

TVS MOTOR COMPANY LIMITED

BUSINESS RESPONSIBILITY REPORT (BRR)

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Introduction

TVS Motor Company Limited (TVS Motor or TVSM) is one of the largest two-wheeler manufacturer in India, with a revenue of Rs. 13,363 Cr for the year 2016-17.

The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating an enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report provides an overview of the activities carried out by the Company under each of the nine principles as outlined in NVG.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L35921TN1992PLC022845								
2.	Name of the Company	TVS Motor Company Limited								
3.	Registered office address	"Jayalakshmi Estates", No. 29 (Old No.8), Haddows Road, Chennai - 600 006								
4.	Website	www.tvsmotor.com								
5.	E-mail id	contactus@tvsmotor.com								
6.	Financial Year reported	2016-17								
7.	Sector(s) that the Company is engaged in	Manufacture of two-wheelers and three-wheelers <table border="1"><thead><tr><th>NIC Code</th><th>Description</th></tr></thead><tbody><tr><td>30911</td><td>Motorcycles, Scooters, Mopeds</td></tr><tr><td>30912</td><td>Three-wheelers</td></tr><tr><td>30913</td><td>Parts & Accessories</td></tr></tbody></table>	NIC Code	Description	30911	Motorcycles, Scooters, Mopeds	30912	Three-wheelers	30913	Parts & Accessories
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30912	Three-wheelers									
30913	Parts & Accessories									
8.	Three key products/ services that the Company manufactures/provides	1. Two-wheelers 2. Three-wheelers 3. Parts & Accessories (Please refer to Company's website for complete list of its products)								
9.	Total number of locations where business activity is undertaken by the Company:									
	i. Number of International Locations -	TVSM does not have any manufacturing unit outside India. However, its overseas subsidiary viz., PT TVS Motor Company Indonesia has a manufacturing facility in Karawang at Indonesia.								
	ii. Number of National Locations -									
	A. The Company has three manufacturing locations:									
	1. Post Box No. 4, Harita, Hosur - 635 109, Tamil Nadu, India.									
	2. Post Box No. 1, Byathahalli Village, Kadakola Post, Mysuru - 571 311, Karnataka, India.									
	3. Bhatian Village, Bharatgarh Road, Teh. Nalagarh, Solan District - 174 101, Himachal Pradesh, India.									

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B. The Company has Area Offices across pan India.

C. The sales and marketing office of the Company is situated at TVR Pride, No.383, 16th Main, 3rd Block, Koramangala, Bengaluru 560 034, Karnataka, India.

10.	Markets served by the Company - Local/State/National/ International	TVS Motor's vehicles and services cater to the entire Indian market. The Company's vehicles are already being marketed globally with footprints in Asia, ASEAN, LATAM and African countries.
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Section B: Financial details of the Company

1.	Paid up Capital	Rs.47.51Crores
2.	Total Revenue	Rs. 13,363 Crores(Standalone)
3.	Profit after tax	Rs. 558.08 Crores (Standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of net profit	Rs.9.19 Crores (Being more than 2% of the average net profits for the three immediately preceding financial years)
5.	List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> • Eradicating hunger, poverty, promoting preventive health-care and sanitation and making available safe drinking water; • Promoting education, including special education and employment enhancing vocational skills especially among children, women and livelihood enhancement projects; • Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups; • Ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; • Rural development projects; and • Health care activities.

Section C: Other Details

1.	Does the Company have any Subsidiary Company / Companies ?	Yes. The Company has Ten subsidiaries based both in India and abroad as on 31 st March 2017.
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)	<p>Yes. The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives.</p> <p>All the Company's subsidiaries are guided by the Company to conduct their business in an ethical, transparent and accountable manner.</p> <p>It encompasses suppliers, customers, employees and other stakeholders.</p>
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%]	Suppliers, distributors are critical to the Company's operations and supply chain sustainability issues can impact the operations. The Company engages with suppliers through various channels for operational issues and also focuses on emerging and futuristic technologies.

