

Responsible Infrastructure



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About the Report

Responsible Infrastructure 2014-15, Hindustan Construction Company's (HCC – Engineering & Construction business) sixth annual sustainability report, presents key highlights and performance indicators for the financial year ending on 31st March 2015. Our report has been drafted as per the Global Reporting Initiative's (GRI) G3.1 and the Construction and Real Estate Sector Supplement (CRESS) guidelines. It continues to meet GRI's highest application level of A+.

This report is in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011. Additionally, this report is inclusive of our seventh consecutive annual Communication on Progress (COP) for the United Nations Global Compact's CEO Water Mandate Initiative, covering the same reporting period.

This sustainability report has undergone limited assurance (as per ISAE 3000 standard) by Ernst and Young LLP, an independent professional services firm.

Our reporting boundary is inclusive of all HCC (Engineering & Construction) projects in progress during the reporting year, including two in Bhutan. Active construction was underway at 22 project sites in FY 2014-15. Any exceptions in boundary with respect to specific performance indicator are clarified at appropriate places within the report.

We hope this report provides an insight into our approach to sustainability aspects and our performance for the reporting year to all stakeholders. Any feedback and queries are welcome, and may be directed to:

Mr. Aditya Patwardhan
Manager, Sustainability
Aditya.Patwardhan@hccindia.com

From the Chairman and Managing Director's Desk



Dear Reader,

I am proud to present the sixth edition of HCC's annual sustainability disclosure.

The past financial year has signaled in positive signs of business confidence for us compared to the sharp, severe and widespread downturn faced in the prior three years. Notable attempts have been made by our new central government to give India's infrastructure and development sector a renewed lease of life. The infrastructure climate is picking up, particularly in the road sector, and the other sectors will hopefully witness a similar rise. In light of the serious downturn faced previously, a speedy recovery has not occurred this year, however we have witnessed a slow but sure pace of recovery on ground.

We recognize our business aspirations are closely interlinked with India's environmental balance sheet. Therefore, it is our continued endeavour to operate within the framework of 'Responsible Infrastructure' as we grow our business. For us at HCC, Responsible Infrastructure means sustainable utilisation of natural resources, world class safety provisions at all our project sites and supporting the creation of resilient and sustainable communities, while continuing to meet the nation's infrastructure needs in an innovative and efficient manner.

In the year 2014-2015, we were faced with complex engineering challenges at various project sites. Each challenge was successfully overcome with precision in planning, technical skill, engineering prowess and exemplary team work. Further, we continued to efficiently optimize our water, energy and resource usage. HCC is committed to providing timely interventions at the time of natural disasters. Similarly, we are committed to going 'Beyond Bread' and ensuring the development of the local communities at our project sites.

In order to enhance employability and ensure higher quality of construction in our country, we have joined forces with other companies in our sector to form the 'Construction Skills Development Council' (CSDC) to provide skills training and certification to a workforce of approximately 3.5 lakh labourers in the construction sector.

In alignment with our integral principle of responsible corporate citizenship, we believe publically reporting our company's non-financial performance enhances transparency and assists all our stakeholders to better understand HCC's contribution to sustainable development.

I hope this report engages and informs you, and I welcome your feedback.

Ajit Gulabchand
Chairman and Managing Director

Message from the President and CEO

Dear Reader,

Hindustan Construction Company aspires to become a leading global EPC company creating sustainable infrastructure. Our goal is to integrate environmental protection, social responsibility and good corporate governance into every part of our business. A continuous dialogue with stakeholders inspires us to prioritize the ways of generating sustainable value for our stakeholders.

HCC fosters a culture of proactive and transparent communication. This is why it gives me immense pleasure to share our sixth annual sustainability report, 'Responsible Infrastructure 2013-14'. Also enclosed is our seventh consecutive report for the UN Global Compact's CEO Water Mandate. This report, audited by an independent external agency, exemplifies our commitment to engage with all external stakeholders.



The HCC team has overcome several engineering and geological challenges at many of our projects. These challenges were addressed by adopting innovative methodologies and astute engineering skills to ensure timely completion of the projects. One such example is setting up a World Record in Long Distance Concrete Pumping at Sainj HEP by successfully pumping concrete for a distance of 2,432m for construction of the Head Race Tunnel beating the previous record of 2,015 m set up by a French company.

Safety is paramount objective for the company, which percolates through our operations at all levels in the organisation. Going beyond the traditional methods, HCC has adopted Proactive Safety Observation Program (PSOP) under which it has institutionalized Behavioural Based Safety (BBS) program that continually focuses people's attentions and actions on their, and others, daily safety behaviour. Through these initiatives, we have achieved 78% reduction in the in lost time injuries and fatal accidents. We continue to strive towards achieving zero reportable incidents across all project sites.

HCC's sustainability initiatives have significantly improved its efficiency and lowered environmental footprint. During the year under review, HCC has utilized polarized fly ash and ground granulated blast furnace slag (GGBS) which reduced cement usage by 22612 tonnes, thereby lowering our GHG emissions. As part of CEO water mandate, HCC began its journey to conserve water in direct operations by reducing, reusing, recycling and recharging ground water at project sites. Besides, HCC has undertaken an external intervention of rejuvenating old diversion based irrigation system on Mhalungi River in Sinner district of Maharashtra. This intervention has helped us to become water positive company this year. HCC is among Ten Indian Companies and the only Indian infrastructure company to become 'water positive'. These initiatives highlight our efforts to optimise natural resource use and reduce our environment footprint.

Besides constantly striving to raise the bar of our operations, we maintain efficiency and world-class quality to meet expectations of our customers. In line with the Companies Act 2013 and the notified Companies (Corporate Social Responsibility Policy) Rules 2014, we have designed a comprehensive CSR policy for implementation of our programmes. Our CSR initiatives focus on Health, Education, Environment, Rural Development and Disaster Relief, while addressing the communities in the vicinity of our project sites.

I seek your feedback on our sustainability report that highlights a triple bottom line performance on economic, environmental and social parameters

Arun Karambelkar
President and CEO, HCC



Bogibeel Rail-cum Road Bridge, Assam



Teesta Low Dam Project, West Bengal



Kudankulam Nuclear power plant, Tamil Nadu



Delhi Metro Rail Project

4. Organisational Overview

HCC Profile

Hindustan Construction Company (HCC) is India's leading engineering, construction and infrastructure development conglomerate. With nearly a century of construction legacy, HCC's infrastructural marvels have served as benchmarks for India's development. Our vast experience spans a varied range of geologies, which has enabled us to achieve technological complexity and proficiency.

We have pioneered development in sectors such as Hydel Power, Nuclear Power, Transportation, Water Solutions, and Industrial Plants. From conception to execution, we have established our expertise to deliver against India's developmental requirements with skill, scale and speed.

HCC's Infrastructure Experience:

- > 65% of India's nuclear power plants
- > 28% of India's hydel power plants
- > 365 bridges
- > 3600 lane kms of Expressways/Highways
- > 300 km of Tunnels

Going forward, we are continuing to execute challenging projects, while maintaining our commitment to high quality infrastructure that promotes economic growth and improves quality of life for all our stakeholders.

Our corporate head office is located in Mumbai (India). The Group Companies include:

Lavasa Corporation Limited

Lavasa is a novel model of city development, in response to the Government of Maharashtra's invitation to create a new hill station. Based on principles of new urbanism, this 10,000 hectares of environmentally sustainable development has 6.5 lakh indigenous species of trees, and 7 lakh shrubs. Catered to a population spanning the socio-economic spectrum of India, it has been permanently planned for 240,000 people, includes rental accommodation, and provides high quality, free education for the local population.

HCC Infrastructure Company Limited

HCC Infrastructure Company Ltd is a leading developer which delivers the highest standards of commercial and public service for transportation, power and water infrastructure concessions. Particularly focussed on responsible and sustainable development through public private partnerships, it has expertise in concept innovation, risk analytics, construction management and operations. Projects include six NHAI concessions, four being operational, and two under construction. The Xander Group invested INR 240 crore for a 14.5% stake, which is presently at a valuation of INR 1650 crore. Currently this company has a portfolio of INR 5500 crore. Future plans include a diversified portfolio of INR 15,000 crore in road, power and water concessions.

HCC Real Estate Limited

HCC Real Estate Ltd (HREL) focusses on commercial real estate development including new urban development and management projects. HREL's 247 park in Mumbai is India's largest standalone LEED certified gold rated green building.

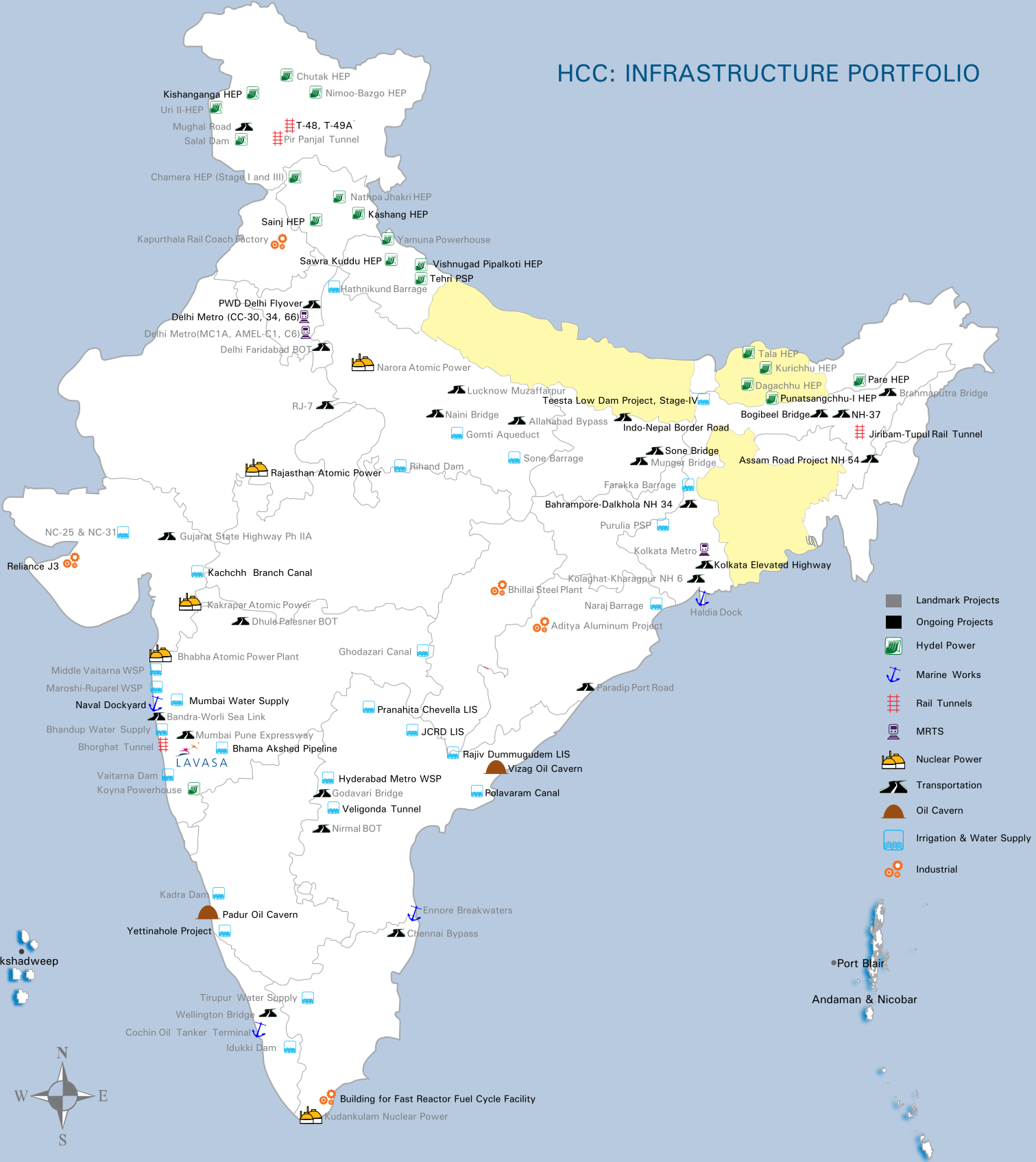
Steiner AG

Headquartered in Zurich, Steiner AG is a leading total services contractor in the Swiss real estate market. This 100% subsidiary of HCC specialises in turnkey development of new buildings and renovation of existing properties; spanning 1200 residential projects, 540 office buildings, 45 hotels and 150 social infrastructure buildings.

Highbar Technologies

Highbar Technologies was hived off as an IT solutions provider for the infrastructure industry, being recognised by Gartner as a successful spin-off case study. Highbar focuses on IT implementation initiatives from a business transformation perspective. It has begun to dominate the 'IT for Infrastructure' market, and its scope was extended to serve telecom, PED (Pre-engineered Buildings), manufacturing, retail, agro-chemicals, iron and steel and media, amongst other sectors. Highbar's expertise has grown to include Enterprise Resource Planning (ERP), Business Intelligence, and cloud offerings through Highbar CloudConnect, Employee Portals, Customer Relationship Management (CRM) and others.

HCC: INFRASTRUCTURE PORTFOLIO



Core Business

Hydel Power

We possess the skill, speed and scale to address every possible requirement of Hydel Power projects in India. Our achievements include dams, tunnels, barrages, underground power stations, surface power stations, and water conductor systems such as surge shafts, pressure shafts and penstocks.

- Built 5 out of 10 highest concrete dams
- Built 2 out of 5 largest underground power stations
- Constructed 300 kilometers of tunnels out of which 165 kilometers lies in Himalayan geology
- Built 46 dams and barrages, 21 surface and underground power stations
- 4 EPC projects: Kishanganga HEP, Tehri Pumped Storage, Dagachhu Hep, Sainj HEP
- Built Chutuk and Nimoo Bagzoo HEP at over 10,000 ft altitude

Nuclear Power

We have been a consistent partner in India's nuclear journey, since the birth of India's nuclear power generation program.

- Constructed India's first indigenously built nuclear power plant at Kota
- Built 15 out of 24 nuclear reactors in India
- Involved in construction of all 8 reactors of Rajasthan Atomic Power Plant Project
- Narora atomic power plant built in 1984
- Kakrapara Atomic Power Plant built in 1991
- BARC's DHRUV reactor built in 1986
- India's largest light water reactors built at Kundankulam nuclear power plant in 2010

Thermal Power

- 18 thermal power plants and 18 gas based projects
- India's second diesel based plant at Brahmapuram, Kerala
- A 275 meter high steel flue chimney for Tata Thermal Power Generation Station, Trombay, which is regarded as one of the tallest concrete structures in India
- Currently constructing a 390 MW Muzaffarpur Thermal Power Plant in Bihar

Transportation

We cater to all segments of the transportation sector that led to the acquisition of countless technologically complex projects by the government.

- Built the entire Kolkata Metro, and 6 underground sections of the Delhi metro
- 10% of India's highways under the National Highway Development Programme
- Bandra Worli Sea Link, India's first cable stayed bridge constructed at open sea
- Currently constructing Dry Dock in Mumbai for the Indian Navy
- Currently constructing the largest rail-cum-road bridge at Bogibeel in Assam

Water Solutions

We specialize in execution of large complex integrated water management projects on EPC basis, involving source development, treatment, as well as transmission.

- 7 irrigation dams, 18 barrages, 105 water/sewage treatment plants, 460 km pipelines
- The world's largest dam at Farakka
- The Godavari Lift irrigation Scheme, Asia's second largest lift irrigation scheme
- Vaitarna, India's first concrete gravity dam
- India's first private sector water supply project at Tirupur
- India's largest water treatment plant in Mumbai

Buildings and Industrial Plants

We have earned presence in the industrial plants and engineering sector on account of our precision engineering and speed of implementation.

