Business Responsibility Report

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L29130MH1962PLC012340
2	Name of the Company	Schaeffler India Limited (Formerly known as FAG Bearings India Limited)
3	Registered address	Nariman Bhavan 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai (MH) - 400021 INDIA
4	Website	www.schaeffler.co.in
5	E-mail id	info.in@schaeffler.com
6	Financial Year reported	January 1, 2017 to December 31, 2017
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Ball & Roller Bearings NIC code of the product - 2814
8	List three key products/services that the Company manufactures / provides (as in balance sheet)	Ball Bearings Cylindrical Roller Bearings Spherical & Taper Roller Bearings
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Registered Office: Mumbai Manufacting Locations: Maneja & Savli (Vadodara) Sales Offices: Gurugram, Kolkata, Chennai, Pune, Bengaluru, Secunderabad, Coimbatore, Jamshedpur, Ludhiana, Kanpur and Udaipur
10	Markets served by the Company – Local / State /National / International	All : Local, State, National and International.

Section B: Financial Details of the Company

1	Paid up Capital (INR)	As on December 31, 2017 the paid up capital of the Company was ₹ 166,172,700 consisting of 16,617,270 nos. of Equity Shares of ₹ 10 each.
2	Total Turnover (INR)	For the Financial Year ended on December 31, 2017 the Turnover of the Company was 20,590.0 mioINR
3	Total profit after taxes (INR)	For the Financial Year ended on December 31, 2017 the net profit of the Company was 2,380.2 mioINR.
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Summary of CSR spending on page no. 75
5	List of activities in which expenditure in 4 above has been incurred:-	Please refer Projectwise summary under CSR Report on page no. 76

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Company has no Subsidiary as on December 31, 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)	Not applicable
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%]	No.

Section D: BR Information

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

1	Director Identification Number	05350121
2	Name	Mr. Dharmesh Arora
3	Designation	Managing Director
4	Telephone No.	+91 265 6602000
5	E-mail id	aroradar@schaeffler.com

2. Principle-wise (as per NVGs) BR Policy/Policies

		Policies / Guidelines on								
	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics, Bribery & Corruption	Sustainability	Treatment of Employees & Colleagues	Behaviour towards Stake-holders	Human Rights	Environment, Health & Safety	Industrial Policy	CSR	Customer Centricity
1	Do you have a policy/ policies for...	Yes, Company's Code of Conduct sets out the principle & practices that must be observed toward Business Partner and Third Parties								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes, while formulating the policy documents - rights & obligations of concerned stakeholders are analysed in view of best Industry Practices.								
3	Does the policy conform to any national / international standards? If yes, specify?	Fairness, mutual respect and integrity are the cornerstones within the Company and the Schaeffler Group upon which our actions are based. Being member of Schaeffler Group, the Company believes in benchmarking practices and global standards - to the best possible extent.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All Statutory Policies and Codes are adopted considering prevailing Legal requirements and approvals of respective body [Board of Directors, its Committees and Company Management].								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Implementation mechanism of all the Policies & Codes is presented to and reviewed by the respective body periodically.								
6	Indicate the link for the policy to be viewed online?	https://www.schaeffler.co.in/content.schaeffler.co.in/en/company/schaeffler_in_india/investorsrelations/investorrelations.jsp								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, requisite awareness programs are carried out to all the stakeholders, which help them understand behavioural expectation from them. In critical areas online training followed by test and certification is made mandatory for all the employees.								
8	Does the company have in-house structure to implement the policy / policies?									
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Compliance Management System of the Company and Company's Vigil Mechanism / Whistle Blower Policy are effective tool towards grievance redressal mechanism.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	In addition to Statutory Audits, a periodical internal assessments are part of our culture to oversee implementation of principles laid down.								

Section E: Principle wise Performance

Principle 1: Ethics, Transparency and Accountability

Schaeffler India Limited believes in pursuing its business objectives ethically, transparently and responsibly with its stakeholders across the value chain. Fairness, mutual respect and integrity are the cornerstones upon which the actions of the Company are based. Further, the Company only engages in business deals with third parties that conduct business ethically and do not subject the Company to any reputational harm.

The Company's Code of Conduct is in compliance with the standards of business conduct and ethics, as well as the regulatory requirements. The Code of Conduct is communicated to all stakeholders through its website. The Company's Whistle Blower Policy also encourages employees to bring instances of unethical behaviour to the knowledge of the management.

The Company has a system in place to undertake measures to resolve grievances. During the year, the Company received Nil complaints with regard to violation of the Code of Conduct.

Principle 2: Sustainability

The role of developing products that ultimately go towards avoiding the undesirable environmental and social impacts is increasingly gaining importance over the years. With its high-quality products and sustainable system solutions, the Company is helping its customers to meet the expectations of changing markets. In doing so, the Company also assumes the responsibility of protecting the environment. In line with this, it is helping new technologies gain acceptance, in particular, those technologies which contribute to a cost-efficient and reliable energy balance. Further, the Company manufactures products that have low impact on the environment and helps customers in meeting their growing challenges such as reducing CO_2 emissions.

Principle 3: Treatment of Employees and Colleagues

Schaeffler India Limited drives individuals to explore their full potential and prepares them for leadership roles. The Company does not discriminate on the basis of religion, gender, caste or disabilities, and has a policy of equal opportunity for all. The Company employs a total of 1,534 (including 46 apprentices) employees as on December 31, 2017.