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The suppliers and vendors are provided awareness on environmental and social issues. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company.

Special emphasis is laid on skill development and up-gradation of the dealer and channel partner resources.

Section D: BR Information

1. Details of Director / Official responsible for implementation of the BR policy/policies.

S.No.	Particulars	Director	BR Head
1.	DIN	03601690	N.A
2.	Name	Mr Sudarshan Venu	Mr Manu Saxena
3.	Designation	Joint Managing Director	Vice President Business Planning
4.	Telephone	044 2827 2233	04344 276780
5.	E-mail id	contactus@tvsmotor.com	

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the well-being of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect, protect and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Question	Business Ethics	Product Responsibility	Well being of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for ?	Y	Y*	Y*	Y*	Y*	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders ?	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 (ISO 14001: 2015/ OHSAS 18001: 2007	-	Y	Y
		All the policies of the Company are in compliance with national / international standards wherever applicable.								

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S. No.	Question	Business Ethics	Product Responsibility	Well being of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board ? if yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Mandatory policies viz., Code of Business Conduct and Ethics, Whistle Blower Policy, CSR Policy, Code to Regulate, Monitor and Report trading by insiders have been adopted by the board and other operational internal policies have been approved by the management.								
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
		The implementation and adherence to the code of conduct for employees is administered by the HR Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013. The Environmental, Health and Safety (EHS) policy is overseen by Production Engineering and Enterprise Resource Management Departments.								
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal policies have been communicated to all stakeholders and the same are available on the Company's intranet. Mandatory policies are available on the Company's website in the following link www.tvsmotor.com/policies-adopted-by-the-board								
7.	Does the Company have in-house structure to implement the policy / policies	The Company has established in-house structures to implement these policies.								
8.	Does the Company has a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	The whistle blower mechanism provides employees to report any concerns or grievances pertaining to any potential or actual violation of the Company's Code of Conduct, which covers all aspects of BRR. Each of the policies formulated by the Company has an in-built grievance redressal mechanism.								
9.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit function. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessments. All policies adopted by the Company for ensuring the orderly and efficient conduct of business including adherence to Company's policies have been evaluated annually by an independent external agency as part of internal financial control requirement.								

* The policy is embedded in the Company's Code of Conduct and Quality and environment policies which *inter alia*, relates to safe and sustainable products.

2a If answer to Sr. No.1 against any of the Principle is 'No', please explain why: (Tick upto 2 options)

S. No.	Question	Business Ethics	Product Responsibility	Well being of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principle	-	-	-	-	-	-	-	-	-

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S. No.	Question	Business Ethics	Product Responsibility	Well being of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	P7 The Company through various industry forums endeavors to promote growth and technological progress, economic reforms, inclusive development policies and sustainable business principles. Therefore, there is no need for such policy.								

3. Governance Related to BR

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

The CEO and senior management reviews the BR performance of the Company through their monthly review meetings. The action points that emerge from the discussions at these meetings are reviewed in subsequent meetings to ensure its closure.

- (b) 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 the first BR Report and is published as part of the Annual Report for the financial year 2016-17. The same can be viewed at www.tvs-motor.com.

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 Company acts with integrity in accordance with its core principles of Trust, Value and Service. TVSM has adopted a separate Code of Business Conduct and Ethics (CoBC) which specifically pertains to the Company's Directors and Senior Management one level below the Directors, including all the functional heads.

The CoBC is devised to enable the Directors and Senior Management personnel to strive to perform their duties with highest standards of integrity, accountability, confidentiality and independence. A declaration of the Directors and Senior Management towards annual affirmation to the CoBC is communicated to all stakeholders by the Chairman and Managing Director, through the Annual Report.

TVSM has a well-defined Code of Conduct (CoC) for its employees. All employees are provided a hard copy of the CoC during induction / training. The CoC is intended to guide the employees in treatment of one another, as well as their interaction with customers, suppliers, partners, public officials and other stakeholders.

