

# Business Responsibility Report



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## Section A: General Information about the Company

### 1. Corporate Identity Number (CIN) of the Company

L35911DL1984PLC017354

### 2. Name of the Company

Hero MotoCorp Ltd.

### 3. Registered Address

34, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110 057, India

### 4. Website

[www.heromotocorp.com](http://www.heromotocorp.com)

### 5. E-mail Id

[hmclbr@heromotocorp.com](mailto:hmclbr@heromotocorp.com)

### 6. Financial Year reported

FY 2014-15

### 7. Sector(s) that the Company is engaged in (industrial activity code-wise)

*Group	Class	Sub-Class	Description
309	3091	30911	Manufacture of motorcycle, scooters, and their engine#.

\* As per classification under National Industrial Classification, Central Statistical Organisation, Ministry of Statistics and Programme Implementation, Government of India, New Delhi.

# It may be noted that we manufacture parts of motorcycles and scooters also.

### 8. List three key products/services that the Company manufactures/ provides (as in balance sheet).

- Motorcycles;
- Scooters, and
- Parts thereof

We have a global footprint that serves both in 'National and International markets'.

**9. Total number of locations where business activity is undertaken by the Company**

**9.1. Number of International Locations (Provide details of major four)**

Name	Location
HMCL Netherlands B.V	Netherlands
HMCL (NA) Inc	Delaware, U.S.A.
HMCL Niloy Bangladesh Ltd.	Bangladesh
HMCL Colombia S.A.S.	Colombia, South America

**9.2. Number of National Locations**

We have manufacturing plants in four locations across the country

State/Union Territory	Location
Haryana	Dharuhera
Haryana	Gurgaon
Uttarakhand	Haridwar
Rajasthan	Neemrana

**10. Markets served by the Company - Local/State/National/ International**

We have a global footprint that serves both in ‘National and International markets’. In addition to serving Indian markets Hero MotoCorp also serves International markets through exports, incorporating wholly-owned subsidiaries and joint ventures.

**Section B: Financial details of the Company**

**1. Paid up Capital (₹)**

₹ 39.94 crores

**2. Total Turnover (₹)**

₹ 27,585.30 crores

**3. Total Profit After Taxes (₹)**

₹ 2,385.64 crores

**4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)**

Our total spending on CSR is ₹ 2.375 crores which is 0.10% of PAT.

**5. List of activities in which expenditure in the above four has been incurred.**

- i. Girl Education
- ii. Sanitation
- iii. Road Safety
- iv. Disaster Relief
- v. Tree Plantation

**Section C: Other details**

**1. Does the Company have any Subsidiary Company/ Companies?**

Yes. The number of Hero MotoCorp’s subsidiary companies as on March 31, 2015 as per details given in Notes to Consolidated Financial Statements at Note No. 44.

**2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)**

We have initiated the process of involving the Subsidiary companies in the BR initiatives.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [ Less than 30%, 30-60%, More than 60%]**

Hero actively engages with its suppliers through its BR initiatives. Currently, percentage of suppliers under the Green Vendor Development Programme (GVDP) is more than 60% of the total supplier universe.

**Section D: BR information**

**1. Details of Director/Directors responsible for BR**

1.1 Details of the Director/Directors responsible for implementation of the BR policy/policies  
DIN Number : 00004223  
Name : Mr. Pawan Munjal  
Designation : Chairman, Managing Director & CEO

1.2 Details of the BR head:  
DIN Number : 00004223  
Name : Mr. Pawan Munjal  
Designation : Chairman, Managing Director & CEO

**2. Principle-wise (as per National Voluntary Guidelines (“NVG”)) BR Policy/ policies:-**

**2.1 Do you have policy/policies for:**

**Principle 1: Ethics, transparency & accountability**

Yes. Our policies under this principle include (a) Code of Conduct (b) Vigil Mechanism/ Whistle Blower Policy (c) Insider Trading Code and (d) Policy on Prevention of Sexual Harassment.

**Principle 2: Sustainability in life-cycle of product**

Currently, we don’t have any laid down policy on Product Life Cycle Sustainability. In this aspect,

we are guided by our policies concerning Quality, Environment and Service. In addition, we have specific certifications that govern our management systems, such as ISO 9001, ISO 14001 and OHSAS 18001.

**Principle 3: Employee well-being**

Yes. Our policies under this principle include (a) Superannuation / National Pension Scheme (b) Employee Mutual Medical Benefit Scheme (c) Policy on Prevention of Sexual Harassment (d) Post Retirement Medical Insurance Fund Scheme and (e) Our overarching Code of Conduct & Vigil Mechanism and Annual Executive health check-up programme. We also have medi-claim policy for our employees and their dependents.