- Built India's first integrated 1 million ton steel plant in Bhilai
- India's largest rail coach factory at Kapurthala
- Fabrication of pot shells, potline assembly and potline superstructure for Aditya aluminium plant in Orissa
- Executing one of the largest mega scale petro chemical projects for a refining major in Western India
- Executed some of the most challenging and large scale structural steel fabrication and erection works

Vision, Mission and Values

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

The Vision Statement has been inspired by the global infrastructure development needs of tomorrow, with the Customer as the central focus. It was developed after conducting a series of in-house workshops. Senior Leaders within the organization are actively involved in developing and maintaining an effective and efficient management system to disseminate the Vision across HCC in order to achieve 'Customer Delight.'

Mission

The HCC Corporate Mission encompasses the overall strategies, objectives and goals of the Organization:

- To be a leading construction company in the global market.
- To become the customers' most preferred choice by attaining excellence in quality and value added projects completed on time.
- To continually innovate, develop and adopt state-of-the-art technology in methods and materials to enhance productivity and cost effectiveness.
- To continually improve the competence of our people and make them proud to work at HCC.
- To build a safety culture aimed at continually reducing the frequency severity rate towards achieving zero accidents.
- To identify and mitigate all the environmental impacts arising from our activities and comply with applicable environmental norms.
- To develop and adopt eco-friendly concrete technology to reduce one million tons of greenhouse gas (GHG) emissions in the next 10 years.
- To contribute to the development of the local community and society at large as a part of our corporate social responsibility.

Values

Bold, determined, committed and quality conscious at all times - these values are the driving force behind our organization, defining us and guiding us every step of the way. Quality, for us, is a beacon that inspires us in everything we do, and a facet which is carefully nurtured at HCC. We believe that our people are our knowledge assets. We adhere to international standards of governance, and are extremely serious about our corporate and social responsibilities. Our values are representative of who we are and how we behave. They impact our everyday work life and give us a competitive edge.

Awards and Achievements

1. [CIDC Vishwakarma Award 2015](#) - "Achievement Award for Best Construction Projects in Roads and Highways" - Mughal Road Project, Jammu & Kashmir.
2. [CIDC Vishwakarma Award 201X](#) - "Best construction projects under the Railways category" - Pir Panjal Tunnel Project, Jammu & Kashmir.
3. [Global Sustainability Leadership Award 201X](#) - "Best Community Action" - HCC Ltd's community development project - 'Ujjivana', Maharashtra.
4. [Road & Highway Project of the Year Award 2014'](#) by the global editorial team of [Construction Week India](#) - Mughal Road Project, Jammu & Kashmir.
5. ['Water Project of the Year Award 2014'](#) by the global editorial team of [Construction Week India](#) - Maroshi - Ruparel College Water Tunnel Project, Maharashtra.
6. ['Road Contractor of the Year Award'](#) by [Construction Week India](#) - Runners-up trophy for its valuable contribution in the roads and highway sector.
7. ['Infrastructure Project of The Year'](#) award by [Zee Business](#) - Pir Panjal Railway Tunnel Project, Jammu & Kashmir.
8. ['Outstanding Contribution in Urban Infrastructure'](#) award by [EPC World Media Group](#) - Maroshi - Ruparel College Water Tunnel Project, Maharashtra.
9. ['Outstanding Contribution in Railway Project'](#) award by [EPC World Media Group](#) - Pir Panjal Tunnel Project, Jammu & Kashmir.



Advocacy

We have presence on several regional, national and global industries, governmental and developmental forums. We are on the board of the following technical institutions:

- Indian National Group of the International Association for Bridge & Structural Engineering , New Delhi.
- Central Board of Irrigation & Power, New Delhi.
- Indian Roads Congress, New Delhi.
- Indian Concrete Institute, Chennai.
- International Society for Rock Mechanics (India), New Delhi.
- Tunnelling Association of India, New Delhi.
- The International Commission on Large Dams, New Delhi.
- The Institution of Surveyors, New Delhi.
- India Chapter of American Concrete Institute, New Delhi.
- Indian Society for Rock Mechanics and Tunnelling Technology, New Delhi.
- The Institution of Engineers (India), Kolkata.
- Construction Industry Development Council, New Delhi.
- Builders Association of India, Mumbai.
- Indian Water Works Association, Mumbai.

Further, we are represented by Mr. Ajit Gulabchand, Chairman and Managing Director, who actively participates at various influential platforms, and advocates on a variety of issues in the realm of sustainable development. Some of Mr. Ajit Gulabchand's key active memberships are listed below:

- Member of the Governors' Steering Board of the Infrastructure and Urban Development Community at the World Economic Forum in Geneva
- Member of UK India Business Council (UKIBC) Advisory Council
- Chairman of the Governing Council of the Construction Skills Development Council of India (CSDCI)
- Member of the United Nations Disaster Risk Reduction – Private Sector Partnership Advisory group
- Member of Board of Trustees – New Cities Foundation
- Former President of International Federation of Asian and Western Pacific Contractors' Associations

(IFAWPCA)

- Signatory United Nations' Global Compact's CEO Water Mandate
- Member of the National Council of the Confederation of Indian Industry (CII), Member of CII Associations Council
- CII National Committee on Urbanization & Future Cities 2014 -15
- CII National Committee on Infrastructure 2014 -15
- CII National Committee on Business Continuity Planning and Disaster Management 2014-15
- CII Economic Growth and Investments Council 2014-15
- President of the Construction Federation of India (CFI)
- Past President and Patron Member of the Governing Council of the Builders Association of India (BAI).
- Chairman of the Board of Governors of the National Institute of Construction Management and Research (NICMAR)
- Chairman of the Administrative Council of the Walchand College of Engineering.
- Executive Committee Member of TERI's (The Energy and Resources Institute) Business Council for Sustainable Development (for the period 2013-15)

In FY 2014-15, Mr. Ajit Gulabchand delivered numerous key note addresses, and was participant to several prestigious and internationally recognized sustainable development events. Some of these are listed below:

- Speaker at the first Construction Skills Summit, held by the Construction Skills Development Council (CSDC) of India, Mumbai (27th March 2014).
- Key Speaker at 'Building A Better Future, The Indian Investment and Infrastructure Landscape Post Election' by UK India Business Council (UKBIC), London (3rd June 2014).
- Chair and Moderator for the 9th 'Sustainable & Inclusive Solutions Summit': Roadmap for building 100 Smart Cities in India (CII) (16th September 2014).
- Speaker at the India Today Global Roundtable, New York (26th September 2014).
- Lead Discussor for 'Smart Solutions for Sustainable Cities in India (Smart Cities)' at the US-India Energy Partnership Summit, Washington DC (30th September 2014).
- Speaker at the US-India Energy Partnership Summit

2014, TERI High level Corporate Dialogue (30th September 2014).

- Panelist in 'Sustainability at Scale', at the 12th Leadership Summit for Sustainable Development, the annual flagship event of the TERI Business Council for Sustainable Development (BCSD), New Delhi (7th October 2014).
- Panelist at the World Economic Forum – India Economic Summit, with the theme 'Redefining Public – Private Cooperation for a New Beginning', New Delhi (4th November 2014).
- Chair for 'Indian Cities: Future of Urban Development'

and Table Discussion Leader during the session on '2030 Water Resources Group: Collaboration towards water-enabled growth in India' at the World Economic Forum – India Economic Summit, New Delhi (4th November 2014).

- Panelist for the 'Mind the Trillion Dollar Gap' at the Indian Economic Summit, New Delhi (5th November 2014).
- Panelist at 'Globalization of Chronic Diseases' and the 'Forum Debate: The Bottom Line' during the 45th Annual meeting of the World Economic Forum in Davos (January 2015).

Important Events

Honorable Prime Minister of India, Shri Narendra Modi, inaugurated the 240 MW Uri Stage-II Hydro Electric Project on July 04, 2014. The project is located in the Uri area of Baramullah District in Northern Kashmir, around 18 km away from the Line of Control (LoC).

- Honorable Prime Minister of India, Shri Narendra Modi, inaugurated the 45 MW Nimoo Bazgo Hydroelectric Power Project located near Leh and the 44 MW Chutak Hydroelectric Power Project located at Kargil on August 12, 2014.
- HCC completed the 126 MW Dagachhu Hydel Power Project in Bhutan in just 59 months. The water charging in the HRT for power generation was witnessed by Mr. Sonam Tshering, Power Secretary – Ministry of Economic Affairs, Government of Bhutan on August 26, 2014.
- Mr. Ratan Kumar Singha, Chairman, Atomic Energy Commission (AEC) and Secretary, Department of Atomic Energy and Mr. Kailash C Purohit, CMD NPCIL, along with officials from the Nuclear Power Corporation of India Ltd (NPCIL), visited the 7 and 8 unit of the ongoing (2 X 700 MW) Rajasthan Atomic Power Plant (RAPP) site on September 06, 2014. Mr. Dayananda Samuel, Group Project Manager welcomed the dignitaries and showcased the process of the work.

- Shri Nitin Gadkari, Honorable Minister of Road Transport and Highways, laid the foundation stone of the prestigious Indo-Nepal border road project on January 20, 2015. HCC was awarded the Engineering Procurement and Construction (EPC) contract for reconstruction of the 65.87 Km section of NH-232, on the Indo-Nepal border in Uttar Pradesh.
- The South Warf of the Naval Dockyard in Mumbai was inaugurated on 26th March, 2016 by Vice Admiral Anil Chopra, the Flag Officer Commanding-in-Chief of the Western Naval command of the Indian Navy.
- Shri Nitin Gadkari, the Union Minister for Road Transport and Highways, laid the foundation stones for two prestigious road projects awarded to HCC in Assam on May 01, 2015. Tarun Gogoi, Honorable Chief Minister, Smt. Ajanta Neog, PWD Minister of Assam and Shri Nageshwar Rao, Group Project Manager, HCC and dignitaries from central and state government were present during the function.
- Mr. R. S. Birdi, General Manager (Open Line) of NF Railways visited HCC's Bogibeel site and camp area on January 01, 2014. Mr. Birdi, along with other railway officials, was shown the decentralized wastewater treatment system present on-site.

Corporate Governance

Our business strategically focusses on sustainable value for all our stakeholders, which include shareholders, customers, partners, employees and the community at large. Our governance structure consists of systems, processes and principles that assist in realisation of these long term goals. This entire governance structure is overseen by a Board of Directors, who supervise management activities and ensure effective delivery of value to all stakeholders. To warrant this, we strive to promote a well-informed and independently functional Board.

Code of Conduct

The board of directors has laid down two separate Codes of Conduct. One covers Non-Executive Directors, while the other is for Executive Directors, designated Senior Management and employees. These Codes are available online on the Company website. As of 31st March 2015, all Board Members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct applicable to them.

Board of Directors and Board Committees

The composition of our Board conforms to Clause 49 of the Listing Agreement, which stipulates that at least 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As of 31st March 2015, the board comprises of eight Directors. Of these, two are Executive Directors, including

the Chairman and Managing Director, who is a Promoter Director. Out of the six non-Executive Directors, five are Independent Directors. During the reporting year, the company has also appointed one woman Director.

All our Directors possess the required qualifications and experience in the areas of general corporate management, finance, banking, insurance and other allied fields, enabling effective contribution in their roles.

The Board of Directors has constituted five board Committees, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, ESOP Compensation Committee and the CSR Committee. The Board of director takes all decisions regarding to the constitution of Committees, appointment of members, and fixing the terms of reference/role of the Committees.

Further descriptions on the Board of Directors, Board Committees, and their roles and responsibilities are provided in the Annual Report for FY 2014-15, available on our website:

<http://www.hccindia.com/pdf/HCC-annual-report-2014-15.pdf>

Listing

Our Equity Share is listed on the Bombay Stock Exchange (BSE) as well as the National Stock Exchange of India Limited (NSE). Global Depository Shares (GDSs) are listed on the Luxembourg Stock Exchange (LSE).



5. Our Approach to Sustainability

Material Issues

'Responsible Infrastructure' is the term which defines our approach to sustainability at HCC. This motto, under which falls a long and illustrious history of HCC, shapes not only our corporate social responsibility, but also our daily business activities. 'Responsible Infrastructure' encompasses the distinct but highly intertwined objectives of national infrastructural creation, technological innovation and advancement, maintaining world-class quality practices and being responsible towards the natural environment, and to all our stakeholders, such as employees, customers, shareholders and local communities.

It is through the lens of 'Responsible Infrastructure' that we carry out our materiality process, and evaluate and monitor our performance and progress.

Two companywide materiality assessment exercises, carried out in 2009-10 and 2012-13, have helped us align our material issues with the evolving management understanding, external environment and our stakeholder's inputs. The most recent assessment of 2012-13 consisted of a workshop and survey of all key corporate and functional heads, who were asked to identify and prioritise key stakeholder groups and materiality issues. For the reporting year 2014-15, we continue to report on the material issues so identified. In the forthcoming year, we plan to revisit our materiality assessment to bring our sustainability reporting in line with the new GRI G4 Guidelines.

Material Issues
Resource efficiency
Safe working conditions for employees & workers (including contracted workers)
Timely delivery of projects
Environmental & Social Compliance
Customer satisfaction
Environment and biodiversity protection

Stakeholder Engagement

Key stakeholders are defined as those who have actual or potential high impact on our business, and in turn are impacted by us. We engaged with all our key stakeholder groups for a high-level materiality assessment. These groups included our Employees, Customers, Contractors/ sub-contractors, Investors and Shareholders, JV Partners and Local Communities, at organisational as well as project levels. In addition, we continuously engage with our internal and external stakeholders on pre-determined schedules and an ongoing needs basis. Our annual sustainability report informs all our stakeholders of our sustainability progress. All concerned function heads are consulted for inputs and performance details specific to their responsibilities.

Customers/ Clients
One-on-one engagement with clients as per necessity
Formalised Customer Feedback Systems (described below)
Suppliers/ Subcontractors
Annual SRA Program and regular vendor meets
One-on-one engagements
A robust feedback system
Employees
Regular interactions, training sessions and communications
HCC Newsletters and E&C Connect Newsletters
Employee surveys
Structured performance management systems
Training programs
Investors and Shareholders
Quarterly analyst meets and regular communications
AGMs and EGMs
Quarterly Analysts Meets
Corporate Website
Publications
Investors' and Shareholders' Grievances Committee
JV Partners
On-going partner management approach
Sustainable partnerships in strategic business sectors
Effective communication channels
Local Communities
Covered in detail in the Our Communities section

HCC's Clients



Joint Venture Partners (Execution / Risk sharing / Resource)



Technology Partners



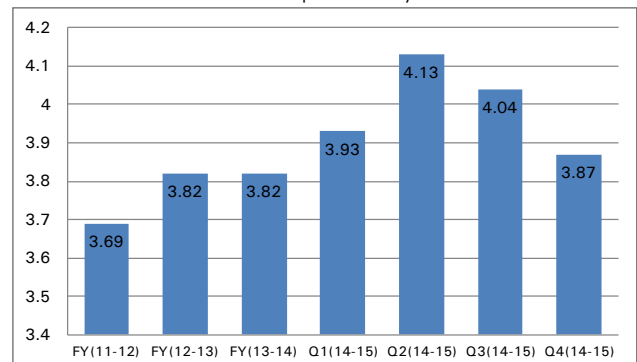
Formalized Customer Feedback System

At HCC, we obtain quarterly customer feedback on various parameters of our product and services through a standard questionnaire. This feedback is analysed and areas of weakness are identified and shortlisted. A summary of the feedback is presented to the top management during the quarterly management review, and actions proposed against feedback are executed as corrective measures.

In case of projects obtaining scores below 3 on the Customer Satisfaction Index (CSI) in any quarter, the Management Representative (MR) and the concerned Project Manager discusses expectations with the concerned customers. The Project Manager then takes

corrective actions which fall within the ambit of the contract, and informs the MR about its status.

