

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 Ltd (TVS Motor or the Company) is one of the largest two-wheeler manufacturer in India, with a revenue of ₹18,217 Cr (2018-19).

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 (Listing Regulations). 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", 29, Haddows Road, Chennai - 600 006								
4.	Website	www.tvsmotor.com								
5.	E-mail id	contactus@tvsmotor.com								
6.	Financial Year reported	2018-19								
7.	Sector(s) that the Company is engaged in (Industrial activity code - wise)	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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30911	Motorcycles, Scooters, Mopeds									
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 -	TVS Motor 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.								

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ii. Number of National Locations -

A. The Company has three manufacturing locations as under:

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.

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 in several countries in Asia, ASEAN, LATAM and African countries.
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Section B: Financial details of the Company

1. Paid up Capital (INR)	₹ 47.51 Crores
2. Total Turnover (INR)	₹ 18,217 Crores (Standalone figure)
3. Profit after tax (INR)	₹ 670.14 Crores (Standalone)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of net profit	₹ 13.25 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 in India and eight subsidiaries abroad as on 31 st March 2019.
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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)
- Yes. The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives.
- All the Company's subsidiaries are guided by the Company to conduct their business in an ethical, transparent and accountable manner. It encompasses suppliers, customers, employees, government authorities and other stakeholders.
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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.
- 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 - DT & Future Mobility
4.	Telephone	044 2827 2233	04344 276780
5.	E-mail id	svenu@tvs-motor.com	Manu@tvs-motor.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.

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S. No.	Question	Business Ethics	Product Responsibility	Well being of employee	Stakeholders engagement	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)	-	Y	Y
		All the policies of the Company are in compliance with national / international standards wherever applicable.								
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 Conduct & Business Ethics, Whistle Blower Policy, CSR Policy, Code of Conduct to regulate, monitor and report Trading by Insiders have been adopted by the board and other operational internal policies are 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?	The 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.tvs-motor.com/policies-adopted-by-the-board .								
7.	Does the Company have in-house structure to implement the policy / policies	The Company has an 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 concern 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 and 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 a 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.

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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 engagement	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	-	-	-	-	-	-	-	-	-
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 the 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 their 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?

The BR Report is available as part of the Annual Report. The BR report is published annually. The same can be viewed at <http://www.tvsmotor.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. TVS Motor has adopted a separate Code of Business Conduct and Ethics (CoBC) which specifically pertains to the Company's directors and senior management personnel one level below the Board, 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 personnel towards annual affirmation to the CoBC is communicated to all stakeholders by the Chairman and Managing Director, through the Annual Report.

TVS Motor 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.

TVS Motor is committed to transparency in its financial reporting. TVS Motor 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 adopted for regulating, monitoring and reporting Insider Trading by designated persons as defined under this Code.

Whistle Blower Policy provides a mechanism for stakeholders of TVS Motor 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 Committee in exceptional cases.

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

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.

To address the environmental concern, about 24 projects have been executed in products towards achieving weight reduction and thereby to conserve natural resources. In Apache RR 310, hazardous chemicals which affect human health, aquatic life and environment have been identified and actions have been taken to eliminate them. Additional projects are taken up to eliminate paint application. Alternate coatings have been used to replace paint. Conversion of metallic parts to recyclable plastics and use of recycled plastics are being continuously pursued in vehicles viz., Apache, Star City, Victor and Jupiter without affecting performance, durability and statutory requirements. Noble metal loading (Pt, Rh and Pd) has been optimized in catalytic convertors without affecting emission performance.

Actions have also been taken to reduce the vehicle exhaust emissions (HC, NOx) upto 70% in all the Company's products by adopting advanced technologies for weight reduction, friction reduction and opti-

mized fueling to meet BS VI norms. Further, CO₂ emission reduction upto 50 % will be implemented from Q2 FY 2019-20 onwards.

Motorcycles compatible with E85 fuel (15% Gasoline and 85% Ethanol blended fuel) have been developed in R&D to meet future needs. Towards achieving zero emissions, development of EV vehicles is in pipeline.

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 the previous year throughout the value chain?

Standardization of grades and materials across all models has resulted in energy savings and conservation of natural resources.