The principles laid down under the CoC are implemented effectively to drive ethical behaviour at all levels. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in its work contracts to which they are obligated. All suppliers working closely with employees are expected, in their contracts, to understand and comply with this policy.

TVSM is committed to transparency in its financial reporting. TVSM cooperates fully with its auditors and under no circumstances withholds information from them. A robust system for financial controls and processes is maintained to ensure the accuracy and timeliness of financial reporting.

The CoC is implemented and monitored on a regular basis through several mechanisms:

1. On-going training to employees
2. Whistle Blower policy
3. Prohibition of Insider Trading
4. Policy on Fair disclosure of material information
5. Regular updates to Senior Management

The code of conduct to regulate, monitor and report trading by insiders has been adopted for regulating, monitoring and reporting Insider Trading by employees and other connected persons.

Whistle Blower Policy provides a mechanism for stakeholders of TVSM to report their genuine concerns or grievances concerning violations of any legal or regulatory requirements either under the applicable statutes including instances of unethical behaviour, or suspected fraud or violation of CoC or ethics policy, incorrect or misrepresentation of any financial statements, reports, disclosures etc to the Management

There are adequate measures taken to ensure safeguards against victimisation of employees who avail whistle blower mechanism. There is also a provision for direct access to the Chairman of the Audit and Risk Management Committee in exceptional cases.

TVSM is committed for highly ethical practices in dealing with suppliers, awarding business purely based on merit, strong internal control systems, well defined procedure and approval work flow for source selection and price settlements.

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

During the year under review, the Company has not received any complaints with regard to violation of the Code of Conduct.

Principle 2: Product Life Cycle Sustainability

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

- 1) Conservation of resources by reducing the steel content in vehicles (like Apache, StaR City, Victor and Jupiter) without affecting performance, durability and statutory requirements.
- 2) Taken actions to reduce the vehicle exhaust emissions in all the Company's products, adoption of advanced technologies for weight reduction, friction reduction and optimized fuelling.

TVSM's approach towards climate change mitigation focuses on product innovation to improve fuel efficiency and reducing the environmental footprint during product life cycle.

Valuable fossil fuel resources have been conserved by using fuel efficient oil and extending oil drain interval of the Company's vehicles.

3) For customer safety and health, the Company has introduced ANTI-SKID Braking System brakes (ABS) / Combined Braking System brakes (CBS) in 3 of its products. Also better ergonomics is effected in all products.

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

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

- 1) By reducing the steel content up to 1.5 kg in many of the steel frames in the Company's products, 3.66 Million Metric tonnes of CO₂ equivalent Global Warming Potential (GWP) is reduced annually.
- 2) TVSM has achieved significant reduction of Hydrocarbon and NOx emissions in all models. This has helped in meeting BS IV emission norms.
- 3) Achieved improved ergonomics for rider comfort, seating posture considering joint angles to minimize strain to the rider in most of the Company's two-wheelers.

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

By development and use of lubricating oils (TRU4 premium and Synthetic), and extending oil drain intervals from 3000 km to 6000 km, both fuel and oil consumption have been reduced. About 5 Million litres of petrol and 1.2 million litres of oil have been conserved annually. This amounts to reduction of about 11,500 Metric tonnes of CO₂ equivalent GWP annually.

The Company has achieved significant increase in fuel economy of about 7.0 kmpl under standard conditions in its mopeds. By implementing this, 19.21 million litres of fossil fuel is saved and 44576 Metric Tonnes of CO₂ emissions are avoided annually. The Company's three-wheelers with LPG / CNG etc., helps in reducing emission.

TVSM continuously work on improvement of fuel economy. Over last two years, the fuel economy of TVS Sport model has increased by 3 kmpl under standard conditions. This amounts to 0.75 million litres of fuel savings and 1749 Metric tonnes of CO₂ emissions reduction.

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 many initiatives to ensure sustainable sourcing and has encouraged its suppliers to get TS certification and ISO 14001 certification.

