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# Freedom of Association Policy

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## 1.0 Introduction

Megha City Gas Distribution Private Limited (“MCGDPL” or “the Company”) provides a frame of reference for the collective relationships with trade unions and other employee representatives based on the “human rights and labour practices” to reinforce MCGDPL’s commitment to long-term business development through an open dialogue with the employees. Freedom of Association policy of MCGDPL not only requires strict compliance/control or restricted by the Industrial Relation Code, 2020 but also guides its actions even if the law is more lenient or where there is no applicable law at all.

## 2.0 Purpose

- 1.1 To ensure proactive and continuous improvement of employee relationships with internal and external labour representatives through organized structures within the Human Resources department.
- 1.2 Enhancement of collective dialogue and negotiations with the employee unions and other representatives associations.
- 1.3 Development and upholding of an open dialogue with the external stakeholders on labour matters.

## 3.0 Scope

- 3.1 The policy is applicable to all categories of employment and other associates of MCGDPL and also is applicable to the subsidiaries, step down subsidiaries and Associate and / or the Joint Venture Companies of MCGDPL.
- 3.2 Implementation of this policy is the responsibility, first at Site / Unit level and subsequently at corporate level of MCGDPL to set direction and to give guidance to local operations.
- 3.3 Therefore, Site / Unit of MCGDPL must ensure collaboration and consistency to enforce standards according to law and practices.

## 4.0 Policy & Procedure

### 3.1 Practice & Priority

- a. Special attention and importance is given in the following areas to continuous improvement of the working conditions:
  - Respect the right of the employees of the Company to establish and join organizations of their own choosing and engage in constructive negotiations;
  - Offer competitive wages and benefits that allow MCGDPL’s employees to cover their needs according to local standards of living;
  - Implement the Corporate guidelines regarding working time for the employees of MCGDPL to assure a safe and healthy workplace and a working environment respectful of their family lives;

- Treat every employee of MCGDPL with dignity and without any tolerance for discrimination, harassment or abuse;
- The right not to join an association is not a fundamental right.

### 3.2 Compliance

- a. Necessary steps are taken to put mechanisms in place in order to ensure compliance by the employees with MCGDPL “Code of Conduct & Ethics (Refer Document MPD\_03\_2018-19), Anti-Corruption Policy (Refer Document MPD\_04\_2018-19), Whistle Blower Policy (Refer Document MPD\_06\_2018-19), Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Policy (Refer Document MPD\_10\_2018-19), Non-Discrimination Policy (Refer Document MPD\_14\_2019-20), Anti-Human Trafficking Policy (Refer Document MPD\_16\_2020-21) and this policy”.
- b. All employees shall report cases of non-compliance with the Code, which have to be properly investigated. Site/Unit representatives shall provide the procedures and establish mechanisms to manage the complaints that may be made, where appropriate, on a confidential basis.
- c. MCGDPL prohibits retaliation against any employee or employee representatives for the exercise of the right to complain within the respective mechanism & framework.

### 3.3 Collective dialogue

- a. MCGDPL ensures that direct and frequent communication is established at the workplace between management and its employees, both union members and non-union members. While dialogue with trade unions is essential, it does not replace the close relationship that MCGDPL’s management shall maintain with its employees. In other words, right to form association does not carry the right to recognition.
- b. Regular dialogue with MCGDPL’s employees and union representatives creates an opportunity to discuss matters of mutual concern and allows MCGDPL’s employees to acquire a full understanding of the business activities and the objectives of the Company.
- c. In the spirit of continuous improvement, MCGDPL encourages dialogue with its employees that goes beyond the traditional aspects of collective bargaining in order to share knowledge and to find jointly opportunities related to other important matters such as the health and safety at the workplace and its concern for the environment.
- d. All grievances will be handled with full as per the applicable legislation and MCGDPL’s Code of Conduct & Ethics. Accordingly, employees of MCGDPL shall be informed taking into account the legitimate rights and interests of all concerned.

### 3.4 Collective negotiations

- a. MCGDPL upholds the freedom of association of its employees and the effective recognition of the right to collectively negotiate.
- b. Collective negotiations will be established within the legal framework.

- c. Negotiations to take place in fair and constructive, based on the principle of good faith and an open exchange of information.
- d. Collective negotiations shall relate to relevant working environment such as wages, benefits meeting common interests to improve further MCGDPL's competitive advantage and the exercise of union activities.
- e. The Company and employee representatives are expected to make all necessary efforts to develop fair and constructive negotiations, overcome the difficulties that they might encounter, reach sustainable agreements and implement them.

### 3.5 External open social dialogue

- a. MCGDPL continuously seeks areas of dialogue, discussion and mutual understanding at all levels of its operations. This includes communities and authorities as well as local and national representing employees and unions. In doing so, MCGDPL enriches its knowledge of social realities, it shares its vision and efforts for sustainable growth, and it constantly aims to find opportunities to improve its best practices.
- b. Site/Unit must put sustained effort to reach out to external experts such as the local Labour office, local opinion leaders and local governing bodies in order to be informed about relevant market trends and exchange views on labour-related issues.

## 5.0 Communication of Policy

- 5.1 Policy will be available on "My HR" to all employees and MCGDPL's corporate website (if any). It will also be displayed at all Sites/Units and Head Office.
- 5.2 All employees will undergo a training on Code of Conduct & at the time of joining which form a basis of this policy.
- 5.3 The right to form trade unions should not lead to the conclusion that trade unions have a guaranteed right to an effective collective negotiations or to strike as a part of collective negotiations.

## 6.0 Guidance

In the event that any additional guidance and/or further interpretation is required, local Human Resources representative of the Company may be contacted.

## 7.0 Review

The policy will be reviewed whenever there is foundation change in legal and labour legislations.

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