**Principle 4: Stakeholder engagement**

Yes. Our policy under this principle includes our Code of Conduct, which guides the manner in which we deal with our stakeholders.

**Principle 5: Promotion of human rights**

Yes. All our policies are reflective and cognizant of promotion of human rights. Our overarching core values and Code of Conduct fully support promotion of human rights.

**Principle 6: Environmental protection**

Yes. We have in place Green IT and Environment, which takes care of the environment. Also there are specific certifications such as, ISO 9001, ISO 14001 and OHSAS 18001 that govern the Environmental Management Systems.

**Principle 7: Responsible public policy advocacy**

No.

**Principle 8: Inclusive growth**

Yes. During 2014-15 we have formulated a CSR policy.

**Principle 9: Customer value**

Yes. We have specific policies concerning Service, Warranty and Quality that govern respective aspects in customer value management.

**2.2 Has the policy been developed in consultation with relevant stakeholders?**

**Principle 1: Ethics, transparency & accountability**

No formal consultation was undertaken in development of relevant policies. Our policies have been designed keeping in consideration our organisation's requirements, current trends and best practices in the two-wheeler industry.

**Principle 2: Sustainability in life-cycle of product**

Quality & Environment Policy was developed in consultation with relevant key employees and Top Management. Service policy is informed by needs and expectations of customers, as communicated by our field staff.

**Principle 3: Employee well-being**

**Principle 4: Stakeholder engagement**

**Principle 5: Promotion of human rights**

Answer to Principle 3,4 and 5 is: No formal consultation was undertaken in development of relevant policies. Our policies have been designed keeping in consideration our Organisation's requirements, current trends and best practices in the two-wheeler industry

**Principle 6: Environmental protection**

We developed our Environment Policy in consultation with relevant key employees and Top Management. Green IT Policy has also been developed in consultation with relevant key employees and Top Management.

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

The CSR Policy was developed keeping in consideration our Organisation's focus, best practices, and inputs were taken from Top Management, Stakeholders and Government regulations.

**Principle 9: Customer value**

Service Policy is informed by needs and expectations of customers as communicated by our field staff. The warranty policy has been developed post taking inputs from the field and the plant. Quality Policy was developed in consultation with relevant key employees and Top Management.

**2.3 Does the policy conform to any National /International standards? If yes, specify.**

**Principle 1: Ethics, transparency & accountability**

Our Code of Conduct is premised upon eight key principles and is unique. Our Code is emblematic of comprehensive and global best practices in letter and spirit, though it does not conform to any National or International Standards per se. The Code of Conduct conforms to the CODEX as researched and published by Harvard Business School Publishing (HBSP). The Policy on Insider Trading Code has been made based on SEBI Regulation, and the Policy on Prevention of Sexual Harassment has been made based on Sexual Harassment at the Workplace Act & Rules, 2013. The Policy on Vigil Mechanism has been made based on Companies Act, 2013 and the Companies Rules, 2014. The mechanism is also intended to cover the Whistleblower Mechanism aspect of the SEBI's Listing Agreement.

**Principle 2: Sustainability in life-cycle of product**

Our Environment Policy is informed by our management systems, such as ISO 9001, ISO

14001 and OHSAS 18001, which are governed by global best practices and are also externally audited.

**Principle 3: Employee well-being**

Our Code of Conduct is premised upon eight key principles and is unique. Our Code is emblematic of comprehensive and global best practices in letter and spirit, though it does not conform to any National or International standards per se. The Code of Conduct conforms to the CODEX as researched and published by Harvard Business School Publishing (HBSP). The National Pension Scheme is run by the Government of India and is being used on an as-is basis. The Policy on Post Retirement Medical Insurance Fund Scheme and Employee Mutual Medical Benefit Scheme has not been made based on any national / international standards. The Policy on Prevention of Sexual Harassment has been made based on Sexual Harassment at the Workplace Act & Rules, 2013.

**Principle 4: Stakeholder engagement**

**Principle 5: Promotion of human rights**

Answer to principle 4 and 5 is Our Code of Conduct is premised upon eight key principles and is unique. Our Code is emblematic of comprehensive and global best practices in letter and spirit, though it does not conform to any national or international standards per se. The Code of Conduct conforms to the CODEX, as researched and published by Harvard Business School Publishing (HBSP).

**Principle 6: Environmental protection**

Our Environment Policy is informed by our management systems, such as ISO 9001, ISO 14001 and OHSAS 18001, which are governed by global best practices and are also externally

audited. Our Green IT policy does not conform to any national/ international standards.

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

Our CSR Policy is derived by our core values and covers various aspects as per guidelines given by the Ministry of Corporate Affairs, as part of Companies Act 2013.

