www.eichermotors.com

July 17, 2020

Online intimation/submission

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Security Code: 505200

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
Symbol: EICHERMOT

Dear Sir/Madam,

Ref: Regulation 30 of SEBI (LODR) Regulations, 2015

Subject: Sustainability Report for the Financial Year 2019-20

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of Sustainability Report for the Financial Year 2019-20 of Eicher Motors Limited ("the Company"). The same is also available on the website of the Company at www.eichermotors.com.

This is for your information and records.

Thanking you,
For **Eicher Motors Limited**

MANHAR KAPOOR

Digitally signed by MANHAR KAPOOR
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Date: 2020.07.17 19:42:38 +05'30'

Manhar Kapoor
General Counsel & Company Secretary

Encl: a.a.

EICHER

Sustainability Report

FY 19-20

Eicher Motors Limited



LEAVE EVERY PLACE BETTER

CONTENTS

04 Message from the COO

06
Our Key Achievements in FY 19-20

08
About Us
Our Products
Our Values
Our Spread Across the World
Our Value Chain
Collaborations and memberships
Awards & Recognitions

20
About the Report
Reporting Boundary
Data Management
Approach to Materiality

22
Sustainability at EML
Our Approach
Outlook for the future
Stakeholder Engagement
Materiality
Aligning to the Sustainable Development Goals (SDGs)

32
Risks, Impacts & Opportunities

34
Corporate Governance

36
A Better Business
Direct Economic Value Generated & Distributed
Doing Business Ethically
Sustainability in Procurement
Our Outlook on the Auto Mission Plan

46

A Better Environment

Overall Management Approach

Materials

Energy and Emissions

Water and Effluent

Waste

Environmental Compliance

72

A Better Society

Overall Management Approach

Employment

Learning and Development

Occupational Health and Safety

Diversity and Equal Opportunity

Freedom of Association

Human Rights

Socio-Economic Compliance

Customer Centricity

Community Engagement

123 Our response to COVID-19

124

Way Forward

126

GRI Index

LEAVE EVERY PLACE BETTER

MESSAGE FROM THE COO

Dear
Stakeholders,

As the year ends, we at Eicher Motors Limited (EML) would like to acknowledge the partnership of our stakeholders, communities and other members of our larger ecosystem. It is important to reiterate our commitment towards driving excellence in operations while creating a positive impact on the lives of people around us - today and always.

I am delighted to share with you EML's second report on Sustainability based on the theme 'Leave Every Place Better', which is in line with our social mission. Our efforts are directed towards driving sustainability and greener business operations while we pass on these values to our suppliers, dealers and customers.

The year 2019-20 focused widely on building on the initiatives to strengthen our resolve towards sustainability while also ensuring that our performing standards are improved. We are embedding sustainability into our strategic business plans and widening our lens to work on ideas and projects that establish us as a truly responsible and sustainable manufacturing organisation. For us, our approach goes beyond the realms of compliance and our own operations. Our brand is constantly steering ahead in its commitment to the greater good by enabling innovation for all our stakeholders, as well as in the way we work together as one team at Royal Enfield.

The 2-wheeler industry experienced a weak demand scenario in FY 19-20 which contributed to a 7% reduction in revenue over the previous year. Despite the economic headwinds which have been exacerbated by the COVID – 19 pandemic, we continued to invest in our R₹D to enhance our products and expand our portfolio to effectively serve the changing needs of our customers.

We are improving our environmental performance by gradually enhancing the share of renewable energy in our energy mix along with the usage of recycled materials. We are also making sure that we remain a water positive organisation by constant reuse and recycling of water. It is delightful to share that we have achieved a reduction in our total emission numbers as compared to last year, thus minimising the environmental impact. Our sustainability strategy thrives on collaboration and unity of effort as we drive constant checks ₹ audits with our suppliers ₹ dealers helping them to be more aware and accountable towards environmental responsibilities.

Our long-standing commitment to share our success with our people and communities has only grown stronger in these years. We are an equal opportunity employer focusing on diversity, employee welfare and a culture thriving on respect and shared values. Inside our facilities, we prioritise occupational health ₹ safety and are proud to have reported zero

"As we deal with critical issues and concerns related to the global order, it is becoming increasingly clear that how we run our businesses will decide what the future unfolds for us. That is why we are so committed to sustainability."

cases of accidents this year. Our customers are also partnering in our sustainability journey through various rides and events that celebrate the pursuit of exploration while also being responsible travellers. In FY 2019-20, we carried out 496 cause led rides that furthered our idea of socially responsible, environment friendly and safe riding.

As we witness progress in many arenas, we acknowledge that the scope of impact in this area is unimaginable and we have just begun. In the next phase, as we remain inclined towards the global agenda of sustainable development, we plan to develop a comprehensive strategy that will help us move closer to resource neutrality and enhance our disclosures on sustainability performance in line with global standards. The upcoming months shall be spent on getting these aspects defined and articulated.

