Metro – India's first Metro.

HCC is the first construction company in India to implement ISO certified Quality, Occupational Health & Safety and Environment Management systems. HCC has also achieved the fastest implementation of SAP- ERP across all its project locations, some even at record-breaking altitudes of 11,000 feet in the Himalayan ranges.

The Company has invested in the early adaption of advanced engineering equipment, new and innovative technology and strategic international associations. HCC's order book as of March 31, 2019, is Rs 18,554 crore (\$2.7 billion). The company has registered revenue of Rs 4,341 crore (\$ 634 million) and operating profit of Rs. 533.39 crore during FY 2018-19.

Committed to building 'Responsible Infrastructure', at HCC, social commitment and environmental responsibility are integral principles of the business goals. Our initiatives encompass Disaster Relief, Water Sustainability and Community Initiatives. Disaster Relief forms a significant area of focus at HCC's CSR by way of being a founder member of Disaster Resource Network of India. HCC's emergency response teams volunteered during a number of natural disasters in India and abroad. The Company is also engaged in national and international forums, such as the World Economic Forum, The Energy and Resources Institute, the World Business Council for Sustainable Development etc.

Recognizing the emerging water crisis and with a view to make water sustainability a corporate priority, HCC is first Indian company to endorse the United Nations' Global Compact (UNGC)'s CEO Water Mandate. HCC has demonstrated its water consciousness by implementing a series of rigorous and improved water management practices at its project sites.

Since 2010, all HCC's sustainability reports are made as per the principles set by 'Global Reporting Initiative (GRI)'.

## The Board of Directors at HCC

Ajit Gulabchand	Chairman & Managing Director
Arjun Dhawan	Group CEO & Whole-time Director
Shalaka Gulabchand Dhawan	Whole-time Director (upto July 31, 2019)
Rajas R. Doshi	Independent Director
Ram P. Gandhi	Independent Director
Sharad M. Kulkarni	Independent Director
Anil C. Singhvi	Independent Director
Harsha Bangari	Nominee Director (upto February 6, 2019)
Dr. Omkar Goswami	Independent Director
N. R. Acharyulu	Non-Executive Director
Samuel Joseph	Nominee Director (w.e.f. March 26, 2019)
Santosh Janakiram	Additional Director - Independent (w.e.f. June 17, 2019)
Mahendra Singh Mehta	Additional Director - Independent (w.e.f. June 17, 2019)

Further details of our corporate governance are available in the Annual Report FY 2018-19 on our website:

[https://hccindia.com/uploads/reports/0\\_37250200\\_1566995792\\_HCC\\_Annual\\_Report\\_2018-19.pdf](https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf)

Our Equity Share is listed on the Bombay Stock Exchange (BSE) as well as the National Stock Exchange of India Limited (NSE).

## HCC Clients:



## Strategic International Associations

### Joint Venture Partners (Execution / Risk sharing / Resource sharing)



### Technology Partners



## Vision

To be the Industry Leader and a market driven engineering construction company renowned for excellence, quality, performance and reliability in all types of construction.

## Mission

- To be the customer's preferred choice for providing construction services
- Constantly assess the needs, realities and values of the customer and set goals to satisfy their needs
- Continually innovate, develop and adopt state-of-the-art technologies, methodologies and materials to deliver customer satisfaction through better, faster and cheaper construction
- Continually aspire to deliver higher standards of safety, occupational health and environment protection at work
- Continually develop and maintain a robust supply chain that will help us deliver value to the customer on time and to expectations
- Continually improve the competence of our people through education and by inculcating strict principles of conduct and responsibility, high standards of performance, and respect for individuals and their work.
- Organize work for effectiveness in delivering results and always look to commit today's resources to the future
- To build a reputation of trust and reliability amongst our customers, other stakeholders and society.

## Awards and Recognitions

2019:

- 'Rail Analysis India Awards 2019' to HCC Ltd as Winner of the "Achievement of Tunnelling" award
- 'Corporate BBS Award' to HCC Ltd as 1st Runner up in the Construction Category under Forum of Behavioural Safety
- 'Ministry of Road Transport and Highways (MoRTH) - Gold Award' to Baharampore Farakka Highways Ltd (Shibpur Toll Plaza) for Excellence in Toll Plaza Management
- 'Ministry of Road Transport and Highways (MoRTH) - Champions Award' to Baharampore Farakka Highways Ltd (Chandernore Toll Plaza) for Excellence in Toll Plaza Management
- 'Ministry of Road Transport and Highways (MoRTH) - Champions Award' to Farakka Raiganj Highways Ltd (Laxmipur Toll Plaza) for Excellence in Toll Plaza Management

2018:

- 'HSE Excellence Award 2018' to HCC as Winner of the HSE Excellence Construction Sector of the year
- 'Construction Times Award' to Kishanganga Hydro Power Project for Best Executed Hydro Power Project of the year
- 'Dun & Bradstreet - Winner of Infra Awards 2018' to Kishanganga Hydro Power Project under Power category

## Memberships

HCC is represented by our CMD Mr. Ajit Gulabchand at several national and global, governmental, departmental and industries forums. Some of these key memberships are:

1. Member, CII National Council
2. Member, CII Associations Council
3. Member, CII Task Force on Ease of Doing Business 2018-19
4. Member, CII National Committee Meeting on Infrastructure & Smart Cities 2018-19
5. Member of Governor's Steering Board of the Infrastructure and Urban Development (IU) Community at the World Economic Forum (WEF)
6. Member of Disaster Resource Partnership Board, IU, WEF
7. Member of Steering Board, Future of Urban Development Services, IU, WEF
8. Member of Steering Board, Partnering Against Corruption Initiative, WEF
9. Member of Steering Board, Future of Construction, WEF
10. Member of the Private Sector Alliance for Disaster Resilient Societies (ARISE), United Nations International Strategy for Disaster Risk Reduction (UNISDR)
11. Member of Board of Trustees – New Cities Foundation
12. Signatory member United Nations' Global Compact's CEO Water Mandate
13. Signatory member of Caring for Climate, United Nation's action platform for business
14. Signatory member of WEF's CEO Climate Leaders

Mr. Arjun Dhawan, Director & Group Chief Executive officer of HCC is the member of the CII Infrastructure Council.

## Advocacy

Mr. Ajit Gulabchand, Chairman and Managing Director has delivered numerous key note addresses and participated in several prestigious and internationally recognized sustainable development events. Some of his key participations in various global forums in FY 2018-19 are listed below:

- |             |   |
|-------------|---|
| 20-22 April | World Economic Forum, Community of Chairmen, Annual Retreat- 2018 |
| 7-8 June    | Swiss Economic Forum 2018, Interlaken                             |
| 21-25 Jan   | World Economic Forum Annual Meeting 2019, Davos                   |

## Our Approach to Sustainability

### Management Approach

As a responsible construction and infrastructure major in India, HCC is aware of its business responsibility. Our business vision has been closely woven around the triple bottom line approach. Environmental responsibility and social commitment are taken into account in addition to our financial performance as we pursue sustainable growth. We have adopted construction practices that are sustainable, ensure prudent use of natural resources, minimize the impact on the environment and preserve the eco-system. Sustainability is embedded in the core values of our work as we continue to innovate and apply next-gen practices to execute some of the largest projects in the country.

### Stakeholder Engagement:

At HCC, we identified key stakeholder groups considering the present and potential impacts of our business on them and vice versa. We continually engage all our stakeholder groups through various modes of communication. Our annual sustainability report is one of the tools to inform our various initiatives and progress to the stakeholders. We strive to align the report contents to the interest of our stakeholders.

Our assessment of sustainability issues is primarily shaped by the nature of our activities, degree of impact on business and stakeholder expectations. For the purpose of adoption of the GRI Standards, we reviewed our materiality and identification of stakeholders through a workshop with the company's senior management. Below is the outcome that reveals our stakeholders and the modes of engagement with them.