Expiry dates of the certificates are monitored regularly through SAP, and auto e-mail reminders are sent to suppliers 90 days in advance.

Periodical system audits at tier 1 suppliers & special process audit at tier 2 suppliers are being conducted for better control. Approved tier 2 supplier list is circulated to all tier 1 suppliers for doing special process, viz plating, painting, powder coating & heat treatment.

Formed Total Productive Maintenance (TPM) clusters with selected suppliers to promote TPM culture across suppliers. External consultants are engaged for TPM activities.

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?**

The Company encourages major suppliers (Tier-1) to set up manufacturing facilities closer to TVSM plant locations.

Major suppliers have set up manufacturing facilities near TVSM plants. The Tier-1 suppliers inturn source their requirements from smaller producers (Tier-2) located in nearby areas. The small producers and local community benefit from this.

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TVSM focuses on building and enhancing capabilities of the supply chain through training and support for improving productivity and quality. The training covers topics like quality management, TPM etc

Currently, TVSM is buying more than 50% of its requirements through local sources. TVSM also actively encourages SHGs (Self Help Group) for supply of indirect material including some canteen requirements. The current procurement from Small Scale Industries is 10% of buying value.

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%).

Products

1. In the product design, efforts have been taken to increase product recyclability and, currently, it is about 90%. This enables the use of recycled input materials, reducing the demand for virgin material and contributing to the conservation of the global resource base.
2. The Company is working on using recycled Poly Propylene (100%) in some components. For example, cover bottom floor & cover fuel tank for two-wheelers are under implementation.
3. Recycled rubbers are implemented in two components of three-wheelers.

Process

1. In process design, all efforts have been taken to minimize the generation of waste viz., water based CED (Cathode Electro Deposition) paint process, powder coating, use of robots in painting, MQL (Minimum Quantity Lubrication)etc.
2. Elimination of hazardous processes like copper plating, bonderising, black chrome plating etc.
3. Consequent to the use of renewable energy (e.g., wind & solar) & EB power, the in-house captive power plant operation is restricted to one day a month. This has resulted drastic reduction of waste oil generation from captive power plant.

Waste

1. Used thinner is distilled and reused in the paint process (overall 90%).
2. The process water in Hosur & Mysuru plants, is recycled upto 80% through Reverse Osmosis & Evaporator Plants. Both the plants have Zero liquid discharge.
3. The treated sewage is used for gardening within the premises (100%).
4. The solid wastes which are hazardous in nature viz., Effluent Treatment Plant sludge (100%) at Hosur and Mysuru sites and which cannot be used in the facility are sent to Cement Industry as raw material for cement manufacturing (Co-processing).
5. Paint sludge/waste containing oil is used for co-incineration (partial replacement to coal) in the cement industry.
6. Used engine oil (100%) which is removed from three-wheeler Export vehicles is being recycled and reused.
7. Other category of used oil viz., treated coolant, hydraulic oil etc., is sent to authorised recycling agency (100%).
8. All other categories of wastes are disposed through authorized agencies.
9. Recyclable packing materials are being evaluated for conservation of resources (reducing Carton boxes usage).

Principle 3: Employee Wellbeing

The Company gives top priority for the employees to ensure their safety and welfare measures. The Company has put in place various policies and measures to ensure the same.

All the employees are provided with subsidized food (breakfast, lunch, snacks and tea) and transportation. Uniform is standardized across all levels/grades.

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Occupational Health Centre (OHC) available on 24/7 hour basis is operating for medical check-up/health of the Company employees.

The Company has provided extended mediclaim policy coverage for the benefit of employees and their family members. Flexi-time benefit is also available for the employees.

Crèche facility is in place for the benefit of women employee's children.

The Company gives training to all the employees on a rotational basis to equip them and deliver the best. Learning convention is conducted every year to promote and nurture learning in the Company.