**Principle 9: Customer value**

The Service policy is driven by our internal service standards for ensuring customer satisfaction. It has not been prepared to conform to any national or international standards. Our quality policy is informed by ISO 9001 systems on Quality Management, which are governed by global best practices and are also externally audited.

**2.4 Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**

**Principle 1: Ethics, transparency & accountability**

Our Code of Conduct is approved by our Chairman, Managing Director & CEO. The Insider Trading Code has been approved by the Board. The Policy on Prevention of Sexual Harassment is a HR Policy.

**Principle 2: Sustainability in life-cycle of product**

**Principle 3: Employee well-being**

Answer to Principle 2 and 3 is : Our policies are signed off by our Chairman, Managing Director & CEO

**Principle 4: Stakeholder engagement**

**Principle 5: Promotion of human rights**

Answer to Principle 4 and 5 is: Our Code of Conduct is approved

by our Chairman, Vice Chairman, CEO and Managing Director.

**Principle 6: Environmental protection**

Our policy on Environment is signed off by our Chairman, Managing Director & CEO

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

Our CSR Policy has been approved by the Board of Directors and is signed by our Vice Chairman, CEO and Managing Director who is also Chairman of the CSR Committee.

**Principle 9: Customer value**

Our policy on Quality has been signed off by our Chairman, Managing Director & CEO

**2.5 Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**

**Principle 1: Ethics, transparency & accountability**

We have a committee for Code of Conduct & Vigil Mechanism Policy and Policy on Prevention of Sexual Harassment. The Insider Trading Code is supervised and monitored by the Board of Directors.

**Principle 2: Sustainability in life-cycle of product**

We have a Management Review Committee that leads the implementation and review of Quality and Environment. Internal teams are responsible for Service Policy.

**Principle 3: Employee well-being**

Yes. Our policies under this principle include (a) Superannuation / National Pension Scheme (b) Employee Mutual Medical Benefit Scheme (c) Policy on Prevention of Sexual Harassment (d) Post Retirement Medical Insurance Fund Scheme and (e) Our overarching

Code of Conduct & Vigil Mechanism policy.

**Principle 4: Stakeholder engagement**

**Principle 5: Promotion of human rights**

Answer to Principle 4 and 5 is: We have a committee for Code of Conduct.

**Principle 6: Environmental protection**

We have a Management Review Committee that leads the implementation and review of Environment policy. The oversight of Green IT policy rests with the CIO of the Company.

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

Yes. There is CSR committee of the Board. The oversight of CSR IT policy rests with the Head CSR.

**Principle 9: Customer value**

Our internal team of Sales, Marketing and Customer Care is responsible for Service Policy. There is a dedicated Warranty Management Team to oversee the implementation of Warranty Policy guidelines. There is a Management Review Committee that leads the implementation and review of Quality policy.

**2.6 Web-link for the policy?**

**Principle 1: Ethics, transparency & accountability**

(a) The Code of Conduct can be viewed over the internet at <http://www.heromotocorp.com/en-in/about-us/code-of-conduct.html> and also be viewed over the intranet.

(b) The Code on Insider Trading is available over the internet at <http://www.heromotocorp.com/en-in/investors/corporategovernance.html> as well as intranet

(c) The Policy on Prevention of Sexual Harassment has been circulated through Email communication to all employees.

d) The Policy on Vigil Mechanism is available over the internet at <http://www.heromotocorp.com/en-in/pdf/Vigil-Mechanism-Policy.pdf>

**Principle 2: Sustainability in life-cycle of product**

The Quality and Environment policies (in brief) can be viewed over the internet at <http://www.heromotocorp.com/en-in/aboutus/keypolicies>.

**Principle 3: Employee well-being**

(a) The Code of Conduct can be viewed over the internet at <http://www.heromotocorp.com/enin/about-us/code-of-conduct.html> and also be viewed over the intranet.

(b) Rest of the HR policies can be viewed over our intranet. Occupational Health Services Manual has been made available to all employees through our intranet.

**Principle 4: Stakeholder engagement**

**Principle 5: Promotion of human rights**

Answer to Principle 4 and 5 is: The Code of Conduct can be viewed over the internet at <http://www.heromotocorp.com/en-in/about-us/code-of-conduct.html> and can also be viewed over the intranet.

**Principle 6: Environmental protection**

The Environment policy (in brief) can be viewed over the internet at <http://www.heromotocorp.com/en-in/aboutus/keypolicies.html>. The Green IT Policy is available on the intranet.

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

The CSR Policy can be viewed on our website at <http://www.heromotocorp.com/en-in/pdf/CSR-Policy.pdf>.

