



# **SUSTAINABILITY POLICY OF AFCONS INFRASTRUCTURE LIMITED**



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### Flow of applicability of the Policy to the Company

Sr. No.	Description	Approval Date
1	Adoption at Board Meeting	March 20, 2025



## 1. Introduction:

Afcons Infrastructure Limited (hereinafter referred to as '**Afcons**', '**our Company**', '**We**', or '**the Company**') is a leading infrastructure engineering and construction company. As a diverse Indian conglomerate with a legacy of over six decades, Afcons has a strong track record of executing numerous challenging and unique EPC projects both in India and internationally. The Company is headquartered in Mumbai and has various office locations, joint ventures (JVs), and subsidiaries.

Afcons is committed to conducting its operations in a manner that minimizes environmental impact, promotes social well-being, and ensures economic sustainability. This policy aligns with the National Guidelines on Responsible Business Conduct (NGRBC) and supports our vision of creating long-term value for stakeholders by integrating sustainability into our business strategy.

Our ESG mission is to foster a responsible business culture by embedding Environmental, Social and Governance (ESG) principles into all aspects of our operations. We strive to minimize environmental impact, promote inclusivity, and prioritize the well-being of employees and stakeholders.

Our sustainability approach is driven by core values of excellence, ethics and integrity, collaboration, and a commitment to embracing challenges. By integrating ESG considerations, we aim to generate sustainable value, drive positive social outcomes, and uphold the highest governance standards.

The development of this Policy has been guided by the following reference frameworks:

- National Guidelines on Responsible Business Conduct (NGRBC)
- Business Responsibility and Reporting (BRSR)
- United Nations 2030 Agenda and the Sustainable Development Goals (SDGs)

## 2. Purpose

The purpose of this policy is to:

- Define Afcons' approach to sustainable business practices.
- Set commitments for environmental stewardship, social responsibility, and ethical governance.
- Ensure compliance with national and international sustainability standards.
- Drive long-term value creation for stakeholders, employees, communities, and the environment.
- Outline an ESG framework to guide decision-making and the implementation of sustainability initiatives.

### 3. Principles of our Sustainability Policy

This policy sets the foundational principles that guide Afcons' approach to Environmental, Social, and Governance (ESG) aspects. It establishes a framework for creating value across the entire value chain while ensuring alignment with sustainability and responsible business practices. Afcons is committed to integrating ESG considerations into core decision-making and business strategies, ensuring that its operations uphold these commitments at every level.

#### 3.1 Risk Assessment and Materiality

Afcons will ensure proactive management of ESG-related risks through well-defined policies, Standard Operating Procedures (SOPs), and preventive measures. A structured materiality assessment must be conducted to identify and prioritize key ESG concerns. Additionally, due diligence mechanisms must be in place to mitigate risks, ensure compliance, and uphold ethical business practices in alignment with ESG commitments.

#### 3.2 Environmental Responsibility

Afcons is committed to minimizing its environmental footprint and integrating sustainable practices into its operations through the following objectives:

- Explore opportunities for clean energy adoption
- Improve energy efficiency with sustainable practices and innovative technologies.
- Monitor and report air quality and emissions to ensure compliance.
- Optimize water usage and conservation efforts.
- Strengthen waste reduction through the "Reduce, Reuse, Recycle" (3R) approach and promote circularity.
- Set targets for emission, water, and waste reduction in line with global best practices.
- Protect and enhance biodiversity in and around operational and project sites.
- Conduct climate risk assessments to identify climate risks and develop adaptation and mitigation strategies.

#### 3.3 Social Responsibility

Afcons is committed to fostering a safe, inclusive, and empowering workplace while creating positive social impact through the following commitments:

- Provide technical and non-technical training at all levels to align employees with ethical business conduct and sustainability objectives.
- Build a skilled workforce through continuous learning, capacity-building programs, and regular awareness sessions on human rights.
- Uphold a zero-tolerance policy against workplace harassment, discrimination, and misconduct while fostering an inclusive and respectful workplace culture.

- Ensure a safe, inclusive work environment with equal opportunities for all employees.
- Protect and uphold human rights across all business operations and supply chains, including the strict prohibition of forced labour, bonded labour, and child labour.
- Develop remediation mechanisms to address human rights concerns.
- Advocate for responsible policy frameworks that promote sustainability, fair business conduct, and ethical governance.
- Maintain high standards of product quality and safety in compliance with national and international regulations.
- Strengthen community engagement through inclusive development initiatives, skill-building programs, and sustainable social impact projects.