As the COO at Royal Enfield, I have been actively involved and am honoured to work with an efficient team that works to ensure that we remain a leader in conducting our business responsibly.

We are here to make a difference in letter and spirit. I invite our stakeholders to kindly read our report in the inside pages to know more about how we are moving in the right direction and taking everyone along.

Best regards,

B Govindarajan
Chief Operating Officer



OUR KEY ACHIEVEMENTS IN FY 19-20

Economic Performance

Rs. 173.6 Cr R&D expenditure

27% Market share

FY 19-20 was a year in which we continued to perform strongly across economic, social and environmental parameters. While growing our existing initiatives, we also put in place systems & procedures to expand the scope of our sustainability interventions.



Environmental Performance

2,674 MWH *Energy saved*

18% *Recycled Input materials*

Social Performance

0 *Fatalities*

496 *Cause-rides for building awareness*

ABOUT US



Eicher Motors Limited (EML) is a part of the Eicher Group, an automobile brand well-known all-over the world for its motorcycles and commercial vehicles.



In the 90's, the Eicher group extended its presence in the automobile sector through the iconic Royal Enfield brand, the industry leader in the category of middleweight motorcycles.

With a rich history of over 100 years, Royal Enfield has focused on mid-size motorcycles in the 250 cc to 750 cc range which are simple, yet engaging and accessible. Royal Enfield is an experiential brand that combines modern-day elements with the brand's heritage.

In addition to the range of distinctive modern classic motorcycles, Eicher Motors Limited holds a joint venture with Sweden's AB Volvo – VE Commercial Vehicles Limited (VECV).

VECV offers a portfolio of Eicher Branded Trucks and Buses, VE Powertrain, Eicher's components, engineering design services, sales and distribution of Volvo Trucks as well as aftermarket support to the Volvo buses in India.

Our Products

The product portfolio comprises of iconic motorcycles in the mid-size segment, which has collectively given us a leading share in the category.



Interceptor 650

Inspired by the iconic 60's Interceptor with its greatest following in the American west coast, fitting perfectly into the easy-going, fun narrative of the time, the new Interceptor 650 Twin reimagines the sun-drenched California beach lifestyle. This modern classic is the essence of a British roadster with a dash of a California Desert Racer blending timeless style and contemporary performance.

Continental GT 650

Drawing inspiration from the café racer culture of 1950s and 60s, the new Continental GT 650 Twin recaptures the spirit of our Continental GT 250. A design icon, the perfect blend of tradition & modernity, with its sculpted tank, eager attitude and a tucked-in riding position, all hallmarks of a traditional café racer, is perfect for carving up the back roads or a ton of fun in the city.





Himalayan

Decades of expeditions. Thousands of kilometres of traversing the most challenging terrain. Years of living and evolving with a machine that responds to the mountains. That's how we made the Himalayan, our first dual-purpose motorcycle. It was built to be tough, versatile, and adaptable to all kinds of terrain.

In FY 19-20 we sold a total of

6,95,947 units.



Thunderbird

The Thunderbird is the definitive cruiser that makes one feel at home on the highway, bringing the rider closer to open skies and a life made for leisure motorcycling. For the Thunderbird X, an urban make-over of the machine, we chose to play up its distinctiveness. The result is a Thunderbird that is purposed for our cities, towns and beyond.

Classic

An old-school, post-war design built around an engine that you can count on. That's Classic, the machine that bears on simple pleasures of motorcycling, while being dependable enough to ride through any terrain. In it, the tradition of an iconic past exists in harmony with modern technology. Timeless, looking through tomorrow.





Bullet

What started in 1932 continues to deliver pure motorcycling experiences across generations of riders. Bullet, the quintessential Royal Enfield, is today the longest running motorcycle in history to be in continuous production. A unique, hand-painted fuel tank, the distinct thump and a standing testimony to Royal Enfield's philosophy of simple design and resilient build make Bullet a living legacy on two wheels.

Our Values

We at EML have always been a value-driven organisation since our inception. With strong governance, corporate policies and codes of conduct, our values are reinforced through our corporate culture. These values are central to our management and our people - they promote individuality as well as collaboration; independence as well as integrity.

Be Eicher

- Be Ethical
- Be Open and Diverse
- Be Fair and Unbiased
- Be Secular, Apolitical
- Be Empowered

Live the Brand

- Oneness
- Timeless Legacy
- Hands-on
- Inner Thump

Know no Boundaries

- David in a Goliath World
- Differences that matter
- Don't follow convention
- Be smartly different in : Product strategy and mix
- Unique brand positioning
- Business model
- Customer value proposition - consumer benefits
- Organisation culture
- Marketing mix, consumer touch points
- Motorcycling ecosystem