To achieve weight reduction in vehicles, TVS Motor is using lighter materials like aluminium and plastics in place of steel. This has increased the fuel economy of the vehicle, thus conserving both raw material resources and fuel.

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

By use of newly developed friction reduction oils in scooters and extending oil drain intervals from 3000 km to 6000 km, both fuel and oil consumption have been reduced. It is estimated that about 1.3 million liters of engine oil and 2.92 million liters of gasoline have been conserved.

The Company continuously works on improvement of fuel economy which helps in conservation of fuel during the use phase and reduces the impact on the environment.

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 encouraged its suppliers to get TS certification and ISO14001 certification. The expiry dates of certificates are being tracked and monitored at regular intervals by effectively using SAP system. Online auto reminders are sent to suppliers 90 days in advance. TVS Motor has taken many initiatives to ensure sustainable sourcing. As a commitment to sustainable sourcing, TVS Motor has migrated to internationally recognized Automotive Quality Management System - IATF 16949:2016.

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

Total Productive Maintenance (TPM) clusters are formed with major suppliers to promote TPM culture across suppliers. External consultants are engaged for TPM activities. The TPM journey is monitored and reviewed on a monthly basis. With TPM, Company drives Productivity, Quality, Cost, Delivery, Safety and Morale with total employee participation. This will support suppliers to improve their sustainability and robustness.

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?

Towards localization of sourcing, the Company encourages suppliers (Tier-1s) to set up manufacturing facilities closer to the Company's plant locations.

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

TVS Motor 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, TVS Motor is buying more than 50% of its requirements through local sources. TVS Motor 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%). Also, provide details thereof, in about 50 words or so.

Products

In the product design stage, efforts have been taken to increase product Reusability, Recyclability and Recoverability (RRR) rate and currently it is about 93%. On the plastic parts of the vehicles, the material grade and recyclability symbol are marked for easy identification during segregation and recycling. TVS Motor has plans to prepare systematic manual for dismantling during End-of-Life Vehicles. These proposed manuals to be circulated to authorized dismantling centers for proper de-pollution of vehicles, dismantling and segregation of components and safe disposal of vehicles. This will help in reduction of environmental degradation and wastes going to landfill.

Company is making efforts to use recycled input materials in our products, reducing the demand for virgin material and contributing to the conservation of the global resource base. In all of the Acrylonitrile Butadiene Styrene (ABS) plastic parts, upto 5% of regrind material by mass is added. In Poly Propylene (PP) plastic parts, upto 15% of regrind material by mass is added. Further, 100% recycled PP is used in some of our components. Plans are made to increase usage of recycled plastics. Upto 40 % of foundry returns are being re-used in aluminium foundries for some of the components, thereby conserving precious resources and energy.

Process

In process design all efforts have been taken to minimize the generation of waste by introduction of clean technologies viz., water based CED process; powder coating, etc.

The new paint plant in plant-2 has been incorporated with a dry booth to overcome the usage of water.

2W paint plants in Hosur and Mysuru have VOC abatement in paint baking oven through RTO (Regenerative Thermal Oxider). The waste heat from RTO is recovered and used back for process bath heating.

Packaging

Packaging material increases our material footprint and also adds to the energy requirement during logistic. We have been proactive in reducing our packaging material consumption by instituting several practices to minimize consumption.

For example- carton separator in engine packaging has resulted in 6.5 tons of paper usage per annum. Use of alternate material viz., recyclable plastics has saved 1800 tons of wood per annum.

Waste

- A portion of used thinner is distilled and reused back in the flushing during Paint application.
- The Industrial effluent is treated and recycled through Reverse Osmosis & reused back in the process.
- The treated sewage is used for gardening within the premises (100%). A small portion of treated sewage is also used for toilet flushing.
- The solid wastes which are hazardous in nature viz., chemical sludge are used as raw materials in Cement Industry (Co-processing).
- Paint sludge and waste containing oil is used for co-incineration (partial replacement to coal) in the cement industry.
- Used engine oil which is removed from the 3W-Export vehicles is being recycled and reused.
- Other category of used oil viz., treated coolant, hydraulic oil is sent to authorised recycling agency.
- Kitchen and garden wastes are bio-composted and utilized as manure inside factory. A small portion of kitchen waste is converted as biogas and used in the kitchen.