**Principle 9: Customer value**

The Warranty Policy and Service Maintenance schedule can be viewed over the internet at <http://www.heromotocorp.com/en-in/rider-zone/bike-warranty-details-and-policy.html>. The warranty policy is also available on [heromotocorp.biz](http://heromotocorp.biz) and can be accessed by our field teams and channel partners. The Quality policy (in brief) can be viewed over the internet at <http://www.heromotocorp.com/en-in/about-us/key-policies.html>

**2.7 Has the policy been communicated to the relevant internal and external stakeholders?**

**Principle 1: Ethics, transparency & accountability**

With regard to Code of Conduct, all our executive employees have been imparted mandatory training, and acceptance to adherence has been obtained. Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the Code. The Code of Conduct is informed to all stakeholders via our website and annual reports. Communication campaign was run to further strengthen awareness on Code of Conduct. Additionally, an E learning module is being created to ensure understanding and acceptance to adherence.

The Code on Insider Trading has been communicated to all employees by means of the intranet and relevant posters at major notice boards.

The Policy on Prevention of Sexual Harassment has

been communicated to all the employees via Email. All employees, manager of women employee and managers have been trained on Prevention of Sexual Harassment. Set of internal employees are being trained as master trainers for continuing the training and awareness campaign in future.

**Principle 2: Sustainability in life-cycle of product**

The Quality and Environment Policy is informed to all stakeholders via our website and intranet. HMCL Quality and Environment Policy has been communicated to all relevant internal stakeholders and communicated to all suppliers through Supplier Quality Manual available on our Supplier portal. The service policy is communicated to all our field team and Dealers, through uploading on FTP Server.

**Principle 3: Employee well-being**

With regard to Code of Conduct, all our executive employees have been imparted mandatory training and acceptance to adherence has been obtained. Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the Code. The Code of Conduct is informed to all stakeholders via our website and annual reports. Communication campaign was run to further strengthen awareness on Code of Conduct. Additionally, an E learning module is being created to ensure understanding and acceptance to adherence.

Our Policy on Prevention of Sexual Harassment has been communicated to all employees via Email. All employees, manager of women employee and managers have been trained on Prevention of Sexual Harassment. Set of internal employees are being trained as master trainers for continuing

the training and awareness campaign in future.

Our policies on Employee Mutual Medical Benefit Scheme have been communicated to all employees by means of the intranet. The (a) Superannuation/ National Pension Scheme and (b) Post Retirement Medical Insurance Fund Scheme are communicated to all employees via Email.

**Principle 4: Stakeholder engagement**

With regard to Code of Conduct, all our executive employees have been imparted mandatory training, and acceptance to adherence has been obtained. Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the Code. The Code of Conduct is informed to all stakeholders via our website and annual reports. Communication campaign was run to further strengthen awareness on Code of Conduct. Additionally, an E learning module is being created to ensure understanding and acceptance to adherence. In addition, we train stakeholders, such as suppliers on quality and environmental aspects.

**Principle 5: Promotion of human rights**

Our core values are regularly communicated and new employees are made aware of the same during their induction.

With regard to Code of Conduct, all our executive employees have been imparted mandatory training and acceptance to adherence has been obtained. Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the Code. The Code of Conduct is informed to all stakeholders via our Website and Annual Reports. Communication campaign was run to further strengthen

awareness on Code of Conduct. Additionally, an E learning module is being created to ensure understanding and acceptance to adherence.

In addition, we train stakeholders such as suppliers on quality and environmental aspects.

**Principle 6: Environmental protection**

Our Environment Policy is informed to all stakeholders via our Website and Intranet. HMCL Environment Policy has been communicated to all relevant internal stakeholders and communicated to all Suppliers through Supplier Quality Manual available on Supplier portal. The Green IT policy is informed to all stakeholders via intranet.

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

Our CSR Policy has been communicated to both our internal and external stakeholders via our website and intranet portal. There is a separate section on the Intranet portal for CSR.

**Principle 9: Customer value**

Our Service Policy is communicated to all our field service staff by uploading on FTP Server. The Quality Policy is informed to all stakeholders via our website and intranet. HMCL Quality Policy has been communicated to all relevant internal stakeholders and communicated to all suppliers through Supplier Quality Manual available on Supplier Portal.

**2.8 Does the company have an in-house structure to implement the policy?**

**Principle 1: Ethics, transparency & accountability**

Yes. The Committees ensure smooth implementation of Code of Conduct and Vigil Mechanism and Policy on Prevention

of Sexual Harassment. The Compliance Officer ensures implementation on Insider Trading Code.