Fiercely Unique

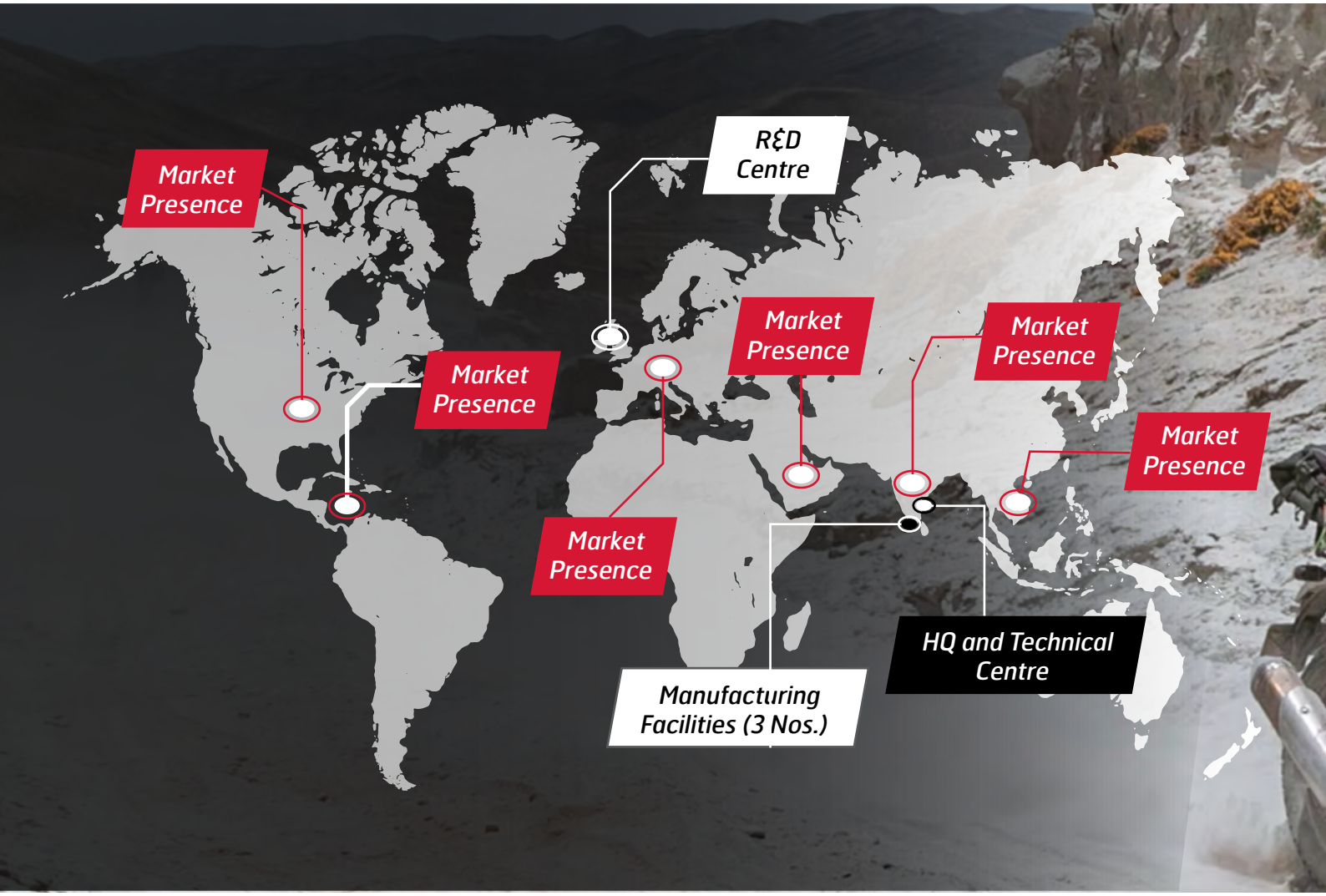
- Firstly, work without borders within Royal Enfield
- Be open to ideas and influences from different people, sources and industries
- Harness our extended eco-system by collaborating and co-creating
- Behave more like an organism than an organisation

Our Spread Across the World

Eicher Motors operates from a corporate office based in Gurgaon, India which is the Eicher group's office and one corporate office in Chennai, India, which is also its global headquarters.

In addition, there are three manufacturing facilities in Tamil Nadu, India (located at Thiruvottiyur, Oragadam and Vallam). We also have two centres dedicated to the development of new products and innovation - one technical centre in Chennai and another R&D centre situated at Leicestershire, UK.

Our active network of suppliers and dealers is spread across emerging and developed countries. Royal Enfield operates through 920 outlets including 13 company operated stores in all major towns and cities across India. We initiated the 'studio stores' in 2019 – a compact format store for increasing penetration into India's smaller towns & cities, reaching 600 studio stores in 2019. We also export to over 50 countries including USA, UK, European, Latin American, Middle East and South-East Asian nations. Our geographic presence is shown in the map below.

