

# Annexure - X

## Business Responsibility Report

### Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L35911DL1984PLC017354
Name of the Company	Hero MotoCorp Limited
Registered Address	The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070
Website	<a href="http://www.heromotocorp.com">www.heromotocorp.com</a>
E-mail Id	<a href="mailto:secretarialho@heromotocorp.com">secretarialho@heromotocorp.com</a>
Financial Year reported	1st April 2020 to 31st March 2021
Sector(s) that the Company is engaged in (industrial activity code-wise)	<p>Group* : 309            Class : 3091            Sub-Class : 30911            Description : Manufacture of motorcycles, scooters, and their engine<sup>#</sup></p> <p>*As per classification under National Industrial Classification 2008 (NIC-2008), Central Statistical Organisation, Ministry of Statistics and Programme Implementation, Government of India, New Delhi.</p> <p><sup>#</sup>It may be noted that Company manufactures the parts of motorcycles and scooters as well.</p>
List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> <li>▪ Motorcycles,</li> <li>▪ Scooters and</li> <li>▪ Parts thereof</li> </ul>
Total number of locations where business activity is undertaken by the Company	We are present in 44 countries outside India:
Number of International Locations (Details of major 5)	<p><b>Asia</b> - Bangladesh, Myanmar, Nepal and Sri Lanka.</p> <p><b>Africa &amp; Middle East</b> - Angola, Burkina Faso, DR Congo, Ethiopia, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Madagascar, Mozambique, Nigeria, South Africa, Tanzania, Uganda, Egypt, Iran, Turkey, Zambia, Djibouti, Mauritius, Iraq &amp; GCC (UAE, Saudi Arabia, Kuwait, Bahrain, Yemen)</p> <p><b>Americas</b> - Argentina, Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Guyana and Trinidad &amp; Tobago.</p> <p><b>Europe</b> - Austria, Germany</p>
Number of National Locations	<p>Headquartered in New Delhi, we have manufacturing plants in 6 locations in the country:</p> <p><b>State/Union Territory Location</b></p> <p>Haryana : Dharuhera &amp; Gurgaon            Uttarakhand : Haridwar            Rajasthan : Neemrana            Gujarat : Halol            Andhra Pradesh : Chittoor</p> <p>The Company also has a Global Parts Centre at Neemrana, Rajasthan, for supplying the parts at local and global market and Global Centre of Innovation and Technology (CIT) at Jaipur, Rajasthan</p>
Markets served by the Company - Local/ State/ National/International	The Company has taken rapid strides to expand its presence to 45 countries across Asia, Africa, Europe and South & Central America. It is a truly global enterprise with a workforce that comprises of people from different nationalities across the globe.

## Section B: Financial details of the Company

1.	Paid up Capital (₹)	₹ 39.96 crore
2.	Total Turnover (₹)	₹ 31,380.47 crore
3.	Total profit after taxes (₹)	₹ 2,964.20 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The total spend on CSR for 2020-21 is ₹ 99.73 crore which is more than 2% of average net profits of the last three financial years.
5.	Activities in which expenditure in 4 above has been incurred	List of CSR activities undertaken by the Company are detailed in the Annual Report of CSR Activities

## Section C: Other Details

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

Yes, HMCL has subsidiaries in and outside India. Details of the same have been provided in other section of the Annual Report.

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

The subsidiary companies are not required to comply with the Business Responsibility/Corporate Social Responsibility initiatives as per the laws applicable to them.

### 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%].

Under its Program, viz. Green Partner Development Program (GPDP), the Company actively engages with its suppliers through its BR initiatives. During the year 20-21, under Phase-XI, Company enrolled 20 supply chain partners, however due to pandemic issues, only 16 supply chain partners could be certified under the GPDP program.

Also, the Company has conducted safety audit and training of its 35 critical supply chain partners during the reporting year. The safety audit was conducted through certified external auditors covering areas such as fire and safety risks. Further, the partners were also guided to implement the actions for mitigating the risks identified.