**Principle 2: Sustainability in life-cycle of product**

Our centralised IMS Cell ensures implementation of Quality and Environment Policy. The service team ensures implementation of service guidelines at all dealerships in field.

**Principle 3: Employee well-being**

Yes. The Committees ensure smooth implementation of Employee Mutual Medical Benefit Scheme, Policy on prevention of Sexual Harassment, Post Retirement Medical Insurance Fund Scheme and Code of Conduct and Vigil Mechanism policy.

**Principle 4: Stakeholder engagement**

**Principle 5: Promotion of human rights**

The answer to Principle 4 and 5 is: Yes. A Committee ensures smooth implementation of Code of Conduct.

**Principle 6: Environmental protection**

Our centralised IMS Cell takes care of implementation of Environment Policy. The implementation of Green IT policy is overseen by the IT Department.

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

Yes. We have a CSR Committee and a Head of CSR. The implementation of CSR policy is overseen by the Head CSR and his team.

**Principle 9: Customer value**

Our service team on the field ensures the implementation of service guidelines. The service

team in field and members in warranty section ensure proper implementation of the warranty policy. The centralised IMS Cell takes care of implementation of Quality Policy.

**2.9 Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?**

**Principle 1: Ethics, transparency & accountability**

We have a grievance redressal process in place. We strongly encourage employees to raise concerns regarding any violation of the Code and to report these immediately. There are three mechanisms to report a violation:

1. HR department
2. Internal ethics helpline e mail id
3. Further, if our employees are uncomfortable about raising concerns in-person, they can use third party reporting mechanism.

**Principle 2: Sustainability in life-cycle of product**

We allow any quality and environment related grievances to be resolved through IMS Cell. The Management Review Committee oversees the same. We have a grievance redressal process in place. Customers can raise complaints related to conditions of service, sales and other issues through Area Offices and Zonal Offices located across the Country.

**Principle 3: Employee well-being**

**Principle 4: Stakeholder engagement**

Answer to Principle 3 and 4 is: We have an Organisation wide grievance redressal process in place. We strongly encourage employees to raise concerns regarding any violation of the Code and to report these immediately. Our employees are

free to approach our Management and Leadership Teams, if any of the entitlements are not being provided as per processes.

There are three mechanisms to report a violation:

1. HR department
2. Internal ethics helpline e mail id
3. Further, if our employees are uncomfortable about raising concerns in-person, they can use third party reporting mechanism

**Principle 4: Stakeholder engagement**

We have an organisation wide grievance redressal process in place. We strongly encourage employees to raise concerns regarding any violation of the Code and to report these immediately. Our employees are free to approach our management and leadership teams, if any of the entitlements are not being provided as per processes. There are three mechanisms to report a violation:

1. HR department
2. Internal ethics helpline e mail id
3. Further, if our employees are uncomfortable about raising concerns in-person, they can use third party reporting mechanism

**Principle 5: Promotion of human rights**

We have a grievance redressal process in place. We strongly encourage employees to raise concerns regarding any violation of the Code and to report these immediately.

There are three mechanisms to report a violation:

1. HR Department
2. Internal ethics helpline Email id
3. Further, if our employees are uncomfortable about raising concerns in-person, they can use third party reporting mechanism

**Principle 6: Environmental protection**

We allow any quality and environment related grievances to be resolved through IMS Cell. The Management Review Committee oversees the same. The grievances regarding Green IT Policy are addressed by Enterprise Employee Service Desk (IT).

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

Not applicable.

**Principle 9: Customer value**

We have a grievance redressal process in place. Customers can raise complaints in case any party violates any conditions on service, sales and other issues. The relevant stakeholder can approach our Zonal / Regional / Area office or our Warranty Sections at Gurgaon plant for redressal of any warranty related issues. We allow any quality related grievances to be resolved through IMS Cell. The Management Review Committee oversees the same.

**2.10 Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

**Principle 1: Ethics, transparency & accountability**

No.

**Principle 2: Sustainability in life-cycle of product**

Our management certifications (such as ISO 9001, ISO 14001 and OHSAS 18001) are independently verified by external agencies as per due protocol. This is mandatory for us to retain the certification on qualification of these international standards. Internal and external audits are done periodically to monitor processes meant to deliver on the Service Policy.

**Principle 3: Employee well-being**

No.

**Principle 4: Stakeholder engagement**

No.

**Principle 5 : Promotion of human rights**

No.

**Principle 6: Environmental protection**

Our management certifications (such as ISO 9001, ISO 14001 and OHSAS 18001) are independently verified by external agencies as per due protocol.

**Principle 7: Responsible public policy advocacy**

Not applicable.

**Principle 8: Inclusive growth**

Not applicable.