1	Total number of employees on roll	5,267 as at 31 st March, 2017
2	Total number of employees hired on temporary / contractual / casual basis.	7,312 as at 31 st March, 2017
3	Number of permanent women employees	272 as at 31 st March, 2017
4	Number of permanent employees with disabilities	Nil
5	Employee association recognised by management?	The Company has one Labour Union representing the interests and welfare of all union employees / workmen. Union elections are held once in 4 years as per the by-laws of the Union. The Company maintains a good and cordial relationship with the Union.
6	Percentage of permanent employees who are members of this recognised employee association?	100% of permanent employees in the workers grade are members of the Union.
7	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.	NIL
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees - 95% (b) Permanent Women Employees - 100% (c) Casual/Temporary/Contractual Employees - 100% (d) Employees with Disabilities- NIL	The Company has established TVS-IQL for training the employees and making them competent in the role they are performing along with training them to handle the next role in line. Safety training involving road safety, first aid and fire safety, etc., is conducted for the employees.

Principle 4: Stakeholder Engagement

1. Has the Company mapped its internal and external stakeholders?

Yes.

The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, government, regulatory authorities, trade union and local community. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified marginalized and disadvantaged groups through need assessment in all the villages where it works by engaging with the local communities.

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Such marginalized and disadvantaged communities includes villagers and economically deprived children and women who are in great need of care and protection.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

The Company goes beyond its business activities to create social impact through its diverse initiatives and is working towards improving lives of India's marginalised and vulnerable communities.

The Company has taken initiatives under CSR focusing on key areas of Economic Development, Health, Education, Infrastructure, Environment and Social & Cultural Development.

The Company continuously strives to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from its CSR initiatives which would also be focused around communities that reside in the proximity of the Company's various manufacturing locations in the country.

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?

The Company does not have a separate Human Rights Policy.

The Company has put in place a Code of Conduct which is applicable to all the employees to adhere and uphold the standards contained therein.

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

During the year under review, the Company has not received any complaint from any stakeholders.

Principle 6: Environmental

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

The Company has been certified with ISO 14001:2015 & OSHAS 18001:2007 and has been consistently promoting the certification of all its key stakeholders, suppliers, dealers and contractors.

The Company's Environment, Occupational Health & Safety (EHS) Policy commits to provide support to suppliers, dealers and contractors in adopting sound EHS practices.

- Towards achieving this commitment, the Company is supporting its suppliers to obtain EHS certification and the same is monitored through online system, regularly.
- Dealers are encouraged to use authorised recycling agency for disposal of waste oil/ battery.
- To conserve the natural resource water, automation is being implemented for vehicle washing at dealer end.

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

By the Company's EHS Policy, the Company has commitment to combat climate change by improving energy efficiency and use of renewable energy. Following actions have been carried out towards this:

- The Company has its own captive power plant (CPP) and towards reducing fossil fuel consumption, implemented "Waste Heat recovery system" in CPP between 2002- 2012. Total emission reduction due to this implementation at Hosur and Mysuru along with other energy efficient initiatives is 11,410 ton of CO₂ eq per annum.
- The Company has switched over from fossil fuel (CPP) to EB power during 2013. At this juncture as an alternate to EB power, the Company invested in 7.2 MW wind power. Over the years, the Company has

invested in group captive mode to the tune of 20 MW and improved the share of wind power from 19%(2013) to 30% (2016).

- Through sustained efforts towards renewable energy, the Company has implemented Roof-top Solar power 3.5 MW, Heat pumps 400 tons, Solar water heating 225 KW for engine preheating, solar air heating 46 KW and compressor waste heat recovery for its various process applications.
- With all these clean development mechanism (CDM) initiatives, the share of renewable energy usage is at 29% during 2016-17 and is being planned to take it to 50% by 2020 as Company's vision.
- The Company has started "Life cycle assessment" of its products and services using GaBi Software through tracking and monitoring GWP, energy consumptions, acidification etc.

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

Yes. The Company is certified under ISO 14001: 2015 standard and has laid down procedure for Risk identification, assessment and mitigation.

