

Annexure IV

Annual Report on CSR activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Board of Directors (the 'Board') of Hero MotoCorp have adopted a CSR policy, which includes:

- ▶ Hero believes that in the strategic context of business, enterprises possess beyond mere financial resources the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, the Company will continue crafting unique models to generate livelihoods and create a better society.
- ▶ Hero will work towards - enhancing environmental and natural capital supporting rural development; promoting

education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, preserving and promoting sports.; supporting in times of natural calamity or other national / state requirements; and providing funds to technology incubators in academic institutions, among others. In addition, the Company would like to promote sustainability in partnership with industry associations to have a multiplier impact.

- ▶ Hero will implement CSR programmes through Company personnel, or through external implementing agencies, and ensure proper governance, monitoring and reporting thereof.

The policy is available on the Company's website: www.heromotocorp.com at <http://www.heromotocorp.com/en-in/about-us/key-policies/corporate-social-responsibility.html>

2. The Composition of the CSR Committee.

Mr. Pawan Munjal
Vice Chairman, CEO & MD

Mr. Pradeep Dinodia
Non-Executive & Independent Director

Gen. (Retd.) V. P. Malik
Independent Director

Mr. Ilam C. Kamboj
Secretary

3. Average Net Profit of the Company for last three Financial Years

FY 2011 – 12	₹ 2,378 crores
FY 2012 – 13	₹ 2,118 crores
FY 2013 – 14	₹ 2,109 crores
Average for last three Financial Years	₹ 2,202 crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

2% of Average ₹ 44.04 crores

5. Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year: ₹ 44.04 crores
 b) Amount unspent, if any: ₹ 41.63 crores
 c) Manner in which the amount spent during the financial year is detailed below.

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken.	(5) Amount outlay (budget) project or programmes-wise (₹ lakhs)	(6) Amount Spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes. (2) Overheads (₹ lakhs)	(7) Cumulative expenditure upto to the reporting period. (₹ lakhs)	(8) Amount spent: Direct or through implementing agency
1	Promoting Road Safety	Safety	New Delhi	800	Direct : 15.00	15.00	Agency: Indian Head Injury Foundation
2	Scholarship for Girls	Education	Dharuhera, Rewari, Haryana	24	Direct : 7.81	7.81	Direct to students
3	Promoting Safe Drinking Water	Sanitation	Hansaka, Rewari, Haryana	25	Direct : 14.45	14.45	Agency: Toyam Technologies India Pvt. Ltd
4	Plant Trees	Ecological	Delhi	100	Direct : 0.20	0.20	Direct
5	Contribute to PM Relief Fund /Other funds	Ecological	Delhi	2,000	Direct : 200	200	PM Relief Fund
6	Others	Education, Safety and Ecological	--	1,455	--	--	--
Total				4,404	237.46	237.46	

▶ Details of implementing agency
a) Indian Head Injury Foundation (IHIF) has its office at 138, Sundar Nagar, New Delhi – 110003. IHIF was founded by His Highness Maharaja Gajasingh II of Jodhpur in February 2007, with a mission to build a comprehensive system in India for the prevention, diagnosis and treatment of traumatic brain injury, and to provide neuro-rehabilitation to such patients. The Foundation addresses the basics of prevention of head injury and provides clinical care for patients. It intervenes to create a real and substantial impact on the incidence and outcome of head injury.

b) Toyam Technologies India Pvt. Ltd.: Toyam has its registered office at H-201, MayFair Eleganza Phase-2, NIBM Road, Pune-411048. It is engaged in the business of extending its technology and innovative business model for installation and maintenance of community based drinking water systems. It provides end-to-end solutions for water purification, especially in rural areas or to underprivileged people in the urban areas across India.

Toyam employs a unique and creative combination of breakthrough technology and innovative business model to provide clean, safe and high quality water to the village community on a sustainable and long-term basis.

It encourages voluntary participation of local community to help village enjoy good health, prevent water borne diseases, generate livelihood opportunities by deploying an innovative village specific long term sustainable model. Toyam develops awareness in the rural community for wise use of water resources, teaches importance of safe drinking water and educates about water borne diseases, especially in infants. Toyam also ensures capacity building and social entrepreneurship through revenue generating utility-added services, as an alternate economic opportunity.