The graph below shows the trend of Customer Satisfaction Index over the past four years:





Bandra Worli Sea-Link, Mumbai

Challenges Encountered and Overcome

Project Name: Dagachhu Hydro Power project

Challenge: Mobilization to project site

The project is located in the south west of Bhutan, in Dagana province which is one of the remotest in the country and is heavily forested. The equipment and material mobilisation were carried out through the border town of Phuentsholing which is around 420kms from the project location consisting of roads through hilly terrain and bridges with low carriage capacity. Transporting of heavy equipment was a major hindrance for mobilisation as the bridges were not adequate enough to carry the load at a single pass.

Initiative to Overcome the Challenge:

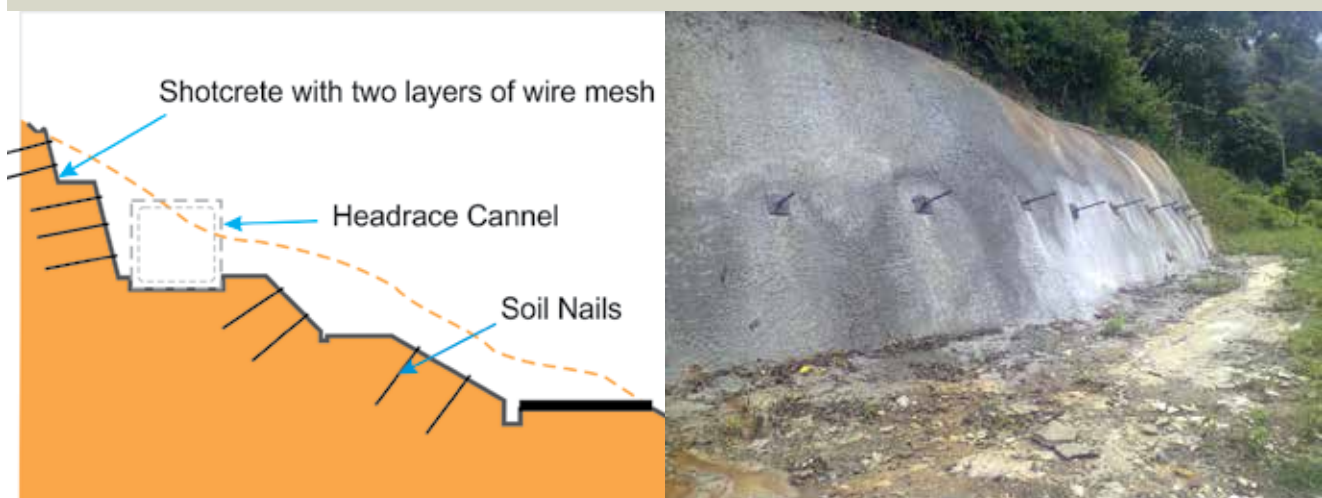
To enable mobilization, heavy equipment had to be dismantled at Phuentsholing yard, transported in parts and assembled at the project site.

Challenge: Geology of the region

This project is located in the high Himalayan regions, where the geology consists mainly of metamorphic rock, crystalline in nature. Further, heavy rainfall had caused substantial chemical weathering, leading to poor geological conditions in which construction was extremely challenging, especially in underground areas.

Initiative to Overcome the Challenge:

In order to overcome this geological challenge, several alterations were made in the original design of Dam, Headrace Channel, Headrace Tunnel and Powerhouse. The depth of dam foundation was increased by approximately 3m below the specified level that increased the quantity of concrete by approx 20,000 CuM. The fish ladder was shifted towards left bank of the dam, and the length was increased from 342m to 428m. New Austrian Tunnelling Method (NATM) was extensively used for all underground construction with heavy usage of support structures including wire mesh, lattice girders, rock bolting, soil nails, SN rock bolts and permanent anchor bars.



Project Name: DMRC CC 30

Challenge: Urban environment at project site

While tunnelling in an urban environment using Tunnel boring Machine (TBM), utmost care is required to ensure underground construction activities do not disturb existing buildings on ground. Along the alignment of the CC 30 tunnel, there were various new and old buildings present.

Initiative to Overcome the Challenge:

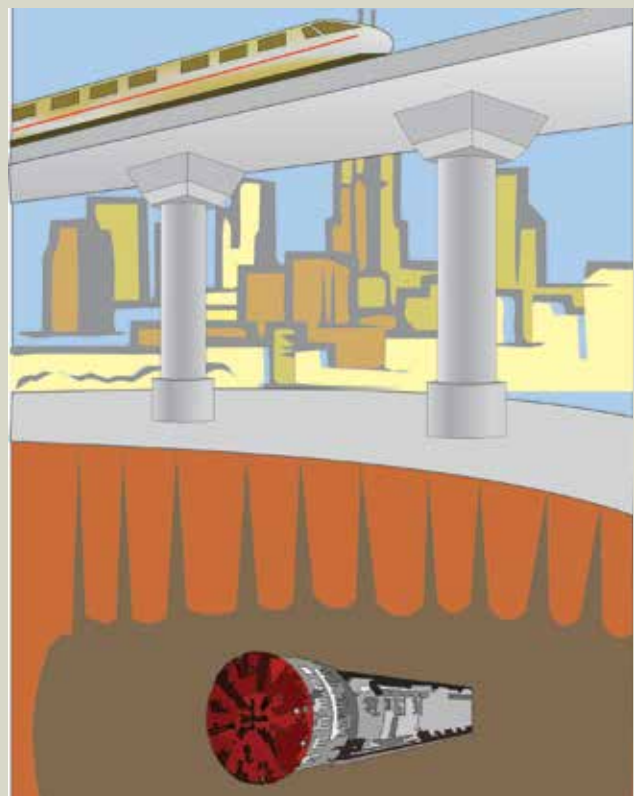
A detailed study was undertaken to find out the status of the existing building structures and their foundations. Based on the findings, adequate steps were taken to ensure minimal harm to these structures during construction, such as stabilization of ground and continuous monitoring during the TBM drive so that these structures were not disturbed. A range of instruments such as 3D tilt meter, ground settlement markers (GSM), inclinometer etc were set-up on these structures to rigorously measure the slightest variations as minute as a few millimetres. These were monitored continuously during the construction phase. Any deviations beyond safe limits, immediate steps were taken by stopping the TBM drive before the ground stabilisation measures were ensured.

Challenge: Geology of the region

The first major challenge encountered after commencing the TBM operations was at 138 meters from the TBM entry point. The tunnel had to cross between two pillars of the viaduct of an existing metro line, just 10 meters below this viaduct. While DMRC had taken this into consideration when drawing the tunnel alignment, the challenge was tunnelling in between these pillars without disturbing them in anyway.

Initiative to Overcome the Challenge:

The ground between the pillars was strengthened by TAM grouting, a process of injecting cement slurry through drilled boreholes. 90 such boreholes were drilled between the two pillars to make the muddy ground hard for tunnelling. While tunnelling, the vibrations created were measured, and found to be less than the one caused by the movement of the train on the viaduct. Therefore, it was ensured the process of injecting cement was a safe one.



Challenge: Tunnelling under an existing canal

The next challenge was tunnelling under an existing canal. The tunnel was passing under the canal at a depth of 14 meters. Though the canal had very less amount of water in that season, the lining of the canal was weathered. Due to seepage of water, the ground under the canal was muddy.

Initiative to Overcome the Challenge:

A similar exercise was carried out while tunnelling under the canal by putting various instrumentation and regular monitoring of the soil conditions during tunnelling. Thus the TBM could successfully be used without disturbing the canal.

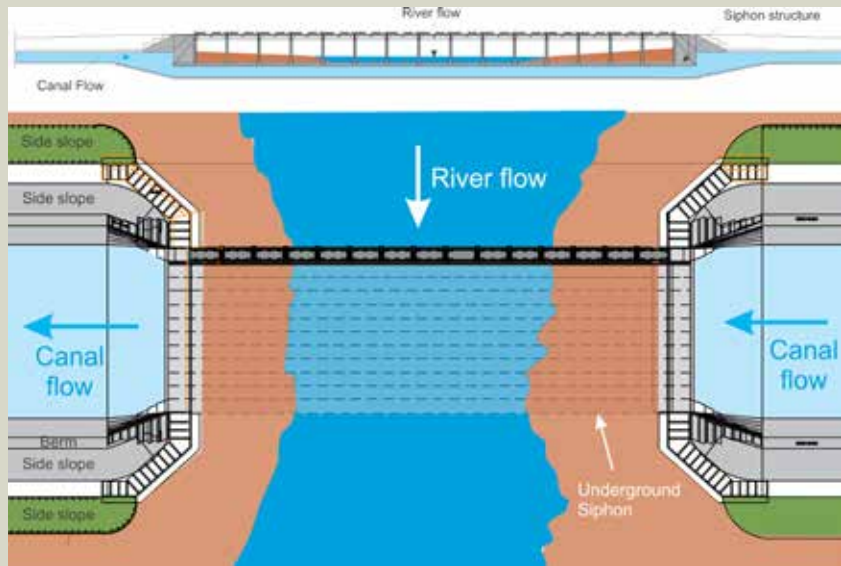
Project Name: Polavaram Project Right Main Canal Package III

Challenge: Construction of a major Siphon structure

The right main canal was crossing a perennial natural stream, Errakalva, at 50 Km. Errakalva has a maximum flood discharge of 4375 cumecs and a catchment area of 1960 Sq Km. The deep bed level of the stream was 31.051 meters as against Canal Bed Level of 32.209 meters.

Initiative to Overcome the Challenge:

In order to ensure smooth water flow, a canal siphon was installed. This inverted U shaped tube structure was built to transfer canal water below Errakalva. It is one of the massive structures of this project, designed to carry 391.130 Cumecs of canal discharge. HCC was appreciated by its client for the completion of this good quality siphon while preserving all required safety measures.



Project Name: Sainj Hydroelectric Power Project

Challenge: Mobilisation to the project site

Though the project location was just 35 km from the National Highway (NH21), the roads from the highway to the site were not adequate for long trailers carrying project equipment.

Initiative to Overcome the Challenge:

All equipment transportation was carried out in smaller trucks.

Challenge: Access to barrage site

For accessing the barrage site, the river was to be crossed at two locations near Samba village where the bridges were still to be built. Here, the narrow valley and depth of the river could not allow the team to build a temporary bridge.

Initiative to Overcome the Challenge:

The team indigenously built a temporary bridge by constructing abutments with wire crates on which steel girders were placed. This bridge was good enough to carry across equipment and material to commence work at the barrage location.

Challenge: Concrete lining of a narrow headrace tunnel

The finished diameter of the 6.3km long Head Race Tunnel is 3.85m with an average lining thickness of 0.25m. In such a small diameter tunnel, vehicle movement and crossing are restricted and carrying out multifarious activities of concrete lining poses a severe challenge due to congested working space. The movement of concrete conveying transit mix is often restricted to one way traffic only. The temperature, humidity and installation of an adequate ventilation system also created challenging working conditions as the tunnel length increases.

Initiative to Overcome the Challenge:

To overcome this issue, the project team attempted to use a challenging technique, 'long distance pumping'. For this to work, selection and quality control of materials, layout of concrete conveying pipeline, dealing with diverse climatic conditions and above all, safe execution of operations were crucial. Barring all adversities, the Sainj project team exhibited exemplary team work and cooperation. They succeeded in delivering concrete across the long distance of 2.432 Km and thus created a World Record in Long Distance Pumping.



6. Our Management Approach and Commitment to NVG

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Our Board of Directors has set up an Audit Committee to oversee HCC's financial reporting and the disclosure of financial information. The company ensures all financial statements are credible, accurate and sufficiently ensure transparent communications. Our Code of Conduct, which governs all employees and Non-Executive Directors, cover all aspects under this principle, contains an anti-corruption policy and other related procedures. Our Code of Conduct governing all executive directors and senior managers requires observance of ethical conduct, fairness and equity. It also refers to the Senior Management's commitment to the Company and all its stakeholders by working to the best of their ability, judgement and responsibility. All employees and senior managers of HCC have confirmed their compliance with the Code of Conduct. Further information can be found under the Corporate Governance section.

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

We are aware of the impacts our engineering processes have. In order to responsibly execute our role in creating infrastructure for India, we are committed to ensuring sustainability and safety in all our work. Our supply chain management enables cost and material use reduction. In the process of inventory optimisation and surplus reduction, we have dually achieved environmental conservation and economic savings. To maintain this commitment, we have extended resources towards local vendor development. This benefits supply chain optimisation, and encourages the local economy. Further information can be found under the 'Resource Optimisation Initiatives' section.

Principle 3: Business should provide well-being of all employees

We provide our employees with regular learning and growth opportunities. The trainings and programs provided include health and safety trainings and technical

training programs related to equipment operations and maintenance. These trainings are conducted for all workers, including sub-contracted staff and piece rate workers. This enables them to improve their skill sets for continued employability. In addition, we have initiated a performance based rewards and recognition programme. This is aimed at improving organisational and team performance. We also have a zero-tolerance approach towards employee discrimination, bonded labour and child labour issues. Further information can be found under the 'Our Employees' section.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

All our stakeholders are engaged with actively on a regular basis in order to address concerns in a responsible and timely manner. Our HIV/AIDS Workplace Policy focusses on the serious impact of HIV/AIDS amongst our migrant workers. Further, HIV/AIDS workplace interventions are a response to marginalised community stakeholders, and enhance employee inclusiveness. We also undertake initiatives in the areas of disaster response management and community development and education. Further information can be found under the 'Our Employees' section.

Principle 5: Businesses should respect and promote human rights

We are a signatory of the United Nations Global Compact (UNGC), a strategic policy initiative. Therefore, we are committed to aligning our operations and strategy with the ten UNGC principles, which cover the wide ranging areas of human rights, labour, environmental protection and prevention of corruption. All our contracts forbid the use of child labour on sites. All our security personnel are trained to ensure this, and provide proof against and suspicion in this matter. Similarly, all our stakeholders are expected to maintain this standard, and uphold all human rights principles. Further information can be found under the 'Our Employees' section.

Principle 6: Business should respect, protect, and make efforts to restore the environment

We strongly adhere to the UNGC's commitment to the environment. To ensure this, we design and construct all our projects in an environmentally responsible and sustainable manner. We also endorse the UN Water Mandate, which has enabled us to become a more water conscious company. HCC's Integrated Management System (IMS) Policy conveys our constantly improving environmental performance, beyond regularity compliance. Additionally, we have adopted several measures to enhance our environmental performance. Further information can be found under the sections 'Environmental Performance' and 'Our Employees'.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

We are an active member in a variety of industrial associations and developmental bodies, and regularly participate in public and regulatory policy discussion, on a global and national level. We are represented at these bodies at the highest levels, including by our Chairman and Managing Director. Further information can be found under the 'Advocacy' section.

Principle 8: Businesses should support inclusive growth and equitable development

We are well aware of our impact on the social and economic development of the country. Therefore, we have maintained a long tradition of supporting communities in and around our project sites. Our extensive community development initiatives have had a positive impact on the overall well-being and progress of many communities across the country. Further information can be found under the 'Beyond Bread' section.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Our Standards Contracts System allows for the streamlining of contracts, thus assisting us with a uniform approach to all our contracts. This allows us to provide a better and consistent service to all our stakeholders. We have a robust system of engaging with our customers, collecting formalized feedback, and addressing any concerns, on an ongoing basis. Further information can be found under the 'Business Development, Sales Planning and Review Process' section.



Twin Tunnel Breakthrough at DMRC CC34 project

7. Engineering Highlights

Technology Absorption

We are dedicated to keep pace with technological advances, and have therefore made several efforts in technology absorption, as described below:

Research and Development (R&D)

R&D is carried out with objectives such as continual efficiency enhancement, material cost reduction, process development, enhancing the quality of construction and sustainability. It is undertaken through interdisciplinary engineering within the organization and in collaboration with vendors, consultants and academic institutions.