## 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 :	00985182
Name :	Mr. Vikram Sitaram Kasbekar
Designation :	Executive Director & Chief Technical Officer

#### 1.2 Details of the BR head:

S. No.	Particulars	Details
1.	DIN Number (if applicable)	00985182
2.	Name	Mr. Vikram Sitaram Kasbekar
3.	Designation	Executive Director & Chief Technical Officer
4.	Telephone Number	+91 11 4604 4100
5.	E-mail id	secretarialho@heromotocorp.com

## 2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policies:

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, has adopted nine areas of Business Responsibility.

<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">1</span>	<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">2</span>	<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">3</span>
Business should conduct and govern themselves with Ethics, Transparency and Accountability.	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Businesses should promote the wellbeing of all employees.
<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">4</span>	<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">5</span>	<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">6</span>
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Businesses should respect and promote human rights.	Businesses should respect, protect, and make efforts to restore the environment.
<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">7</span>	<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">8</span>	<b>Principle</b> <span style="border: 1px solid white; border-radius: 50%; padding: 2px 5px; font-weight: bold;">9</span>
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Businesses should support inclusive growth and equitable development.	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### (a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director/Official to oversee the implementation of the policy? **	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? ***	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? **	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* The Whistle Blower Policy, Code of Conduct, Prevention of Sexual Harassment Policy and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India. Environment policy conforms to ISO - 14001 which is an international standard released by International Standards Organization (ISO).

\*\* The Whistle Blower Policy and Code of Conduct are overseen by the Audit Committee of the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the Sustainability and Corporate Social Responsibility Committee of the Board of Directors of the Company. Prevention of Sexual Harassment Policy is being overseen by Internal Complaints Committee (ICC) constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The grievance, if any, arising out of Whistle Blower Policy, Code of Conduct and Prevention of Sexual Harassment Policy is being redressed by the respective committees which oversee them.

\*\*\* Online link for policies mapped to each principle is as under:

Principle	Applicable Policies	Web Link for policies
<b>Principle 1:</b> Business conduct and govern themselves with Ethics, Transparency and Accountability.	Vigil Mechanism/ Whistle Blower Policy	<a href="https://www.heromotocorp.com/en-in/about-us/key-policies.html">https://www.heromotocorp.com/en-in/about-us/key-policies.html</a>
	Code of Conduct	<a href="https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html">https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html</a>
<b>Principle 2:</b> Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Environment Policy Quality Policy	<a href="https://www.heromotocorp.com/en-in/about-us/key-policies.html">https://www.heromotocorp.com/en-in/about-us/key-policies.html</a>
<b>Principle 3:</b> Businesses should promote the wellbeing of all employees.	Safety Policy	<a href="https://www.heromotocorp.com/en-in/about-us/key-policies.html">https://www.heromotocorp.com/en-in/about-us/key-policies.html</a>
	Code of conduct	<a href="https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html">https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html</a>
	Prevention of Sexual Harassment Policy & Leave Policy ****	
<b>Principle 4:</b> Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	Corporate Social Responsibility Policy	<a href="https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf">https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf</a>
<b>Principle 5:</b> Businesses should respect and promote human rights.	Code of conduct	<a href="https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html">https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html</a>
<b>Principle 6:</b> Businesses should respect, protect, and make efforts to restore the environment.	Environment Policy	<a href="https://www.heromotocorp.com/en-in/about-us/key-policies.html">https://www.heromotocorp.com/en-in/about-us/key-policies.html</a>
<b>Principle 7:</b> Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code of Conduct	<a href="https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html">https://www.heromotocorp.com/en-in/about-us/code-of-conduct.html</a>
	Vigil Mechanism/ Whistle Blower Policy	<a href="https://www.heromotocorp.com/en-in/about-us/key-policies.html">https://www.heromotocorp.com/en-in/about-us/key-policies.html</a>
<b>Principle 8:</b> Businesses should support inclusive growth and equitable development.	Corporate Social Responsibility Policy	<a href="https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf">https://www.heromotocorp.com/en-in/uploads/code_policy/20191126104858-code-policy-35.pdf</a>
	Equal Opportunities Policy for Person with Disabilities****	
	Transgender Equal Opportunity Policy****	
<b>Principle 9:</b> Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Quality Policy	<a href="https://www.heromotocorp.com/en-in/about-us/key-policies.html">https://www.heromotocorp.com/en-in/about-us/key-policies.html</a>
	Policy on warranty and service maintenance schedule	<a href="http://www.heromotocorp.com/en-in/rider-zone/bike-warranty-details-and-policy.html">http://www.heromotocorp.com/en-in/rider-zone/bike-warranty-details-and-policy.html</a>