<i>Stakeholders</i>	<i>Modes of engagement</i>
Customers/Clients	<ul style="list-style-type: none"> <li>• One-on-one engagement with the client</li> <li>• Formalised Customer Feedback Systems</li> </ul>
Suppliers/Subcontractors	<ul style="list-style-type: none"> <li>• Annual SRA program and periodic vendor meets</li> <li>• One-on-one engagements</li> <li>• Pre-assessment and feedback system</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Regular interactions and communications</li> <li>• HCC Newsletters and E&amp;C Connect mailers</li> <li>• Employee Intranet</li> <li>• Structured performance management systems</li> <li>• Training programs</li> </ul>
Investors and Shareholders	<ul style="list-style-type: none"> <li>• Quarterly analyst meets and regular communications</li> <li>• AGMs and EGMs</li> <li>• Publications, Annual Report, Sustainability Report</li> <li>• Corporate Website</li> <li>• Investors' and shareholders' grievances committee</li> </ul>
JV Partners	<ul style="list-style-type: none"> <li>• On-going partner management approach</li> <li>• Sustainable partnerships in strategic business sectors</li> <li>• Effective communication channels</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>• Interactions with local groups and individuals around the projects</li> <li>• Needs assessment</li> <li>• Communications with local government bodies</li> </ul>

## Material Topics

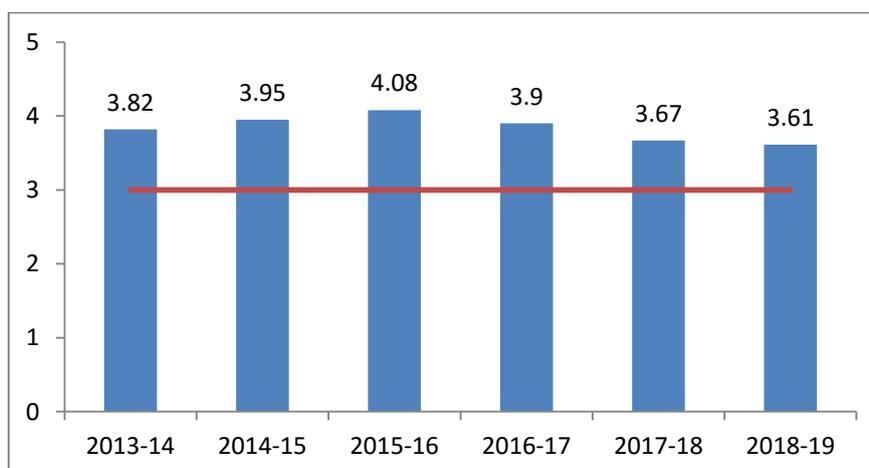
The material topics that have the impact on the business in light of principles set by GRI standards are as follows:

Economic Performance	Occupational Health and Safety
Procurement Practices	Training and Education
Materials	Diversity and Equal Opportunity
Energy	Equal Remuneration for Women and Men
Water	Non-discrimination
Emissions	Child Labour
Effluents and Waste	Local Communities
Employment	Compliance
Labour Management Relations	

## Formalized Customer Feedback System

At HCC, customer's feedback is obtained on various parameters of HCC's performance through a standard questionnaire every quarter, which are analysed to arrive at corrective measures. In case of project obtaining Customer Satisfaction Index (CSI) below 3 in any of the quarters, the Management Representative and the concerned Project Manager interact with the customer to have a better understanding of their expectations. The corrective actions to mitigate the causes of dissatisfaction are finalised and implemented.

Customer Satisfaction Index (average)



## Business Development:

As an essential part of the business development process, we interact with clients of the upcoming projects during pre-qualification, as well as at various stages of the bidding cycle, in order to understand their expectations. It includes understanding project requirements, visiting the site to ascertain project execution feasibility, construction methodology, logistics, risks and mitigation measures. If needed, strategic partnership is formed with international contractors for a new technology or for sharing the expertise required to execute large and technically complex projects. A 'Partner Management' approach has been adopted for bid specific interactions with the joint venture partners.

Over the last 5 years, HCC has aligned itself to the changing needs of Indian Infrastructure by focusing on transport and energy sectors. Our order book as on 31<sup>st</sup> March 2019 is INR 185.54 billion.

## Risk Management

HCC has a well-documented and robust risk management framework under the provisions of Companies Act, 2013. This is executed through the Risk Management Committee that has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy. It deals with enterprise and project level risks, which are further subdivided into operational, financial, contractual, procurement and human resources related risks.

## Supply Chain

As a diversified infrastructure company, HCC's supply chain comprises of multiple suppliers/stakeholders that are spread across the country. Labour contractors, technology/equipment providers, joint venture partners and raw material suppliers are an integral part of our supply chain with cement, aggregates, steel being the most important raw materials for us. HCC believes in creating sustainable partnerships with all its Business Partners, who play a vital role in helping us deliver quality products and services safely, ethically and responsibly.

HCC has taken steps to procure goods and services from local & small producers, including communities surrounding their place of work. More than 75% of major raw materials are procured through Indian suppliers. Items like aggregates, sand etc are procured locally. Also the general stores material required for workmen and officers camps is procured locally which impacts the local market in positive way.

HCC, always strives to partner with the best suppliers. The supplier portal on HCC's website enables suppliers to collaborate effectively with HCC by providing customized access for meaningful information exchange over the Internet.

## Engineering Highlights

With growing sustainability challenges, at HCC, we focus on R&D with greater rigor on costs of materials, process evolution and refinement, enhancement of construction output, quality and continual efficiency improvements.

### Construction Research and Development (CR&D)

CR&D is being carried out with the objectives of continual efficiency enhancement, reductions in material costs, process development, improving speed, enhancement of construction quality and sustainability. These efforts are undertaken through interdisciplinary engineering within the organization and in technical collaboration with vendors, consultants, research organizations and academia sharing similar interests.

Some of the CR&D efforts are listed below:

- i. *Optimizing concrete ingredients* with specific focus on reducing cement content, reducing carbon footprint and making Portland cement concrete a sustainable choice: This is partly achieved using less energy intensive chemical additives, enhanced use of alternate cementing materials (like fly ash, slag, micro silica, ultra-fine slag etc.) and optimal quality assurance planning.
- ii. *Controlled quarrying and crushing* of aggregates for construction with an objective of reducing wastage and environmental impact.
- iii. Through the use of the *Philosophy of materials integrated design* to maximize utilization of locally available construction materials.
- iv. *Development of alternate equivalent* to lessen the consumption of expensive construction materials through use of less expensive substitutes from industrial wastes in close coordination with specialized vendors.
- v. *Speedier Construction technologies* such as, roller compacted concrete (RCC) for the construction of dams.
- vi. *Alternate feasible structural designs* (ex. alternate pavement design) with objectives of improvement in the specifications, enhanced design life, reduced use of natural construction materials and improved sustainability.
- vii. *Productivity enhancement* achieved through innovative method of pumping of concrete for a distance of 2.4 km.

### Technological marvels

Efforts made towards bringing in latest and advanced technologies at various projects:

- 1) *Incremental Launching of 125 M long Steel Trusses for Rail-cum-Road Bridge*: HCC has used the method of incremental (continuous) launching of ten fully welded steel spans of 125 meters each for construction of rail-cum-road bridge over river Bramhaputra.
- 2) *Composite Pavement Construction*: HCC is using various pavement design methods, construction machineries and alternate materials to reduce the construction time and materials to increase the life of the pavements. Demonstration stretches have been constructed at NH34 project, while designs are being developed for the Indo-Nepal border road project and Numaligarh-Jorhat road project.

- 3) *Use of 3D Analysis for Optimized Design:* Optimized design of the powerhouse complex for the Tehri Pumped Storage Project is being done by using FLAC-3D Software in close coordination with experts from France and Canada for optimizing the rock supports.
- 4) *Continuous forming shutter for tunnel lining:* Technology of continuous forming shutter for tunnel lining is now being increasingly used. (VPHEP, TVHEP & Tehri PSP)

# Our Employees

## Management Approach

HCC believes in competitive, yet sustainable growth. Therefore, our focus always remains on development of Human Capital which we believe can make all the difference for our organisation and help achieve our objectives. We give prime importance to employee development, wellbeing, facilitate their growth. Safeguarding human rights (equal opportunity & non-discrimination), health & safety are also core to our human resource practices. We have adopted policies and instituted several initiatives to this end.

Quality of life of the employees particularly at the sites, developing talent, building people skills, career progression, employee engagement initiatives, providing dignity at work, respect for diversity, communicating to employees through Newsletters, E-News etc are some of the methods we adopt to create a best-in-class and motivated work force.

## Attracting Talent

HCC has a streamlined and efficient recruitment and selection process to find and attract the best talent, thereby creating competitive strength and strategic advantage for the Company. Considering that our project sites are often located in remote and difficult geographical locations, we ensure that our employees deployed at these projects are provided with high quality facilities, as well as a safe and secure living environment.

## Employee Wellbeing

The safety, health and well-being of all our employees and workers are given the utmost priority in all our operations and activities. We conduct safety and health related trainings and awareness drives at all our project sites for our employees, contract workers and members of the surrounding communities. The safety performance across all project sites is monitored centrally at the corporate office on a continual basis and is reported to the senior management.

## Skills Development

Learning and Development continues to be an important aspect of HCC's human resources strategy. Skill development not only enhances the personal growth of our employees but is also key to realizing our vision of being an industry leader renowned for excellence, quality, performance and reliability in engineering construction. A wide range of technical and managerial training programs, catering to specific needs of various business sectors, functions and individual employees, are conducted through both internal and external trainers.

Graduate and management trainees are provided with focussed trainings through a combination of classroom and on-the-job training as well as special assignments. These training programs, together with coaching and mentoring provided by seniors, help them transition smoothly into corporate life within HCC. We also focus on training the workers; including sub-contract and PRW staff, in order to upgrade their skills, creating a safe working environment and contributing to their continued employability.

## Performance Management System

The Performance Management System at HCC provides a platform to employees for a transparent discussion and feedback on performance and development on an annual basis. To foster an environment of meritocracy and team work the rewards are linked to individual, functional / business and organizational performance.