Present R&D efforts are focused on:

1. Optimizing concrete ingredients with specific focus on reducing cement content reduced the carbon footprint of our concrete. This is partly achieved through methods such as use of less energy intensive chemicals, use of alternate cementing materials and optimal quality assurance planning.
2. Less energy intensive construction techniques create a sustainable advantage. For example, roller compacted concrete (RCC) is preferred over conventional dam concrete.
3. Alternate feasible designs with improved specifications enhance sustainability of built

structures. For example, crust pavement thickness is reduced.

4. Alternative concreting practices that enhance speed and construction productivity, such as long-distance pumping of concrete.

Technology imported during last three financial years:

Description	Year of import	Status of technology absorption
Construction of tunnel using double shield Tunnel Boring Machine (TBM)	2012	Absorbed
Technology for construction of concrete faced rockfill dam (CFRD)	2012	Under Implementation
Construction of dry dock using pre-cast cum floating caissons.	2012	Under Implementation
Roller Compacted Concrete (RCC) technology at Teesta-IV Low Dam Project	2014	Under Implementation
Pumping of self-compacting concrete	2013 & 2014	Under Implementation

Highlights of Technology Absorption and Adoption:

Efforts made towards technology absorption and adaptation during the year 2014-15 improved efficiency, enhanced quality, and fastened progress, therefore enabling earlier completion of projects. These efforts are outlined below:



Bogibeel Rail-cum-Road Bridge, Assam

1. Successfully adopting the use of RCC as construction material is underway at Teesta Lower Dam-IV project in West Bengal. The material design and supervision is being carried out by a Malaysian Expatriate.
2. The method of placing concrete using long distance pumping was successfully implemented for a distance of 2432 meters at the Sainj Hydroelectric project in Himachal Pradesh.
3. Doubled shielded Tunnel Boring Machine (TBM) was successfully implemented for the head race tunnel at Kishanganga HEP. This achieved a record of 816 meter in one month.
4. At the Bogibeel bridge project, our consortium partner from Germany finalized the method for continuous launching of ten 125 meter span each road cum railway double-decker steel bridge.
5. At the NH34 project, we have successfully adopted the methodology of using coir mattresses for erosion protection of the embankment. Further, various alternative pavement designs and utilization of various cementitious, non-cementitious and polymeric soil stabilizers in order to improve soil property are under implementation.
6. At the Tehri PSP project, the powerhouse cavern has been designed by using FLAC-3D Software for optimization of rock supports in collaboration with expert from France and Canada.
7. At the location of our Assam road project, the rocks have the property to form slurry with water, which restricted the use of conventional tunneling methods. In order to overcome this challenge, for the first time in India, the innovative method of top-down construction was used. In this process, the bridge was first constructed at the ridge of the mountain followed by excavation and the construction of the wall below it.
8. For the first time in India, twin tube TBMs were retrieved at the Delhi Metro Railway Corporation (DMRC) project, CC34.
9. Apart from the above, the following measures were taken:
10. Pre-bid association with renowned consultants in their specialized field of expertise. This is carried out with the objective of proposing value engineered proposals, enhancing competitiveness at the bidding stage and also to ensure cost-effectiveness.
11. An Engineering Management Expert Panel (MEP) was formed to provide timely and accurate engineering inputs to various challenging problems in upcoming as well as ongoing projects.

Innovation

1. Through directed efforts in innovation, we have focused on ideas which enable the following:
2. Cost reduction through value engineering
3. Innovating and adopting new concepts for construction
4. Cost reduction through optimization



8. Economic Performance

With a legacy that spans almost nine decades, we are one of India's leading construction companies. Since our inception in 1926, not only have we been continuously evolving through the adaptation of best-in-class operational practices, but have also become equipped to deal with the vagaries particular to the infrastructure sector.

The infrastructure slowdown in our country over the last four years has presented previously unforeseen challenges to HCC and others in the Indian infrastructure space, causing us to abruptly realign our business from an emphasis on delivering high growth, to focussing on tightening operations and generating cash flows to meet short term obligations.

In 2012, we entered into an agreement for 'Corporate Debt Restructuring' (CDR), with a consortium of financial lenders, which provided some moratorium to interest rate payments and readjustment of tenures. Today, we are steadfast in our pursuit to meet our CDR obligations ahead of schedule and deleverage the balance sheet. We have taken concrete steps in this front in FY 2014-15. However, our efforts, such as others in this industry, have been largely determined by the prevailing business environment, which remains both problematic and uncertain.

While these has been some positive signals and increased activity on the infrastructural ground in India, this has not managed to translate into noteworthy opportunities. In the aggregate, there was no significant increase in the

number of new projects for HCC. Therefore, we have made a conscious effort to identify and pursue business growth in new sectors, through which we have developed specific operational advantages. For example, in 2014-15 alone, we carried out 53,000 MT of structural fabrication and erection work.

Our continuous emphasis on project execution efficiencies has resulted in notable gains in terms of inventory turnover, operating margins, cash collections as well as employee productivity. This resulted in our company improving its EBITDA margins in a highly price competitive environment. In addition, we have focused on reducing fuel consumption of all equipment use at project sites.

We have focussed efforts on restructuring ongoing projects which were under duress. In addition, six projects were successfully closed and mutually settled with our clients. These efforts have assisted in cleaning up our financially stressed projects from the order backlog, and release both financial and capital bandwidth.

We have always maintained a strong contracts management department, which spends considerable effort in analysing and understanding contracts in terms of risks and responsibilities. This has helped us stake claims for client side delays for several earlier projects. Despite present difficult scenarios, we have already received cash pay-outs against claims worth around INR 400 crore since the CDR. Of this, approximately INR 200 crore was received in 2014-15.



Business Development, Sales Planning and Review Process

As a part of our continuous improvement of existing processes, our Business Development (BD) function has implemented new processes at various levels, right from bid assessment to portfolio diversification.

I. SAP CRM:

We implemented the SAP based CRM information system in 2011 for managing the information systems in Business Development. SAP CRM is a comprehensive, online information management portal which gives a 3600 view on aspects such as upcoming projects, customers and project partners. CRM now forms the backbone of all our operations and we are witnessing significant benefits in terms of increased transparency, improved customer focus and satisfaction and generation of better quality proposals with stronger chances of winning. As a part of our continual improvement process, we have developed new features in CRM to enable the following:

- Winnability Assessment of the prospects based upon a set of qualitative parameters. Based upon the final scores the prospects are ranked as 'high, medium or low'.
- Lead Analysis, a provision to capture information on the leads generated, reasons for dropping a lead or reasons for not participating in a lead.
- Developments of reports to help conduct our weekly sales review meetings and other management review meetings.

II. Bidding Process:

As a part of our business development process we continue to interact with customers of our upcoming projects, at various stages during a prequalification/bidding cycle, on a need basis. We focus on understanding the customer requirements on the bids during these interactions. During the bid preparation stage maximum efforts are put in by the Business Development group to ensure these requirements are complied with.

We also form project based strategic partnerships with major international contractors in cases wherein we are unable to meet the pre-qualification criteria, a new technology is required or in case of large projects where risk sharing is recommended. Our 'Partner Management'

process, adopted in 2012, enables us to continue bid specific interactions with our joint venture partners.

III. Business Diversification:

HCC operates a portfolio of diverse but integrated businesses, each targeting different markets, requiring varied skill sets and operating under varying risk return profiles. Our core business focuses on Transportation, Water Solutions, Hydro Power and Nuclear Power projects.

However, national growth has slowed in these areas, which has affected our core business. The new central government has taken significant initiatives to enhance economic and infrastructural activity since its formation in June 2014. While there has been a visible pickup in the implementation levels, especially in the road sector, a full scale recovery is expected to take a few more years.

Therefore, it has been imperative for HCC to diversify into a new business area with a robust future potential in order to achieve our targets for business growth. With this view the management has decided to focus on building construction as a new business line. This has been selected for the following reasons:

- It is a high potential market, expected to grow at a CAGR of 10% till 2020.
- Synergy with other HCC business lines, it is an easy sector for us to enter.
- The construction in buildings is not very capital intensive and hence results in a leaner asset base.
- Building projects have shorter gestation periods and a fast turnover.

Financial Performance in FY 2014-15

Economic Performance - Key Performance Indicators	Value (Million INR)
Economic Value Generated	41,348.03
Revenues	41,348.03
Economic Value Distributed	42,001.37
Operating Costs	29,599.30
Employee Benefits and Wages	3,611.07
Payment to Providers of Capital	6,511.30
Payments to Government (Indian)	2,279.70
Economic Value Retained	(653.34)

9. Environmental Performance

Environmental responsibility is a key element to our objective of creating Responsible Infrastructure. Our Integrated Management System (IMS) Policy communicates our commitment to improve our performance on various environmental aspects, going beyond regulatory compliance.

Our IMS system adheres to the requirements of ISO 14001: 2004 Environmental Management Systems, ISO 9001: 2008 Quality Management Systems, and BS OHSAS 18001: 2007 Occupational, Health and Safety Systems. IMS comprises of a number of policies and procedures that are regularly revised by our management, and communicated to and implemented across all our project locations.

Construction and infrastructure creation is water and natural resource intensive, and hence the availability of high-quality, low-cost and locally-sourced raw material will be a critical challenge for our business. The impact of unpredictable weather-related events (such as drought, cyclones, floods etc.) arising due to the changing global climate patterns on our operations is another major environmental risk in the future, especially since many of our projects are situated in geographical areas prone to such events.

As signatories of the UN Global Compact CEO Water Mandate program, we are committed to the aim of reducing our total water consumption and improve our water efficiency index. This is in line with our ultimate objective of achieving water-neutrality, a goal that is strongly supported by our top decision-makers. Water meters have been installed at all our operating sites in order to measure and track our water consumption footprint.

Our materials procurement practices are designed to ensure optimal use of critical natural resources. This includes reuse of materials, decreasing waste generation, sourcing locally to the extent feasible and stronger procurement controls centrally in order decrease avoidable long-distance transport. We are also conscious of our energy footprint and encourage adoption of energy efficient practices through the use of latest technology

and engineering innovations developed through our employee-driven 'Innovation Forum'.

None of our construction projects are situated in ecologically sensitive areas, however our project teams remain sensitive to the protection of local ecology, landforms and communities, and take several proactive measures to protect and/or maintain the local environmental quality around our project sites.

Resource Optimization Initiatives

I. Cut to length Plates at Bogibeel

At Bogibeel site, instead of using the readily available standard size plates, about 95 different variants of sizes were procured in order to reduce the wastage of steel, thus resulting in significant waste reduction, and monetary savings.

II. Transportation of Plates at Bogibeel Project site

The transportation of the plates as per the conventional way had following difficulties:

- Extra Wide plates could be transported by rail.
- Lead time by road is very high, up to 45-50 days
- Sparse availability of trailers for the long distance
- Loss of interest as the due date started from the date of dispatch

To overcome this, multimodal transport was used.

Material was dispatched by barge up to the nearest port, followed by road up to the site, which resulted in the following advantages:

1. No delay due to non-availability of trailers
2. Decrease in transportation time, resulting in savings on interest of about INR 6.76 Lakhs.

III. Plates from Essar for Bhandup Project

We reduced the tolerance on thickness, width & length of plates even tighter than allowed by IS Standards & client specifications. This resulted in material savings of 242 MT of steel, and cost savings of up to INR 111.82 lakhs.

IV. Plates from Essar for DGNP Project

The tolerance on thickness was reduced even tighter than allowed by IRS Specifications, which resulted in savings

of 24 MT of steel that totalled to INR 9.8 lakhs.

V. REBARS:- Savings on account of PACs

For our Vishnugad HEP and Sainj HEP projects, we procured project authority certificates (PACs), due to which we could save INR 85.656 Lakhs on account of exemption of the excise duty.

VI. The Use of Fly Ash, GGBS

At various HCC sites, polarized fly ash and ground granulated blast furnace slag (GGBS) of INR 466 lakh used to reduce the Cement of INR 14209 lakh. Thus not only cost savings of INR 13743 lakh was achieved but the saved quantity of the cement that helped to reduce CO2 emission of 22611.90 tons associated to its manufacturing.

Energy Conservation

We continue to utilize a variety of energy conservation measures to optimize production costs, lower energy usage and reduce our environmental impact. Key measures undertaken by us in the past year include:

I. 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.

II. APFC (Automatic Power Factor Controller) panels

As a practice, we are installing APFC Panels at site electrical installations in strategic locations, in order to improve the power factor. Further, we are also installing additional 'Capacitor Banks' at high inductive load ends. Most of the loads at construction sites are motor load (i.e. inductive load) and hence installing power factor correcting devices results in substantial cost savings. Improvement in Power Factor has following effects:

- Reduced reactive current, thus reduction in I²R losses
- Reduction in reactive current, which results in lesser IR Voltage drops
- Lower expenditure for electricity consumption

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

Main Crusher Motors are generally of very high ratings due to starting torque requirement. For starting these Crusher Motors, the Transformer, DG set and Switchgear configuration in conventional systems has a very high rating. To overcome this, we introduced Electronic Soft Starters. However the cost of maintenance of Electronic Soft Starters was high (in order to handle starter breakdown). Therefore, FCMA Starters were introduced. Due to these starters, the requirement of Transformers, DG Set and Switchgear ratings have been lowered in comparison to the conventional system. This indirectly trickles down to savings in terms of electricity consumption.

IV. Variable Frequency Drive (VFD) Starting System for Ventilation Fans & 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. Under such circumstances, the use of VFD has resulted in reduced electricity consumption. 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.

V. Use of Energy Efficient Motors in Gantry Cranes

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

VI. Revised configuration of DG plants at Kishanganga HEP

Adit-I site at KGHEP is presently fully on DG Sets. However we are currently attempting to provide Grid Power to Adit-I through TBM Adit side, once the TBM dismantling is completed. With this arrangement the Load on DG at Adit-I will get reduced. These DG sets will be operational only during Grid Failure.

VII. Use of seepage water as construction water at Sainj HEP has reduced power consumption

VIII. Main Grid Transformer has been modified at Kishanganga for uninterrupted use of Grid Power thus reducing usage of DG Power.

Additional investment and proposals for reduction in consumption of energy:

We are analysing the cost effectiveness of using 'Heat Pumps' for the Officers and Workers camp at the Vishnugad Pipalkoti Project.

World Water Day

On the occasion of 'World Water Day', March 22 2015, a communication was sent out to all employees by the Chairman and Managing Director, Ajit Gulabchand. This communication outlined our achievements in water conservation across its project sites, such as the recycling and reuse of 58 million of freshwater in the first ten months of the year. Our commitment to the UN Global Compact's CEO water mandate has extended to our CSR activities – we are aiding communities in Nashik District of Maharashtra rejuvenate the old canal system on Mhalunji River. Finally, Mr. Gulabchand called upon all of employees to inculcate best practices in efficient water usage, thus contribute towards our company's water sustainability journey.

World Environment Day

On 5th June 2014, an email communication was sent by the Chairman and Managing Director, Mr. Ajit Gulabchand, to all HCC employees, in commemoration of 'World Environment Day' This emails outlined the urgency required to act against climate change, in line with the theme of the year 'Raise your voice not the sea level' and reiterated our commitment to protect, conserve and improve the environment on all project sites to the best of its abilities. Further, it encouraged the employees to make informed choices and responsible decisions, thus contributing to change at an individual level.