\*\*\*\* Available on Company's intranet

Sustainability Policy of the Company is an overarching policy. The Sustainability guiding principles of the Company covers all the aforesaid principles. The Policy can be accessed at [https://www.heromotocorp.com/en-in/uploads/code\\_policy/20210413140308-code-policy-418.pdf](https://www.heromotocorp.com/en-in/uploads/code_policy/20210413140308-code-policy-418.pdf)

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**(b). If answer to the question as stated above against any principle, is 'No', please explain why:**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task						Not Applicable			
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

**3. Governance related to BR**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Management of the Company reviews the BR vision, strategy and performance of the Company periodically.

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

Business Responsibility Report - This is the Company's eighth Business Responsibility Report and is published annually as part of the Annual Report. The same can be accessed at <http://www.heromotocorp.com/en-in/responsibility-report/business-responsibility-report.html>

Sustainability Report - The Company has released its Third Sustainability Report, which can be accessed at <https://www.heromotocorp.com/en-in/investors/sustainability-report.html>

**Section E: Principle-wise Performance**

**Principle** **1**  
 Ethics, Transparency and Accountability

**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?**

Yes, the Whistle Blower Policy of the Company, which is applicable to not just the company, but it also extends to all our direct and indirect subsidiaries, and all their employees and directors whether working in India or not. The Policy also extends to Company's consultants, vendors, suppliers, dealers, customers and contractors working for and/or on behalf of any of the group entities. This policy provides a platform to these stakeholders for reporting suspected unethical behaviour, malpractices, wrongful conduct, fraud, violation of the Company's Policies including Code of Conduct, violation of law or questionable Accounting or Auditing matters by any employee/ director in the Company, leak of any unpublished price sensitive information (UPSI) or any suspected leak of UPSI, unethical behavior, malpractices, fraud or violation of the Company's policies without fear of reprisal and help in eliminating any kind of wrongful conduct in the system. The Company's Code of Conduct includes Company's policy relating to ethics, bribery and corruption.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words.**

During FY 20-21, 48 complaints were received through various reporting channels. 30 of these have been investigated and acted upon, 4 cases were reviewed and handed over to HR for closure, 6 cases were reviewed and handed over to Sales and After Sales for closure and remaining 8 cases are currently under investigation. 4 pending cases from 2019-20 were also investigated and concluded.

**Principle** **2**  
 Product Life Cycle Sustainability

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

The Company has taken the following measures to take care of the social or environmental concerns:

**1. Resource consumption-** Designed and developed completely at the Company's R&D hub - Center of Innovation and Technology (CIT), Jaipur, Xtreme 160R has one of the best power-to-weight ratios in its class. Thanks to its low kerb weight of 138.5 Kg. This could be

possible due to intensive research on material selection, design optimization, ergonomic studies and use of new technologies during model development.

- 2. Fuel efficiency enhancement** – Hero MotoCorp R&D team has been continuously working on fuel economy, emissions, and drivability improvement efforts. In this context, there is a considerable improvement achieved in terms of mileage on already fuel efficient BS VI motorcycles. This has been achieved primarily by calibration cycle optimization through a closed loop lambda sensor technology. The results of some of the models have been tested & approved by ICAT in 125 cc models.
- 3. Path breaking innovation in After treatment technology** – Substantial cost saving through in-house R&D efforts and innovation in Catalytic Converter design through Structure modification, washcoat optimization and PGM ratio balancing has led to lower consumption of raw material without compromising on the after treatment efficiency of exhaust gases across models.
- 4. Social Cause** - First Responder Vehicles (FRVs) development. These special and versatile vehicles help to reach out to patients in rural and remote areas and transfer them easily to closest hospitals. First Responder has been custom-built as an upgrade on Hero MotoCorp’s powerful Xtreme 200R motorcycles.