## Zero Tolerance to Discrimination

As a responsible employer, HCC is committed to fair labour practices and are in compliance with all applicable laws. We follow a zero-tolerance approach on the issues of employee discrimination, bonded labour, child labour, corruption and unethical conduct.

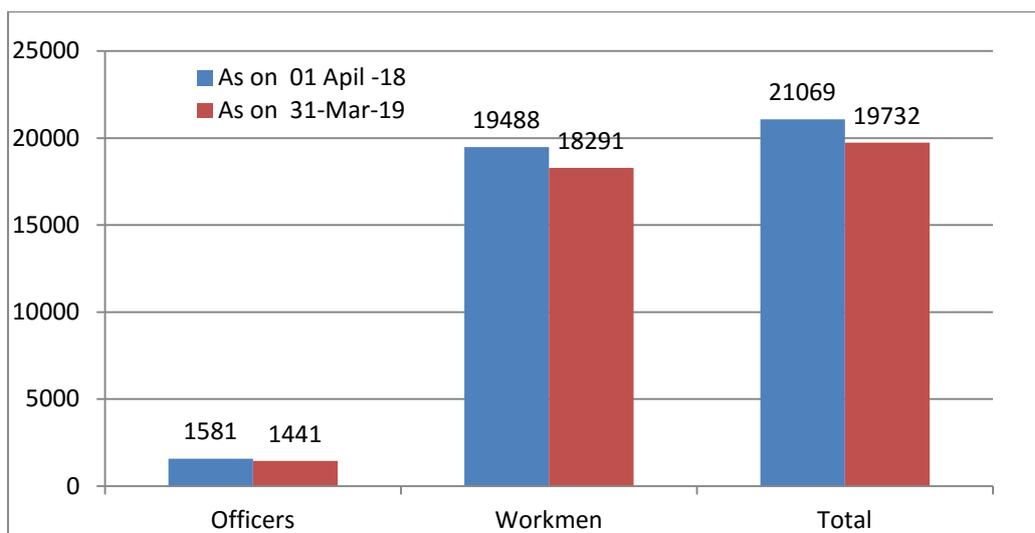
## Contract Workmen

Responsibility towards all our contract workmen is an important element of our responsible infrastructure philosophy. HCC remain committed to ensuring their health, safety, overall well-being, continual learning and development, equal opportunity and upholding all facets of human rights as per the law of the land.

## Employment

HCC's human resources focus continued to be on improving efficiencies and reducing cost. While the trend of attrition continued, it remained within industry standard. At the same time, we continued to hire people with the right skill sets in order to ensure efficient, timely and high quality execution of our projects. We also ensured that existing benefits to our employees continue to remain available despite challenging business environment.

As of 31st March, 2019, our total workforce strength (HCC Engineering & Construction business) was 19732. This comprised of 1386 Senior, Middle and Junior Management Officers, 55 Trainees, Apprentices and Short-term Contracts, as well as 18291 Workmen (on project rolls, sub-contracted and piece rate workers).



A snapshot of our employment data, as of 31<sup>st</sup> March 2019 is presented below:

Social Performance – Key Performance Indicators <sup>1</sup>	FY 2018-19
Total Workforce	
<i>Workforce by Level of Employment</i>	
Officers (Senior, Middle, Junior Management)	1386
Others (Short Term Contracts, Trainees etc.)	55
Workmen (Excluding FTC)	18291
<i>Workforce by Type of Contract</i>	
Permanent Employees	5108
Sub-contract	4946
Piece-rate Workers	8237
Fixed-term Contract	100
<i>Workforce by Gender (excluding Workmen)</i>	
Male	1384
Female	57

The details of new employee hires and attrition in FY 2018-19 are presented in the table below:

	Employees left Voluntarily in FY18-19 (attrition rate)	Employees left Involuntarily in FY 18-19 (attrition rate)	Number of new hires in FY 18-19	Number of new hires, who left voluntarily in FY 18-19	Numbers of new hires, who left involuntarily in FY 18-19
<b>By gender</b>					
Male	466 (32.16%)	49 (3.38%)	384	69	1
Female	9 (14.52%)	5 (8.06%)	2	-	-
<b>By Age groups</b>					
< 30 years	172 (51.50%)	1 (0.30%)	191	26	-
30-50 years	260 (28.70%)	21 (2.32%)	161	39	1
>50 years	43 (15.87%)	32 (11.81%)	34	4	-

HCC's workmen (both permanent and temporary) at offices and project sites have the right of collective bargaining. While the workers on our rolls are fully unionized, the terms and conditions of the workmen on the sub-contractor rolls and piece rate workers are bargained by their respective sub-contractors/PRWs.

<sup>1</sup>All workforce figures are as of 31 March 2019 and pertain to all active project sites of the Company; HCC has pan-India presence and does not report regional breakdown; None of our project sites fall within areas defined as insecure.

## Reward and Recognition

HCC has adopted a Recognition and Reward Policy that governs our approach to recognizing and rewarding the outstanding performance and contributions of individual employees and teams. The key areas in which performance is recognized under this policy are

- Project performance (physical progress, financial and safety performance),
- Order acquisition,
- Promoting safety culture at projects, and
- Claims & Collections.

The policy also aims at institutionalizing the company's brand values, promoting innovation, team work and recognizing the contributions towards the company's priority areas.

The recognition is given on an annual basis in the Project Managers conference and the half yearly and annual awards in the E&C Business Conference. This recognition scheme has resulted in continuous improvement in our productivity and performance.

## Employee Intranet

HCC has launched the employee intranet portal "HomePort". Homeport aims to bring the employees closer through constant communication and interaction. The primary objective of HomePort is to keep everyone updated on a real time basis about our diverse team, our projects, our policies & procedures and our plans. In short, to bring home to all that is important and relevant company wide. One of the central pillars of HomePort is 'Idea Central' which invites each employee to share ideas, experiences and provide suggestions, which will go a long way in building a stronger organisation and a more involved team.

## Employee Benefits

Our full time employees avail of the following benefits during their association with us:

- Medical Insurance Scheme
- Superannuation Scheme/ Pension Scheme
- Executive Health check-up facility (Senior and Middle Management)
- Annual Performance linked incentive (Senior and Middle Management) and incentives for project sites.
- Additional allowance/ benefits for employees posted in difficult locations

All the above benefits are subject to company policies. The Provident Fund benefit is also extended to our contractual employees in addition to our full time staff.

## Diversity and Equal Opportunity

Respect for gender diversity and equal opportunity is intrinsic to our philosophy and culture, including equal remuneration for men and women. In this regard, we go beyond legal requirements and follow global best practices, including the UN Global Compact Principles of Labour Standards and Human Rights. All our operations and contracts meet the appropriate human rights criteria as required by the applicable laws of the land. We have adopted a Policy on Prevention & Redressal of Sexual Harassment, in line with the statutory requirements. All 386 new hires have undergone awareness

training on Human rights and Prevention of Sexual Harassment. We have well defined systems in place for addressing any grievances.

HCC remains committed to gender diversity and all our hiring and career progression activities, employee remuneration and benefits, initiatives and engagements are non-discriminatory. While the nature of our business and remote locations of our project sites does not allow for a suitable working environment for women employees, our corporate office employs around 60 women employees. There were 25 women employee participants in training programs conducted in FY 2018-19, amounting to 86 hours of training. The table below shows the ratio of basic salary and remuneration of women to men for each employee category:

<i>Ratio of Basic Salary and Remuneration of Women to Men</i>	
Senior Management	1
Junior and Middle Management	1

At HCC, all the women employees are entitled to maternity leave. The table below shows the data pertaining to the return and retention of women employees post maternity leave:

<i>Return to Work after Parental Leave</i>	
Number of Employees Entitled (Women)	57
Number of Employees Aailed and Returned	1
Number of Retentions 12 Months After Return	-

## Employee Training and Development

HCC strives to provide the best learning opportunities to the employees and workers. A variety of technical and functional programs catering to specific needs of various project sites, functional areas and individual development needs were conducted during 2018-19.

Key training sessions conducted for officers include:

- Equipment Management
- Essentials, Trends & Issues in Concrete Construction
- MS Project 2010
- Advanced Materials Management
- Project Planning & Control
- Safety Officers Development Program
- GST Implementation Programs (Specific to functional departments like Accounts, Contracts, Legal, Engineering Management, Equipment & Internal Audit perspective)
- Improving Ergonomics in Office workspace
- Behaviour Based Safety
- Workplace Ergonomics
- Environment Protection at site
- Housekeeping & Site Logistics
- Construction Safety

Key training sessions conducted for workers during the reporting year include:

- Basic Construction Safety
- Defensive Driving
- Operation and maintenance of various construction equipment
- Construction Methodology modules

The table below shows average employee training man-hours received by employees in FY 2018-19:

Average Employee Training Man-hours by Level of Employment	
Officers	5.60
Trainees	26.53
Workers	6.48

Average Employee Training Man-hours by Gender (Trainees included)*	
Officers (Male)	6.47
Officers (Female)	1.26

\*We do not discriminate between male and female employees for training

Out of the programs organised for officers, some of them are central programs conducted at Head Office. These are primarily Functional & Technical Skills Development Programs and some of Health & Safety programs. Highlights of these programs are given below:

### Functional, Technical and Safety Training Programs

To enhance functional & technical skills, training programs like "Advanced Materials Management", "Equipment Management", "Project Planning & Control", "MS Project 2010", "Essentials, Trends & Issues in Concrete Construction", "Safety Officers Development Program" etc, were conducted at Head Office for the officers working in those functions at head office and project sites. These programs were designed to equip the officers to play effective role in project sites and make a positive impact in the day-to-day functioning. These programs were conducted by a team of internal and external experts.