### **3.4 Governance & Ethical Business Conduct**

Afcons upholds the highest standards of ethical business conduct, transparency, and accountability through the following governance commitments:

- Ensure compliance with relevant national and international laws, including BRSR, NGRBC, and other applicable regulations.
- Maintain transparency in ESG reporting and stakeholder communication.
- Enforce a zero-tolerance policy against bribery, kickbacks, and facilitation payments while ensuring fair competition.
- No gift or entertainment should ever be offered or accepted by an employee or any family member of the employee unless it is consistent with customary business practices and not excessive in value and does not violate any laws or regulations.
- Implement strong internal controls and due diligence to detect and prevent unethical practices in procurement and financial transactions.
- Promote sustainable procurement by prioritizing responsible sourcing, encouraging suppliers to adopt sustainable practices, and ensuring alignment with ESG principles across the supply chain.
- Foster a culture of integrity and transparency in all business dealings.
- Safeguard sensitive business and personal data through robust cybersecurity measures, including encryption, secure storage, and regular risk assessments.
- Conduct cybersecurity audits and provide ongoing awareness and training programs for employees.

### **3.5 Sustainable Value Chain**

Our sustainable supply chain strategy shall include implementation of a Code of conduct for Value chain partners, setting clear expectations for ethical and environmental standards among our value chain.

#### 4. Implementation

ESG governance at Afcons is led by the CSR and Sustainability Committee (CSSR Committee), which is responsible for implementing the Sustainability Policy and ensuring its alignment with organizational sustainability objectives. The Committee will oversee policy execution with the following responsibilities:

- **To formulate and recommend to the Board, a Sustainability Policy** and other incidental and ancillary policies, charter inter alia covering Environment, Social and Governance (“ESG”) principles and to recommend appropriate changes/modifications to the policy, from time to time.
- **To review performance on Sustainability goals, targets and strategy** and provide guidance to achieve the same.
- **Provide guidance** for the development of the long-term Sustainability plan;
- **Monitor the implementation** of the Sustainability plan of the Company from time to time.
- **To review and recommend** Business Responsibility Sustainability report to the Board.
- **Oversee** the Company’s sustainability commitments.
- **Identify relevant and material sustainability issues** and develop comprehensive sustainability strategies with goals, targets, mitigation and adaptation action plans to address them (KPIs) and establish the governance mechanism to oversee the performance and KPIs;
- **Embody principles of product stewardship** by enhancing health, safety, environmental and social impacts of products across their life cycles;
- **To monitor Company’s ESG ratings / scores**, if any, from ESG rating agencies and improvement plan;
- **To oversee sustainability risks** related to supply chain, climate disruption and public policy.
- **Assist the management to formulate, implement and review policies, principles and practices** to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, natural, social, human and intellectual capital;
- **To monitor and review** emerging sustainability trends and issues;
- **To act as nodal committee** for guidance on sustainability and overall ESG goals and to review and monitor progress and all other matters incidental thereto.
- **Any other matter** as prescribed by the Companies Act, 2013 & Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 or such other Regulation prescribed by the SEBI from time to time.
- **To engage any experts or other consultant**, as the Committee deems fit for the implementation of the any of the above terms of reference of this Committee.



## 5. Grievance Redressal

Afcons is committed to ensuring that all grievances are handled with the utmost confidentiality and sensitivity. Reports can be submitted without fear of retaliation or discrimination.

**Any grievances or complaints regarding non-compliance with this Policy may be reported to [secretarial@afcons.com](mailto:secretarial@afcons.com).**

The Company shall endeavour to response the said grievances / complaints at the earliest.

## 6. Monitoring & Review

- The Board will oversee the policy, ensuring its relevance, adequacy, and effectiveness in alignment with corporate objectives and governance standards.
- The CSR and Sustainability Committee, as delegated by the Board, will be responsible for implementing, updating, and assessing the policy to ensure effective integration of ESG practices into the company's operations and strategies.
- The Sustainability Policy will be reviewed periodically to maintain alignment with emerging trends, stakeholder expectations, and regulatory requirements. Any modifications shall be reviewed and approved by the Board of Directors.

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