

Macrotech Developer Limited is committed to adhere to internationally recognised human rights and provides a framework for how Macrotech Developers Limited ('we', 'our', 'Company') will uphold these human rights within its operations and throughout its value chain.

Our commitment to human rights is translated into action through guidelines set forth in our Human Rights Policy, Code of Conduct and Supplier Code of Conduct. These policies lay down the operating principles for our business, as well as expectations from our suppliers and business partners, in accordance with applicable labour laws and internationally accepted standards, including U.N. Guiding Principles on Business and Human Rights and International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Human Rights Risk Management

All employees at Macrotech Developer Limited undergo training on the Code of Conduct, Human Rights Policy and other policies at the time of induction, as well as an annual refresher training, to ensure that employee behaviour is in line with the principles upheld by the Company.

Our Supplier Code of Conduct defines similar guidelines for all suppliers and partners to uphold human rights.

This serves as the first step toward our commitment to prevent risks related to human rights.

Additionally, in order to identify and address potential risks in our operations and value chain, we proactively undertake Human Rights Due Diligence (HRDD) process. Our HRDD process is based on our company risk management framework, supported by a robust governance structure.

As per the framework, the business unit heads are responsible for implementing the risk management programme for their respective businesses, supported by the office of Company Secretary, through an annual risk assessment as depicted in the figure below. Also, they are supported by the department heads who participate in the identification and prioritisation of the risks and are responsible for overseeing the development and implementation of mitigation plans for the prioritised risks.

Lodha Human Rights Risk Assessment Framework

I. INPUTS (Define the context and scope)

This comprises of an annual review of the business objectives along with the business environment, nature of our business activities, business relationships and the operating context. Our human rights priorities are also taken into account, which the Company seeks to safeguard.

II. PROCESS (Prioritization and Mitigation Plan) and OUTPUT (Measure Performance & Improvements)

This helps us in identifying the existing human rights related risks prevalent in our operations, as well as where potential risks can occur in our own operations and value chain. Also it helps in identification of risks that may result from changes in our business environment, strategy, new business relationships or operations. The identified risks are categorized basis source of risk (internal or external), nature of business and function.

Each identified risk is assessed to identify its relative priority, in order to arrive at key risks for the business or 'Risks That Matter' (RTM). This is undertaken through a risk mapping exercise which includes evaluating the potential impact and likelihood of occurrence of the risk, and to rate each risk as high, medium or low.

Based on findings risk mitigation plans are devised in consultation with the business heads. Mitigation plans can range from risk prevention, through awareness sessions and precautionary measures; risk reduction through building capacity and safeguards or risk elimination through modifications in the business process. Each mitigation plan is assigned a risk owner along with responsibilities and milestones, which are then periodically monitored.

The risk mitigation plans are reviewed quarterly by the business and department heads, to assess how the identified potential risks are being managed and, if any additional risk has emerged that can adversely affect the business operations.

Risk identification and prioritization includes undertaking internal group-wide audits, which are sometimes facilitated by independent third parties and include a detailed assessment of all our sites, including all operations, to track performance on various human rights-related subjects including adherence to applicable labour laws, ensuring prohibition of child labour, forced labour, modern slavery and human trafficking, working conditions, freedom of association, equal remuneration, non-discrimination and health and safety. This assessment is undertaken for employees across all operations, third party contracted labour (which includes migrant workers) and contractors.

These assessments enable us to identify 'risk hot spots' or areas where potential human rights issues can occur in our operations, as well as target group of stakeholders i.e., groups most vulnerable to the identified risks.

Lodha Human Rights Risk Assessment Framework

Risk Identification in Value Chain

It is our endeavour to not only prohibit undesirable practices, but to not associate with any partner who is in dissonance with our principles of ethical practices. We have established measures throughout our procurement procedures, including in contracts, to ensure respect for human rights. Prior to selection, every contractor and supplier undergoes a comprehensive screening where compliance to labour laws and human rights such as child labour, working conditions, remuneration, freedom of association, health and safety practices etc. is assessed. The suppliers post on-boarding, are assessed at regular intervals in line with our due diligence process, to ensure timely identification and addressal of any existing risks.

Grievance Mechanism

We have institutionalized a mechanism to allow for reporting and remediation of all human rights violations through our ombudsman process and whistle blower policy.

This allows all our stakeholders including our employees, suppliers, customers and business partners to report any human right-related concerns. All reported allegations are addressed, and we strive to resolve any human right issue with stipulated timeframe. All substantiated violations are dealt seriously with remediation actions depending upon the severity of violation and can also include termination of employees and business contracts.