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

**Continuous improvement in Material technology**

- Implementation of aluminum alloy ADC 12 in place of conventional material Zinc (ZDC - 2) in Cap fuel filler of 100 cc models, which is lighter in weight, cost effective and has better mechanical properties than the former.
- Introduction of Zn-Ni coated steel sheets, replacing double sided Electro galvanized (EG) sheet. This has resulted in Cost saving, reduction in import quantity, higher corrosion resistance against EG sheet, hence longer life.

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

In terms of Sustainability Policy of the Company, the Company is committed to handhold its value chain partners to implement relevant policies and processes to enhance their sustainability performance.

Under its Program, Green Partner Development Program (GPDP), the Company actively engages with its suppliers through its BR initiatives. During the year 20-21, under Phase-XI, Company enrolled 20 supply chain partners, however due to pandemic issues, only 16 supply chain partners could be certified under the GPDP program.

GPDP encourages a collaborative effort between Hero MotoCorp and its suppliers, dealers to achieve Company’s

overall corporate sustainability goal. Six pillars have been assigned to GPDP model. Partner vendors and dealer are given specific training on all six pillars of GPDP and mapping of processes/equipment is carried out based on logical analysis so as to identify the gaps or Significant environmental and safety aspects and accordingly improvements projects are undertaken for implementation. The objective of GPDP is as under:

- Provide employees a safer & healthy place to work
- De-risking of business in view of legal compliance
- Reduce environment impact - reduced energy, water and landfill waste
- Reduce Carbon dioxide (CO2) gas emission & encourage use of renewable energy
- Differentiate your business from others in your community by sustainable practices
- Benchmark Supplier and dealers on sustainability

**Safety Audit and training:**

As a part of our de-risking drive of our supply chain partners, a structure Fire & Safety audit was conducted by the Company through external certified auditor for 35 supply chain partners, selected on the basis of criticality of process, dependability & critical hazardous chemical/ waste handling. Further, the partners were also guided to implement the actions for mitigating the risks identified.

**Hero Supplier Total Productive Maintenance (TPM)**

In order to improve reliability, efficiency & cost; enhance operational efficiency of Value Chain; and continuous up-gradation of our Supply Chain Partners for sustainable growth through TPM, HMCL has initiated a program Hero S-TPM (Hero Supplier TPM). 8 suppliers are currently under this program. Company is also continuing Jishu Hozen activity related to production, shop floor management & hygiene and Quality Management activity for these 8 partners.

Company’s major target is to enhance the quality performance of Supply Chain partners through this initiative.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

While the criteria for selection of goods and services is quality, reliability and cost, Company gives preference to local supply chain partners which includes large, mid-size and small scale industries who meets its quality, delivery, cost and technology expectations.

**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 <5%, 5-10%, >10%).**

At Hero MotoCorp, we have adopted the Zero Waste to landfill (ZWL) approach. All Hazardous waste is either diverted for Co-processing in cement kiln as an alternate resource or

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as direct resource for recyclers. All our non-hazardous waste is segregated at source and managed as under:

1. Transfer Waste in segregated way by Authorized Waste collector
2. Create energy and Compost from organic waste.
3. Recycle waste to useful resource.

In FY 2020-21, 2 more plants, i.e. Haridwar plant and Halol Plant achieved Zero Waste to Landfill (ZWL) Certification for diversion rate more than 99%. This certification was received after audit. The Company's manufacturing plants at Neemrana, Dharuhera, Gurgaon and Global Parts Centre have already been certified for ZWL.

Zero Waste to Landfill certification provides improved credibility and visibility to Company's efforts to improve its environmental impacts within an organization as a whole & towards our commitment to Sustainability.