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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.

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

TVS Motor has provided extended mediclaim policy coverage for the benefit of its employees and their family members. Flexi-time benefit for the employees is also provided.

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

TVS Motor gives training to all its 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	5,121 as at 31 st March 2019
2	Total number of employees hired on temporary / contractual / casual basis.	9,077 as at 31 st March 2019
3	Number of permanent women employees	275 as at 31 st March 2019
4	Number of permanent employees with disabilities	15
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.

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

TVS Motor 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.

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

TVS Motor 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?

TVS Motor does not have a stated Human Rights Policy.

TVS Motor 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, TVS Motor 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.

TVS Motor has corporate EHS Policy that commits to provide support to suppliers, dealers and contractors in adopting sound EHS practices. All manufacturing sites of TVS Motor has been certified with ISO 14001:2015 & OSHAS 18001:2007 standards.

TVS Motor is promoting the certification of all its key stakeholders- suppliers, dealers and contractors. The certification is tracked and monitored on regular intervals through SAP. The online system triggers are sent to suppliers on re-certification.

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.

TVS Motor's EHS Policy, have commitment to combat climate change by improving energy efficiency and use of renewable energy. The strategies, the activities carried out and the results achieved are explained in 6.4.

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

Yes. TVS Motor 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 formalized 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 are proposed and implemented.

Risks and effectiveness of its management are reviewed and reported to the top management based on severity.

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?

Following actions have been carried-out towards this:

TVS Motor has its own captive power plant (CPP) and towards reducing fossil fuel consumption, "Waste Heat Recovery System" was implemented in CPP between 2002- 2012. Total emission reduction due to this implementation at Hosur and Mysuru along with other energy efficient initiatives was 11,410 ton of CO_{2eq} per annum.

TVS Motor has switched over from fossil fuel (CPP) to EB power during 2013. At this juncture as an alternate to EB power, TVS Motor invested in 7.2 MW wind power. Over the years, TVS Motor has invested in group captive mode to the tune of 35 MW and the share of renewable power contributed to 60% during 2018-19.

Through sustained efforts towards renewable energy, TVS Motor has implemented roof top Solar power 5.0 MW, Heat pumps 400 KW, Solar water heating 400 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 Renewable power contributes to 60% in overall share of TVSM power.

Introduction of overhead conveyor for 3W-chassis transport from supplier to 3W plant has reduced carbon emission of 119 MT/annum.

Compressed air optimizations; reduction of holiday power consumption; optimal utilisation of plant and equipment; IOT based 'Energy Management System' & implementation of various energy saving projects have contributed in reduction of specific power consumption significantly.

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:

Estimation of CO₂ emissions from cradle to grave has been started at product development stage itself. This will eventually help us to track and monitor emissions during entire life cycle of product.

TVS Motor has developed motorcycles compatible with ethanol blended gasoline, such as E85 and concept vehicles using M15 fuel have been developed. Collaborative projects have been taken up with IOC R&D and ARAI to fine tune and adopt M15 fuel in our vehicles.

TVS 3-wheeler, CNG variant is already in the market to reduce CO₂ emissions as compared to conventional fuel variant. To further reduce the tailpipe emissions, the Company has developed hybrid scooters which use battery and gasoline. Towards achieving zero tailpipe emissions, TVS Motor is developing electric vehicles.

TVS Motor has taken proactive initiative to minimize usage of hexavalent chromium, which is carcinogenic. Also, we are moving towards compliance of RoHS for electrical parts. Hence, health hazard risk and environmental contamination are avoided. Two of our products are meeting and exceeding REACH regulatory requirements by eliminating hazardous chemicals and tracking using IMDS. Other products are being aimed to be REACH compliant by eliminating hazardous chemicals listed in the document.