A specialized program on "Improving Ergonomics in Office workspace" was conducted for the officers working at Head Office where the nature of work involves sitting at desk for a prolonged period of time. The objective of the program was to create awareness on this topic and help them plan and make small additions to their office routine that can help them to adopt a healthier lifestyle.

## Health and Safety

### Management Approach

HCC is committed for effective Integrated Management System (IMS) at all levels for a process oriented approach. This approach, we believe, continually leads us to business process improvements, resulting in improved profitability, employee engagement, reduction in wastages, customer satisfaction, as well as improvement in our Quality and HSE parameters.

Safety is much more important than convenience and it is perhaps the most effective insurance policy. At HCC, paramount importance is given to safety at every step from planning to execution. The company advocates efforts to achieve zero accident at every project site. Several initiatives have been undertaken over the years to improve the safety performance at HCC including mandatory induction and training programmes, tool box talks, use of personal protective equipment etc., as well as adoption of a zero tolerance policy.

### Proactive Safety Observation Program (PSOP)

The PSOP round consists of a cross functional team walking through the project site on a weekly basis for safety observations. Project Managers also attend PSOP round at least once in a month to show their commitment for safety to other site team members. During PSOP rounds, members of the team identify unsafe act, unsafe condition, and unsafe practices existing at the site. Subsequently, observations are uploaded in online PSOP portal detailing actions required to address the issues found. The responsibility is given to section heads for taking corrective and preventive actions as well as their close out.

The observations of severity rating 5 are mailed to responsible person and an auto generated reminder escalation mail for close out of the observation is sent to the senior management.

### Daily Safety Reporting

HCC has initiated an online portal on daily safety reporting. This portal provides project wise consolidation of safety performance disclosures such as unsafe act, unsafe condition, near miss, first aid cases, tool box talks, trainings, penalty enforced etc. This consolidation with respect to the target is forwarded to the senior management through automatically generated mail. This helps to make site personnel accountable and hence more involved to achieve company's goal i.e. 'Zero Accident'.

### Safety related Trainings:

To enhance the competency, training sessions are conducted through the expert in their field on subjects like basic construction safety, behaviour based safety, environmental protection at the project site, workplace ergonomics, housekeeping, defensive driving. This yields enhanced skills and thus the productivity of the workmen.

### Monthly Safety Theme:

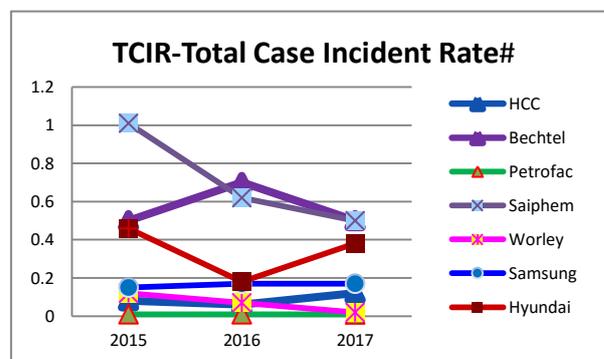
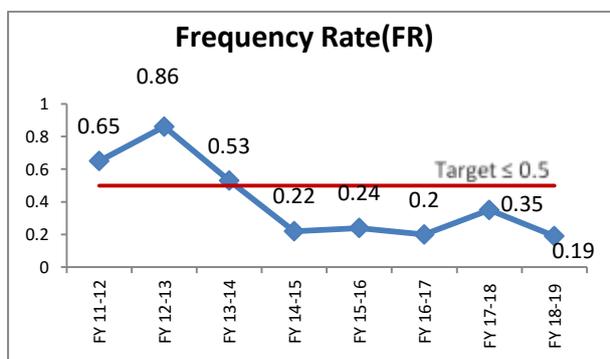
The training sessions based on the monthly safety theme is conducted by the internal resources. Project Manager and senior staff, employees, workmen, client and sub-contractors at each project site are included in these sessions.

List of Monthly Safety Themes at projects during FY 2018-19

Month	Safety Theme of the Month
April	Behaviour Based Safety (BBS)
May	Proactive Safety Observation Program (PSOP) awareness
June	Environment Aspect & Impact at construction site
July	Emergency Preparedness & Response
August	Waste Management & Resource Conservation
September	Fall Prevention & Protection
October	Mechanical operational safety
November	Behaviour Based Safety (BBS)
December	Pollution – Prevention & Control
January	Road Safety
February	Environment Monitoring & Assessment at construction
March	Electrical Safety

Safety Statistics:

Safety Statistics	
Man Hours Worked (Millions)	60.81
Injuries	09
Fatalities	02
Lost Days	12067
Frequency Rate	0.19
Severity Rate	210.92
Frequency Severity Index	0.09
Total Case Incident Rate (TCIR)	0.08



#Benchmarking for TCIR was done after analysis of sustainability reports of international companies

## Behaviour Based Safety Programme:

Behaviour Based Safety (BBS) contemplates workman's ownership of his acts, essentially the unsafe acts. BBS begins with briefing sessions focusing on all activities at the work place. Observed unsafe and safe acts are communicated to the workmen. The unsafe acts are repeatedly highlighted for correction and safe acts are encouraged. BBS also discusses the unsafe conditions created due to the unsafe acts of others. Collecting information about at-risk behaviour helps the management determine the root cause of behaviour and develop a plan for preventive actions.

## Safety Achievements and Client Appreciation:

- HCC has won the 1st runner up award in the Construction Category of the Corporate BBS Awards organized by Forum of Behavioural Safety in New Delhi on January 28, 2019
- DMRC CC-66 Project (Dwarka-Najafgarh Metro Corridor) has set a record of completing 2 million safe man hours during the period September 20, 2016 till February 28, 2018.
- HCC Ltd has been awarded the 'HSE Excellence Construction Sector of the Year' at the India HSE Summit & Awards 2018 organised by Synnex.
- HCC's Rajasthan Atomic Power Project Unit 7 & 8 has received three awards by Nuclear Power Corporation of India Ltd. During the 48th National Safety Day celebration on March 04, 2019 held at the project site.
  - HCC won the Project Safety Award- 2018 in the group C category
  - HCC's Control building at RAPP has been declared the Runner-up in category-A and Batching plant, crushing plant, sand washing plant & Concrete Testing Lab the runner-up in the Project Housekeeping Awards in Group B (Auxiliary Plant & Shop Floor).
  - In the individual category, 07 HCC employees were awarded the Near Miss Accident Award for timely reporting the near misses and taking corrective actions to prevent recurrence of a similar incident at the site.
- HCC won the Suraksha Puraskar instituted by the National Safety Council for its Rajasthan Atomic Power Project – Unit 7 & 8. The award was conferred for implementing Occupational Safety and Health (OSH) management system and procedures effectively thereby achieving very good performance in OSH.

## HIV/AIDS education and awareness

In recognition of the serious impact of HIV/AIDS on migrant workers, HCC formed an HIV/AIDS workplace policy that focuses on educating and raising HIV/AIDS awareness amongst migrant workers that forms the core of the workforce at the Company's projects. HIV/AIDS awareness is now embedded in tool box talks to reach maximum workforce. The Company observes World AIDS Day every year on 1<sup>st</sup> December. Events are conducted with employee participation that involves pinning of red ribbons, awareness sessions, rallies etc. Posters and material given by NACO/ ILO and the state-level AIDS control societies are prominently displayed.

## Quality Observation and Training (QOT)

At HCC, Quality Observation Training (QOT) is adopted in which QC team along with other cross functional team members conduct quality inspection of construction activities periodically and corrective actions are taken to ensure conformance to quality standards. This helps to control the non

conformances in execution of work. The project wise consolidation of QOT is analysed and reported to the management.

### Communication with workers:

At HCC, Project Manager tool box talk (PM TBT) has been introduced this year. The Project Manager conducts a tool box talk every week to make the workers aware about safety implementation at site. The outcome of these PM TBT is overviewed by management for feedback and suggestions of improvisation. This facilitates as a tool for rapport building and understanding of the issues hindering the smooth functioning, in a better way.

## Economic Performance

### Management Approach

As one of the leading Indian construction company, HCC has been exposed to the vagaries of the external business environment faced by the industry in India. The Company has continuously re-crafted its strategic positioning and calibrated its business objectives in line with the evolving business environment.

HCC has taken several steps this year to strengthen the company, both financially and operationally. Raising capital, including via monetisation of assets, has been imperative to safeguard the sustainability of the company.