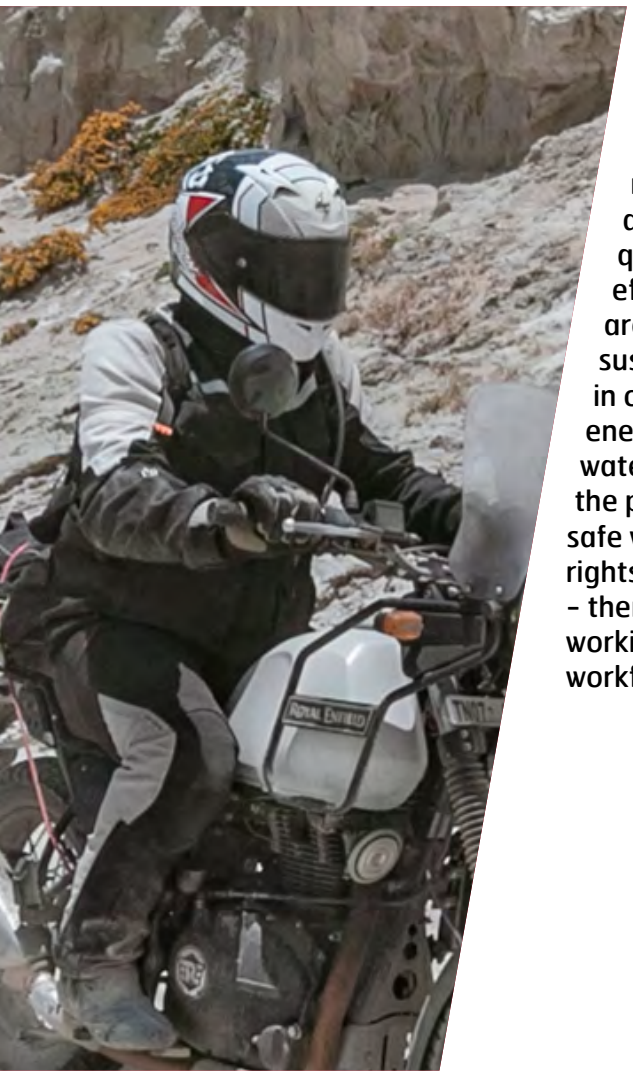


Our Value Chain

The success of our value chain is closely linked to the success of our business. Our value chain has 6 components that work in tandem – design, procurement, production, sales & distribution, use phase and, end of life. Environmental and social performance is an area of increasing priority, particularly in managing our stakeholder relationships.

Design:

Innovation is at the heart of EML's Motorcycle and Commercial Vehicles business. We design and develop our vehicles by anticipating latest industry trends, customer demands, environmental and safety standards and technological advancements. Our product design is a crucial driver for our brand reputation and value creation.



Procurement:

We procure materials and services required for manufacturing in an ethical and responsible manner prioritizing local suppliers to develop the local ecosystem. We ensure that the supply chain operates with maximum efficiency and productivity through well-developed platforms and partnerships.

Production:

Our state-of-the-art manufacturing facilities are aligned to the highest quality, compliance and efficiency standards. We are increasingly embedding sustainable business practices in our facilities through clean energy, energy efficiency, water recycling and reuse. On the people front, we focus on safe working conditions, human rights and freedom of association - thereby creating a positive working atmosphere for our workforce.

Sales and Distribution:

We deeply engage with our sales and distribution network to attain maximum customer satisfaction. We understand that our brand reputation is also dependent on the service and support capabilities of our sales and distribution network. We empower our sales teams by providing resources and incentives to foster motivation.