The Company recognises that its employees are an invaluable asset and fundamental driver of its growth. The Company has implemented the following policies and initiatives which promote the welfare of all its employees:

Fair Working Conditions and Employee Development: The Company recognises its employees' entitlement to adequate remuneration, and it observes the legally guaranteed minimum wages in the respective labour markets. The Company also provides a comprehensive training program, which offers every employee the opportunity to get trained according to his capabilities and professional interests, in line with the objectives of the Company.

Diversity and the Principle of Equal Treatment: The Company is committed to a diverse working environment, in which each person's uniqueness is recognised and every individual is treated with courtesy, honesty and dignity. The Company works consistently to provide a workplace that is free of discrimination and harassment on the basis of gender, ethnic background, religion, age, disability or sexual orientation. This diversity is promoted and respected without exception.

Work-life Balance: The Company is committed to achieving a balance between the economic interests of the Company and the employees. It strives to enhance employee satisfaction and motivation, by means of employee-friendly arrangements and provisions.

Refusal to Forced and Child Labour: The Company does not accept any form of forced labour or child labour. It condemns exploitation or discrimination and strictly complies with legal regulations.

Dialogue with Employees and Employee Representatives: The Company respects its employees' right to freedom of association. Irrespective of this right, the Company always allows its employees to express their interests directly.

Principle 4: Behaviour towards Stakeholders

The Company focuses on integrating business strategies with community development. In doing so, it leverages its core competencies while addressing needs of various stakeholders. The Company firmly believes that business sustainability is possible only by taking along all stakeholders, internal as well as external.

The Company follows a systematic approach in identifying its internal and external stakeholders. It also has a framework in place for recording and analysing the concerns of the stakeholders; and redressal of their grievances.

The Company works towards maintaining transparency that helps in building trust for long lasting collaboration. It acknowledges and assumes responsibility by being transparent about the impact of its policies, decisions, product and services, and associated operations on the stakeholders.

Principle 5: Respect for Human Rights

As a socially responsible organisation, the Company is committed to protect and safeguard human rights. Aspects of human rights such as child labour, occupational safety, non-discrimination are covered by its Human Resource Policies.

Respect for human rights is an integral part of the Company's Corporate Responsibility. The Company respects the dignity and individual rights of every employee as well as third parties with whom it engages in business.

Principle 6: Environment

At Schaeffler India Limited, environmental initiatives for sustainable development plays a vital role. Environmental protection and work safety are a fundamental part of the management principles. The Company maintains a safe working environment that promotes health and performance of the employees, while taking active measures to protect the environment.

Environmentally conscious, the Company is committed and compliant with all environmental regulations and standards applicable to its operations. The Company has implemented systems that ensure the safety, control and measurability of all activities occurring in the areas of transportation, disposal and recycling of waste. This prevents any adverse effects of wastes on human health and the environment.

The Company also uses a global work safety and environmental management system which undergoes continual improvement. Regular checks are conducted across all areas of operation to monitor the success of the implemented management system.

The Company has a periodic systematic mechanism for environmental impact assessment, as a part of its Environmental Management system certifications of ISO 14001 and Occupational Health and Safety Management system certification of OHSAS 18001.

Principle 7: Policy Advocacy

The Company works closely with various trade chambers and industry associations in evolving policies that govern the functioning and regulations of industries. It is associated with Ball and Roller Bearings Manufacturers' Association (BRBMA); Auto Component Manufacturers' Association (ACMA); Indo-German Chamber of Commerce (IGCC); Confederation of Indian Industry (CII); and Federation of Gujarat Industries (FGI).

The Company actively engages with these trade bodies to identify opportunities that bolster domestic manufacturing; fosters innovation; enhances skill development; protects intellectual property; and builds best in class manufacturing infrastructure in the country.

Principle 8: Inclusive Growth and Equitable Development

The Company believes in inclusive growth and facilitates creation of an empowered society through continuous and purposeful engagement with the society around. The Company has a Corporate Social Responsibility (CSR) Policy which derives its core values and covers various aspects as per the requirements of the Companies Act, 2013. The Policy has been developed considering the requirement of the Companies Act, 2013, the organisation's focus and international best practices. With the responsibility of a corporate citizen, the Company is committed to operate its business in an economically, socially and environmentally sustainable manner.

The Company constantly identifies and implements unique initiatives which are scalable, sustainable and have the credential to create a positive impact on the lives of people, especially the weaker and under-served sections. Currently, the Company is working towards better healthcare; promoting education and social development; addressing social inequalities by empowering the vulnerable section of society; and preserving national heritage and culture.

Principle 9: Customer Centricity

The Company's focus is to be a supplier of choice in all markets of its presence, while improving the well-being of customers and society in general. Schaeffler India Limited is committed to operate its processes and conduct marketing promotions, in a transparent and responsible manner by sharing product information. It engages in efficient customer feedback mechanism and conducts regular customer satisfaction surveys to understand their expectations and concerns.

The Company's sustainable manner of conducting business is based on fairness, mutual respect and integrity. As per the Company's corporate management principles, it also takes into account the ecological and social impact of its business; and focuses on reducing the consumption of resources.

To deliver value to its customers, the Company strives to offer the highest possible quality while maintaining cost efficiency and reliability of supply. It continues to improve its production system across all locations, by consistently applying the zero defects principle. Furthermore, modern quality management techniques and integrated planning across the entire supply chain ensure that all of these requirements are being met.

Commitment to quality and its innovative strength, coupled with sophisticated technological expertise and an in-depth understanding of systems are the key factors for success of Schaeffler India Limited.