Our Environmental Footprint

Environmental Performance – Key Performance Indicators	Unit	FY 2014-15
Materials		
Raw Materials	Tons	3,59,239.45
Semi-manufactured Goods or Parts	Tons	3,247,335.37
Associated Materials	Tons	2648.16
Energy		
Diesel	L GJ	16,640,990 608228.18
ATF	L GJ	83,456 3031.62
Total Direct Energy	L GJ	611259.81 169794391.67
Total Indirect Energy (Purchased electricity)	kWh	35893743.58
CO2 Emissions		
GHG emissions due to direct energy use	Ton CO2eq	45281.92
GHG emissions due to indirect energy use	Ton CO2eq	29256.99
GHG emissions intensity from construction	Ton CO2eq	1.8027
GHG saved on account of Fly Ash Utilization and ground granulated blast furnace slag	Ton CO2eq	22611.90
Emissions from Stacks		
SPM	Kg	87.06
SOX	Kg	131.20
NOx	Kg	176.62
Waste Disposed		
Solid Hazardous Waste (Empty drums, batteries, E-waste)	Nos	1227 Drums, 113 batteries
Liquid hazardous waste (Used oil)	KL	21.573
Non-hazardous Waste (Used oil filters, tyres, cement bags)	Nos	NA
Non-hazardous waste (Steel Scrap, used spares)	Tons	NA
Environmental Expenditure		
Waste disposal, emissions treatment and remediation costs	INR Million	NA
Prevention and environmental management costs	INR Million	51790668

¹ 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 2009 Baseline Carbon Dioxide Emission Database Version 9.0. Annual turnover of HCC 's (E&C business) was taken from our Annual Report available on the web-link mentioned in this Report.

² This figure pertains to the salary cost of the Health, Safety and Environmental (HSE) personnel's at the sites.

10. Communication on Progress: UN CEO Water Mandate

Preamble

Globally there have been several concerns raised for sustainable use of water as the reducing availability of the fresh water is the next major environmental challenge faced by humanity after global warming. It is important to note that only 3 % of the world's water is fresh and roughly one-third of it is inaccessible. Over the years, increasing population, growing urbanisation and expanding agriculture have pushed up the demand for water. Of the total available fresh water, about 70% is used for agriculture, 20% for industries and about 10 % for drinking water. Worldwide, 1.3 billion people cannot access electricity, 768 million people lack access to improved water sources and 2.5 billion people have no adequate sanitation facilities.

Taking into account these challenges and their impact on economic growth, social equity and environmental sustainability, the United Nations Global Compact (UNGC) launched "CEO Water Mandate", a public-private initiative in 2007 at the World Economic Forum. This initiative is endorsed by global companies from a variety of industry sectors. It is designed to assist companies in the development, implementation, and disclosure of corporate water stewardship practices and policies.

The Mandate is based on the notion that there is a business imperative and a responsibility for companies to promote efficient and clean practices for handling water in their operations and to encourage and facilitate sustainable management of the watersheds they operate in.

HCC was one of the 20 global companies that signed the "CEO Water Mandate" in 2007. Since then, various initiatives have been undertaken to judiciously use water resources in its operations and become water efficient. The company has taken efforts to conserve fresh water through use of efficient technologies in the operations as well as by adopting 4-R water principle of reduce, recycle, reuse, and recharge the water at its project sites.

HCC has adopted international standards of ISO 9001, ISO 14001 and OHSAS 18001 and adheres to all the compliances. External as well as Internal Audits of

the management systems are carried out. HCC's Sustainability Report is assured by an independent third party.

In this 7th Communication on Progress on water, attempt is being made to outline HCC's efforts towards water consciousness in FY2014-15

1. Direct Operations

HCC is engaged in building infrastructure projects in India on a contract basis. The contracts are mainly focused in hydro power, nuclear power, transportation and water distribution sectors. The projects are located across India, mostly in remote locations and hence the operations are present in different geographies.

Water is required in operations for construction purposes as well as for domestic needs of the workforce. Efforts have been made to reuse the waste water generated after treatment. This practice has not only reduced fresh water consumption but also optimised cost at a few project sites. Additionally, the company has established a sewage treatment plant at one of the project locations, on pilot basis, where the treated water is used for horticulture at the camp.

- a. Water challenges
 - i. Water usage at project locations

While water is vital for the operations, water related risk is limited for HCC. A sufficient amount of good quality freshwater is available for use across all sites. Surface water is the primary source of water. Further, the water risk remains only till the completion of the project hence risk assessment is restricted to this period. The impact of HCC's water use at the area of operations as well as the basin is negligible as the work operation is restricted to a stipulated period of 3 to 4 years.

- ii. Water discharge at project locations

Water used in few operations such as boomer activity and curing of the concrete is either recycled or discharged in the natural streams after adequate treatment. For example, HCC has installed water treatment plant at its Kishanganga hydroelectric power project in Jammu &

Kashmir for water discharged from the tunnel excavation. Some quantity of this treated water was reused as feed water for construction, washing, gardening and floor washings purposes.

A state of the art water treatment plant was designed, supplied, erected and commissioned by IGIAT (Indo German Institute of Advanced Technology, Visakhapatnam, Andhra Pradesh) on Turnkey Basis. This plant has been tailor made to meet the specific requirements of the water discharged from the TBM and treats 5.5 MLD of water.

b. HCC's commitment and response

As a responsible corporate steward, HCC is committed to reduce its water consumption across its construction sites. The commitment is reproduced in its Water policy and institutionalising the UN mandate implementation at sites by releasing a guideline document "Guideline for UN Water Mandate implementation at sites". HCC is adopting a comprehensive water-use assessment and appropriate methodologies to reduce fresh water withdrawal and increase water reuse at construction sites.

This report constitutes the water data from 20 sites in India and Bhutan (as shown in Following table).

Transport	Hydro	Water	Nuclear & special
Assam Road - 23	Kashang HEP	Kutch Branch Canal project	Padur Cavern Project *
Kolkata Elevated Corridor project	Kishanganga HEP		Muzaffarpur thermal power project
NH 34 Pkg 3 Road project	Pare HEP		Rajasthan Atomic Power Project
NH 34 Pkg 4 Road project	Punatsangchhu HEP		DGNP
Bogibeel Road cum bridge project	Sainj HEP		Aditya pot shell work.*
Delhi metro rail project CC30	Tehri HEP		
Delhi metro rail project CC34	Teesta Low Dam HEP		

*Since demobilisation of work at Padur and Aditya pot shell sites, the water data of April (Padur) and April to July (Aditya pot shell) are under consideration

c. Water opportunities

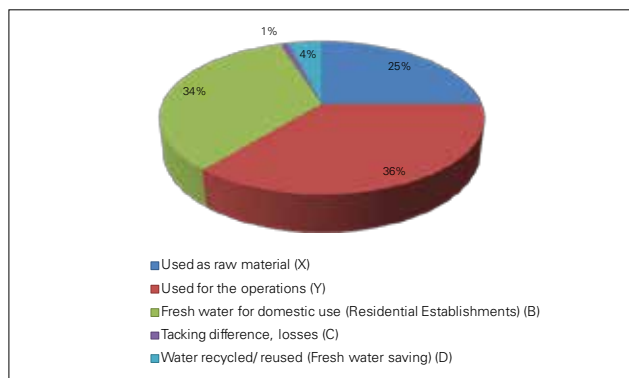
In this reporting period, the continuous monitoring of water usage data and previously adopted new technologies at project sites has shown consistent fresh water saving. Owing to the closure of few sites in preceding year and some in reporting period, the water data reported here is not comparable to preceding years' water data reports.

In FY14-15, HCC's fresh water withdrawal comprising groundwater, surface water, rainwater, water from municipalities and water tankers, desalinated water stands at 1407 million litre. The part of it (519.43 million litre) goes in operations like boomer activities, curing and in workshops and also utilised in office and canteen. Another part (372.24 million litre) is used as raw material for concrete making. Remaining part (495.21 million litre) goes to Residential Establishment made for stay of workmen and Mess which is outside the fence. Tracking difference and other storage losses being 20.36 million litre. Wherein 65.3 million litre of water was recycled and reused and 791.65 million litre wastewater generated in work operations was discharged into the environment after adequate treatment.

Water management scenario at HCC's direct operation

Sr.	Description	Qty in million litre
1	Fresh Water Withdrawal (A+B+C)	1407.24
2	Total Water used (A) = X+Y	891.67
3	Used as raw material (X)	372.24
4	Used for the operations (Y)	519.43
5	Fresh water for domestic use (Residential Establishments) (B)	495.21
6	Tracking difference, losses (C)	20.36
7	Water Recycled /Reused (Fresh water saving) (D)	65.3
8	Total Water consumption at HCC sites (A+B+C+D)	1472.54
9	Water disposal in a stipulated way	791.65
10	Net water consumption at HCC sites (E)	615.59
11	Water use Efficiency at HCC	11%
12	Water Neutrality Index at HCC sites	0.56

Water usage at HCC sites FY 2014-15



d. Water Neutrality Index

Owing to the closure of few sites in reporting period, the water quantities as well as water use efficiency is not comparable with preceding years. Moreover, HCC projects are short term (3-5 years) and having different stages of work hence the comparison of consumption pattern of previous stage with next stage is not possible considering the varied difference in operations involved in the different stages.

In the reporting year, out of 1407 ML fresh water withdrawal, HCC sites consumed 615 ML water. i.e. water initiatives at HCC sites lead to efficient utilization of water leading to net consumption of 44% of total water withdrawal and the rest 56% process wastewater was disposed in natural water bodies in environmentally safe way.

e. Water use efficiency

During the FY 2014-15, water initiatives across HCC's direct operation lead to achieve water use efficiency as 11% of water consumption. This means the volume of reuse water is 11% of net water consumption. This was achieved through recycle & reuse of fresh water and utilization of desalinated water in place of fresh water.

2. Supply Chain and Watershed Management

At HCC all possible efforts are made to engage HCC site staff, contractors, subcontractors and clients to communicate the ways to adopt 4R water practices (reduce, recycle, reuse, and recharge) and involve them through knowledge sharing, case study sharing, water data reporting etc.

3. Community Engagement: Beyond Fence Initiative

Rejuvenation of Diversion Based Irrigation System on Mhalungi River

Background:

Ashapur, a village located in Sinnar taluka of Maharashtra, had been suffering from acute water scarcity due to negligence of its indigenous Diversion Based Irrigation system (DBI) developed in 1870 on Mhalungi River. The system consists of a check dam and a 3 km long main canal used for irrigation which was managed well till 1985.

Between 1985 and 1995, electricity reached villages and farmers started setting up pumps to lift the water for irrigation. Soon, wells became their primary source of water for irrigation. Further, indiscriminate roads and alleys constructed across the canal destroyed the canal. This had its impact on the groundwater table as it started decreasing.

Unavailability of sufficient water from wells forced the farmers to change their cropping pattern to low yielding crops. It also affected the fodder for cattle and the farmers sold out their cattle herds. The socio-economical condition of villagers started declining.

Rejuvenation:



Yuva Mitra, an NGO based in Sinnar, had initiated a programme to regenerate the old DBI system involving local communities in two villages in the region – Bhatwadi and Vadgoan. While the neighbouring villages were facing severe scarcity and relied on tanker water supply, Bhatwadi and Vadgoan not only had enough water for

drinking but also for irrigation. With this experience, Yuva Mitra conducted a needs assessment at Ashapur. A proposal was submitted for the rejuvenation of the Canal system at Ashapur involving a cost of Rs 9,54,000 of which Rs 1,75,000 was raised by the villagers, Rs 1,00,000 was contributed by Yuva Mitra and the balance Rs 6,79,000 was contributed by HCC.

The canal system was rejuvenated by repairing the damaged check dam including de-silting of the dam, reconstruction of the canal, reinstallation of metal gates to channelise the water flow into farms and building culverts at various junctions for vehicular movement where the roads were crossing the canal.

A 'Water User Association' of the villagers was formed in order to maintain the canal system and to create awareness about water use and to enhance their knowledge about improved agriculture practices.

Water consumption and conservation statistics

This Community based water conservation intervention has conserved 706.41 million litre of water by increasing ground water table through water percolation.

Thus HCC becomes Water Positive (by way of offsetting) with Neutrality Index 1.06.

Benefits:

After repairing the Diversion Based Irrigation system, the water level in wells showed significant improvement. The wells that used to run dry after the rainy season showed significant water retention. This shows substantial groundwater level increase across the area even though farmers used the well water for irrigation. 706 million liters of water was conserved using the canal system, post the 2014 monsoon. The rejuvenation of canal system ensured sufficient water availability in both Kharif and Rabbi seasons. The farmers started undertaking the entire available area for cultivation and could expand their range to crops such as Carrot, Peas, Cauliflower, Cabbage, Broccoli, Red Cabbage, Tomatoes, Wal and Chilli. The diversity in the crop pattern helped them to achieve better

realization. During monsoon, the villagers used the canal water for irrigation reducing the use of water pumps. This helped in reducing their electricity bills. The Cropping season got extended till February 2015, providing livelihood options for landless labourers / farm workers. The extended cropping season also provided enhanced financial gains to the villagers.

Further, the migration from village to towns stopped as there was sufficient work in the village itself. The villagers invested in new machineries like tractors and technologies like drip irrigation. Some of the villagers also invested in creating farm ponds to store well water for future farming and horticulture needs.

Impacts:

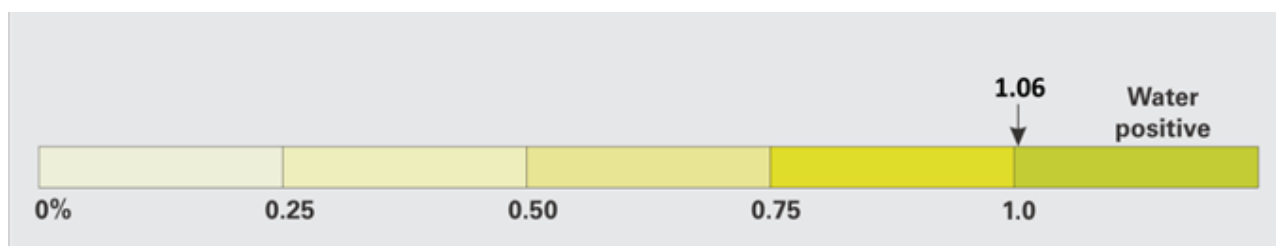
The rejuvenation of canal at Ashapur village proved to be a good example of socio-economical improvement. Though the impact would be visible over a period of time, the intervention hints at long-term positive impacts and achievements.

4. Collective Action and Public Policy

HCC has been involved in articulation of and promotion for actions /activities undertaken by civil societies, multilateral agency, corporate groups etc besides participating in key policy advocacy forums at company, local, regional, national, and international levels. Accordingly, HCC participated in various activities pertaining to collective action and advocacy of public policy during the reporting period, as described hereunder this section.

a. Corporate commitment to climate and energy

UN Secretary General's Climate Summit in New York in September 2014 brought together over 120 Heads of State and Government and Ministers with leaders from finance and business, civil society, sub-national authorities and local communities. Its aim was to catalyze action on climate change. As a support to the cause and as a part of the summit, HCC endorsed World Bank Group and



the United Nations Global Compact (UNGC)'s "Carbon pricing" initiative and further committed to execute community based water management intervention at Ashapur village near Sinnar in association with a NGO – Yuva Mitra. This intervention emphasizes the climate related aspects of HCC's water management practices and helps to address the UN goal on Food Security, Nutrition & Agriculture; Children and Youth; Economic Prosperity & Development; Water & Sanitation; Climate & Energy.

b. CMD engagements

A private session on "Indian Cities: Future of Urban Development"

On November 04, 2014, Mr. Gulabchand chaired a private session on "Indian Cities: Future of Urban Development" and was the Table Discussion Leader during a session on "2030 Water Resources Group: Collaboration towards water-enabled growth in India".

c. Engagement with CDP on water reporting

As a response to the invitation from CDP to disclose water-related information, HCC participated in water disclosure assignments and submitted all relevant information pertaining to the water questionnaire. HCC, one of a select group of companies, received its water response score in 2014. CDP analysed HCC's response and benchmarked it against other companies in CDP's water pilot scoring sample as well as construction sector. HCC received a score of 12/20, level "Management" for 2014 CDP water response. Score level information: CDP says that HCC is measuring impacts to try and reduce them, have implemented a policy and a strategic framework within which to take action, and have set targets on water issues.