Over the course of the year, HCC commissioned several projects of national importance, three of which, viz. Kishanganga Hydroelectric Power Project, Bogibeel Road-cum-Rail Bridge and Pare Hydro Electric Power Project, were inaugurated by Prime Minister of India, Narendra Modi.

### Financial Review

HCC reported turnover and EBITDA of Rs.4,341 crore and Rs.533 crore, respectively, in FY18-19, as against Rs.4,575 crore and Rs.644 crore, respectively, in FY17-18. The company's order book stood at Rs.18,554 crore as of March 31, 2019.

The company accounted for an exceptional loss of Rs.2,400 crore during FY19 which was largely due to the impact of Lavasa's admission into NCLT under IBC. This led to a full-year net loss of Rs.1,962 crore despite healthy margins in its core business.

The Highlights of the financial performance for 2018-19 are:

- Turnover of Rs.4,341 crore vs. Rs.4,575 crore
- Net Loss of Rs.1,962 crore vs. Net Profit of Rs.78 crore, owing to exceptional loss of Rs.2,400 crore
- Gross debt has reduced by Rs.227 crore year-on-year to Rs.3,749 crore as of March 31, 2019

During the last quarter, HCC signed terms with a consortium of investors led by BlackRock under which HCC will receive a consideration of Rs.1,750 crore for the transfer of its beneficial interest and rights in an identified portfolio of arbitration awards & claims to a special purpose vehicle (SPV) controlled by the investors. The proceeds will be used to prepay debt of Rs.1,250 crore, while the balance Rs.500 crore will be made available to fund working capital and business growth.

HCC offered Rights Issues to shareholders and raised Rs. 497.58 crore. Company received applications worth Rs. 551.38 crore pursuant to its Rights Issue of equity shares. Valid applications were received for 110.74% of the aggregate issue of up to 49,75,76,833 equity shares of face value of Re.1 each ("Equity Shares") at an Issue Price of Rs.10 per Equity Share.

Figures in INR Crore	2018-19
Total Income	4459.13
Construction Cost (including materials/other expenses)	3413.93
Employee Cost	393.68
EBITDA (excluding other income)	533.39
EBITDA margins (excluding other Income)	0.123
Finance Cost	698.91
Depreciation	144.53
Exceptional Items	2400.3
Profit before Tax	(2592.22)
Tax	(630.47)
Profit after Tax	(1961.75)
Other comprehensive income (after Tax)	(9.48)
Total comprehensive income (after Tax)	(1971.23)

Economic Performance - Key Performance Disclosures (FY 2018-19)	Value (Million INR)
Economic Value Generated	43409.97
Revenues	43409.97
Economic Value Distributed	70858.19
Operating Costs	59141.68
Employee Benefits and Wages	3936.78
Payment to Providers of Capital	7156.39
Payments to Government (Indian)	622.81
Economic Value Retained	(27448.22)

## Environmental Performance

### Management Approach

HCC has imbibed the principle of optimal utilization of critical natural resources in our material procurement practice. This includes reuse of materials, minimizing waste generation, sourcing locally to the extent possible to decrease avoidable long-distance transport. We are also cognizant of our energy consumption and aim to optimize it by adoption of energy efficient practices through the use of latest technology and engineering innovations.

HCC's on-site teams remain sensitive to the local ecology, landforms and communities and take several proactive initiatives to conserve the local environment.

### Project Environment Management Plan (PEMP)

Environment management system embedded into HCC's processes from pre-tendering process up to completion of the project. In a pre-tendering process project specific Environment Management Plan (EMP) are assessed which help to reduce the environmental related risk. EMP consist study of Environmental compliances, risks, significant impacts of project activities and cost to be incurred to mitigate the same.

At the time of start up of any project, during the mobilization phase, the detailed Project Environment Management plan (PEMP) is being prepared. This PEMP details out various control measures to minimize environment impact by addressing various issues like muck disposal, spill prevention, resource conservation, waste management, pollution prevention, tree plantation and Environment monitoring. To check the effectiveness of PEMP implementation at site, day to day inspection, environment monitoring, internal and external audits are conducted at regular intervals.

### Resource Optimization Initiatives

HCC has adopted centralised purchase system to cater all the projects spread across the country. We strive to adhere to our aim of maximising local purchases, which helps us to get the supply of major raw materials from the nearest terminals of the suppliers. Aggregate, sand etc are procured locally at project sites, as well as general stores material required for workmen and officers camps, which impacts the local market in positive way. Further, all the significant suppliers are Indian from whom 75% of the major raw materials are procured. Following are some of the resource optimisation initiatives.

#### A. Cut to length plates at Bogibeel Rail-cum-Road Bridge Project

At the Bogibeel Rail-cum-Road Bridge project, instead of using the readily available standard size plates, about 95 different variants of make-to-order sizes were procured in order to reduce the wastage of steel. In addition, HCC used 'Most 2D' automatic nesting software to generate efficient two-dimensional cutting plans for fabricating the steel superstructure for the bridge. The software generates high-utilization layouts, significantly reducing waste and maximizes productivity.

#### B. Cut and bend rebars at Mumbai Metro 3

The rebars of prefixed length and definite bends are procured that helps to avoid material wastage due to cutting the rebars.

### C. Tighter tolerances of steel plates for Sawarakuddu Hydro Power Project

At Sawarakuddu Hydro Power Project, steel plates from Essar Steel are procured for construction of steel liner in the pressure shaft and penstock. Manufacturer, Essar Steel, was instructed to manage tighter tolerances on thickness, width and lengths of steel plates. This resulted in huge savings in material rejection.

### D. Coupler use for savings

Reinforcement couplers were used at DMRC66, BARC Tarapur and Mumbai Metro Projects helped us to achieve huge reduction in the cost.

## Conservation of Energy

HCC is continuing with energy saving measures like usage of Load Sharing System in D.G. plants, APFC (Automatic Power Factor Controller) panels, FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors, Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes and Use of Energy Efficient Motors in Gantry Cranes.

### A. Usage of Load Sharing System in D.G. sets

DG Sets of various ratings are provided with synchronized arrangement. Based on the load, the operators switch 'on' or 'off' the DG Sets without interrupting the load. With this arrangement, the DG loading can be controlled to ensure better productivity.

### B. APFC (Automatic Power Factor Controller) panels

As a practice, APFC panels are installed at site electrical installations at strategic locations, in order to improve the power factor. Further, we also install additional 'capacitor banks' at high inductive load ends. At construction sites, motor load (i.e. inductive load) is prominent and hence installing power factor correcting devices result in substantial cost savings. Improvement in power factor has following effects:

- Reduced reactive current, thus reduction in I<sup>2</sup>R losses
- Reduction in reactive current, which results in lesser IR Voltage drops
- Lower expenditure for electricity consumption

### C. FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors

Main crusher motors have high ratings due to starting torque requirement. To start a crusher motor, the transformer, DG set and switchgear configuration in conventional systems require very high rating. The use of FCMA starters, the requirement of transformers, DG Set and Switchgear ratings have been lowered in comparison to the conventional system. This indirectly trickles down the electricity consumption.

### D. Variable Frequency Drive (VFD) Starting System for Ventilation Fans and EOT/ Gantry Cranes

In certain applications such as ventilation fans and cranes, the motor ratings selected are for the peak requirement, whereas for most of the time it runs at reduced loads. The use of VFD has resulted in reduced electricity consumption at the idle time or at the time when there is lowered load. For

example, during tunnel excavation, VFD plays a vital role in reducing the fan speed / air flow of the ventilation system as per the requirement, thereby reducing power consumption.

#### E. Use of Energy Efficient Motors in Gantry Cranes

This is a continuous process and all new cranes are procured with Energy Efficient Motors.

#### F. Use of LED lights and tubes at all the projects

Started using of LED lights and tubes instead of previously used mercury tubes or CFL bulbs at all Projects.

### World Water Day

As a proponent of the CEO Water Mandate of the United Nations and WASH (Water, Sanitation and Hygiene) initiative of the World Business Council for Sustainable Development, HCC observes the world water day across all project sites and head office on March 22. This year's theme focussed on 4 Rs (Reduce, Reuse, Recycle and Replenish) of water management. The theme emphasised on the practices that are presently followed at various project sites.

### World Environment Day

The World Environment Day was celebrated across our project sites on June 05, 2018. To mark this day, a communication was sent by the Chairman and Managing Director, Mr. Ajit Gulabchand to all employees. The UN Theme for the year was 'Beat Plastic Pollution'. At the project sites various initiatives like Awareness/Trainings to the employees and community around per, Tree Plantation drives, Cleanliness drives and rallies were conducted voluntarily to spread awareness.