## Principle

3

### Employee Wellbeing

At Hero MotoCorp employee wellbeing continues to be a top priority & HMCL keep exploring opportunities to cater to the changing needs of its employees. All our manufacturing facilities are certified with ISO -45001 (International Occupational health & safety management system and standards) and the Company endeavor to implement best practices in occupational health and safety management.

When COVID-19 was declared as pandemic by the World Health Organization (WHO) on 11 March 2020, Hero MotoCorp was the first automobile company to suspend its operations w.e.f 22 March 2020 for health and wellbeing of employees even before the lockdown was announced by Government. HMCL resumed its operations in May 2020 as per the guidelines stipulated by the Ministry of Home Affairs, Government of India.

During the year under review, Company continued to put stress on the various initiatives already prevalent and take new initiatives taken in 2020-21 to further foster culture of well-being.

Key focused initiatives were as follows:

1. **Support during Pandemic** – To support the employees, HMCL arranged programs to provide physical, mental, psychosocial and emotional support to the employees during and after the lockdown. To boost the immunity, immunity booster kits were distributed free of cost to the employees. Additional medical insurance coverage was taken to cover hospitalization cost in case of Covid-19.
2. **Healthy Heroes Campaign** – To promote awareness around health measures, preventive approach to diseases and inculcating healthy food habits. Programs on Online Stress management, Yoga, Laughter Yoga and meditation sessions were arranged regularly under **Yes Heros can** initiative. New ergonomic interventions have been done at workplace by

introduction of Anti fatigue mats on assembly lines to reduce work related fatigue and musculoskeletal discomfort of workforce.

3. **Talent and Sports Policy for Employees and Children** – To encourage, support and reward talented employees to nurture their hobby and passion.
4. **Paternity, Adoption and Day care policy revision** – To celebrate parenting and support our colleagues in having work-life balance.
5. **Group Life Insurance Coverage and Group Personal Accident coverage** – To extend additional monetary support to our employees to cover any unfortunate and unforeseen event.
6. **Spouse and Children employment policy** – To provide fair and transparent opportunities for employees to refer their children / spouse for employment.
7. **Diversity & Inclusion** – At Hero MotoCorp, we believe a diverse and inclusive workplace makes us all stronger. Engaging different thoughts and sharing insights broadly has helped make us the organization we are today. Therefore, we are committed to creating a truly inclusive organization with a culture that values, respects and encourages diversity.
8. **Project Tejasvini** – Hero MotoCorp's journey for D&I started with its setting up of the Diversity and Inclusion Agenda for itself and took up the challenge of introducing "**Women at Shopfloor**" through its Project- **Project Tejaswini**. Till now we had around **980** female employees on the shop floor around all the locations, ably matching shoulders with their male counterparts and delivering in all walks of operations.
9. **Woman in leadership** – Women's day at Hero MotoCorp marked the successful completion of **Batch 4 of Women in Leadership (WIL) Program**, who joined us virtually this year and the degrees were virtually presented to **22 graduating women**.
10. **Hero Virtual Learning Classroom (HVLC)** – Coronavirus disease (COVID-19) pandemic has led to massive changes, as a proactive measure 'Hero Virtual learning classroom' full-scale product training session through e-modules on the Company's internal virtual learning platform. The WIL program was launched in association with BML Munjal University with an aim to build the leadership pipeline of women executives in the organization. This 9-months long program has been specially designed for women in mid and junior level of management so that they can realize their leadership potential and make significant contributions to themselves and the organization.

Through these initiatives, Company has been putting efforts in making Hero MotoCorp a global employer of choice.

1. Total number of employees: 8793
2. Total number of employees on temporary/ contractual/casual basis: 22646
3. Number of permanent women employees:402
4. Number of permanent employees with disabilities: 57

5. Number of employees (permanent/temporary/ contractual/ casual basis) with disabilities: 66
6. Employee association recognised by management: Hero MotoCorp Workers Union, Gurgaon Plant; and Hero MotoCorp Workers Union, Dharuhera Plant.
7. Percentage of permanent employees who are members of this recognised employee association? 100% (confirmed workmen)
8. 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.

