

ANNEURE-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	34, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110 057, India
Website	www.heromotocorp.com
E-mail Id	secretarialho@heromotocorp.com
Financial Year reported	2018-19
Sector(s) that the Company is engaged in (Industrial activity code-wise)	Group*: 309 Class : 3091 Sub-Class: 30911 Description: Manufacture of motorcycles, 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 Company manufactures the parts of motorcycles and scooters as well.
List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> • Motorcycles, • Scooters and • Parts thereof
Total number of locations where business activity is undertaken by the Company	We are present in 36 countries outside India:
Number of International Locations (Details of major 5)	<p>Asia - Bangladesh, Myanmar, Nepal and Sri Lanka.</p> <p>Africa & Middle East - Angola, Burkina Faso, DR Congo, Ethiopia, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Madagascar, Mozambique, Nigeria, Tanzania, Uganda, Egypt, Iran, Turkey and UAE.</p> <p>Americas - Argentina, Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Guyana and Trinidad & Tobago.</p> <p>HMCL recently incorporated a Tech Center in Germany.</p>
Number of National Locations	<p>Headquartered in New Delhi, we have manufacturing plants in 5 locations in the country:</p> <p>State/Union Territory Location</p> <p>Haryana : Dharuhera & Gurgaon</p> <p>Uttarakhand : Haridwar</p> <p>Rajasthan : Neemrana</p> <p>Gujarat : Halol</p> <p>Company's 6th Plant is being setup at Chittoor (Andhra Pradesh).</p> <p>HMCL also has a Global Parts Centre for supplying the parts at local and global market at Neemrana, Rajasthan and Global Centre of Innovation and Technology (CIT) at Jaipur, Rajasthan.</p>
Markets served by the Company - Local/State/National/International	HMCL has a global footprint that serves both "National and International markets". International markets are served through exports, incorporating exclusive distributors, wholly owned subsidiaries and Joint Ventures. Currently, HMCL caters to 37 countries and are committed to expand its footprint to 50 countries by 2020.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 39.95 crores
2	Total Turnover (INR)	₹ 34,341.79 crores
3	Total profit after taxes (INR)	₹ 3,384.87 crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The total spend on CSR for 2018-19 is ₹ 101.95 crores which is more than 2% of average net profits of the last three financial years.

Activities in which expenditure in 4 above has been incurred:

1	Environment - Tree Plantation, Solar Lights, LED Lights
2	Promoting preventive health care and sanitation
3	Promoting education and vocational skill development for children and women and promoting Road Safety Awareness
4	Promoting Sports
5	Women Empowerment and Community Development
6	Army Wives Welfare
7	CM Relief Fund
8	Rural development projects

SECTION C: OTHER DETAILS**1. Does the Company have any Subsidiary Company/ Companies?**

Yes. We have 6 subsidiaries (including step down subsidiaries) outside India and 1 subsidiary in India. Details of the same have been provided in another 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%].

HMCL actively engages with its suppliers through its BR initiatives. Currently, percentage of suppliers under the Green Vendor Development Program (GVDP) is more than 66% of total Tier - I supplier universe and suppliers are continuously added to this program.

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 : Whole Time Director

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	Whole Time Director
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.

Principle 1: **Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

Principle 2: **Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

Principle 3: **Businesses should promote the wellbeing of all employees.**

Principle 4: **Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

Principle 5: **Businesses should respect and promote human rights.**

Principle 6: **Businesses should respect, protect, and make efforts to restore the environment.**

Principle 7: **Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

Principle 8: **Businesses should support inclusive growth and equitable development.**

Principle 9: **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 Organisation (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 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.

*** The policies are mapped to each principle as under:

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

**** Available on Company's intranet

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not Applicable

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 regularly monitors the BR initiatives and a complete assessment is done at the end of financial year.

- (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 HMCL's sixth 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 - HMCL has released its first 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?

The policies under this principle include (a) Code of Conduct and (b) Vigil Mechanism/ Whistle Blower Policy.

The Code of Conduct is based on eight fundamental principles. Our Code captures global best practices. The Code of Conduct conforms to the CODEX as researched and published by Harvard Business School Publishing (HBSP).

The executive employees of HMCL 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 also communicated to all stakeholders via our website and annual reports. Communication campaigns are regularly carried out to further strengthen awareness of Code of Conduct. Additionally, an e-learning module is being used to ensure understanding and acceptance to adherence.

While the above-mentioned policies/codes are currently not applicable on the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others, the Company plans to extend the applicability of the same to other entities going forward.

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.

16 complaints were received with regard to violation of the Code of Conduct in 2018-19. 13 of these cases in FY 2018-19 have been investigated and appropriate actions were taken and remaining cases are currently under investigation.