**Principle 9: Customer value**

Internal and external audits are done periodically to monitor processes meant to deliver on the Service Policy. Operations meant to deliver Warranty Policy are subject to audit from our finance department. Our management certifications are independently verified by external audit agency as per due protocol. This is mandatory for us to retain the certification on qualification of these international standards.

**2A. If answer to S. No. 1 against any principle, is "No", please explain why:**

**Principle 1: Ethics, transparency & accountability**

Not applicable.

**Principle 2: Sustainability in life-cycle of product**

Not applicable.

**Principle 3: Employee well-being**

Not applicable.

**Principle 4: Stakeholder engagement**

Not applicable.

**Principle 5: Promotion of human rights**

Not applicable.

**Principle 6: Environmental protection**

Not applicable.

**Principle 7: Responsible public policy advocacy**

We have a leadership position in initiating dialogue with policy-makers as members in various industry associations. However, no need for a formal company policy has been felt for undertaking policy advocacy activities.

**Principle 8: Inclusive growth**

Not applicable.

**Principle 9: Customer value**

Not applicable.

**3. Governance related to BR**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

Our BR performance is assessed annually at the end of Financial Year.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is our Third Business Responsibility Report and would be published annually. This report can be accessed at <http://www.heromotocorp.com/en-in/responsibility-report/business-responsibility-report.html>

**Section E: Principle wise performance**

**Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs Others?

Currently, the Code of Conduct is applicable to only our employees. The



Insider Trading Code is applicable to designated employees and the Board of Directors of the Company.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

We have not received any complaints with regard to violation of the Code of Conduct, Insider Trading Code, and Policy on Prevention of Sexual Harassment in 2014-15.

**Principle 2**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

- 1) Splendor iSmart was declared the most fuel efficient Motorcycle by iCAT (international centre for automotive technology) with the mileage of 102.5 KMPL.
- 2) Rainwater harvesting facility executed in five villages of Rajasthan, by providing 94 rain water harvesting shaft, having combined capacity to recharge 1.7 million cubic metre of water per year. This initiative has reduced drastically the water clogging and flooding in the vicinity area, during monsoon season.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).**

Not applicable.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

- 1) Our Green Vendor Development Programme encourages our suppliers and vendors to adopt green practices and Environment Management systems. The programme with 148 key suppliers is actively pursued by SCP. These initiatives have led to saving of water consumption upto 20K Lakhs litres, which can feed 8400 families for a year and power saving of 100L Kwh will light 50K families for a year.
- 2) However, it is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to many different kinds of materials being used by us. We are also in the process of incorporating human rights issues within the supply chain.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. We are procuring goods and services from local & small producers. Among the total suppliers around 80% of our are locally based, in and

around our factories in Haryana and Uttarakhand.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%) Yes, the company has a mechanism for recycling of its waste.**

Yes, we have a mechanism for recycling of our waste. We have managed to recycle 90% of our waste water back to the process using Zero liquid discharge platform. Balance 10% is being reused for horticulture activities.

**Principle 3**

1. Please indicate the Total number of employees.
2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis.
3. Please indicate the Number of permanent women employees.
4. Please indicate the Number of permanent employees with disabilities.
5. Do you have an employee association that is recognised by management?
6. What percentage of your permanent employees is members of this recognised employee association?
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

1	Total number of employees	7,334
2	Total number of employees hired on temporary/ contractual/ casual basis	16,412
3	Total number of permanent women employees	88
4	Total number of permanent employees with disabilities	33
5	Employee Associations	Hero MotoCorp Workers Union, Gurgaon Plant Hero MotoCorp Workers Union, Dharuhera Plant
6	Percentage Membership of Workers Union(as a percentage of total permanent employees)	Hero MotoCorp Workers Union, Gurgaon Plant (18.5 %) Hero MotoCorp Workers Union, Dharuhera Plant (26.4%)

7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in 2014-15 and pending, as of end 2014-15.	None received in any of the category and none pending
8	Percentage of employees who underwent safety and skill up-gradation training (as a percentage of respective total of each category) (2014-15)	
	Permanent employees	79.50%
	Permanent women employees	87.00%
	Temporary/contractual/casual	81.20%
	Employees with disabilities	7.30%

**Principle 4**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. We have mapped and identified external stakeholders, including disadvantaged, vulnerable and marginalised stakeholders. Our stakeholders include – employees, customers, NGOs and communities, dealers, suppliers, investors, media, government and regulators and peers and industry ecosystem.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Our disadvantaged and vulnerable stakeholders include differently-abled employees, women and rural communities in and around our plants.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders?**

**Differently abled employees:** We are an equal opportunity employer and we provide equal opportunities to differently abled, marginalised and people from economically weaker background. All employees have equal opportunity on career growth, coaching and mentoring.

