

EMPLOYMENT, SAFETY, ENVIRONMENT AND GOVERNANCE POLICY FOR NATIONAL HIGHWAYS INFRA TRUST

A. Preamble

The board of directors of National Highways Infra Investment Managers Private Limited (the “**Board**”), the investment manager (the “**Investment Manager**”) to National Highways Infra Trust (the “**Trust**”), has adopted the following policy and procedures (the “**ESG Policy**”) with respect employment, safety, environment and governance (as defined below). The Board may amend the Policy from time to time, subject to applicable law.

B. Accordingly, the key principles of the ESG Policy are set out below:

1. *Employment, Health and Safety (“EHS”):*

To achieve the Trust’s objective in connection with EHS, the Investment Manager shall:

- Promotes a positive EHS culture.
- Complies with all statutory and other applicable legal and regulatory requirements with respect to EHS and seeks to ensure its Intermediaries do the same.
- Incorporates EHS considerations in business processes, including by ensuring appropriate health and safety measures are adopted, ensuring employees are provided with, and use, protective equipment when dealing with potential hazards, and by the provision of regular occupational health and safety training for employees.
- Identifies, monitors and controls EHS risks which arise in connection with its projects and operations, including in subcontracted works.
- Records and reviews all accidents, occupational health and safety related incidents and lost time days and investigate all serious occupational health and safety incidents, including in subcontracted works.
- Ensures that all of its workplaces which are exposed to high-risk hazards have appropriate emergency plans in place.
- Screens, evaluates and engages Intermediaries based on its EHS management systems and practice.
- Encourage communication, consultation and collaboration with all employees and stakeholders.

2. *Workers’ Rights:*

To achieve the Trust’s objective in connection with workers’ rights, the Investment Manager shall:

- Respects the rights of its employees, including by providing fair and timely wages, supporting their work-life balance, providing safe working conditions, fostering worker engagement, including by the provision to employees of information on workers’ rights and of mechanisms to raise employment related grievances, and permitting freedom of association.
- Prohibits the use of any child or young workers and the use of any form of forced or compulsory labour in connection with its business.
- Prohibits all forms of discrimination and abuse in its work place.
- Complies with all statutory and other applicable legal and regulatory requirements with respect to workers’ rights.
- Has in place policies governing the provision to its employees of overtime, vacation and public holidays and maternity, sickness and disability benefits.
- Protects the rights of migrant workers in accordance with applicable statutory and other legal requirements.
- Screens, evaluates and engages Intermediaries based on their respect for workers’ rights.
- Monitors compliance with and risks to workers’ rights in connection with Projects, including in subcontracted works.
- Encourages communication, consultation and collaboration with all employees and stakeholders.

3. *The Environment:*

To achieve the Trust’s objective in connection with the environment, the Investment Manager shall:

- Seek to adopt sustainable and resource-efficient processes and to conserve natural resources, reduce adverse environmental impacts (such as waste and environmental emissions) and enhance energy efficiency.
- Comply with all statutory and other applicable legal and regulatory requirements with respect to the environment (including by seeking all required environmental clearances, permits, and licenses, and maintaining a register of these) and seek to ensure Intermediaries do the same.
- Seek to identify, monitor and control environmental risks which arise in connection with its projects and operations, including in subcontracted works.

4. ***Dealing with Intermediaries:***

The term intermediaries (“**Intermediaries**”) refers to an associate’s representatives, vendors, contractors, sub-contractors, consultants and any other persons engaged by an associate, or who are engaged to act for the associate in its business dealings with any government or official, or in obtaining governmental approvals.

In general:

- The Trust expects that Intermediaries and vendors with which it does business either formally acknowledge and abide by relevant aspects of this policy by way of an undertaking, as suitably incorporated in their appointment terms, or to have adequate ESG policies and procedures of their own in place.
- When engaging an Intermediary, the associate should:
 - perform proportionate and risk-based due diligence checks on the Intermediary; and
 - consider and respond appropriately to the findings of that due diligence, particularly where areas of high concern are identified.

5. ***Training:***

The Trust’s employees will receive training to ensure they understand applicable ESG law, are aware of and understand this policy, are equipped to respond to specific risks which relate to their particular role and know what the Trust expects of them. Where appropriate, Intermediaries will also receive training appropriate to their role.

6. ***Process for reporting possible violations of applicable law or this policy:***

The Trust will promptly investigate reports of possible or suspected violations of applicable ESG law or this policy in accordance with this policy. Employees or Intermediaries will not be demoted or suffer any other unfavourable treatment as a result of making a good faith report of a possible violation of applicable law or this policy, even if it may result in the Trust losing business. If any employee of the Trust violates this policy or retaliates against another employee who has reported a possible violation of applicable law or this policy then they will be subject to disciplinary action, which may include termination of employment.

7. ***Management leadership, oversight, implementation and review:***

The Audit Committee, together with its chief executive officer, chief financial officer and compliance officer are responsible for providing leadership, resources and active support for the implementation of this policy. The compliance officer appointed to ensure compliance of the ESG Policy (“**Compliance Officer**”), who may be a person other than the compliance officer of the Trust appointed as per the requirements of Companies Act, 2013, as amended, will communicate this policy to the Trust and relevant external parties at least annually, and at other appropriate times, such as when this policy is amended or updated. The Audit Committee will oversee compliance with this policy. The Compliance Officer is responsible for its day to day implementation. The Trust shall have an annual ESG risk assessment and audit to assess the effectiveness of this policy. The terms of reference of such audits are set annually by the Audit Committee, which will also oversee the annual audit. Where issues are identified, the Audit Committee will prescribe solutions to be implemented by the Trust. The Compliance Officer will report on general compliance with this policy and its effectiveness on a regular basis to the Audit Committee annually in connection with the annual ESG risk assessment and audit. The Compliance Officer will also notify the Audit Committee should they become aware of any non-compliance (or potential non-compliance) with applicable law or

this policy. If an employee identifies a deficiency in this policy they should report it to the Compliance Officer who will initiate appropriate action.

8. ***Advice and assistance:***

Employees should contact the Compliance Officer for advice and assistance on any matters relating to this policy.

Adopted by the Board of Directors of National Highways Infra Investment Managers Private Limited on behalf of the Trust on 3rd February, 2021.