The solution is designed taking into consideration requirements for next 10(ten) years. Stake holders involved in this programme are Zila Panchayat (ZP)/ Gram Panchayat (GP), village community, local Public Health and Engineering Department (PHED) and Toyam as technology providers. The Government/GP plays a vital role in providing land, source of water, electricity and takes complete responsibility of getting the minimum user fees required for maintenance as well. The village community conducts surveys, prepares detailed estimate, and finally implements the programme, meeting good governance guidelines. The village community is also involved in distribution of water, and creating livelihood for themselves.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

During the year, the Company has created a robust plan, monitoring mechanism and enabling infrastructure, which will ensure that its CSR initiatives are sustainable and truly beneficial to the society in the long run. As such, while the work was initiated only on few programmes, pre-work activities have been detailed out for most of the initiatives. During the next financial year the Company will see a huge action and corresponding spend on CSR.

7. This is to confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. A detailed note is enclosed as Annexure - 1.



Pawan Munjal

Vice Chairman, CEO & Managing Director

Date: May 7, 2015

ANNEXURE 1

Overview of CSR Activities 2014-15

CSR at Hero is guided by the Philosophy that our Chairman truly believes in “We must give back to the society from whose resources we generate wealth. We at Hero believe that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity.” In line with this belief, the Company continues to craft unique models to create a better society. Our **CSR Vision** is **To have a Greener, Safer and Equitable World.**

Our Key Guiding Principles are that:

- ▶ We would like our CSR efforts as value creation for the society and not just as corporate philanthropy.
- ▶ We would like the initiatives to have fundamental impact on the society.
- ▶ We would like to involve our employees to make it organisation wide effort.

During FY 2014-15, we focussed on lot of activities related to CSR across the country. Some of the major ones included

- ▶ Providing financial support to girl students of RMVM, Sidhrawali.
- ▶ Providing financial support to girl students of various Asha Centers in Haryana.

- ▶ Setting up of a RO Plant for providing potable drinking water in the village Hansaka.
- ▶ Providing support to Flood victims of J&K.
- ▶ Carrying out Animal Health camps across various villages.
- ▶ Providing financial support in terms of books and stationary to Girl Child of School in Delhi.
- ▶ Carrying out of eye screening camps of Cataract Surgery.
- ▶ Workshops on Tie and Dye for Village Women.
- ▶ Training programmes on Motorcycle service and repairing for village Youth.
- ▶ Training programmes on Road Safety Education.
- ▶ Training programmes on First Responder for providing First response in case of medical emergency for students.
- ▶ Workshops on Adolescent Education for Boys and Girls.
- ▶ Carrying out of workshops on Yoga for Good Health.
- ▶ Providing financial assistance for preventive healthcare.

In addition, we also involved our employees in a big way. We created a CSR portal where employees pledged their support to CSR initiatives and also volunteer themselves for CSR related activities. A CSR week was also celebrated during FY 2014-15 where

employees participated in various activities including:

- ▶ **Haryali Fir Se:** Tree Plantation at all locations across the country. This was done at orphanages, old age homes and government schools.
- ▶ **Saving Lives:** Blood Donation Camps across locations.
- ▶ **De cluttering Homes:** Collection drive for clothes/books/ration across the country.
- ▶ **Swachh Hero:** Cleanliness Drive in offices – desk/cabin cleaning by all employees across the country.
- ▶ **Let’s Draw:** Poster / Painting / Sketching Competition for employees and employee’s families across the country.
- ▶ **I Express:** Slogan / Rhyme / Poem Competition for employees and employee’s families across the country.
- ▶ **Individual Social Responsibility Pledge:** Employees voluntarily took pledge to contribute to social causes.

The whole week was an exciting, eventful, impactful week- we intend to do this every year. During the year, the Company was recognised as India’s One of the most 50 Caring Companies and Head CSR was also recognised as One of the 50 most Talented CSR Leaders of India.