No.	Category	No. of complaints filed during the financial year	No. of Complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual Harassment*	2	0
3.	Discriminatory employment	Nil	Nil

\*During the year under review, 2 complaints were received and one complaint was pending from the previous year. All complaints have been disposed-off and no complaint is pending as on March 31, 2021.

9. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees (All plants & CIT) : 49.0%
  - (b) Permanent Women Employees : 83.6%
  - (c) Casual/Temporary/Contractual Employees : 100.0% (All plants & CIT)
  - (d) Employees with Disabilities : 97.6%

**Principle 4**  
Stakeholder Engagement

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

Yes, the Company has mapped and identified its internal and external stakeholders, including disadvantaged, vulnerable and marginalized stakeholders. We recognize employees, customers, shareholders, NGOs and communities, dealers, suppliers, investors, media, government, regulators, peers and industry ecosystem as our key stakeholders.

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

The disadvantaged and vulnerable stakeholders include differently-abled employees, women and rural communities

in the vicinity of its plants. Additionally, there is a mechanism to continuously engage with all our stakeholders (internal and external). This helps us in identifying their needs and priorities and allows us to serve these needs accordingly. We are committed towards proactively engaging with all our employees, communities, business associates and customers who may be disadvantaged, vulnerable or marginalized and take various initiatives, like carrying out CSR activities for them.

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

**Differently abled employees:** Hero MotoCorp is an equal opportunity employer and provide equal opportunities to differently-abled, marginalized and people from economically weaker backgrounds. All employees have equal opportunity on career growth, coaching and mentoring. Key highlights of initiatives taken for this section are as under:

- a) Skill training and placement for specially abled girls.
- b) Aids and surgery support to specially abled people.
- c) Organizing of camps for health and other recreational activities.

**Women:** During the year, the Company enhanced its efforts on overall development of women with focus on education. Key highlights of the drive are given below:

- a) Organising literary classes as well as skill development programmes.
- b) Imparting of science education and training.
- c) Career counselling sessions for rural girls.
- d) Organisation of camps for health and other recreational activities.

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

**Principle 5**  
Human Rights

**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?**

As a socially responsible organization, the Company is committed to protect and safeguard human rights. The Company has put in place a Code of Conduct and expect its stakeholders to adhere and uphold the standards contained therein. Whistle Blower Policy of the Company is applicable to not just the Company, but it also extends to all our direct and indirect subsidiaries, and all their employees and directors whether working in India or not. The Policy also extends to our consultants, vendors, suppliers, dealers, customers and contractors working for and/or on behalf of any of the group



entities. This policy provides a platform to these stakeholders for reporting suspected unethical behaviour, malpractices, wrongful conduct, fraud, violation of the Company's Policies including Code of Conduct, violation of law or questionable Accounting or Auditing matters by any employee/ director in the Company, leak of any unpublished price sensitive information (UPSI) or any suspected leak of UPSI, unethical behavior, malpractices, fraud or violation of the Company's policies without fear of reprisal and help in eliminating any kind of wrongful conduct in the system.

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

During FY 2020-21, 48 complaints were received through various reporting channels. 30 of these have been investigated and acted upon, 4 cases were reviewed and handed over to HR for closure, 6 cases were reviewed and handed over to Sales and After Sales for closure and remaining 8 cases are currently under investigation. 4 pending cases from 2019-20 were also investigated and concluded.

**Principle**

**6**

Restoration of Environment

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

Value chain partners including the suppliers, dealer, contractors and other business partners are key stakeholders in our business cycle. We have sustainable procurement guidelines in place. Our sustainability policy clearly mentions to integrate sustainability considerations in all our business decisions throughout the lifecycle of our products, services, business travel and logistics including our value chain.

<https://www.heromotocorp.com/en-in/about-us/key-policies.html>

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

Yes, HMCL has developed strategies and initiative for addressing the global environment issues like climate change and global warming. The environment Policy of HMCL clearly indicates its commitment for Protection of environment through prevention of pollution and reducing environmental risk, climate change mitigation and adaptation, protection of biodiversity and ecosystems.