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:

- i3S Technology** : Horizontal Deployment of i3S technology in selected models (Destini 125, HF Deluxe, Super Splendor, Passion Pro and Glamour etc.) to enhance the fuel consumption optimisation in the models by automatically switching Off the Vehicle in static condition & instantaneously switching On the Engine enabling the Rider to move at his will.
- Anti Lock Braking System (ABS)** : Horizontal deployment of ABS in 150 CC and above models for enhanced stability while braking to prevent the wheel from locking up and helps to retain steering control under different road surface conditions.
- Removal of Hazardous Substances / Processes (RoHS / ELV)** : Removal of hazardous substances (RoHS / ELV compliance) and processes for hexa free chromate pre-treatment and platings to enhance health and safety norms socially and environmentally.
- Integrated Braking System (IBS)** : Implementation of IBS (Integrated Braking System) successfully implemented across the models to enhance rider safety.

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

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Standardization of Supply chain partners achieved with the procurement of standard components for i3S and IBS technology.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Implementation of i3S technology optimises fuel consumption in the above models by automatically switching Off the Vehicle in static condition

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

Yes. The Company has taken few initiatives in past years, wherein sustainable sourcing has ensured its sustainable procurement guidelines. Following are the key initiatives taken during the FY 2018-19.

- Leveraging Industry experts (ACMA & CII) to upgrade the current supply chain to be future ready through inclusive learning by means of Basic & Advance Hero Supplier Excellence cluster program. Through this initiative we have touched upon 100 Tier1, Tier 2 suppliers & achieved remarkable improvement in Productivity, Quality and Delivery aspect of the business. On this front, efforts taken by Hero were recognized by ACMA and awarded Hero MotoCorp for "Driving Transformation In Indian Automotive Industry"
- 20 new Suppliers plant were added in Green Vendor Development Program (GVDP) on World Environment Day i.e. June 5, 2018. A new initiative was also undertaken under GVDP i.e. De-Risking of Supply Chain Partners (SCP) from major fire & Safety hazards. 20 SCPs were covered in the first phase & safety audit is in Process .
- 10 new suppliers were enrolled for new parts quality upgradation for direct on line supplies in Program SCOPE (Supplier Certification of Parts Excellence), in FY 2018- 19. Sustenance of these suppliers will be carried forward in F.Y. 2019-20 also.
- Returnable Packaging concepts introduced for Halol, Gujarat for better volumetric utilization which helps to reduce number of return trips by 50% for A class parts delivered from NCR.
- Reduction in Carbon Footprint in In-bound vehicles & reduction in trucks requirement with better utilization
 - o New Packing implemented for long haul transportation for parts like cylinder block and other items resulting in higher volume utilization of inbound vehicle and reducing trucks requirement.
 - o Logistics integration for outbound and inbound vehicles has helped organization to being more cost efficient in long haul operation.
 - o New truck designing concepts like side unloading and double decking implemented in logistics

which benefitted in better loading / unloading turnaround time & vehicle volume utilization.

- o Alternate fuel usage is being encouraged in the inbound logistics operation. CNG vehicles introduced in IBL operation in Dharuhera.
- o Network designing and packing improvement has resulted in 12 % cost reduction in inbound logistics cost in Neemrana plant.
- o Redesigned "Global Part center supply chain" by implementing pre-packed incoming material from selected supply chain partners for close to 10000 Parts leading to increase in productivity & leaner 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?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Localisation is paramount to sourcing strategy and the Company is procuring goods and services from local supply chain partners which includes large, mid-size and small scale industries who meets our 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%).

Yes, the Company has a mechanism for recycling its waste. HMCL has installed Zero Liquid Discharge (ZLD) Plants comprising of Primary, secondary, tertiary, Reverse osmosis and Multi-effect evaporators for its trade effluent where 100% of its trade effluent is recycled back to the process. About 40% of the treated domestic effluents is recycled and converted to soft water, used in cooling towers and remaining is re-used in green belt maintenance. 90% of the paint sludge is co-processed as energy source to cement kilns. Remaining portion is either recycled and re-used as primer on the product or incinerated to recover waste heat for process heating. Other hazardous waste like ETP sludge, phosphating sludge, grinding sludge are also co-processed as resource to the cement kilns.

Principle 3: Employee Wellbeing

At Hero employee wellbeing continues to be our priority & we keep exploring opportunities to cater to the changing needs of our employees. Various initiatives have been taken in the last year to further foster culture of well-being.