The number of differently abled employees is 41, majority of them being operators at our Gurgaon plant. These employees were given on the job awareness on TPM & Safety and they are also members of cross functional and quality circle teams.

Additionally, differently abled employees of Gurgaon Plant also participated in five external

competitions in various cultural and sports activities at state and national level. Such events, not only motivates them but also energises them.

**Women Customers:** We believe that mobility holds great significance in women’s lives as it enables them to do more, achieve more and live a fuller life. Two-wheelers offer them the independence they need to meet their goals and ambitions.

Therefore, we want to make the roads as accessible to women as possible. We have used technology to further reduce the concerns women have while riding on the roads. Pleasure scooter which is designed exclusively for women is upgraded with features like an advanced Integrated Braking System that provide for better stability; tubeless tyres that prevents rapid deflation in case of puncture , mobile charging socket so that the riders can stay connected while on the go. The endeavour is to enhance the overall riding experience and safety for women riders.

Over the years, through our thought provoking campaigns we have espoused the cause of equality and freedom of women. This brand philosophy is captured in tagline “Why should boys have all the fun”, which encourages and inspires women to be free and not be constrained by any restrictions or out-dated societal norms and live the life of their dreams.

We have also opened 33 dealerships under the banner ‘Just4Her’ that cater only to female customers and are serviced by female staff, so women feel comfortable visiting us and test-driving Pleasure. To further provide benefits to our female customers

we have an ongoing relationship programme called GoodLife Lady Rider Club. Today this club has over six lakh women members with close to 4.7 lakh active members. All these initiatives further strengthens our relationship with our consumers, as we provide not just the means for mobility in the form of our scooter but also a retail experience and a like-minded community that provides a feeling of solidarity to our female customers.

**Rural Community:** These are covered under Principle 8

**Principle 5**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

Currently, the Code of Conduct is applicable to only our employees, though we expect our stakeholders to adhere and uphold the standards contained therein.

**2. How many stakeholder complaints have been received in the past financial year and what % was satisfactorily resolved by the management?**

Currently, the Code of Conduct is applicable to only our employees, though we expect our stakeholders to adhere and uphold the standards contained therein.

**Principle 6**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.**

Our policy on environment extends to our suppliers through our Green

Vendor Development Programme and Green Charter.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

We do have strategies in place to address these issues including energy conservation, energy efficiency, water management, waste management, CO2 Emission house gases reduction.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. We have a periodic systematic mechanism for environmental impact assessment through its Aspect/ Impact assessment (AIA) activity and Hazard Identification and Risk Assessment (HIRA) technique as a part of our Environmental management System certifications of ISO 14001, and Occupational Health and safety management system certification of OHSAS 18001.

4. Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

As of now, we do not have any CDM project.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, we have several environment protection related initiatives, broadly classified as:

- i. Green initiatives & Resource conservation
- ii. Energy efficiency measures
- iii. Green supply chain

A more detailed list of such initiatives is available at <http://www.heromotocorp.com/en-in/wecare/greenmanufacturing>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year

being reported?

Yes.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No such notices pending as of 2014-15.

**Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Major associations we deal with are as follows:

- Confederation of Indian Industry
- Gurgaon Chamber of Commerce & Industries
- PHD Chamber of Commerce
- Society of Indian Automobile Manufacturers

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a world leader in the 2-wheeler segment, we have taken up the initiative to inculcate a sense of road safety and good riding habits to its customers and public at large. We strongly champion the cause of road safety through several initiatives. We steadily work with a cross-section of stakeholders that include governing/ enforcement agencies, commuters, corporates, schools / colleges and special groups, on aspects germane to safety.

Our safety initiatives are underpinned by our firm belief that a culture of safety requires three fundamental things:

- Knowledge of road rules and regulations
- Skill of riding
- Right behaviour and attitude

We are knowledge partners to programmes run by local traffic

police in several cities in India. We routinely collaborate and partner with traffic police and enforcement agencies on special safety initiatives. Our dealerships inform customers' right at the point of sale about safety aspects, and it is ingrained into the vehicle delivery process. In fact, we pride ourselves on the '4S Concept' (Sales, Service, Spares, Safety) at our dealerships which among firsts for the automobile industry in India. There is a safety corner at our showrooms. Our vehicles are sold with "Road Safety" leaflet/literature, and we have created bespoke safety education videos for our customers.

Our traffic parks in Gurgaon, Delhi, Lucknow and Rourkela testify to our efforts to disseminate safety and good-ridership practices. These traffic parks routinely train members of the general public, senior secondary school students and women riders. We have initiated training programmes for corporates. The training module is structured to impart training on riding posture, braking, slalom riding, balancing and bumpy roads.