## Our Environmental Footprint

<i>Environmental Performance – Key Performance Disclosures</i>	<i>Unit</i>	<i>FY 2018-19</i>
<i>Materials</i>		
Raw Materials	Tons	71411.93
Semi-manufactured Goods or Parts	Tons	1312793.13
Associated Materials	Tons	9969.49
<i>Energy</i>		
Total Direct Energy	GJ	306893.56
	kWh	85248211.46
Aviation Turbine Fuel	KL	2.85
	GJ	103.54
Diesel	KL	8393.71
	GJ	306790.02
Total Indirect Energy (purchased electricity)	kWh	41503914.3
	GJ	149414.09
<i>Greenhouse Gas Emissions</i>		
GHG emissions due to direct energy use	Ton CO <sub>2</sub> eq	22740.39
GHG emissions due to indirect energy use	Ton CO <sub>2</sub> eq	34033.21
GHG emissions intensity from construction <sup>2</sup>	Ton CO <sub>2</sub> eq/ INR Million [Turnover]	1.31
GHG saved on account of Fly Ash Utilization and ground granulated blast furnace slag	Ton CO <sub>2</sub> eq	7441.16
<i>Waste Disposed</i>		
Solid Hazardous Waste (empty drums)	Numbers	217
Liquid Hazardous Waste (used oil)	KL	18.4
Non-hazardous Waste (cement bags)	Numbers	280000
Non-hazardous Waste (steel scrap)	Tons	5900

<sup>2</sup>GHG emissions intensity has been calculated using a sum of emissions from direct and indirect energy use at our project sites in scope. Scope 3 emissions have not been accounted for. Emission factors for direct energy have been used as per the IPCC Guidelines for GHG Inventories (2006), while the emission factor for indirect energy (i.e. purchased electricity) is taken from the Indian Central Electricity Authority (CEA)'s June 2018 Baseline Carbon Dioxide Emission Database Version 13. Annual turnover of HCC (E&C business) was taken from our Annual Report available on the web-link mentioned in this Report.

## Communication on Progress (COP): UN CEO Water Mandate

### Management Approach

HCC was the first Indian company to endorse United Nations Global Compact's 'The CEO Water Mandate' and is an industry partner of the World Economic Forum (WEF). We have adopted 4 R (reduce, reuse, recycle, replenish) approach of water management at project sites. In this 11<sup>th</sup> Communication on Progress (CoP), we present the efforts made by the company towards propagating water consciousness in FY 2018-19.

### Direct Operations

HCC, has a water policy which is being implemented at all project sites. The trained team of water champions deployed across all project sites is responsible for accounting of water withdrawal, the implementation of the 4Rs and water sensitization among all employees.

At each project, initially, water source tagging and utility mapping is carried. Water withdrawal from all sources is monitored.

Batching plants at every project are equipped with sedimentation tanks. The supernatant water is reused for dust suppression. This helps eliminate use of fresh water for the said purpose.

At Bogibeel Rail-cum-Road Bridge Project, Decentralised Waste-Water Treatment System (DWTS) is installed for the treatment of the sewage water which after the treatment is being recycled for gardening and for dust suppression. Wherever possible, roof top water harvesting is done at offices and camp buildings.

This Communication on Progress pertains to the data from the following 17 project sites of the company:

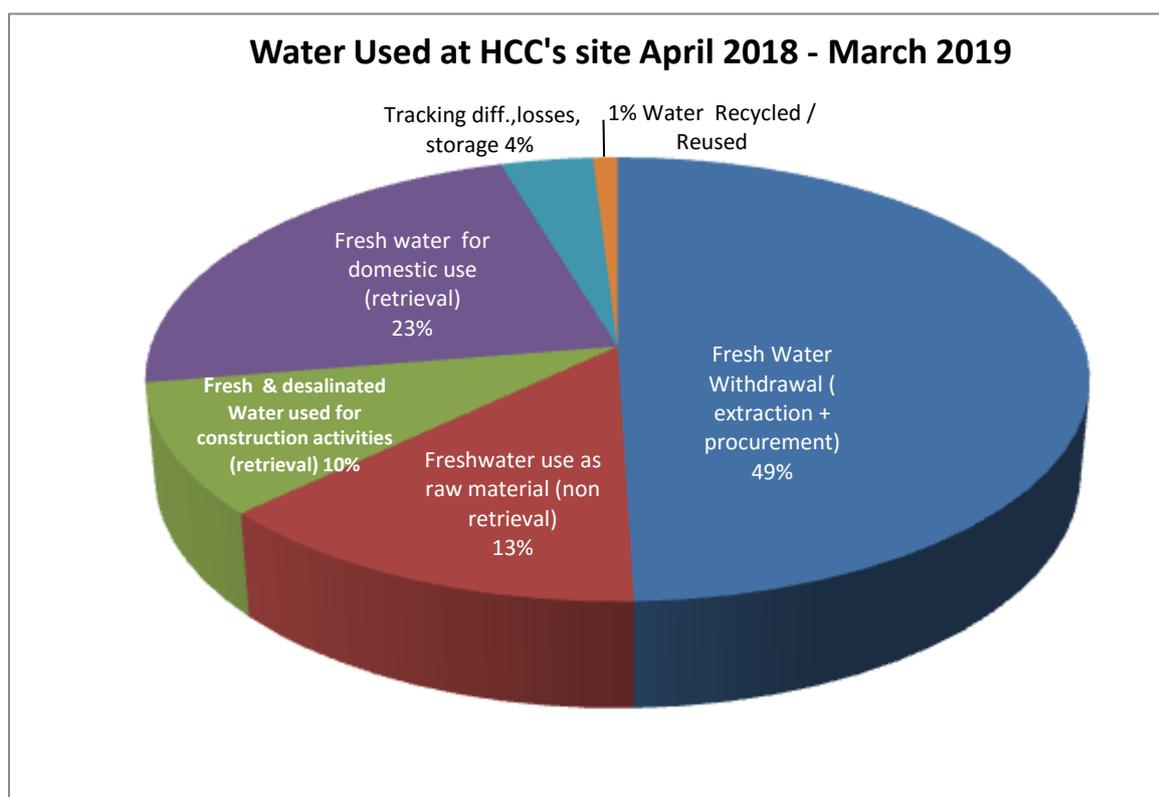
Transport		Hydro Electric Projects	
1	Ramban Banihal Road (NH44)	11	Punatsangchhu HEP
2	Kolkata Elevated Corridor	12	Kishanganga HEP
3	NH 34 Pkg 3	13	Tehri HEP
4	NH 34 Pkg 4	14	Sawrakuddu HEP
5	Bogibeel Rail Cum Road Bridge	Nuclear and special	
6	Mumbai Metro Rail Corp Pkg III	15	Rajsthan Atomic Power Project 7 & 8
7	T – 48/ 49 Tunnel	16	DGNP (Dry Dock for Indian Navy)
8	Imphal Kangchup Tamenglong Road Project	17	Bhabha Atomic Research Centre, Tarapur
9	Numaligarh Johrahat Road Project		
10	Munirka Elevated Corridor Project		

## Water management scenario at HCC's direct operation

Sr.	Description	QTY in ML
1	Freshwater withdrawal	509.93
	Freshwater use as raw material	256.57
	Fresh and desalinated water used for construction activities	183.20
	Tracking difference, losses, storage	70
2	Water recycled / reused ( fresh water saving )	18.65
3	Total water used at HCC sites	528.57
4	Water disposal in natural water bodies after treatment	209.12
5	Net water use at HCC sites	300.81
6	Consolidated water use efficiency at HCC sites (water reuse/net water use) x 100	6%

### Domestic Water Management

1	Water consumption for domestic use at officers colonies and worker's camps	440.66
2	Domestic sewage from colonies and worker's camps	349.30



### Supply Chain and Watershed Management:

HCC is conscious of watershed management around its project sites. While extracting water from the natural resources, proper monitoring systems are put in place for judicious water utilisation. During times of water scarcity, the local communities are supported by the company by providing drinking water supply. For example, at the Kishanganga Hydro Power Project, HCC has been

providing drinking water to 5 villages around the project site by purchasing water from the Public Health Engineering Department.

## Community Engagement: Rejuvenation of Diversion Based Irrigation System on Mhalungi River

Ashapur, a village located in Sinnar taluka of Maharashtra, had been suffering from acute water scarcity which severely affected cultivation, and fodder availability for the cattle. HCC, with the help of Yuva Mitra, an NGO Based in Sinnar, rejuvenated the diversion based irrigation system which had become defunct due to siltation. This initiative helped to enhance the ground water table and rejuvenate the wells (more than 60 across 135 hectares of farms). This year it helped conserve more than 390 million litres through percolation and irrigation. Thus HCC has maintained water positive status (by way of offsetting) with water index > 1.

This initiative was beneficial for the farmers to extend cultivation seasons and to expand their range of crops. The rejuvenation of canal at Ashapur village proved to be a good example of socio-economic improvement.

## Transparency

This chapter serves as Communication on Progress (COP) for reporting period as April 2018 to March 2019. As part of the limited assurance of HCC's Sustainability Report 2018-19, TTC has reviewed the water related performance disclosures as per AA 1000 AS Standard. The assurance process included field visits to the project sites as specified in the assurance statement.