CDP says that HCC's participation in disclosure plays a critical role in shaping the future of benchmarking corporate action on water-related issues.

d. WASH

HCC was the first Indian company to become a signatory of 'WASH' initiative – a global programme by the Geneva-based World Business Council for Sustainable

Development (WBSCD). WASH – which stands for Water, Sanitation and Hygiene – ensures a corporate institution's commitment to provide appropriate access to safe water, sanitation and hygiene to all employees across all premises under company control. HCC is implementing the Pledge even in the most remote/rural/mobile work sites. Access to safe WASH ensured at each camp for the construction workforce, incl. workers, engineers, camp managers, cooks, etc.

At remotely located HCC's sites, the nearby community often face scarcity of drinking water. Company provides drinking water to the community and if required, provides the containers to store water as well.

5. Transparency: Communication on Progress (COP)

HCC continues to support the United Nations Global Compact's CEO Water Mandate initiative and will continue to promote water consciousness and internalize water efficiency in all direct operations.

HCC has a Water Policy which is being implemented at all the functional project sites. Water meters are provided at all water withdrawal sources in order to count each drop of the water. We have trained team of Water Champions which are deployed across all project sites, who are responsible for accounting of water withdrawal, the implementation of the 4 Rs (reduce, reuse, recycle and replenish) and water sensitization among all employees.

[Review by E&Y assurance Team](#)

This chapter serves as Communication on Progress (COP) for reporting period as April 2014 to March 2015. As part of the limited assurance of HCC's Sustainability Report 2014-15, Ernst & Young LLP has reviewed the water related performance indicators as per GRI G3.1 CRESS guidelines. During the assurance process, EY team also reviewed the initiatives undertaken by HCC for water conservation at the project sites and visited the community based water intervention site to assure the work done and the methodology adopted to measure water percolation due to the initiative as mentioned in the Independent Assurance Statement.

11. Our Employees

Employees are the most important pillar of our company's sustainability, and being responsible to our people is intrinsic to our approach towards creating responsible infrastructure. We are committed to their well-being, health and safety, learning and development, equal opportunity and upholding all facets of human rights.

Our recruitment and selection processes have been streamlined to identify and attract the best talent, thereby creating competitive strength and strategic advantage. We are mindful of the fact that many of our employees live in remote, and often challenging, locations. To this end, we constantly endeavour to provide them a living environment that is safe, secure and comfortable. Worker camps at all our project sites have standardized amenities.

The safety and health of all our people is the utmost priority in all our operations. Trainings and awareness drives in this regard are an important feature of our engagement with employees, contract workers as well as local 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.

Learning and Development continues to be an important aspect of our human resources strategy. It is our belief that skill development of our human resources not only enhances their personal growth, but will also help us realize 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 round the year.

As a focus group, graduate and management trainees are provided with specialized trainings through a combination of classroom and on-the-job training and 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.

Our Performance Management System provides a platform to employees for 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.

As a responsible employer, we are 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. We strictly enforce age verification of employees and contract labourers at our project sites and provide the necessary sensitization to our security staff in this regard.

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. We have well defined systems in place for addressing any grievances. Our approach to protection of human rights extends to the local communities residing in the vicinity of our projects.

Well-Being of Contract Workmen

We are committed to ensure the health, safety, and overall well-being of third party contract workmen at all our project sites. Some of the key initiatives in this regard are described below:

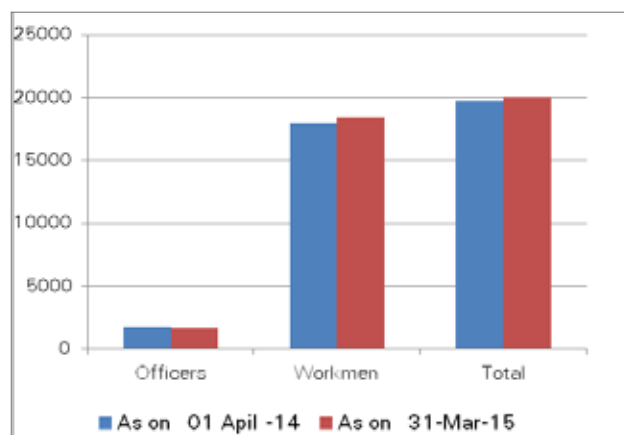
- Safety induction and tool box talks have been extended to contractors.
- Travel expense is provided to workers from their native to site, provided they are stationed at the location for six months.
- Standardized shelters for workers across sites (pre-fab accommodation).
- Heaters are provided in regions with extremely low temperatures, such as project sites Sainj HEP and Kishanganga HEP.
- Extended monitoring of equipment health of sub-contractor equipment has resulted into lower accidents and emissions.

Employment

Given the challenging economic and industry scenario of the past year, our human resources focus continued to be on improving efficiencies and reducing cost. While the trend of attrition continued, we also 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 2015, our total workforce strength (HCC Engineering & Construction business) was 20061. This comprised of 1608 Senior, Middle and Junior Management Officers, 37 Trainees, Apprentices and

Short-term Contracts, as well as 18416 Workmen (on project rolls, sub-contracted and piece rate workers).



A snapshot of HCC's employment data in the reporting period is presented below:

Social Performance – Key Performance Indicators ³	FY 2014-15
Total Workforce	
Workforce by Level of Employment	
Officers (Senior, Middle, Junior Management)	1608
Others (Short Term Contracts, Trainees etc.)	37
Workmen (Excluding FTC)	18416
Workforce by Type of Contract	
Permanent Employees	5865
Sub-contract	5938
Piece-rate Workers	6613
Fixed-term Contract	84
Workforce by Gender (excluding Workmen)	
Male	1571
Female	74

³ All workforce figures are as of 31 March 2015 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.

The detail of new employee hires and attrition in FY 2014-15 is presented in the table below:

	Numbers left voluntarily in FY 14-15 (attrition rate)	Numbers left involuntarily in FY 14-15 (attrition rate)	Number of new hires in FY 14-15	Numbers of new hires, who voluntarily left in FY 14-15	Numbers of new hires, who involuntarily left in FY 14-15
By gender					
Male	337 (20.67%)	86 (5.27%)	304	54	0
Female	11 (14.38%)	1 (1.31%)	6	1	0
By Age groups					
< 30 years	150 (40.98%)	7 (1.91%)	162	31	0
30-50 years	185 (16.35%)	39 (3.45%)	135	23	0
>50 years	13 (6.21%)	41 (19.57%)	13	1	0

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

Reward and Recognition

In order to recognize and reward outstanding contributions of individual and teams within the organisation, a Recognition and Reward Policy has been adopted by us for the past few years. Over the years, the policy has been fine tuned in order to make it more structured and well-defined. The scheme recognises performance in the following areas:

- Project performance with equal importance given to physical progress, financial performance and safety performance at the project level;
- Order acquisition / Order booking;
- Promoting a culture of safety and recognising projects that have achieved the desired safety standards;
- Claims & Collections

This policy also aims to institutionalize the brand values, promoting innovation, team work and recognising initiatives taken by teams / individuals on organisation's priority areas i.e. CSR etc.

The recognition is given on a quarterly / half yearly and 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.

Diversity and Equal Opportunity

We remain 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 74 females, 3 out of which are in the senior management position, while 69 others are in the middle and junior management. There were 19 women employee participants in training programs conducted in FY 2014-15, amounting to 188 training hours. The table below shows the ratio of basic salary and remuneration of women to men for each employee category across our project sites in India:

Ratio of Basic Salary and Remuneration of Women to Men	
Senior management	1.24
Junior and middle management	0.97

In line with our commitment to make the workplace diverse and conducive for our women employees and in order to meet the regulatory requirements, we have adopted a policy on Prevention of Sexual Harassment. This is in line with the statute enacted by the Govt. of India.

All our women employees are entitled to maternity leave. The table below shows data related to retention post maternity leave.

Return to Work after Parental Leave	
Number of Employees Entitled (all Women)	74
Number of Employees Aailed and Returned	3
Number of Retentions 12 Months After Return	1

Employee Benefits

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

- Medical Insurance Scheme
- Superannuation Scheme/ Pension Scheme
- Executive Health check-up facility (Senior & Middle Management)
- Employee Stock Options (Senior Management)
- Annual Performance linked incentive (Senior and Middle Management) & 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.

Employee Training and Development

It is our endeavour to provide the best learning opportunities to our employees and workers. To this end, a variety of technical and functional programs catering to specific needs of various project sites, functional areas and individual development needs were conducted during the reporting period. Some of the key training areas are given below:

- Essentials, Trends and Issues in Concrete Construction
- Civil Construction in Hydropower
- Equipment Management
- Workshop on Hydraulics
- Project Accounts Officers Development Program
- Advanced Materials Management and Inventory Control
- Udaan - Achieve your Potential
- Safety Officers Competency Building Program
- Behaviour Based Safety

- Workplace Ergonomics
- Environment Protection at site
- Housekeeping & Site Logistics

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

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

The table below shows average employee training man-hours received by employees in FY 2014-15:

Average Employee Training Man-hours by Level of Employment	
Officers	5.25
Trainees	32.86
Workers	6.63
Average Employee Training Man-hours by Gender (Permanent employees only)	
Male	74.94
Female	2.46 ⁴

⁴ A majority of our female employees are based out of HO. Since a majority of our trainings are focussed on technical aspects and operational safety, relevant for on-site workers who are primarily male employees, the average training manhours for male employees is relatively higher than females.

Personal Development Program (UDAAN)

With an objective to enable our junior management officers to achieve their personal and organizational goals with excellence and enhance their workplace effectiveness, a personal development program was launched at head office. It was an experiential learning workshop in which role plays, games, group activities and discussions were conducted to provide insights, tool & techniques to the participants for enhancing their skills in the following areas:

- Communication
- Constraints Management
- Team Management
- Self Management

Employee Health and Safety

Proactive Safety Observation Program (PSOP) has been launched as a new initiative to improve the safety culture at all projects. It is usually a dedicated PSOP round and is not combined with any other Safety Inspection round.

PSOP round consists of a cross functional team walking through the site on a weekly basis for site safety observations. During PSOP rounds, members of the team identify adopted acts, conditions, or practices at site that appear unsafe. Subsequently, the Project HSE Head documents these observations in the PSOP report. Further details documented are the actions required to address the observations, as well as the responsibility given to section heads for taking corrective and preventive actions, and their close out.

The Project Manager (PM) attends at least one PSOP round a month to show his commitment for Safety to other site team members. PSOP observations are discussed in monthly safety committee meetings in presence of the PM. The PM reviews all observations and provides direction to the responsible person for their 100% compliance.

Daily Safety Reporting

In order to simplify our reporting system and ensure the ease of its visibility and accessibility, we have started Online Daily Safety reporting. Our Online Daily safety report provides immediate consolidation of HSE information and its easy monitoring on reporting of safety performance indicators also facilitates a swift data analysis.

This reporting sets a daily target for projects, and makes the site personnel more involved and accountable for safety at the site. Under this system, each existing project is required to send the data of safety performance to the Safety department at Head office on a daily basis. The data is reported against indicators such as unsafe conditions, unsafe acts, near misses, first aid cases, Tool box talk, Trainings and penalties enforced. Compiled data for all projects is sent to the top management through an automatic computer generated mail on a daily basis.

This Online Daily safety reporting provides information on progress to the project management, and is useful to highlight current or possible issues. As it creates a record of daily events, it can be used to record and track improvement.

This program is helping us to develop and implement a proactive safety culture at our projects, and is further leading us towards our company goal 'Zero Reportable Accidents'.

Safety Trainings

Trainings contribute towards making our employees and workers competent in safety, therefore assisting in avoiding possible accidents. We have started a 'train the trainer' program so that we can further develop the skill and competency level of our employees. We have conducted several internal and external training programs at our sites based on the project requirements.

Following is a detail of the training program organized at our projects during FY 2014-15:

Training	Training programs at Projects site	Total No. of employees attended
Trainings conducted by Project HSE personnel	3,165	72,944

Monthly Safety theme

Based on a monthly safety theme, we celebrate a 'safety day' on the first day of each month, with the involvement of our client/sub-contractors. The selected theme is prominently displayed on a notice board at the site. Wide publicity is given to this day, and the involvement of the staff and employees is highly encouraged. A short speech is given by the PM at each project, and the senior staff of the site along with the workmen gathering together for a short function.

As an incentive towards safety measures, motivational gift items (awards) are distributed to the workers/ staff who have taken an active involvement for the betterment of safety in their respective work areas during the previous month.

List of Safety Themes celebrated at projects during FY 2014-15:

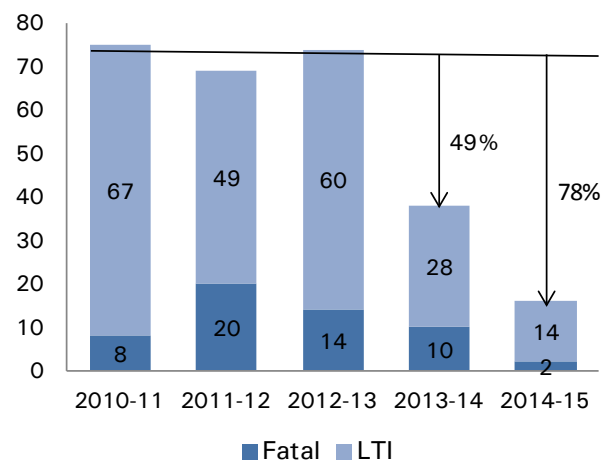
FY 2014-2015	
Month	Safety Theme
April`14	Occ. Health and Hygiene at site
May`14	Vehicular incidents and Traffic management
June`14	Confined Space Entry
July`14	Safe use of Vehicles on Construction Site
Aug.`14	welding and gas cutting safety
Sept`14	Zero Tolerance to Safety
Oct`14	Near Miss
Nov`14	Scaffolding
Dec`14	Signalling & Rigging
Jan`15	Road safety

FY 2014-2015	
Feb`15	Unsafe Act
March`15	Build a Safety Culture to achieve Zero Accident by PSOP Implementation"

Trend of incidents

Across our project sites, there has been a decreasing trend of incidents in the past 5 years.

A snapshot of our key safety performance indicators for the reporting year is given below:



Safety Statistics ⁵	
Man-hours Worked	7,16,31,928
Injuries	14
Fatalities	02
Lost Days	12,935
Frequency Rate	0.22
Severity Rate	180.6
Frequency Severity Index	0.20

⁵ Includes HCC Employees and Subcontracted Workmen.

Zero Tolerance for Safety Violations & Accidents

All HCC & Sub-Contractor employees, workers are required comply with the requirement of safety rule and regulations and procedures set forth by the HCC. The person(s) who are directly or indirectly responsible for accident & safety violations are identified and necessary actions are taken. Violation of the safety norms will be dealt with penalty system.

Safety Violation is divided into four categories: Minor, Major, High & Critical Risk Violation and Project HSE Head decide about the category of safety Violation based on potential risk & HIRAC of the Site.

Safety Performance Recognition & Reward:

Rewards for employees and workers are just one of the ways in which we can encourage good health and safety on site. Rewards are useful to encourage people to follow safety rules & regulations.

Site Level:

1. Individual Monthly Safety Performance Recognition & Rewards for workers and supervisors of HCC & Subcontractors
2. Individual Monthly Safety Performance Recognition & Rewards for Engineers / Managers of HCC
3. Quarterly Performance Recognition & Rewards for individuals & Subcontractors
4. Yearly Performance Recognition & Rewards for individuals & Subcontractors

Category	Period	Award
Worker (10 Nos.)	Monthly	1. Best Safety Performer 2. Runner up
Supervisor/ Foreman (3 Nos.)	Monthly	1. Best Safety Performer 2. Runner up
Staff (2 Nos.)	Monthly	1. Best Safety Performer 2. Runner up
Section/Dept.	Quarterly	1. Best Safety Performer 2. Runner up
Subcontractor	Yearly	1. Best Safety Performer 2. Runner up

Safety Performance Recognition & Reward (Half -Yearly and Yearly Basis)

This reward is given to 3 best safety performing projects to enhance the safety ownership by site management and motivate all site employees to improve the safety culture.