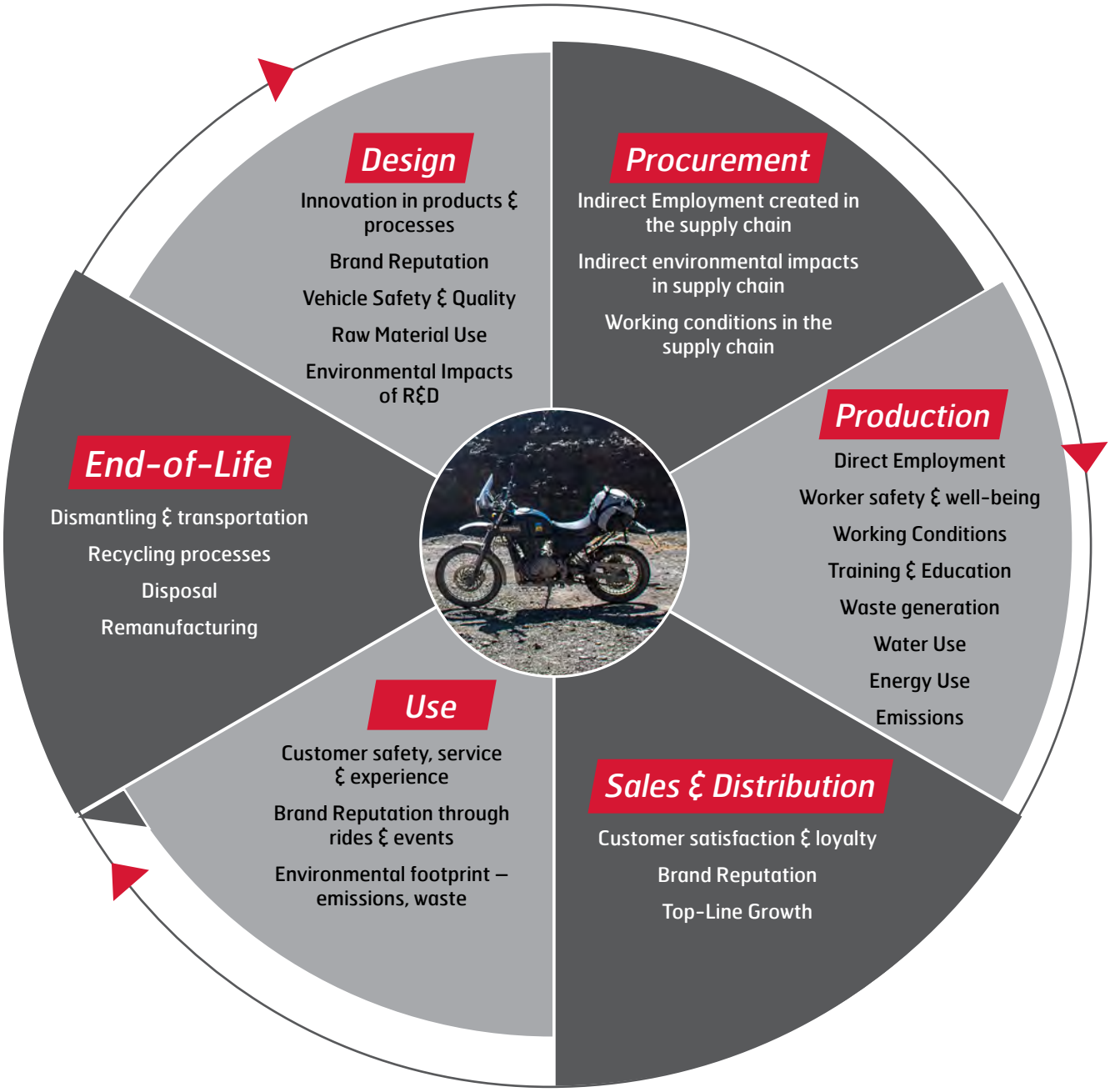
Use Phase:

We make customer experience & safety one of the highest priority areas, with our vehicles conforming to all applicable safety & comfort requirements. We also have a strong network of dealers and service providers who support customers through their superior in-store sales as well as post purchase service. We engage with our customers on sustainability issues as well through various cause-related rides & events. We are also conscious of the emissions through the use of our products and are aligning ourselves to BS VI emission requirements.

End of Life:

We are conscious of shortening product life cycles in today's world and its adverse impact on natural resources. We aim to recycle a large part of our vehicles at the end of their lives and minimize disposal to the landfills.

The illustration below showcases the key impacts (business impacts as well as stakeholder impacts) of each key component of our value chain.



Collaborations and memberships

We at EML work in collaboration with multi-stakeholder associations with the objective of forming meaningful partnerships for a common goal.
Our collaborations and partnerships are driven by common interests, values of commitment and integrity, regulatory compliance and policy changes. Engagement with various industry & trade associations happens on issues such as automotive policy, 'Make in India', climate change, technology changes and other industry standards. These associations provide us a platform to share our ideas and express our views on key issues in the sector.



Awards & Recognitions

Royal Enfield Interceptor 650 Auto X Motorcycle of the Year 2019

Royal Enfield's manufacturing facility at Vallam Vadagal received the Frost & Sullivan Gold Award for Manufacturing Excellence 2019 – Mega Large Business – Automotive Sector



Royal Enfield Interceptor 650 Thailand's Bike of the Year 2019' award in the 'Best Modern Classic Middle-Weight' category

The Continental GT 650 received the 2019 best looking naked/standard Motorcycle of the Year from Motorcyclist magazine USA

