

Corporate Social Responsibility (CSR) Policy
of GMR Air Cargo And Aerospace Engineering Limited (GACAEL)

PREAMBLE

The Ministry of Corporate Affairs has enacted the Companies Act, 2013 replacing the old law Companies Act, 1956, regulating the Companies in India.

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during the immediately preceding Financial Year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board.

The Section also requires to formulate a CSR Policy, which shall indicate the activities to be undertaken by the Companies as specified in Schedule VII of the Companies Act, 2013.

Further, the section also requires that the Board of Directors shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

GMR Hyderabad International Airport Limited (GHIAL), the holding Company of the Company, has been working with the communities surrounding Rajiv Gandhi International Airport since 2005. The intensive activities were started in Airport Rehabilitation Colony, Gollapally, Mamidipally and Shamshabad and the same were extended to Ranganayakula Thanda and Chary Nagar villages besides covering many villages around the airport for the activities. Some of the CSR initiatives also extend to another 23 villages surrounding the airport. CSR activities in these villages have created a win-win situation for the community and the Company. The key thrust areas are (i) Education; (ii) Health, Hygiene & Sanitation; (iii) Empowerment, Livelihoods and Community Development. Implementation of various activities under these three verticals is being carried out directly by GHIAL CSR with the professional support of M/s GMR Varalakshmi Foundation from planning to execution.

In the above background and as mandated by the provisions of the Companies Act, 2013, the following is the CSR Policy of GACAEL, which is in line with GHIAL CSR policy.

BACKGROUND OF GMRVF

About GMR Varalakshmi Foundation:

GMR Varalakshmi Foundation (GMRVF) is the Corporate Social Responsibility arm of the GMR Group. Its mandate is to develop social infrastructure and enhance the quality of lives of communities, especially those around the locations where the Group has a presence. Its Vision is to make sustainable impact on the human development of underserved communities through initiatives in education, health and livelihoods.

GMRVF is a Section 25 (not-for-profit) company. It is governed by a Board chaired by the Group Chairman, GMR Group. It has its own professional staff drawn from top educational and social work institutions. GMRVF has been in existence for over a decade.

GMRVF is organized in three wings: the Education Wing sets up and runs quality educational institutions, from pre-school to post-graduate level, towards making quality education accessible to all sections of the community, especially in under-served areas; the Health Wing sets up and runs healthcare establishments to provide quality healthcare in under-served areas; the Community Services Wing works with underprivileged communities to enhance their lives and livelihoods. The Community Services Wing has a staff of about 100 qualified and experienced social work professionals.

Corporate Social Responsibility Policy

GMR Air Cargo And Aerospace Engineering Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The Company is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company, through GMR Varalakshmi Foundation (GMRVF), help partners with the communities around the

businesses to drive various initiatives in the areas of (i) Education, (ii) Health, Hygiene and sanitation, (iii) Empowerment Livelihood and Community Development.

Projects / Activities / Programmes proposed to be undertaken under CSR Policy

The Company will carry out its CSR activities on its own, or in having special circumstances contribute funds to GMRVF, towards activities / programmes broadly within the ambit given below (***with a special focus to areas in and around Rajiv Gandhi International Airport, Hyderabad, rehabilitated village which is called Airport Colony and other surrounding villages such as Gollapally and Mamidipally***):

i) **Education:**

- Support for promotion of education of all kinds (school education, technical, higher, vocational and adult education), to all ages and in various forms, with a focus on vulnerable and under-privileged;
- Education for girl child and the underprivileged by providing appropriate infrastructure and groom them as future citizens and contributing members of society;

ii) **Health, Hygiene and Sanitation:**

- Mobile medical unit, health awareness programmes and camps, medical check-ups, HIV/AIDS awareness initiatives, health care facilities and services, sanitation facilities;
- Eradicating hunger, poverty and malnutrition, promotion of health care including preventive health care and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water;
- Reducing child mortality and improving maternal health;

iii) **Empowerment & Livelihoods and Community Development:**

- Employment enhancing vocational skills training, marketing support and other initiatives for youth, women, elderly, rural population and the differently abled, and livelihood enhancement projects;

- Promoting gender equality, empowering women, working for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Assist in skill development by providing direction and technical expertise for empowerment;
- Encouraging youth and children to form clubs and participate in community development activities such as like cleanliness drives, plantation drives etc.

iv) **Environmental sustainability:**

- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

v) **Heritage and Culture:**

- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

vi) **Benefit to Armed Forces**

- Measures for the benefit of armed forces veterans, war widows and their dependents; Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows

vii) **Sports**

- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

viii) **Contribution to Funds set up by Government**

- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government or the State Governments for socio-economic development and relief, and funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;

ix) **Contribution towards Technology**

- Contribution to incubators funded by the Central Government or the State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

x) **Rural Development**

- Rural development projects;

xi) **Slum Area Development**

[The term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force]

xii) **Disaster management, including relief, rehabilitation and reconstruction activities**

- xiii) Such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by CSR Committee from time to time, which are not expressly prohibited.

The Company's approach to the above CSR activities or projects will also be based on partnership with the Government or like-minded not for profit organizations, agencies, etc.

The Company may carry out an impact assessment to know the results of its CSR activities being undertaken by the Company and review periodically to

identify and assess the gaps, if any, in the approach and attend to mid-course corrections.

CSR Expenditure:

The administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year excluding the mandatory spending as per section 135 of CA,2013 (as amended from time to time).

Note: 1

The activities undertaken in pursuance of the normal course of business, activities undertaken outside India and activities that benefit exclusively the employees of the company or their family members shall not be treated as CSR activities of the Company.

Note: 2

Further, the surplus arising out of the CSR activity shall not form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