Reward: Certificates & Trophies

To recognize our projects for their meritorious Safety performance and implementing effective Safety Management Systems, practices & procedures and for developing & strengthening effective high standards of safety we have introduced certificate & Trophy scheme and cash rewards, which are as follows:

Half -Yearly Safety performance Rewards	"Certificate of Appreciation" to 3 Best Safety Performing Projects in H1 & H2
Annual Safety Performance Rewards	The Best 3 Projects will be entitled as: 1. "Hall of Fame" Trophy- Best Project + Cash Award 2. "Winner's Trophy" – Runner-up Projects (02 Nos.) + Cash Award

Safety achievements & client appreciation

- NH-34 Pkg 3 Road project received URS Certification of appreciation for achieving 7.46 million man hours till December 2014.
- PHEP - I, Wangdue receives Safety Recognition certification from the Ministry of Labour and Human Resource – Royal Government of Bhutan, for adopting good occupational health, safety practices at work place for the year 2014.
- MCBM Maroshi Ruparel Tunnel project receives Certificate of Appreciation from National Safety Council of India for the year 2013.
- Kachchh Branch Canal Pkg II. receives Certification of Appreciation, from Sardar Sarovar Nigam Ltd, for 5 million safe man hours till March 25, 2015 and strict adherence to Health, Safety and Environmental practices.



12. Beyond Bread

As a pioneer and trend-setter in India’s construction industry, we are aware of the social responsibilities that accompany our leadership status. We remain steadfast on our objective of pursuing holistic growth that includes responsibility towards the people and the environment. The company CSR philosophy is ‘Do Good to Do Well and Do Well to Do Good’. Our vision is to be a responsible industry leader and demonstrate transparent, ethical and environmentally sound practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

Corporate Social Responsibility Policy

Our CSR Policy aims at implementing CSR activities in accordance with Section 135 of the Companies Act 2013 and the notified Companies (Corporate Social Responsibility) Rules, 2014. We have created the IMS procedure for effective implementation of the policy. Our CSR projects, programs and activities will be identified and implemented according to the Board’s approved CSR policy.

The objectives of the CSR policy are:

- Translate the underlying principal of the vision into action and continue to contribute towards the organization and society at large.
- Promote business policies that are ethical, equitable, environmentally conscious and sensitive to societal needs.
- Ensure proactive participation in the community development for the wellbeing of the society.
- Set high standards of quality in executing the CSR initiatives by creating robust processes.

Focus Areas:

- Health: The Company will promote various initiatives to support health and well-being of the community and provision of preventive health care.
- Education: The Company will undertake initiatives in field of education to enhance employability and wellbeing of the community.
- Environment: The Company will promote environmental sustainability and conservation of natural resources.
- Rural Development Projects: The Company will

undertake rural development initiatives to improve the standard of living, enhance infrastructural development and significantly improve the wellbeing and socio-economic conditions of the community.

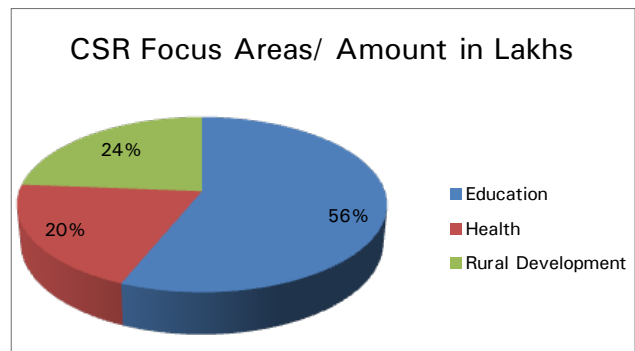
- Disaster Relief: The Company will support response to natural calamities including preparedness and relief.

Expenditure on CSR activities

Splitting of amount

Sr. No.	CSR Focus Area	Amount in Rs.	Direct	Through other implementing agencies
1	Education	1,138,186	676,807	461,379
2	Health	406,316	324,941	81,375
3	Rural Development	480,936	265,316	215,620
	Total	2,025,438	1,267,064	758,374

Additionally, for our focus areas ‘Disaster Relief’ and ‘Environment’ the activities carried out during FY 2014-15 have not been captured under monetary terms, however, their details can be found in the below section ‘Community Development Initiatives at Our Project Sites’



Community Development Initiatives at Our Project Sites

Bogibeel Rail-cum Road Bridge, Assam

‘Tatisal’ is an Assamese word for hand-made weaving loom made up of bamboo or wood. Handloom weaving is a culturally significant constituent for the woman of Assam. In earlier times, cloth production for personal use was carried out within families itself. Due to increasing modernization and urbanization, this tradition is now followed only in Assam’s remote villages.

In November 2013, on the basis of a needs assessment

and survey, HCC took-up the 'Tatisal' project, to empower Assamese women and aid in reviving this traditional art of the communities near the Bogibeel project in Assam. The project was done in collaboration with Aurobindo Choudhuri Memorial Great India Dream Foundation (GIDF). GIDF deployed a four member team to mobilize women and facilitate formation of Self Help Groups (SHG). Training was imparted to understand SHG operations, book keeping, financial accounting, and the process to access credit linkages through banks. The plan is to form 34 Self-help groups with 391 women members. Further, HCC is planning to provide training for marketing and enhancing productivity, and therefore enable the revival of 'Tatisal'.

Kashang HEP, Himachal Pradesh

- Health: Primary health checks up and first aid is provided to the villagers from the surrounding villages such as Pangi, Kwangi, Telangi and Reckong Peo, at the Medical Centres on our project sites.
- Health: The community at Reckong Peo was provided drinking water facilities through water tankers, particularly in the winter season when the distribution system collapsed due to cold waters. The roads were also blocked hence the Government Irrigation & Public Health Department could not make the arrangements.
- Rural Development: The District Administration of Kinnaur District organized a District Level Badminton Competition where a total of 16 teams participated. The event was supported through distribution of gifts and some funding by HCC in order to facilitate sports motivation among the tribal students.
- Disaster Relief work: Financial support was provided to the Kinnaur District Indian Red Cross Society to carry out relief work. Support was also provided to the local community to repair roads. Due to heavy rainfall the road at a stretch of 30 meters from Pangi Village to Kandae Village collapsed. The repairing and restoration of the road were carried out with assistance from HCC's manpower and vehicles.

Kishanganga HEP, Jammu & Kashmir

- HCC supported rooftop repairs at the Local School at the Badibeth Village, Bandipora, Jammu and Kashmir, through provision of materials.

- Disaster Response: Supported the Deputy Commissioner's (DC) office Bandipora during the heavy flood in Kashmir valley. A contribution of INR 2 Lakhs was given to the District Red Cross through the DC, which was distributed amongst the affected persons.

NH-34 Pkg 3, West Bengal

Rescue operations for a private bus accident on the high way were conducted with the aid of machineries and manpower.

Pare HEP, Arunachal Pradesh

HCC's Medical Centre at the project office is also accessible to the villagers around the Pare site in Arunachal Pradesh. Additionally, drinking water is being provided to 450 persons in the surrounding villages, through four tankers on a daily basis.

Rajasthan Atomic Power Project

- Health: A Blood Donation Camp was organized at Thamlav, where several of HCC's employees participated the event was organized with the support of Kota Blood Bank, in Kota, Rajasthan.
- Rural Development: A cowshed was constructed as a shelter for stray cows at Rawatbhala.

Sainj HEP, Himachal Pradesh

- Education: The schools of Gadapalli and Sensor villages are located in a valley region, a geographically challenging terrain. The local government was unable to support the teacher's salary for these schools. Therefore, this cost has been covered by HCC for last four years. Due to HCC's contributions, almost 200 students from the surrounding valley region have benefited.
- Rural Development: Support was provided to the Senser Grampanchayat for construction of the stadium at the local school in order to facilitate sports motivation among the students and children of the community.
- Disaster Relief: On 8th June 2014, 24 Engineering students were drowned in the Larji Dam. HCC provide support for the rescue work of the government officials, through provision of ambulance, transportation and manpower.

Teesta Low Dam HEP Stage IV, West Bengal

HCC is providing the teacher's salary at the Kalijhora Village Primary School. A total of 45 local students are benefitting due to HCCs support.

Vishnugad Pipalkoti HEP, Uttarakhand

- Health:
 - Through the medical center at project site, free medical treatment and medicine was provided to 333 people from Naurakh, Pipalkoti, Helang, Gulabkoti, Batula and Mayapur villages.
 - Drinking water supply was made available to 147 families of Gulabkoti village.
- Education: Transportation facilities was provided to twenty school going children of Helang village. Transportation facility was provided to sixteen women of Langsi village in order to attend a function for 'Women's International Day'.
- Environment: Sign boards with slogans were provided to forest department addressing environmental awareness.
- Rural Development: Raincoats were provided to 105 pilgrims of the Nandadevi Raj Jatatra.

Assam Road Project (AS - 23)

Environment: In support of Swachh Bharat Abhiyan (Campaign Clean India), a campaign by the Government of India, our project team cleaned the road and adjoining locality of the project site.

HIV/AIDS Awareness

Work Place Intervention Program: Capacity Building and Sensitization



Recognizing the serious impact that HIV/AIDS has amongst migrant workers, an intrinsic part of the

construction industry, HCC has formulated an HIV/AIDS Workplace Policy with zero tolerance of stigma and discrimination at the workplace. Further, the Workplace Intervention Programme (WPI) focuses on prevention, increase in awareness and education about HIV/AIDS, creating a supportive and safe environment for workers and preventing discrimination. The WPI model is based on a three tier system viz. Training of Trainers, Creating Trained Peer Educators and Sensitization of Management (Officers), so that their support to the programme percolates down to all beneficiaries. We have been implementing WPI at all our project sites in association with the International Labour Organization (ILO) and State AIDS Control Societies. In the past year, the WPI program was extended to four project sites: T 48 and T49 at Jammu and Kashmir, Pare in Arunachal Pradesh and D.G.N.P in Mumbai. Where Peer Educators were trained, they reached out to the workers on site. In the year 2014 -2015, our peer educators succeeded in reaching out to 3192 members of the workforce. They were educated, sensitized and provided with protection mechanisms such as condoms at the project site's health clinic.

Observance of World AIDS Day

HCC observes World AIDS Day on 1st December annually to raise employee awareness. The theme for the year was 'Zero new HIV infection. Zero discrimination. Zero AIDS-related deaths'. Various events were organised such as rallies, pinning of red ribbons and expert talks, displaying the posters provided by NACO/ILO and State AIDS Control Societies and IEC materials were circulated amongst the employees across 23 projects.

Disaster Relief and Response

HCC has been a founding member of the World Economic Forum's Disaster Resource Network. This initiative in India focuses on training and building capacity to respond to emergency situations and support disaster relief operations. We have provided timely interventions in a number of rescue and relief operations within India and internationally, such as the 2004 Indian Ocean tsunami, the 2005 Jammu and Kashmir earthquakes, the 2005 Mumbai floods, the 2007 Bangladesh cyclone, the 2010 Leh flash floods, and the 2011 Sikkim earthquake. In 2013 we undertook rescue and relief operations for the Uttarakhand cloudburst and flash floods. We worked



closely with the Indian army to clear the debris that accumulated on the roads due to landslides, and used our project site in Tehri as a base camp for the rescued refugees and the army's relief operations. We provided refugees with food, water, sanitation, shelter and medical facilities at our relief camp at Tehri. We are also a private sector advisory member of the United Nations International Strategy for Disaster Reduction.

Further, Mr. Gulabchand took over as Chair of the Steering board of the Disaster Resource Partnership (DRP), which was established in 2011 at the World Economic Forum, Davos.

The sessions on FRT (First Responders training) conducted at DGNP for officers and workmen with help of internal resources from Occupational health Centre.

Water Conservation and Management

The Company is committed to monitor water consumption, and conserve water across its construction project sites. HCC, the first Indian Company to endorse United Nations Global Compact's 'The CEO Water

Mandate' and an Industry partner of the World Economic Forum (WEF), makes it a point to embed the principles of water resources management in all its activities. As a responsible corporate steward, it has always focused on sharing best practices of water stewardship. We adopted various methodologies at our sites to reduce the fresh water consumption of our operations. For example, we installed wastewater treatment plants at the project sites viz Padur and Vizag Cavern projects and the Kishanganga hydroelectric power projects in Karnataka, Andhra Pradesh and Jammu and Kashmir respectively, which helped to reduce fresh water consumption at those sites by cyclic recycling of treated wastewater. Additionally, we commissioned a decentralized waste water treatment system at the Bogibeel road and bridge project site to treat and reuse the sewage water from toilet blocks. Further, we engaged in national and international fora, such as the World Economic Forum, The Energy and Resources Institute, the World Business Council for Sustainable Development, the Alliance for Water Stewardship, CDP (formerly the Carbon Disclosure Project) and the Federation of Indian Chambers of Commerce and Industry. The details are provided in chapter 10. COP: CEO UN Water Mandate.

[Gulabchand Foundation](#)

The Gulabchand Foundation primarily focuses on carrying out various health care and educational initiatives for the advancement of underprivileged rural and urban section of the society. It is a non-profit making company duly registered in the year 2003 under Section 25 of the Companies Act, 1956, under the leadership of Mr. Ajit Gulabchand, Chairman & Managing Director of HCC.



13. Our Sustainability Performance

Economic Performance - Key Performance Indicators	Value (Million INR)
Economic Value Generated	41,348.03
Revenues	41,348.03
Economic Value Distributed	42,001.37
Operating Costs	29,599.30
Employee Benefits and Wages	3,611.07
Payment to Providers of Capital	6,511.30
Payments to Government (Indian)	2,279.70
Economic Value Retained	(653.34)

Environmental Performance – Key Performance Indicators	Unit	FY 2014-15
Materials⁶		
Raw Materials	Tons	3,59,239.45
Semi-manufactured Goods or Parts	Tons	3,247,335.37
Associated Materials	Tons	2648.16
Energy		
Diesel	L GJ	16,640,990 608228.18
ATF	L GJ	83,456 3031.62
Total Direct Energy	GJ kWh	611259.81 169794391.67
Total Indirect Energy (Purchased electricity)	kWh	35893743.58
CO₂ Emissions		
GHG emissions due to direct energy use	Ton CO ₂ eq	45281.92
GHG emissions due to indirect energy use	Ton CO ₂ eq	29256.99
GHG emissions intensity from construction	Ton CO ₂ eq/INR Mn [Turnover]	1.8027
GHG saved on account of Fly Ash Utilization and ground granulated blast furnace slag	Ton CO ₂ eq	22611.90
Emissions from Stacks		
SPM	Kg	87.06
SO _x	Kg	131.20
NO _x	Kg	176.62
Waste Disposed		
Solid Hazardous Waste (Empty drums, batteries, E-waste)	Numbers	1227 Drums, 113 batteries
Liquid hazardous waste (Used oil)	KL	21.573
Non-hazardous Waste (Used oil filters, tyres, cement bags)	Numbers	NA
Non-hazardous waste (Steel Scrap, used spares)	Tons	NA
Environmental Expenditure		
Waste disposal, emissions treatment and remediation costs	INR Million	NA
Prevention and environmental management costs ⁸	INR Million	51790668

Social Performance – Key Performance Indicators	FY 2013-14
Total Workforce	
Workforce by Level of Employment	
Officers (Senior, Middle, Junior Management)	1608
Others (Short Term Contracts, Trainees etc.)	37
Workmen (Excluding FTC)	18416
Workforce by Type of Contract	
Permanent Employees	5865
Sub-contract	5938
Piece-rate Workers	6613
Fixed-term Contract	84
Workforce by Gender (excluding Workmen)	
Male	1571
Female	74
New Employee Hire and Turnover	
Total Number of New Hires (excluding Workmen)	310
Male	304
Female	6
<30 years	162
30-50 years	135
>50 years	13
Total Number of Employees Leaving Employment (Officers only)	348
Male	337
Female	11
<30 years	150

Social Performance – Key Performance Indicators	FY 2013-14
30-50 years	185
>50 years	13
Return to Work after Parental Leave	
Number of Employees Entitled (all Women)	74
Number of Employees Aailed and Returned	3
Number of Retentions 12 Months After Return	1
Ratio of Basic Salary and Remuneration of Women to Men	
Senior management	1.24
Junior and middle management	0.97
Average Employee Training Man-hours by Level of Employment	
Officers	5.25
Trainees	32.86
Workers	6.63
Average Employee Training Man-hours by Gender (Permanent employees only) ⁹	
Male	74.94
Female	2.46
Safety Statistics ¹⁰	
Man-hours Worked	71631928
Injuries	14
Fatalities	02
Lost Days	12935
Frequency Rate	0.22
Severity Rate	180.6
Frequency Severity Index	0.20

⁶ All the material quantities reported pertain to direct materials, which are non-renewable in nature. We do not use any renewable materials. We do not manufacture any products hence weight or volume of manufactured products is not applicable. Significant categories of raw materials consumed by us include cement, sand and aggregates. We maintain and report the combined weight of raw materials in the table above. None of the materials consumed by us have been externally certified for sustainability qualities.