Risk Identification and Assessment

The identification of Risks and Opportunities is through a process across all manufacturing and supporting functions. The input for identification of Risks and opportunities are:

- Significant aspects with score equal to and more than 36.
- Significant aspects due to Emergency conditions, Legal requirements and Interested Party Concern.
- Internal and external issues.
- Environmental conditions.
- Needs and expectations of interested parties.

Risk Mitigation and Monitoring

The severity of any particular risk is assessed along with the concerned departments qualitatively and the risk mitigation measures like adopting best available technology, implementation of objectives, improvement of compliance management process, adopting effective engineering controls etc., are proposed, agreed upon and monitored to implementation/dropped if circumstances change.

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

Please refer Principle numbers 2 and 6.

With all the CDM initiatives, the Company premises are covered 30% with greeneries and attract migratory birds every year.

The Company periodically files returns to Pollution control board as per legal requirement.

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.

Clean Technology:

The Company has always been making progress on developing products with fuel efficient and environment friendly technologies.

The Company is in the process of developing new hybrid vehicles with high fuel economy and significant reduction in exhaust emissions. Three-wheeler 'King' is equipped with engines which can be operated using CNG, LPG and Gasoline.

The Company has achieved significant reduction of Hydrocarbon and NOx emissions in all TVSM two & three-wheeler models. The Company's vehicles are compliant with BS IV norms.

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The Company has started life cycle assessment of its products and services using GaBi software through tracking and monitoring global warming potential, energy consumption, acidification etc.

Above initiative is apart from details shared in Principle 2, Question 2.5.

All new paint plants are with direct fired gas based clean fuel technology.

Energy efficiency:

Conventional lighting is changed over to energy efficient LED lighting across the Company. Hosur - 100%, Mysuru - 100%, HP - 100%.

Further all expansion projects are with energy efficient LED lighting technologies including office areas.

Also all Company's buildings are designed with natural lightings and ventilation with daylight harvesting to conserve energy.

All motors used are energy efficient. High capacity motors (more than 10 HP) are equipped with variable frequency drives as a standard.

Occupancy sensors for fans & lighting, auto cut off for hydraulic motors and compressed air are implemented across the Company and has resulted in energy savings.

Please refer to the Annexures to the Directors' Report for energy efficiency initiatives.

Renewable energy:

Details as mentioned in Question no. 4 of Principle 6.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All parameters of emission / waste generation by the Company conform to the prescribed norms.

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. No show cause notices have been issued by the concerned authorities.

Principle 7: Policy Advocacy

1. Is your Company a member of any trade and chamber or association?

The Company is a member of:

- Confederation of Indian Industry (CII);
- Society of Indian Automobile Manufacturers (SIAM)
- Automotive Research Association of India (ARAI)
- SIAM - HCG (Human Capital Group)
- Bangalore Chamber of Commerce
- Employee Federation of India
- Indo Japanese Chamber of Commerce and Industry
- National Safety Council

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)

The Company, through various industry associations, participates in advocating matters relating to advancement of the industry and public good.

The Company works closely with leading Industry Associations and Chambers of Commerce at International National, State and Local levels to advocate and pursue various causes that are in the larger interests of industry, economy, society and the public. From time-to-time these have been in areas such as economic

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reforms, corporate governance and transparency, affirmative action, education and skill development and women empowerment.

The Company has a separate wing viz., Srinivasan Services Trust (SST), which

- a) Works with Government education departments and local panchayats to improve education;
- b) Introduces new income generation activities, increase in agriculture and better Livestock management;
- c) Coordinates between local bodies, government and community to maintain a clean environment;
- d) Provides easy access to Primary Healthcare and adoption of proper sanitation, hygiene and nutrition; and
- e) Supports government bodies in developing infrastructure such as roads, drinking water facilities and more.

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. As given in the Annexure IV to the Directors' Report for the year 2016-17.