Further, HMCL has also spelled out its ambitious targets around Carbon neutrality by 2030 for its operations, 500% water positive and to be waste neutral by 2025. Company is also working around specific climate risk framework like TCFD which shall be firmed up in couple of years.

Further Description on Climate Change Mitigation Strategy is available in our Sustainability Report FY 2020.

[https://www.heromotocorp.com/en-in/uploads/sustainability\\_report/SR-2020.pdf](https://www.heromotocorp.com/en-in/uploads/sustainability_report/SR-2020.pdf)

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

Yes, the Company has 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 Environmental Management System Certifications of ISO – 14001. Company has upgraded the Environmental management system of all its plants to the latest version of ISO 14001: 2015. All plants are also certified for Occupational Health and Safety Management system certification of ISO 45001. New elements of the environmental aspects like life cycle perspective and risk based issues have been addressed in the updated system.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Currently, the Company has not registered on any Clean Development Mechanism (CDM) project, however, HMCL is aggressively working of Non fossil based energy initiatives and also participating in Carbon disclosure project (CDP).

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

Energy conservation initiative, energy efficient technologies have been on the top focus in HMCL's operations. HMCL believes actions around energy bring direct benefit to bottom-line and to the climate. Some of key energy initiative undertaken during the year are as under:

- a. Dharuhera Plant has implemented several energy conservation projects like compressor efficiency improvement i.e. (KWh/CFM) resulting in saving of 2500 units per day, many other initiatives for reducing energy loss, power saving circuits, occupancy sensor, energy efficient lighting etc. resulting in an overall saving of 10000 units per day.
- b. Gurgaon plant implemented a unique real time system for controlling and monitoring comfort cooling load resulting in saving of 4500 units per day. Other initiatives include ETP pump optimizations which included savings of 79000 units per year.
- c. Haridwar plant achieved energy efficient by adopting process estimation and energy efficient equipment resulting in annual saving of 9 lacs units.
- d. CIT adopted loss elimination techniques and technology improvement in the centralized air handling systems,

adiabatic pad installation and other R&D equipment resulting in an annual saving of 1.5 lacs unit.

- e. Neemrana Plants having undertaken process optimization and improvements in compressed generation, VFD optimization and management resulting in an annual saving of 2930 units per day.
- f. Halol Plant has implemented project on improvement in comfort cooling system, Hot Water generator operation optimization and compressed air system resulting in savings of 4600KWh/day.
- g. Newly commissioned plant at Chittoor has implemented a unique smart utilities cockpit concept for real-time monitoring and control of all utilities.

Non-Fossil Based Power – Solar footprint at HMCL has increased to 10.2MW with the potential generation of 12 million units annually.

**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.**

Nil.

**Principle**

**7**

Policy Advocacy

**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.**

As one of the biggest automotive manufacturers in India, Hero MotoCorp has a constant dialogue with the national and international bodies to provide industry with specialized information and knowledge. The major associations we engage with are the Confederation of Indian Industry (CII), Gurgaon Chamber of Commerce & Industries and Society of Indian Automobile Manufacturers (SIAM). Hero MotoCorp has a constant dialogue with the relevant bodies to provide specialized information supporting in shaping policies.

**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)**

Hero MotoCorp engages with CII in one of its flagship initiatives – GreenCo Rating System which focuses on Sustainable practices benefiting the society at large. Hero

MotoCorp supports CII in extending this initiative in creating a Green Community wherein different OEMs and supply chain partners evaluate themselves on Green practices and get benefitted by strengthening/adopting the green philosophy.

Hero MotoCorp also engages with SIAM on various platforms – product safety, emissions rules for BS regulations, CMVR related protocols on vehicle emissions, Recycling and Battery management. One such current engagement is on the End of Life Vehicle strategy where in HMCL is providing the necessary inputs for shaping the policy framework on vehicle scrapping and recycling mechanisms. This is a part of responsible and sustainable business practice at HMCL.