Royal Enfield Interceptor 650 MCN Retro Bike of the Year 2019 in the UK

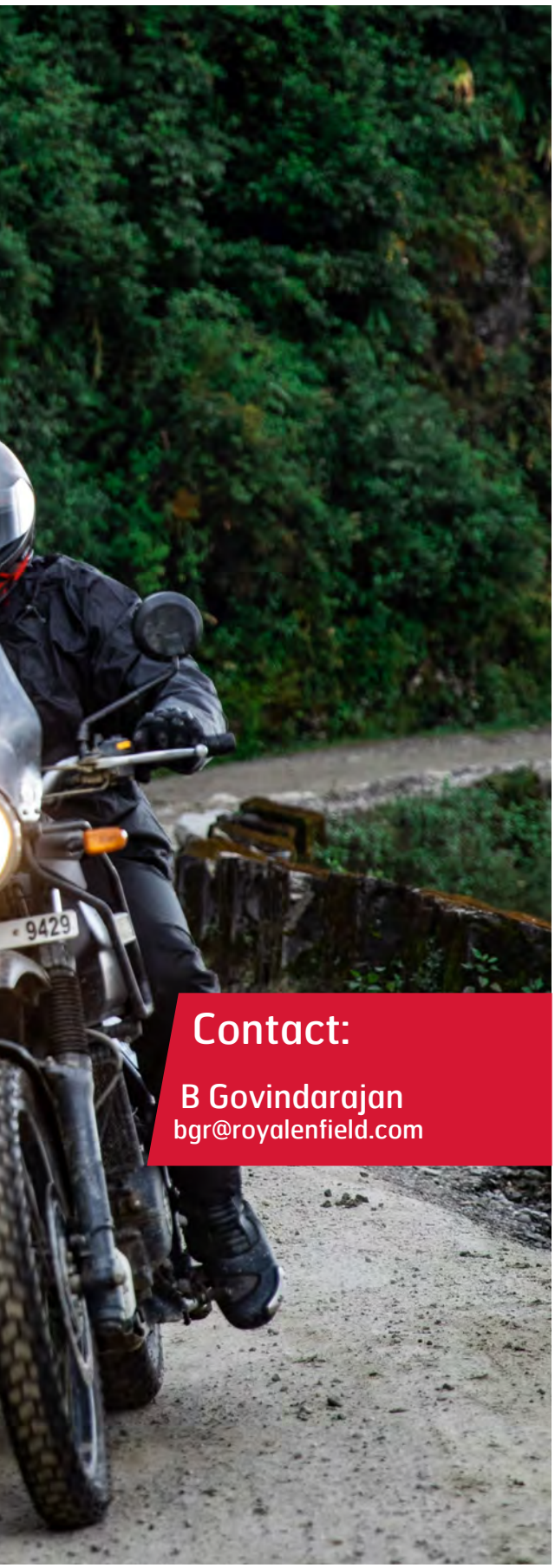


ABOUT THE REPORT



'Leave every place better' is the theme of this sustainability report – which echoes our vision to expand & integrate sustainability into our brand & operations.

The report presents a view of our economic, environmental and social performance for the period 1st April 2019 to 31st March 2020. This report has been prepared in accordance with the 'core' criteria of the Global Reporting Initiative (GRI) Standards. The GRI Content Index can be found at the end of this report.



Contact:

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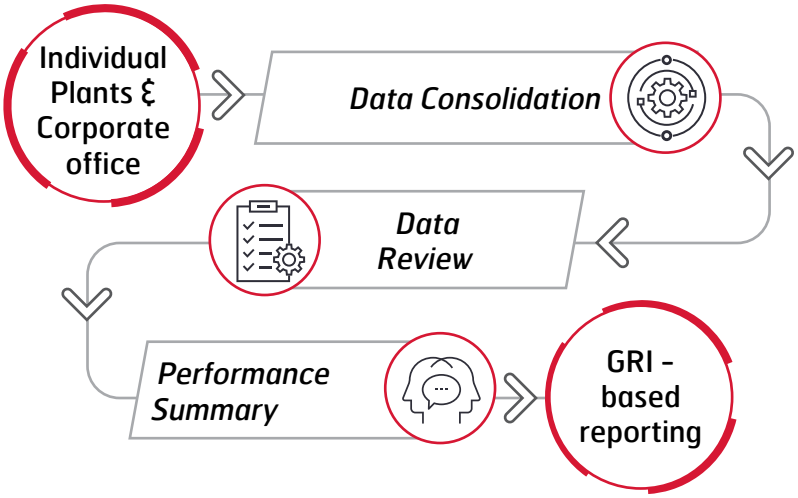
Reporting Boundary

This sustainability report covers all our manufacturing facilities over which EML holds direct control. This covers our 3 manufacturing facilities at Thiruvottiyur, Oragadam and Vallam as well as our corporate office situated in Chennai. This is our second year of sustainability reporting. Relative to last year, we have added the corporate office in Chennai into our reporting boundary.

Data Management

We have developed internal controls to ensure the validity and accuracy of the data presented. The internal controls present cover periodic reviews, audit trails, review of assumptions made, and conversion factors used.

Data Flow & Governance



Approach to Materiality

We present our sustainability performance to our stakeholders on the most concerning topics for the creation of sustainable value for the business as well as all our stakeholders. The most material topics were identified based on our continuous consultation with stakeholders, exhaustive research of market conditions and prioritization of goals we want to achieve for our people. The material issues identified in last year's assessment were reviewed for suitability on the parameters of current market conditions, sector analysis and stakeholders' concerns. Material issues have been revised and long-term strategy is being planned to continue our journey towards sustainability.

We appreciate your interest in EML's sustainability performance for the financial year 2019-20. We would be happy to hear from you and respond to feedback and/or queries.