We can say with pride that we have over 750 trained instructors, who impart these training modules, among which 76 are advanced trainers who are eligible to 'train the trainers'. We are a key stakeholder of Road Safety Club with Delhi Traffic Police as the nodal agency and organise regular programmes for students. We observe National Road Safety Week every year and our dealerships across India participate actively. As a pioneer in the safety riding activities, we are committed to drive home the message of road safety and healthy environment.

**Principle 8**

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. True wealth of our communities is built by progressive endogenous development of assets such as cultural heritage, human resources and long lasting physical infrastructure. We help communities create such assets. We undertake purposeful activities

with the goal to maintain and improve the state of environmental resources affected by human activities. Our environment management aims toward ensuring that the ecosystem services in areas where we operate are protected and maintained for equitable use by future generations.

We organise a number of projects on literacy and health education in collaboration with government and local agencies. We work with the objective of providing village children with additional support to improve their educational standard and to achieve their overall development. Healthcare outreach is an important cog in our social matrix, and we organise several community health camps across the year. With a view to income generation opportunities leading to social and economic development, especially those of women members of the community, we set up a vocational training schedule. We also facilitate dissemination of training programmes leading to enhancement of the value of rural youth in the job market. We also founded activities related to providing safe drinking water and for sanitation we also involve our employees in our CSR activities. Employees were engaged in activities like blood donation, cleanliness drive, collection of items for poor and needy, tree plantation and creating awareness in the organisation & community.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**  
The programmes are undertaken either directly or through specialised agencies – Raman Kant Munjal Foundation.
3. **Have you done any impact assessment of your initiative?**  
As of now no impact assessment of our initiatives has been undertaken.
4. **What is your company’s direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

Project	Amount (₹ in crores) for 2014-15
i. Disaster Relief	200.00
ii. Girl Education	07.81
iii. Sanitation	14.45
iv. Road safety	15.00
v. Tree Plantation	0.20

Your Company already has in place a robust plan, monitoring mechanism and enabling infrastructure to ensure that CSR activities initiated by the Company are sustainable and truly beneficial to the society in the long run. However, the formal initiatives on CSR could start only in the later part of the Financial Year after the approval of CSR policy by the Board. While the work was initiated only on few programmes, pre-work activities have been detailed out for most of the initiatives and during 2015-16 your Company would see a huge action and corresponding spend on CSR. The current financial year will not only see the statutory spending but will also make up the deficiency of 2014-15, wherein the ground work has taken place.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

We make attempts to ensure that projects continue and sustain within communities beyond our interactions. For example, with a view to promote education among girls, similarly we have set up a RO Plant for safe drinking water. There are number of activities that were done to promote road safety increasing income generation opportunity leading to social and economic development, we set up a vocational training schedule. We also facilitate dissemination of training programmes leading to enhancement of the value of rural youth in the job market.

**Principle 9**

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

At the end of financial year, 2014-15, 23 consumer complaints were pending on our customer loyalty programme Goodlife. We received 947

customer complaints during FY 2014-15. Out of these cases, we successfully resolved 895 complaints. Thus, 75 (8%) complaints were pending at the end of 2014-2015. We received 27303 complaints in 2014-15 and resolved a total of 26818 complaints. Thus, only 534 complaints (1.9 %) are carried forward to 2015-16. ICMS (Integrated Complaint Management System) is handling all customer complaints including of sales.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Yes. We provide information as required by the Standards of Weights and Measures Act, 1956. We voluntarily and actively inform all our dealers on any changes in product packaging through notices. We have also been running educative campaigns informing customers to operate vehicles in a more fuel efficient manner and to read the operating manual and the Road Safety leaflet. The leaflet enumerates good to emulate riding practices, fuel saving tips etc. in a reader-friendly and easy to understand manner. Our spare part products come with a dedicated consumer cell phone number, address and email ID, where consumers can reach our executives with feedback, grievances and even queries regarding our products. Besides, consumers can also log in to the corporate website and send in their feedback or complaints.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

We had received four reservations on the advertising from the Advertising Standards Council of India in the last financial year. We have actioned the recommendation on three of the complaints and filed the petition in court for the fourth one. We have got stay order for the same.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

In pursuit of customer delight, we have undertaken mystery shopping exercise across our dealerships to gauge customer experience. We have covered

721 dealers last financial year as part of this exercise. This exercise covered all dealers who have completed minimum one year of operations. We also undertake customised surveys on customer satisfaction for the new products launched last year through a

third party agency. We have completed one of the largest customer surveys in India called as U&A to understand the consumer better.