

**40TH ANNUAL GENERAL MEETING OF HERO MOTOCORP
LIMITED – AUGUST 9, 2023
CHAIRMAN'S SPEECH**

Dear Shareholders,

My Namaskar and a very good morning to all of you.

On behalf of the Board of Directors and all my colleagues at Hero MotoCorp, I am delighted to welcome you all to the 40th Annual General Meeting of our company. I hope you and your families have been well and staying safe.

Today is a special AGM, as this is the centennial birth year of our Founder Chairman and my father, Dr Brijmohan Lall Munjal. An entrepreneur-par-excellence, an institution builder, a philanthropist, an innovator, a statesman, a spiritual soul, and above all, a proud Indian, he continues to be an inspiration to everyone in the Hero family and beyond.

Also, today, August 9, marks the 12th anniversary of the new solo brand identity of Hero MotoCorp. Thank you for riding with us through these years.

Over the past 12 years while the world – including the global automotive industry – has both undergone, an unprecedented turmoil and productive transformation; one thing has remained constant—the market leadership of our Company.

Since its inception, Hero has played a fundamental and meaningful role in driving the economic engine of India. Our company supports over 1.1 million livelihoods through direct & indirect employment and through our supplier network. Our distribution network is the largest in the country, connecting the aspirations of millions of Indians and in building a strong Bharat.

In the past decade, as India became the largest two-wheeler market in the world, we also continued to expand our operations and global footprint. From just three manufacturing facilities in India in 2011, we now have eight state-of-the-art facilities, while our global markets have expanded from four countries to 47 countries. We have also built a world class research, design and development eco-system in India and Germany.

It fills my heart with pride, humility, and gratitude when I reflect on the journey we rode together. My heartiest congratulations to each one of you. Thank you for reposing your faith and trust in us. By supporting Hero, you have supported India's growth story!

Today, India is in its golden phase - aptly called 'Amrit Kaal' – and on its way to becoming a 'developed' economy when it celebrates its centenary year of independence in 2047. Under the transformational leadership of our Hon'ble Prime Minister Shri Narendra Modi, India has emerged as an oasis of economic resurgence amid global headwinds.

Since its inception in 1984, this Made in India Hero has been instrumental in providing convenient fuel-efficient mobility solutions to its customers, empowering them to move ahead in life; and in this process has also contributed to the growth of the Indian automotive industry.

Our advanced-technology mobility solutions have continued to change the paradigm of the auto industry and powered the aspirations of millions. The success of our “Made in India for the World” products across 47 countries is a testament to India’s growing stature in the global economy.

Despite the slackening demand in the two-wheeler industry, we remained focused and delivered double-digit growth over the previous year. In the process, we continued to remain the world’s largest manufacturer of motorcycles and scooters for 22 consecutive years.

This is a testament to the trust that you, and our 112 million customers have reposed on Brand Hero, year on year.

Guided by our Vision – ‘Be the Future of Mobility,’ we envisage Hero MotoCorp as a catalyst in bringing advanced mobility solutions that exceed the ever-evolving requirements of a diverse set of customers.

Over 1000 research & technology experts are currently working at our world-class R&D ecosystem. Over the past three years, we have set the benchmark for the industry with an investment of approximately Rupees 20 billion towards innovation and new technology advancements.

We sold 5.4 million units of motorcycles and scooters in the past fiscal year 2022-23, an increase from ~4.9 million units sold in the previous year. We registered a gain in Deluxe segment 100/110 cc, with an increase in market share in the below-200cc Premium segment. We kept the excitement levels high across our product categories with new launches.

‘Premiumisation’ of our product portfolio also gained further pace as we made noteworthy progress in our partnership with the iconic American motorcycle brand Harley-Davidson. It was a historic moment for us to host Jochen Zeitz, the Chairman, President and CEO of Harley-Davidson at our R&D facility in Jaipur last month to unveil our first co-developed motorcycle – the Harley-Davidson X440.

Through the Harley-Davidson X440, which is being manufactured at our facility in Neemrana, we will bring an authentic riding experience to a whole new generation of women and men who love the brand, who dreamt of riding the never-ending open roads across the most beautiful terrains that India and the world has to offer.

The Harley-Davidson X440 exemplifies the ideals of passion, creativity, innovation, and collaboration. The Hero-Harley motorcycle has received an overwhelming response with over 25,000 bookings as on date. We thank our prospective customers for this encouraging start in our premium journey.

Building a sustainable world is a collective responsibility and we have joined forces with India’s efforts towards decarbonisation through our green mobility solutions.

As we take more cognisance of our carbon footprint, sustainability, and a focus on Environmental, Social and Governance (ESG) will be central to all our future growth and transformation plans.

FY 22-23 ushered in a new era of sustainable and clean mobility with the launch of our first electric vehicle (EV) VIDA V1, which is now available in 37 cities across India and will further expand to over 100 cities by the end of 2023.

You will be pleased to know that VIDA V1 also set a performance and endurance world-record for greatest distance (1780 kms /1106.04 mi) covered on an electric scooter in 24 hours. This record validates the strength of our commitment to the EV category while solidifying India's reputation in this emerging segment.

During the year, we also partnered with ZERO Motorcycles, the California-based manufacturer of premium electric motorcycles and powertrains to accelerate the transition towards electric mobility in India and across our global markets. This collaboration combines our global scale and capabilities in manufacturing, sourcing and marketing with the expertise of Zero in developing power trains and electric motorcycles.

Continuing our efforts towards expanding the industry and aiding nation building, our associate company, Hero FinCorp, supported the government's mission of financial inclusion by touching over 10 million customers.

Our digitalisation initiatives are playing a significant role in building operational efficiencies and expanding our customer outreach, thereby directly contributing to business growth. Our endeavour is to achieve 30% of our annual volumes through digital channels by 2030.

As a responsible corporate citizen, we are constantly working to create a world that is greener, safer, and equitable for the current and future generations. Through Hero We Care, our Corporate Social Responsibility (CSR) umbrella, we are making a lasting and sustainable impact on communities around our operational areas and beyond.

Our green interventions have resulted in preservation of biodiversity through large-scale tree plantations and water conservation initiatives, while our road safety initiatives are addressing at risk behaviours.

We have also been acknowledged globally for championing sports and sportsperson. Our programme titled 'Be A Sporting Hero,' encourages and promotes sports at the grassroots level through various partnerships.

Our Diversity, Equity, and Inclusion (DE&I) commitments have set a target of achieving 30% gender diversity by the year 2030. I am proud to share that we are the only two-wheeler Original Equipment Manufacturer (OEM) to be included in Bloomberg Gender Equality Index 2023.

As we move forward, we remain committed to –

- **our customers - by delivering new and technologically advanced products;**
- **to our employees - by providing them with a progressive, safe and exciting working environment and;**
- **to our shareholders - by delivering long-term value.**

The recognition our company has won in the past year renews our conviction that we are creating lasting value through our products, services, and people practices.

I thank our valued shareholders, dealers, distributors, supply chain partners, associates, our entire workforce and their families, and our 112 million & counting customers across the world, for their continued support and trust in us, our potential and our products.