Key initiatives are as follows:

1. **Healthy Heroes Campaign** - To promote awareness around health measures, preventive approach to diseases and inculcating healthy food habits
 2. **Talent and Sports Policy for Employees and Children** - To encourage, support and reward talented employees to nurture their hobby and passion
 3. **Paternity, Adoption and Day care policy revision** - To celebrate parenting and support our colleagues in having work-life balance
 4. **Group Life Insurance Coverage and Group Personal Accident coverage** - To extend additional monetary support to our employees to cover any unfortunate and unforeseen event
 5. **Spouse and Children employment policy** - To provide fair and transparent opportunities for employees to refer their children / spouse for employment
9. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - (a) Permanent Employees : 62.51%
 - (b) Permanent Women Employees : 67.74%
 - (c) Casual/Temporary/Contractual Employees : 70.44%
 - (d) Employees with Disabilities : 72.41%

Through these initiatives, we are putting efforts in making Hero a global employer of choice.

1. Total number of employees: 8551
2. Total number of employees hired on temporary/contractual/casual basis: 22992
3. Number of permanent women employees: 279
4. Number of permanent employees with disabilities: 57
5. Number of employees (permanent/temporary/contractual/casual basis) with disabilities: 61
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*	4	1
3	Discriminatory employment	Nil	Nil

*During the year total 4 complaints were received, 2 were disposed off, 1 withdrawn. One of the complaint was disposed off on 09.04.2019.

Principle 4: Stakeholder Engagement

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

Yes, the Company has mapped and identified external stakeholders, including disadvantaged, vulnerable and marginalised stakeholders. These stakeholders include employees, customers, NGOs and communities, dealers, suppliers, investors, media, government, regulators, peers and industry ecosystem.

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.

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

Differently abled employees: HMCL 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.

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 organisation, 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.

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

16 complaints were received with regard to violation of the Code of Conduct in FY 2018-19. 13 of these cases in FY 2018-19 have been investigated and requisite actions have been taken and remaining 3 cases are currently under investigation.

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.

The policy on environment extends to the suppliers and dealers through "Green Dealer Development Program", "Green Vendor Development Programme" and "Green Charter". HMCL is in the process of finalising its comprehensive Sustainable procurement guidelines which are under final review. These guidelines will be part of agreements with our value chain partners.

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.

At Hero MotoCorp, we believe in sound and sustainable environmental practices. Since inception we have cared for the environment and 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. Some of the initiatives taken are briefly explained below:

1. Our commitment towards sustainability efforts to demonstrate Garden factory theme "Sustainable Plant - Sustainable Planet" & "Manufacturing Happiness" is fulfilled by using Zero Waste to Landfill approach, which was taken up by Neemrana plant as a challenge in April 2018. The effort of ZWL underwent certification process benchmarked with international practices which focused on Reduction of waste at source, Regulatory compliance, Mass

balance & Mass flow cost accounting. Neemrana Plant achieved Zero Waste to Landfill for diversion rates more than 99% after pre-assessment and final certification audit from source generation to end disposal.

2. HMCL has installed Water-Maker at its Vadodara Plant, Gujarat. The Water-Maker solution uses a unique technology of optimized dehumidification to extract and condense moisture present in the air to produce purified drinking water. Unlike RO and desalination systems that waste 70% of the water as reject water, there is no water wastage and each unit can generate about 19.2 KL RO quality water.
3. Flue gases coming from baking oven of paint shop contains large amount of VOCs, which although non-toxic in nature but inhaling for long time can cause various health problems such as respiration, skin irritation. The flue gases are treated in an RTO (Regenerative thermal oxidizer) system by passing them through combustion chamber at a high temperature of 850°C approx. and then converted into non-harmful CO₂ and water vapour which is then released into the atmosphere. RTO system is energy efficient as the fuel consumption is low.

The other details can be accessed on the website of the Company at: <http://www.heromotocorp.com/en-in/about-us/we-care-green-manufacturing.html>

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. HMCL has upgraded the Environmental management system of all its plant to the latest version of ISO 14001: 2015. All plants are also certified for Occupational Health and Safety Management system certification of OHSAS - 18001 and gradually upgrading the new ISO:45001.

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, HMCL does not have any Clean Development Mechanism (CDM) project.

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.

Yes, HMCL has undertaken several environment protection related initiatives on clean technology, energy efficiency and renewable energy. In our operations, a good energy indicator of energy consumption is determined by the number of vehicles produced or by the sales. Hence, 'energy intensity' of our production processes is determined in terms of sales or units produced. Our energy consumption has reduced from 1.40 PJ in FY18 to 1.39 PJ in FY 19. Some of the energy saving projects are as under:

1. **Solar Powered SmarTree:** HMCL has installed solar panels arranged in tree styled arrangement, with Azimuth Tracking system, where solar panels rotates in the sun's daily movement path and hence is 20% more efficient than fixed type solar panels. This initiative has resulted in CO2 reduction of about 9.5 Tons/annum.
2. **Canteen Dish Washing Machine using Solar Thermal:** Hot water generated from Solar Thermal installation at Gurgaon plant is being used for supplying hot water to the Canteen Dish Washing Machine. The installed solar dish has low aperture area which results into higher thermal efficiency in comparison to a single big dish has led to CO2 reduction of almost 50.3 Tons/annum.
3. **Energy Efficient Heat Pump:** The existing electric heaters in the Crankshaft Washing machine were replaced by energy efficient compression type heat pump, which releases more heat and consumes less amount of energy, hence the calculated energy savings was approximated at 0.87 LKWH/Annum (9.2 Lakh/Annum Approx.).