2. **Are the programmes / projects undertaken through in- house team/own foundation / external NGO / government structures / any other organization?**

SST, the CSR arm of the Company does its work by its own in house team.

Area	Implementing Agency
Promoting Education	- Srinivasan Services Trust - Sri Sathya Sai Loka Seva Trust
Economic Development, Health care, Quality education, Environment and Infrastructure	Srinivasan Services Trust
Providing free medical care including consultation, diagnosis, comprehensive treatment and follow-up to all patients totally free of charge.	Sri Sathya Sai Central Trust
Health care activities - Mental health and neurosciences	National Institute of Mental Health and Neurosciences

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

Yes. The Company believes that every activity should result in some impact. The Company has measurable parameters for all its activities in all the 5 focus areas viz., Economic development, Healthcare, Quality Education, Infrastructure Development and Conservation of Environment. These are constantly checked by in-house internal audit system. External evaluation is also being done to validate the impact.

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

S.No	Project	Amount
1.	Promoting Education	Rs.919.50 Lakhs
2.	Economic Development, Health care, Quality education, Environment and Infrastructure	
3.	Providing free medical care including consultation, diagnosis, comprehensive treatment and follow-up to all patients totally free of charge.	
4.	Health care activities - Mental health and neurosciences	

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

Yes.

SST enables communities to take ownership of the development effort. For this their participation is essential. They participate both physically and financially. SST involves the community in all its efforts and make people

reaching the desirable levels of economic development, health, education and environment. By making them reach the desirable development status, the community is confident and is ready to take the responsibility of continuing with their effort.

Principle 9: Customer value

The Company continues to provide value to its Customers by increased dealer engagement and improving service penetration, besides improvement in its products.

The Customer Relationship Management (CRM) system - TVS Motor Dealer Online System (DON) has been successfully deployed at all dealerships across India.

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

TVSM sold 2.54 Crores two wheelers since 2001-02 to December 2016 and 1.29 lakhs three wheelers since 2007-08 to December 2016; 192 number of consumer cases are pending in District Forum and 51 number of appeals in State Commission are pending under Consumer Protection Act, 1986.

Out of 3.83 crores vehicles sold, 243 consumer cases are pending, which works out to only 0.0006%.

The Company has CRM through which the Company interacts with customers and collects their feedback, which has influence over its product and service improvements.

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

The Company provides the important information about products to the customers on timely basis customers through advertisements/leaflets, etc..

Necessary technical information and product usage instructions are provided in the Product Owner's Manual cum Service Booklet and it is provided to every customer on purchase of vehicle and contains information relating to safety, operation and maintenance of the vehicle. At the time of vehicle delivery, technical features of the vehicle are explained to the customer. Product related information is also available on the Company's website. Maintenance tips, service reminders are provided at regular intervals.

The service technicians/mechanics of the Company's dealers are trained in the Product Training Centres regularly. Regular audits are conducted by external agency to ascertain effectiveness of after sales service provided by dealers to consumers. On a routine basis, the Company's service department managers visit the dealership service centres, gives onsite training to dealers' service mechanic / technicians, meeting the consumers and resolving customer's complaints over product usage. Right from the delivery of vehicle, throughout, the Company takes necessary customer care through well established after sales service system.

For grievance handling, the Company has provided dedicated toll free helpline. Details are also provided for area offices address and contact numbers, where customers can contact.

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.

There have been no cases relating to unfair trade practices, irresponsible advertising and / or anti-competitive behaviour against TVSM in the last five years.

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

The Company proactively engages in understanding consumer needs and expectations so as to serve them better. The Company regularly obtains feedback from consumers on areas of satisfaction & similarly on their concerns or areas of dis-satisfaction. So as to avoid any bias in data collection independent world reputed third party agencies are engaged to hear the consumer voice without prejudice and report this back to the Company. TVS Brands have secured the top positions in customer satisfaction as well as in service satisfaction in a highly competitive industry and that so with consistency over the last few years.

For and on behalf of the Board