SUSTAINABILITY AT EML

Sustainability for us at EML is intrinsic to the way we do business. Our brands and products are deeply linked to the development and mobility of the nation.

We are conscious of the impacts we have on the environment and on society and have undertaken a host of strategic initiatives to embed sustainability into our business. In addition, we are also committed to taking with us our value chain partners along in our sustainability journey.

Our journey is one of steadily increasing maturity. Through extensive consultation with internal and external stakeholders, we have been expanding the scope & scale of our interventions. Beginning with the areas with the highest operational control, we have taken innovative measures to enhance resource efficiency in our production facilities. Great progress has been made in implementing energy-efficient technologies, reuse of water and increasing the use of recyclable materials in our products.



Welfare measures have been implemented for our on-rolls and contract employees which include health & safety, freedom of association, recruitment and workplace ethics among others. Our engagement with the larger community has historically been a strategic focus area right since the inception of the business. Through initiatives across education, health, skilling and energy access among others, we continue to contribute to the overall development of the communities we operate in.

Our Approach

In FY 2019-20, we continued to build upon the progress made in the previous years on resource efficiency, people performance and community engagement. The year has also been a transition year for us, as we made the decision to take a more strategic way of looking at sustainability issues. This implies developing an understanding of how sustainability issues can create long term value and integrate with our core business operations.

We at EML understand that we owe our presence and growth to nature and to society. We are focused on staying ahead of statutory compliance and minimizing our impact on the environment. Therefore, we are looking closely at each aspect of our value chain to identify gaps against leading practices, national commitments and global benchmarks to identify & implement solutions to improve our social and environmental performance.



Building on our existing & established mechanisms for assessing suppliers & dealers on compliance, quality, safety and cost competitiveness, we are also looking to further integrate sustainability performance aspects into supplier on-boarding and audit frameworks.

Underpinning our sustainability performance are our governance practices. Sustainability at EML is a priority for our board members and senior management. Execution of sustainability solutions is carried out by the respective teams at our facilities and is periodically reviewed by our senior management. By engaging with key stakeholder groups, we are reviewing and updating our risk management framework. Finally, as we enhance our sustainability performance and governance, we also aim to enhance our disclosures as we believe that being transparent is essential in engaging with our stakeholders meaningfully.

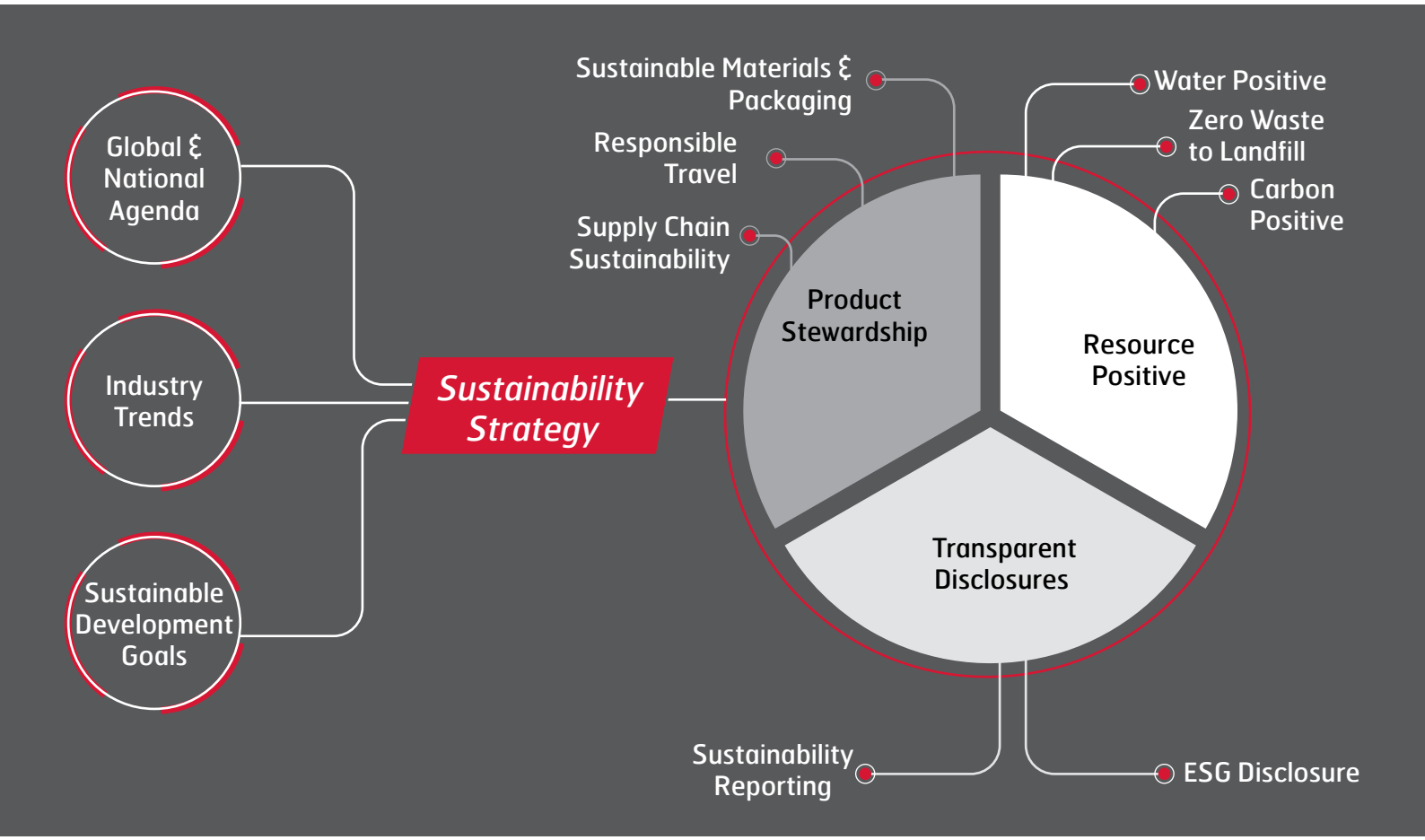
Our aim is to become a brand that integrates sustainability into the product lifecycle – right from concept design to the end of life.