# Community Sustainability

## Management Approach

HCC remains steadfast on its holistic approach to support the community around. Our CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. The CSR Policy aims at implementing CSR activities in accordance with Schedule VII of Section 135 of the Companies Act 2013 and the notified Rules. The CSR Committee reviews the implementation of CSR Policy.

## Summary of our CSR initiatives at Project Sites in FY 2018-19

1. HCC supported the wrestling competition organised near the T13 Rail Link Tunnel Project (Jammu & Kashmir) in order to boost the local sports activities.
2. At Numaligarh Jorhat Road Project (Assam), on the request of All Assam Students Union, monetary support for educational purpose was made.

## Disaster Relief and Response

As the founder member of the Disaster Resource Partnership (DRP) formed at the World Economic Forum in 2004, HCC ensures that the core strengths and existing capacities of the Infrastructure and Urban Development community are mobilized during and after crisis to reduce suffering and save lives. HCC became a co-founder and regional coordinator of the Disaster Resource Network India in November 2002. DRN India's missions were to train private firm personnel in disaster relief, and to make plans and structures that could become operational in crises.

Disaster relief initiatives undertaken during FY2018-19:

### 1. Rescue Operation at Kolkata

A portion of the busy Majerhat Bridge, at Alipore in Kolkata on National Highway 117, collapsed on September 04, 2018. The 40+ years old rail over bridge runs over the Sealdah Railway line near the Majerhat Railway station and serves as the main artery connecting the City Centre to Behala and other southern suburbs of Kolkata. Three people lost their lives and more than 25 people were injured in the mishap. Several vehicles commuting on the road were also trapped under the debris.

HCC team engaged in the construction of Kolkata's longest flyover (Ma Flyover) were immediately summoned by the Kolkata Municipal Development Authority (KMDA) and the National Disaster Response Force (NDRF), to assist with the rescue operation. Without any delay a team of 8 officers and 17 workers including Electrical Engineer, Mechanical Engineer, Safety Officers, Khalasi's, Welder, Flagmen, Crane Operator and Auto Electrician were rushed to the site. The project team also deployed a tyre mounted crane, an earth mover, a mini truck, a camper and cutting sets for the rescue operation. Due to the Metro Rail work being carried out near the mishap area, it was surrounded by under construction buildings, scaffolding and pillars, making the area too narrow for equipment to move freely. In spite of the challenging conditions, HCC team worked relentlessly for three days along with the Kolkata Municipal Development Authority (KMDA) and National Disaster Response Force (NDRF) officials to clear the debris to the extent possible.

## 2. Support in relief work after bridge collapse near CST station Mumbai

A foot over bridge near CST railway station collapsed on March 03, 2019 around 7:30 pm, which lead to few casualties and injuries. Immediately after the collapse, the Police sought help from HCC team working on Mumbai Metro Line III project nearby. HCC promptly deployed a team of 11 officers & workers, heavy machinery like cranes, excavators to help local authorities. The team pulled aside the fallen slab, and the blocks that were dangling from the bridge. 4 dumpers were deployed to carry the muck.

## Our Sustainability Performance

Economic Performance - Key Performance Disclosures (FY 2018-19)	Value (Million INR)
Economic Value Generated	43409.97
Revenues	43409.97
Economic Value Distributed	70858.19
Operating Costs	59141.68
Employee Benefits and Wages	3936.78
Payment to Providers of Capital	7156.39
Payments to Government (Indian)	622.81
Economic Value Retained	(27448.22)

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	GJ	103.54
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<i>Social Performance – Key Performance Disclosures</i>	<i>FY 2018-19</i>
<i>Total Workforce</i>	
Workforce by Level of Employment	
Officers (Senior, Middle, Junior Management)	1386
Others (Short Term Contracts, Trainees etc.)	55
Workmen (Excluding FTC)	18291
Workforce by Type of Contract	
Permanent Employees	5108
Sub-contract	4946
Piece-rate Workers	8237
Fixed-term Contract	100
Workforce by Gender (excluding Workmen)	
Male	1385
Female	57
<i>New Employee Hire and Turnover</i>	
Total Number of New Hires (excluding Workmen)	
Male	384
Female	2
<30 years	191
30-50 years	161
>50 years	34
Total Number of Employees Leaving Employment (Officers only)	
Male	515
Female	14
<30 years	173
30-50 years	281
>50 years	75
<i>Return to Work after Parental Leave</i>	
Number of Employees Entitled (Women)	57
Number of Employees Aailed and Returned	1
Number of Retentions 12 Months After Return	-
<i>Ratio of Basic Salary and Remuneration of Women to Men</i>	
Senior Management	1
Junior and Middle Management	1
<i>Average Employee Training Man-hours by Level of Employment</i>	
Officers	5.60
Trainees	26.53
Workers	6.48
<i>Average Employee Training Man-hours by Gender (Trainees included)</i>	
Male	6.47
Female	1.26
<i>Safety Statistics</i>	
Man-hours Worked (millions)	60.81
Injuries	9
Fatalities	2
Lost Days	12067
Frequency Rate	0.19
Severity Rate	210.92
Frequency Severity Index	0.09
Total Case Incident Rate (TCIR)	0.08

# Independent Assurance Statement (TTC)



Thinkthrough Consulting Pvt. Ltd.  
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 info@ttcglobal.com  
 www.ttcglobal.com  
 GSTIN: 07AAECT9616L1ZU

## INDEPENDENT ASSURANCE STATEMENT

To  
**The Board of Directors and Management**  
**Hindustan Construction Company Ltd.**  
**Mumbai, India**

### Introduction and objective of engagement

Thinkthrough Consulting Pvt. Ltd. (TTC) was engaged by Hindustan Construction Company's Engineering and Construction Business ('HCC' or 'Company') to provide independent assurance to its Sustainability Report titled "Responsible Infrastructure" (the 'Report') for the financial year 2018-19. The Report has been developed by HCC based on Global Reporting Initiative (GRI) Standards (2016) and Construction and Real Estate Supplement (CRESS). The report has been self-declared to comply with the 'in accordance - core' requirements of the GRI Standards.

### Respective responsibilities

The Report content and its presentation are the sole responsibility of the management of HCC. Company management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

TTC's responsibility, as agreed with the management of HCC, is to provide assurance on the Report content as described in the 'Assurance scope and criteria' given below. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance a third party may place on the Report is entirely at its own risk.

### Assurance scope and criteria

The Report of HCC covers its Engineering and Construction Business, including their Head Office, and all functional project sites, for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019. The scope of our assurance covers and is limited to:

- The sustainability performance data and information as per GRI disclosures, namely, Company's management approach of material topics;
- Statements, information and performance data and information included in the Report;
- Alignment of reported data and information to the requirements of the GRI Standards (2016) and CRESS indicators.

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008). We applied Type 2<sup>1</sup> moderate<sup>2</sup> level of assurance.

### Limitations and exclusions

We conducted our review to express a moderate assurance conclusion. A moderate level assurance engagement relies on a risk based chosen sample of the selected information and the associated limitations that this entails. Our work was limited to two sample sites visited by us as stated in 'Summary of key assurance procedures'; therefore, this assurance statement is not liable to detect all errors, omissions or misstatements.

Following are specifically excluded from our assurance scope:

- HCC's disclosures on financial performance;
- Aspects of the Report, including data/information, other than those mentioned in assurance scope;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention;
- Data and information outside the defined reporting period, i.e., 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

### Summary of key assurance procedures

Our assurance processes involved performing procedures to obtain evidence about the reliability of specified performance information. The nature, timing and extent of procedures selected were based on our professional judgement, including the assessment of the risks of material misstatement of the performance indicators; the steps are outlined below:

- Assessment of HCC's reporting procedures for sustainability reporting regarding their consistency with the reporting criteria;
- Verification of systems and procedures used for quantification, collation, and analysis of sustainability performance data that are included in the Report;
- Understanding the appropriateness of various assumptions, estimations and thresholds used by HCC for data analysis;
- Discussions with the key personnel responsible for data compilation on site;

<sup>1</sup> Type 2 Assurance: an engagement in which the assurance provider gives findings and conclusions on the principles of Inclusivity, Materiality and Responsiveness, and verifies the reliability of specified sustainability performance information AA1000AS (2008) Standard.

<sup>2</sup> A moderate level of assurance as per AA1000 (2008) Standard is commensurate with "limited" assurance as defined in the International Standard on Assurance Engagements 3000 (Revised) - Effective for assurance engagement dated on or after December 15, 2015.



- Discussion on sustainability with key executives at Head Office to understand the risk and opportunities from the sustainability context and the strategy HCC is implementing to manage the same;
- Verification of sustainability performance data, on sample basis, through site visits undertaken at two project sites namely: (i) DMRC CC66, Najafgarh (New Delhi); (ii) Mumbai Metro III Project, Mumbai (Maharashtra). The review of information and data for other facilities and project sites was done during visit to HCC's Head Office in Mumbai.

Appropriate documentary evidences were obtained to support our conclusions on the information and data verified. Where such documentary evidence was shown to us, but could not be retained by us on account of confidentiality or other reason, we recorded our observations appropriately after review of such evidence.