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

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.

The names of major associations are as follows:

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

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)

Road Safety is the most important though often neglected aspect of driving. HMCL strongly champions the cause of road safety through several initiatives and we steadily works with associations along with a cross-section of other stakeholders that include governing/enforcement agencies, commuters, corporates, schools/colleges and special groups on aspects germane to road safety.

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 various aspects as per requirements of the Companies Act, 2013. The Policy has been developed considering the requirements of Companies Act, 2013, the organization's focus as well as international best practices. It's fundamentals are based on inputs from top management and all stakeholders.

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.

HMCL's efforts during the year were focussed on the following project or activities:

S. No.	Project or activity identified	Project Details
1	Environment - Tree Plantation, Solar Lights, LED Lights	7.6 Lakh tree plantation at Delhi NCR, Indore, Chandigarh, Uttarakhand, Chennai, Ahmedabad and near to our Offices PAN India. 7,332 Solar street lights and 57,538 LED lights installed.
2	Promoting preventive health care and sanitation	Preventive health care camps in rural area and schools. Free Medical facility to 1,03,016 patients. 308 toilets built in 41 Government schools in Haryana, Rajasthan, Uttarakhand and Gujarat.
3	Education promotion and vocational skill development for children and women and Promoting Road Safety Awareness	Construction and Renovation of schools infrastructures at Haryana, Rajasthan, Uttarakhand and Gujarat. Education promotion program in Delhi, Haryana, Rajasthan, Uttarakhand and Gujarat. Road Safety Education at PAN India.
4	Promoting Sports	Promoting rural sports, Khel Mahakumbh of states, sports academy for underprivileged and Paralympic sports.
5	Women Empowerment and Community Development	Women Empowerment, Community development and Promoting socio economic development awareness through all media.
6	Army Wives Welfare	Supporting Army Wives Welfare Association and CRPF Wives Welfare Association.
7	CM Relief Fund	Contribution to CM Relief Fund.
8	Rural development projects.	Supporting various rural development projects i.e. water management, waste management, awareness of government schemes etc.

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?

Yes, a structured impact assessment of the initiatives was conducted. The Company has received a positive feedback of its efforts from the community and environment.

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.

Project	(₹ in crores) for FY 18-19
Environment- Tree Plantation, Solar Lights, LED Lights	26.24
Promoting preventive health care and sanitation	3.47
Education promotion and vocational skill development for children and women and Promoting Road Safety Awareness	61.01
Promoting Sports	2.63
Women Empowerment and Community Development	5.36
Army Wives Welfare	0.51
CM Relief Fund	1.00
Rural development projects.	1.73

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

Yes, adoption of project by community to ensure sustenance is a key focus area for our CSR Projects. We work very closely with communities ensure that our projects are not only adopted but they are continued and sustained within communities beyond the initial support by HMCL.

While doing the projects, we involve relevant stake holders like gram sarpanch, ex panchayat members, opinion makers, school principal, teachers and others while executing and monitoring. We also involve beneficiaries and make them responsible for making project self-sustainable in long term. Just to give some examples:

- LED lights that we gave in various villages are repairable – and the local people (mainly ladies and children) are trained to assemble and repair them. This ensure not only the fact that LED lights are working at all times but people earn some money in repairing and even assembling and selling new LEDs.
- When we form Self Help Groups (SHGs) while we provide initial support and training, we work with them to make them self-sustainable.
- Fruit tree planted at community are maintained by community with our support for initial three years.
- While we provide or build physical infrastructure in schools or carry out repairs etc., we ensure there is ownership of school principal, teachers and students so that maintenance is taken care. Our

teams do regular audit and monitoring and provide support as may be required.

- When we put solar lights, we work with sarpanch and even residents of nearby houses to own them – we provide them with details of maintenance agency whom they can contact in case of issues.

Similar actions are done in other projects. This all is supplemented by regular audits, monitoring and behaviour change sessions with community.

Principle 9: Customer Value

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

As on the end of FY 2018-19, 1.12% of total customer complaints are pending. The complaints are insignificant in comparison to the number of customers.

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. HMCL 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 MRP label of the spare part. HMCL 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?**

HMCL continues to 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. Also, a brand track study was conducted on a monthly basis to gauge health of the product brands as well as corporate brand vis-a-vis competition.