**Principle**

**8**

Inclusive Growth

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

Yes, the Company has a Corporate Social Responsibility (CSR) Policy which derives its core values and covers all aspects as per requirements of the Companies Act, 2013 (Act), Rules prescribed thereunder and Schedule VII of the Act. All the flagship CSR programmes and activities have been conceptualized in pursuit of the CSR Policy. The CSR Committee comprising the Board members along with the top management and leadership and also the stakeholders ensure that the outcomes of all the programmes meet the CSR Policy guidelines and are in sync with the international best practices. The larger objective of the CSR programmes is to protect and conserve the environment and bring about positive socio-economic change in the society.

The Company undertakes purposeful activities with the goal to maintain and improve the state of environmental resources affected by human activities. The environment management aims towards ensuring that the ecosystem services in areas where we operate are protected and maintained for equitable use by future generations. The Details with respect to CSR projects or programs undertaken by the Company during the last financial year can be viewed from the Annual Report on CSR.

As per of CSR initiative, Company distributed 23 lakh meals, 34000+ ration kits, 37201 litres of sanitizers, 44 lakh face masks and 44000+ PPE kits to the government hospitals, police departments and other agencies to fight Covid-19. Company has also handed over 60 unique First Responder Vehicles (FRVs) to the government authorities, to be used as an ambulance.

**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 specialized agencies/NGOs and government departments.

### 3. Have you done any impact assessment of your initiative?

Company regularly monitors the CSR initiatives to understand the impact of the same. As required as per law, the impact assessment of eligible CSR projects of 2020-21 will be undertaken in the coming financial year.

### 4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The programmes are undertaken either directly or through specialized agencies/NGOs and government departments. During the year, Company spent ₹99.73 crore on CSR projects.

Some of the community adopted projects are as under:

#### Environment:

- All trees planted for community are mainly nurtured by the community members.
- LED lights are made, maintained and repaired by the community youth, which also has created a source of additional income for some.
- Solar streetlights, water ponds, check dams, community halls and all such elements are under ownership of their respective panchayats.

#### Education:

- The ownership of school infrastructure including the digital/IT equipment lies with the school principal and teachers who also involve students in maintaining them for their longevity.
- Local trainers and teachers are preferred for skill institutes and remedial classes to keep community involved and engaged.

#### Healthcare:

The community is involved in essential decision making with regard visit days and common locations for healthcare vans and also ensures that they continue to operate seamlessly.

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, communities around Company's areas of operation are the first stakeholders of its social initiatives. Company consistently engage with the community with its collaborative and participatory approach in order to ensure that it adopts and takes ownership of the projects as that is the best way to ensure long-term sustenance of projects. While conceptualizing a project, the team ensures that project is viable enough to be adopted and sustained by communities beyond the initial support by the Company. Relevant stakeholders including gram sarpanch, ex panchayat members, opinion makers, school principal, teachers and others become an essential part of the project team and help in execution and monitoring.

## Principle

9

### Customer Value

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

As on 31st March 2021, 2.2% of the total customer complaints received during the financial year were pending.

#### 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, the details on information label are as per the requirements of the Legal Metrology Act, 2009 and Rules made thereunder. The Company voluntarily and actively informs all its dealers about any changes in product packaging through notices and circulars. It has 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. The spare parts come with a customer toll free number, address and email ID, where consumers can reach our executives with feedback, grievances and even queries regarding the products. Besides, consumers can also log on to the website of the Company and give their feedback or register complaints. In order to check the genuineness of spare parts, a Unique Part Identity (UPI) number is printed on the Maximum Retail Price (MRP) label of the spare part. The Company also runs campaigns informing customers about the same.

#### 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? If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertisement and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year.

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

Yes, as part of our stakeholder engagement strategy, the Company undertake studies to measure customer satisfaction with sales process, service process and for the new products launched last year through a third party research agency and benchmark vis-a-vis competition. In addition, brand track study continues on a continuous basis to gauge health of the product brands as well as corporate brand with respect to competition. Acceptor rejecter studies are carried out on a need basis to complement the above studies.