⁷ 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 2009 Baseline Carbon Dioxide Emission Database Version 9.0. Annual turnover of HCC 's (E&C business) was taken from our Annual Report available at the web-link mentioned in this Report.

⁸ This figure pertains to the salary cost of the Health, Safety and Environmental (HSE) personnel's at the sites.

⁹ A majority of our female employees are based out of HO. Since a majority of our trainings are focussed on technical aspects and operational safety, relevant for on-site workers who are primarily male employees, the average training manhours for male employees is relatively higher than females.

¹⁰ Includes HCC Employees and Subcontracted Workmen.

14. Independent Assurance Statement



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Independent Assurance Statement

The Board of Directors and Management
Hindustan Construction Company Limited
Mumbai, India

Ernst & Young LLP (EY) was retained by Hindustan Construction Company Ltd. (the 'Company') to provide independent assurance to its Sustainability Report (the 'Report') for its Engineering and Construction Business for the financial year 2014-15.

The development of the Report is based on the Global Reporting Initiative (GRI) G3.1 Guidelines (2011) and the Construction and Real Estate Sector Supplement (CRESS); its content and presentation are the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Scope of Assurance

The scope of assurance covers the following aspects of the Report:

- Data and information related to the Company's sustainability performance for the period 1st April 2014 to 31st March 2015;
- The Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data;
- Review of information on sample GRI G3.1 (2011) core indicators covering the Company's Corporate Office at Mumbai and the following project sites within its Engineering and Construction business:
 1. Kolkata Elevated Corridor Project (West Bengal);
 2. Tehri Pumped Storage Plant Project (Uttarakhand).

Limitations of our review

The assurance scope excludes:

- Operations of the Company other than those mentioned in the 'Scope of Assurance';
- Aspects of the Report and data/information other than those mentioned above;
- Data and information outside the defined reporting period *i.e.* 1st April 2014 to 31st March 2015;

- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Data and information on economic and financial performance of the Company;
- CRESS (Construction and Real Estate Sector Supplement) indicators included in the Report.

Assurance criteria

The assurance engagement was planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000) on reporting principles as well as conformance of sustainability performance indicators as per GRI G3.1 (2011) Guidelines.

What we did to form our conclusions

In order to form our conclusions we undertook the following key steps:

- Interviewed select key senior personnel of the Company to understand the current processes in place for capturing sustainability performance data as per GRI G3.1 Guidelines, the Company's sustainability vision and the progress made during the reporting period;
- Reviewed the Company's approach to stakeholder engagement and processes for determining material issues through interviews and review of associated documents with issue owners at the corporate office at Mumbai;
- Reviewed relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period;
- Interviewed the top management to understand their commitment to sustainability, systems for sustainability performance management and the future outlook.

Our Observations

- The Company continues to disclose its sustainability performance by publishing its sixth sustainability report using the GRI G3.1 (2011) Guidelines.
- The Report describes the Company's ongoing efforts for water conservation and corporate social responsibility (CSR) initiatives in communities around its project sites;
- Going forward, the Company may consider strengthening its materiality assessment process by formally seeking inputs from its key external stakeholder groups. Further, there is scope to expand reporting on the climate change impacts on the Company's business as well as the sustainability impacts across the Company's supply chain.

Our Conclusion

On the basis of our review scope and methodology, nothing has come to our attention that would cause us not to believe that the Report presents the Company's triple bottom-line performance, in material respect, in line with the GRI G3.1 reporting principles and criteria.



Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics¹ for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

for Ernst & Young LLP

Sudipta Das
Partner
7th September, 2015
Kolkata

¹ International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (2013) establishes ethical requirements for professional accountants.

15. GRI G3.1 and CRESS Content Index

'GRI has confirmed that the report was prepared according to the GRI G3.1 Guidelines, at Application Level A+'



Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
1.1	Statement from the most senior decision-maker of the organization.	Fully	Message from the Chairman and Managing Director's Desk (2), President and CEO – E&C (3)
1.2	Description of key impacts, risks, and opportunities.	Fully	Message from the Chairman and Managing Director's Desk (2), President and CEO – E&C (3)
2.1	Name of the organization.	Fully	About the Report (1)
2.2	Primary brands, products, and/or services.	Fully	Organizational Overview (5 – 7)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Organizational Overview (5 – 7) Our Approach to Sustainability (13)
2.4	Location of organization's headquarters.	Fully	Organizational Overview (5 – 7)
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	About the Report (1), Organizational Overview (5 – 7),
2.6	Nature of ownership and legal form.	Fully	Corporate Governance (12)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Organizational Overview (5 – 7)
2.8	Scale of the reporting organization.	Fully	Organizational Overview (5 – 7), Revenues – Economic Performance: Key Performance Indicators (44), Total Workforce - Social Performance: Key Performance Indicators (45)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	No significant changes in the reporting entity, including ownership, during the reporting period.
2.10	Awards received in the reporting period.	Fully	Awards and Recognition (9 – 10) Safety achievements & client appreciation (39)
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About the Report (1)
3.2	Date of most recent previous report (if any).	Fully	FY 2013-14
3.3	Reporting cycle (annual, biennial, etc.)	Fully	About the Report (1)
3.4	Contact point for questions regarding the report or its contents.	Fully	About the Report (1)
3.5	Process for defining report content.	Fully	Material Issues and stakeholder engagement (13, 14)

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	About the Report (1), Organizational Overview (5 – 7)
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About the Report (1)
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About the Report (1), Organizational Overview (5 – 7)
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	The report follows the GRI G3.1 CRESS guidance. Any exceptions or deviations are specified at the respective places in the report.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	Fully	No re-statements to this effect.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	There are no significant changes in the scope, boundary or measurement methods from the previous reporting period.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI G3.1 and CRESS Content Index (49 - 57)
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	About the Report (1), Independent Assurance Statement (46 - 48)
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Corporate Governance (12), Refer to HCC's Annual report for Board of Directors - (Page 26, 27), Code of Conduct (Page 30) and Board Committee (31)
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Corporate Governance (12)
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Corporate Governance (12)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Corporate Governance (12). Also refer to HCC's Annual Report 2014-15 (Page 33)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Corporate Governance (12). However currently there is no linkage with the social and environmental performance of the company.

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Corporate Governance (12). Also refer HCC's Annual Report (Page 31)
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Corporate Governance (12). Also refer HCC's Annual Report (Page 26)
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Vision, Mission and Values (8). Also refer HCC's Annual Report (Page 30)
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Corporate Governance – CSR Committee (12). Also refer HCC's Annual Report (Page 29, 35)
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Currently, the company does not have a defined oversight on the Board's performance in this regard.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Corporate Governance (12), Annual Report – Risk Management (35, 36).
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	GRI G3.1 CRESS, UNGC, UN CEO Water Mandate, ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, National Voluntary Guidelines for Environmental, Economic and Social Performance for Businesses (NVG).
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Advocacy (10, 11)
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement (13,14)
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder Engagement (13, 14)
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder Engagement (13, 14)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Material Issues (13), Stakeholder Engagement (13, 14)
Disclosures on Management Approach	DMAs for EC, EN, LA, HR, SO, PR indicators	Fully	Economic Performance (24), Environmental Performance (26), Our Employees (34, 35), Beyond Bread (40)

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Economic Performance (24), Economic Performance - Key Performance Indicators (44), Beyond Bread (40)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	Fully	Message from the Chairman and Managing Director's Desk (2), President and CEO – E&C (3), Economic Performance (24, 25, 44) Environmental Performance (26, 27, 28, 44)
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Our Employees (34), Well-Being of Contract Workmen (34), Employee Benefits (36, 37)
EC4	Significant financial assistance received from government.	Fully	Economic Performance (24). Government is not present in the shareholding structure. Also refer to the HCC Annual Report (71).
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	For all sites reported on, we have met or exceeded the local wage requirement.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	As HCC has an extensive pan- Indian project footprint, our definition for local sourcing continues to remain nationwide. Almost 100% of the significant procurement budget at the projects in this reporting period was sourced locally (within India).
EC7	Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at significant locations of operation.	Fully	Given the India-wide presence of HCC, our employees are hired from across the country, while contracted and sub-contracted workforce are primarily hired from near our project sites to the extent possible.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Beyond Bread (40-43)
EN1	Materials used by weight, value or volume.	Fully	Our Sustainability Performance (44)
EN2	Percentage of materials used that are recycled and reused input materials.	Fully	Environmental Performance Resource Optimization Initiatives (26, 27, 28)
EN3	Direct energy consumption by primary energy source.	Fully	Environmental Performance - Key Performance Indicators - Energy (44)
EN4	Indirect energy consumption by primary source.	Fully	Environmental Performance - Key Performance Indicators - Energy (44)
CRE1	Building energy intensity.	Not	Not relevant - HCC does not handle building use and occupancy.
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Environmental Performance - Energy Conservation (27, 28)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Environmental Performance - Energy Conservation (27, 28)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Environmental Performance - Energy Conservation (27, 28)

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
EN8	Total water withdrawal by source.	Fully	UN CEO Water Mandate - Communication on Progress, Water Intake by Source (30)
EN10	Percentage and total volume of water recycled and reused.	Fully	UN CEO Water Mandate - Communication on Progress, Water Intake by Source (30)
CRE2	Building water intensity.	Not	Not Applicable - HCC does not handle building use and occupancy
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	None of HCC's project sites fall within the specified criteria
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	None of HCC's project sites fall within the specified criteria
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Our Sustainability Performance (44)
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Our Sustainability Performance (44)
CRE3	Greenhouse gas emissions intensity from buildings.	Not	Not Applicable - HCC does not handle building use and occupancy.
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	Fully	Environmental Performance - Key Performance Indicators – Energy, Footnote on GHG emissions intensity (44)
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Environmental Performance - Energy Conservation (27, 28)
EN19	Emissions of ozone-depleting substances by weight.	Fully	No ODS are used in HCC's operations
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Our Sustainability Performance (44)
EN21	Total water discharge by quality and destination.	Fully	UN CEO Water Mandate - Communication on Progress, Water Intake by Source (30)
EN22	Total weight of waste by type and disposal method.	Fully	Our Sustainability Performance (44)
EN23	Total number and volume of significant spills.	Fully	No significant spills occurred in the reporting period
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	No cases occurred of significant impacts of water bodies and biodiversity habitats
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	Fully	Construction activities by HCC have not caused any significant land contamination, therefore there has been no need for remediation

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	As a construction company, we don't manufacture any products or deliver services. However, we utilize environmentally friendly materials wherever possible to minimize impacts of our construction activities. Examples of environmentally friendly practices reported under Environmental Performance (26, 27)
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	Not Applicable - As a B2B company, we do not sell any products directly to consumers. Additionally, as a construction company, the issue of reclamation of packaging materials is not material.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	There were no such fines or sanctions levied during the reporting period.
EN30	Total environmental protection expenditures and investments by type.	Fully	Our Sustainability Performance (44)
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Our Employees (34- 35), Social Performance - Key Performance Indicators (45). Total number of permanent employees (Officer level) are 1645, comprising of 1571 males and 74 females. All our permanent employees are employed on a full-time basis.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Our Employees (34, 35), Our Sustainability Performance (44)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Our Employees (36, 37)
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Our Employees (36). Our Sustainability Performance (45)
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Our Employees (35)
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	No such changes during the reporting period. As prescribed under the Industrial Disputes Act, 1947, 21 days' notice period is provided.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	All our project level health and safety committees have an equal representation of management and workers.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	Trend of incidents (38), Our Sustainability Performance (45)
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	Fully	Environmental Performance (26), Employee Health and Safety (37 - 38)

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Beyond Bread (40 - 43), Our Employees - Employee Health and Safety (37, 38).
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	Our Sustainability Performance (45)
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Our Employees - Employee Training and Development (36, 37)
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	Our Employees (34 - 39)
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Corporate Governance (12), Our Sustainability Performance (45)
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	Our Sustainability Performance (45)
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Our Management Approach and Commitment to NVG Principles - Principle 5 (20). Currently, our investment agreements do not include clauses on human rights.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	Our Management Approach and Commitment to NVG Principles – Principle 5 (20). Till now, we have not carried out any human rights assessment of our suppliers and contractors.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	No specific training pertaining to human rights were conducted. However, sensitisation in this regard is regularly provided to all our employees.
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	No such incidents of discrimination were reported during the reporting period.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	No operations and suppliers with significant risks have been identified to date.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	Fully	Our Management Approach and Commitment to NVG Principles – Principle 5 (20). No operations and suppliers with significant risks have been identified yet.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	Fully	No operations and suppliers with significant risks have been identified yet.

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Our Management Approach and Commitment to NVG Principles – Principle 5 (20).
HR10	Percentage and total number of operations that have been subject to human rights reviews and/ or impact assessments.	Fully	Our Management Approach and Commitment to NVG Principles – Principle 5 (20).
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	There have been no of human rights related grievances filed against us in the reporting period.
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Beyond Bread (40 - 43). We carry out community engagement and development programs at all our project sites. Given the contractual nature of our work, these programs last through the construction phase.
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	Fully	Beyond Bread (40 - 43). Given the contractual nature of our work, our focus is currently limited to the immediate impacts which may occur during this phase of infrastructure.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	While there have been no instances of significant negative impacts of HCC projects, our engagement with local communities for water conservation is described in our UN CEO Water Mandate - Communication on Progress, (29 - 33).
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	Not	Not Applicable (Given the contractual nature of our operations, any resettlement of local communities falls within our clients mandate. As per regulations, construction activities by HCC begin after and necessary resettling has been completed by the client. Hence this information does not reside with HCC, and is not applicable)
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Our business units have not been analyzed for corruption related risks.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Corporate Governance (12)
SO4	Actions taken in response to incidents of corruption.	Fully	In this reporting year, there were no reported incidents of corruption in the organization.
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Advocacy (10, 11)
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	No financial contributions of such kind were made in the reporting period.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No significant fines or sanctions were levied on HCC during the reporting period.

Profile Disclosure / Key Performance Indicator	Description	Reported	Cross Reference/ Direct Answer
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	As a construction company, we do not manufacture products or deliver any direct services. We ensure that our structures are safe from design to completion stage. However, we do not carry out life cycle assessments at this point.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	No such incidents of noncompliance.
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Not	Not Applicable - As a construction company, we do not manufacture a product or deliver a service, hence this indicator is not applicable to us.
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.	Fully	Environmental Performance (26)
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Not	Not Applicable (As a construction company, we do not manufacture a product or deliver a service, hence this indicator is not applicable to us)
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Formalized Customer Feedback System (14)
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	The Corporate communications practices of our company conform to the laws and acts of the land that govern corporate advertising, promotion and sponsorship.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No such fines paid during the reporting period.

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