New paint plants are with clean fuels like LPG / Propane and are direct fired. In process design all efforts have been taken to minimize the generation of waste by introduction of clean technologies viz., water based CED process; powder coating etc. Paint transfer efficiency is improved by using robotic atomizers, electrostatic spray guns, floor conveyor system, conductive primer for the plastics etc. High solid paints are being used to reduce Volatile Organic Compounds (VOC) emission. Usage of poly-urethane paints for metal parts in Hosur 2W plants have reduced the baking temperatures from 140°C to 80°C.

TVSM is gradually migrating to cleaner fuel Propane which has 2% higher calorific value as compared to LPG. The bulk storage method of Propane has been changed from regular above ground bullet to much safer covered mound thus preventing harmful phenomenon named BLEVE (Boiling liquid expansion vapour explosion)

Energy efficiency:

Conventional lighting is changed over to energy efficient LED lighting across the Company. Further all expansion projects are with energy efficient LED lighting technologies including office areas. Buildings are designed with natural lightings and ventilation with daylight harvesting to conserve energy. Replacement of fluorescent lamp with LED lamp in all engine assembly lines has reduced power consumption by 30 %. Powerless lowering of lifts has resulted in saving of 3750 KW per annum. Power consumption in compressor was reduced by optimizing system pressure.

Energy efficient motors are used in all places and the motors having capacity more than 10 HP are equipped with Variable Frequency Drives as a standard feature.

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

Renewable energy:

Details as mentioned in Principle 6 Question 4.

Initiatives at Dealership:

To reduce the paper usage at the dealerships, we have implemented the "DIGI- Workshop" at 150 locations. This has eliminated the paper Job Cards & all the tracking registers. It will be horizontally deployed in other dealers.

Across 600+ dealerships, Multi Roller Test Bench (MRTB) machines have been introduced to confirm the mileage in place of road test. This has reduced pollution load to environment to a large extent.

To conserve the natural resource viz., water by about 40%, automation is being implemented for vehicle washing at dealer end.

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.

Towards compliance management, the measurement of ambient VOC is made online to Care Air Centre of Tamil Nadu Pollution Control Board; Direct in-situ measurement of key parameters like pH, Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), Total Suspended Solids (TSS) were introduced in Sewage Treatment Plant, Hosur. The forms and returns under applicable Environmental Acts and Rules were made online.

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? If Yes, Name only those major ones that your business deals with:

TVS Motor is 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)

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

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

TVS Motor 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 of the Company's Annual Report 2018-19.

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 and also through other implementing agencies.

Area	Implementing Agency
Promoting Education	Srinivasan Services Trust
Economic Development, Health care, Quality education, Environment and Infrastructure	Srinivasan Services Trust Voluntary Health Services
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. We believe that every activity should result in some impact. We have measurable parameters for all our activities in all the 5 focus areas viz., Economic development, Healthcare, Quality Education, Infrastructure Development and Conservation of Environment. These are constantly checked by our internal audits 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	₹ 13.25 Cr.
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.	
5.	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.

TVS Motor sold 3.20 Cr number of two wheelers since 2001-02 to March 2019 and 1.66 Lakh number of three wheelers since 2007-08 to March 2019; 260 number of consumer cases are pending in District Forum

and 48 number of appeals in State Commission under Consumer Protection Act, 1986. Total 3.22 Cr of vehicles sold, of which we have a total of 308 consumer cases pending, which works out to a percentage of 0.0009 %. The Company has Customer Relationship Management System (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 (additional information)

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

Necessary technical information and product usage instructions are provided in the Product Owner's Manual cum Service manual. This manual 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. Sticker is pasted on the vehicles indicating the tyre pressure that has to be maintained. Precautionary sticker is pasted indicating oil not to be mixed with petrol. As a safety measure, a label advising to wear helmet while riding is also pasted.

The service technicians / mechanics of the Company's dealers are trained in the Product Training Centers regularly. Frequent audits are conducted by external agency to ascertain effectiveness of aftersales service provided by dealers to consumers.

On a routine basis, the Company's service department managers visit the dealership service centers, 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, the Company takes necessary customer care through well established after sales service system.

For grievance handling, TVS Motor 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 behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

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

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

TVS Motor 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 too with consistency over the last few years.

For and on behalf of the Board of Directors

Chennai
30th April 2019

VENU SRINIVASAN
Chairman