#### Our conclusions

Based on the scope of our review, our conclusions are outlined below:

- **Inclusiveness:**  
We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with key stakeholder groups. The company transparently disclosed its stakeholder engagement approach and activities in the Report. The Company's engagement with some key stakeholder groups, such as local communities, suppliers, etc., and efforts to address their concerns were evidenced during the assurance process.
- **Materiality:**  
We noted that the Company has listed the material topics in the Report. Nothing has come to our attention that causes us to believe that any material topic has been excluded from the Report of the Company.
- **Responsiveness:**  
We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle for dealing with stakeholders (such as customers, suppliers, and local communities) on material topics covering its sustainability performance.
- **Reliability of sustainability performance information:**  
We reviewed the accuracy and completeness of sustainability information in the Report. Nothing has come to our attention that causes us not to believe that the data has been presented fairly, in material respects, in keeping with the GRI Standards and the Company's reporting principles and criteria.

#### Our observations

Without qualifying our *Conclusions* above, we draw attention to the points stated below:

- The Company has made significant efforts towards identifying and reporting against key material topics, however, they can consider including further details on the materiality determination process as well as a materiality matrix in the Report;
- The Company currently discloses data only for the reporting period. As per the Reporting Principles of GRI, presentation of current data together with those of past years is recommended in order to enhance comparability.

#### Our assurance team and independence

TTC is a professional services firm that specializes in accountability on sustainability issues. The assurance was performed by our multi-disciplinary competent team of experts across domains of AA1000 Assurance Standard. This team has extensive experience in conducting independent assurance of non-financial data, systems and processes across sectors and geographies. We have followed procedures to ensure appropriate independence.

For Thinkthrough Consulting Pvt. Ltd.

Dipankar Ghosh, Partner  
New Delhi  
23<sup>rd</sup> September 2019



## GRI Content Index



GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Page number(s), direct answers and/or URL(s)</i>
GRI 101:	Foundation 2016	
GRI 102:	General Disclosures 2016	
GRI 102-1	Name of the organization	1
GRI 102-2	Activities, brands, products, and services	1,3
GRI 102-3	Location of headquarters	3
GRI 102-4	Location of operations	1 (All the projects in progress, refer to Annual Report P 2-3) <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-5	Ownership and legal form	4
GRI 102-6	Markets served	3
GRI 102-7	Scale of the organization	3
GRI 102-8	Information on employees and other workers	15
GRI 102-9	Supply chain	10, 25
GRI 102-10	Significant changes to the organization and its supply chain	No significant changes
GRI 102-11	Precautionary Principle or approach	Risk Management (10)
GRI 102-12	External initiatives	3
GRI 102-13	Membership of associations	7
GRI 102-14	Statement from senior decision-maker	2
GRI 102-15	Key impacts, risks, and opportunities	Risk Management (10)
GRI 102-16	Values, principles, standards, and norms of behavior	6
GRI 102-17	Mechanisms for advice and concerns about ethics	Annual Report Page no 67 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-18	Governance structure	4
GRI 102-22	Composition of the highest governance body and its committees	Annual Report P20-25 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-23	Chair of the highest governance body	4
GRI 102-24	Nominating and selecting the highest governance body	Annual Report P41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>

GRI 102-28	Evaluating the highest governance body's performance	Annual report P42,26 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-30	Effectiveness of risk management processes	Annual Report P44,25 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-35	Remuneration policies	Annual Report P20-22 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-36	Process for determining remuneration	Annual Report P20-22, 42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-38	Annual total compensation ratio	Annual Report P20-22 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-39	Percentage increase in annual total compensation ratio	Annual Report P49 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-40	List of stakeholder groups	8
GRI 102-41	Collective bargaining agreements	15
GRI 102-42	Identifying and selecting stakeholders	8
GRI 102-43	Approach to stakeholder engagement	8
GRI 102-44	Key topics and concerns raised	9
GRI 102-45	Entities included in the consolidated financial statements	Annual Report P155,31 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 102-46	Defining report content and topic Boundaries	1, 38
GRI 102-47	List of material topics	9
GRI 102-48	Restatements of information	No
GRI 102-49	Changes in reporting	No
GRI 102-50	Reporting period	1
GRI 102-51	Date of most recent report	Financial Year 2017-18
GRI 102-52	Reporting cycle	Annual (1)
GRI 102-53	Contact point for questions regarding the report	1
GRI 102-54	Claims of reporting in accordance with the GRI Standards	1
GRI 102-55	GRI content index	38, 39, 40, 41, 42, 43, 44, 45
GRI 102-56	External assurance	Yes. (36,37)
<i>Economic performance</i>		
<i>GRI 201: Economic performance 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	23
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material Topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>

GRI 201-1	Direct Economic Value generated and distributed	23, 24
GRI 201-3	Defined benefit plan obligations and other retirement plans	employee benefits (16)
GRI 201-4	Financial assistance received from government	Nil
<i>GRI 204: Procurement Practices 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	25
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 204-1	Proportion of spending on local suppliers	As HCC has an extensive pan- Indian project footprint, our definition for local sourcing continues to remain nation-wide. Almost 100% of the significant procurement budget at the projects in this reporting period was sourced locally (within India).
<i>Environment performance</i>		
<i>GRI 301: Materials 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	25
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 301-1	Materials used by weight or volume	34
<i>GRI 302: Energy 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	25
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 302-1	Energy consumption within the organization	34
GRI 302-4	Reduction of energy consumption	Conservation of Energy(26, 27)

<i>GRI 303: Water 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	29
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 303-1	Water withdrawal by source	CEO Water Mandate (30)
GRI 303-2	Water sources significantly affected by withdrawal of water	No
GRI 303-3	Water recycled and reused	CEO Water Mandate (30)
<i>GRI 305: Emissions 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	25
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 305-1	Direct (Scope 1) GHG emission	34
GRI 305-2	Energy indirect (Scope 2) GHG emissions	34
GRI 305-4	GHG emissions intensity	34
GRI 305-5	Reduction of GHG emissions	34
GRI 305-6	Emissions of ozone-depleting substances (ODS)	No ODS involved in the operations
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity	34
<i>GRI 306: Effluents and Waste 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	19, 25, 29
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 306-1	Water discharge by quality and destination	CEO Water Mandate (30)

GRI 306-2	Waste by type and disposal method	34
GRI 306-4	Transport of hazardous waste	Hazardous wastes are disposed through vendors authorised by government (34)
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	HCC activities have not caused any significant land contamination, hence there is no need for remediation
<i>GRI 307: Environmental Compliance 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	8, 25
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 307-1	Non-compliance with environmental laws and regulations	Refer Annual report page number 69 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
<i>Social performance</i>		
<i>GRI 401: Employment 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 401-1	New employee hires and employee turnover	15
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	16
GRI 401-3	Parental leave	17, 35
<i>GRI 402: Labour/Management Relations 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>

GRI 402-1	Minimum notice periods regarding operational changes	No such changes during the reporting period. As prescribed under the Industrial Disputes Act, 1947, 21 days' notice period is provided.
<i>GRI 403: Occupational Health and Safety 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13, 19
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a> )
GRI 403-1	Workers representation in formal joint management-worker health and safety committees	All our project level health and safety committees have an equal representation of management and workers.
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	20, 35
CRE6	Percentage of the organization operating with verified compliance with an internationally recognized health and safety management system.	Management Approach(19), HCC complies with ISO certification for Quality, Occupational Health & Safety and Environment Management systems (3)
<i>GRI 404: Training and Education 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a> )
GRI 404-1	Average hours of training per year per employee	18
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Functional, Technical and Safety Training Programs (18)
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	employee benefits (16)
<i>GRI 405: Diversity and Equal Opportunity 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13

GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42) <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity (16, 17)
GRI 405-2	Ratio of basic salary and remuneration of women to men	Diversity and Equal Opportunity (17)
<i>GRI 406: Non-Discrimination 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report P 41,42) <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 406-1	Incidents of discrimination and corrective actions taken	There was no such incidence reported in reporting period. Zero Tolerance to Discrimination (14)
<i>GRI 408: Child Labor 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report P41,42) <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Zero Tolerance to Discrimination (14)
<i>GRI 412: Human Rights Assessment 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	13
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report P41,42) <a href="https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 412-2	Employee training on human rights policies or procedures	All 386 new hires have undergone awareness training on Human rights. Diversity and Equal Opportunity (16, 17)

<i>GRI 413: Local Communities 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	32
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report 41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	32, 33
<i>GRI 419: Socioeconomic Compliance 2016</i>		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	9
GRI 103-2	The management approach and its components	8, 32
GRI 103-3	Evaluation of the management approach	Board Committees on all the Material topics are formed (refer Annual Report P23-25), Corporate Governance (Annual Report P41,42 <a href="https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf">https://hccindia.com/uploads/reports/0_37250200_1_566995792_HCC_Annual_Report_2018-19.pdf</a>
GRI 419-1	Non-compliance with laws and regulations in the social & economic area	No significant fines or sanctions were levied on HCC during the reporting period.

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