Outlook for the future

We at EML aim to develop a formal sustainability strategy that rests on three pillars – Product Stewardship, Resource Neutrality & Transparent Disclosures.

- Product stewardship implies embedding environmental & social responsibility into each step of the value chain. The focus of product stewardship lies on a responsible supply chain, the use of recycled & recyclable materials, and the responsible use & disposal of our products
- Resource neutrality is concerned with our own operations at our facilities – to minimize resource use and wastage through technology and process enhancements
- We also plan to disclose our performance to our stakeholders through various forms of ESG disclosures (such as investor ESG surveys, carbon disclosure project - CDP etc.) in addition to this sustainability report.

Under this sustainability strategy, we will be setting ambitious goals and quantitative targets. These commitments will be implemented through a robust governance framework - which includes a yearly roadmap, data collection & management, as well as controls for monitoring.



Looking towards an electric future

Electrification of the transportation sector is one of the key levers to achieve global climate targets. The automotive sector is steadily transitioning to increasing the share of electric powertrains through an enabling ecosystem of policies, start-ups and manufacturers. We at EML are also in the process of developing our electric vehicle (EV) vision – one that is aligned with our brand and our customer's preferences. We are approaching EVs by focusing on two interconnected perspectives – the products and the brand.

Product Perspective

From the product perspective, there is a lot of room for innovation in EVs. Therefore, we are looking to develop EVs that will be complementary to our existing product lines. We will be focusing on geographies where alternative powertrains can have the greatest impact based on customer use and infrastructure. We are developing our technical capabilities and studying the alignment of our supplier base with EVs.

Brand Perspective

From the brand perspective, we are looking at the entire value chain from the outlet to the wheel i.e. a solution that will leverage our existing owners, dealer network and product line up to be a full brand solution for mobility. Through deep consumer studies, we are looking at exciting variants that can bring out the advantages of EVs – simplicity, smoothness, instant torque and a liberating and cleaner mode of transportation. We also see EVs as another way of enhancing the customer lifetime value potential by drawing new customers and retaining existing ones for longer.



Stakeholder Engagement

Our stakeholders are key to our value creation. At EML, we strongly believe in the idea of shared value, i.e. value creation for `all those who are directly and indirectly connected with us. We place a high degree of importance on maintaining and developing those relationships. Stakeholders are engaged through a wide variety of channels – both formal and informal. Key stakeholder groups have been identified based on two criteria - the impact that they have on our value creation, and the extent to which they are impacted by our operations.

Stakeholder group	Engagement Channels	Key topics and concerns
Employees	▸ Awareness training ▸ Performance appraisals ▸ Annual employee satisfaction survey ▸ Grievance redressal mechanism	▸ Occupational health and safety ▸ Rewards and recognition ▸ Personal development and growth ▸ Empowering work environment
Consumers	▸ Customer satisfaction survey ▸ Market surveys ▸ Rides & events	▸ Product and service quality ▸ Complaint resolution ▸ On-time delivery ▸ Product safety
Suppliers	▸ Supplier meets ▸ Training and awareness programs ▸ Pre-onboarding & Periodic Assessments	▸ Planning & Execution of work orders ▸ Innovation & product development ▸ Communication & engagement on sourcing plans ▸ Co-Creation of New Technologies
Dealers	▸ Dealer meets ▸ Marketing communications	▸ Communication of organisation sales & marketing plan ▸ Product quality ▸ Incentives ▸ Enhancing customer experience
Investors	▸ Press releases and publications ▸ Investor meets ▸ AGM ▸ One to one meeting	▸ ESG performance ▸ Financial performance ▸ Future approach & projects ▸ Updates on new launches

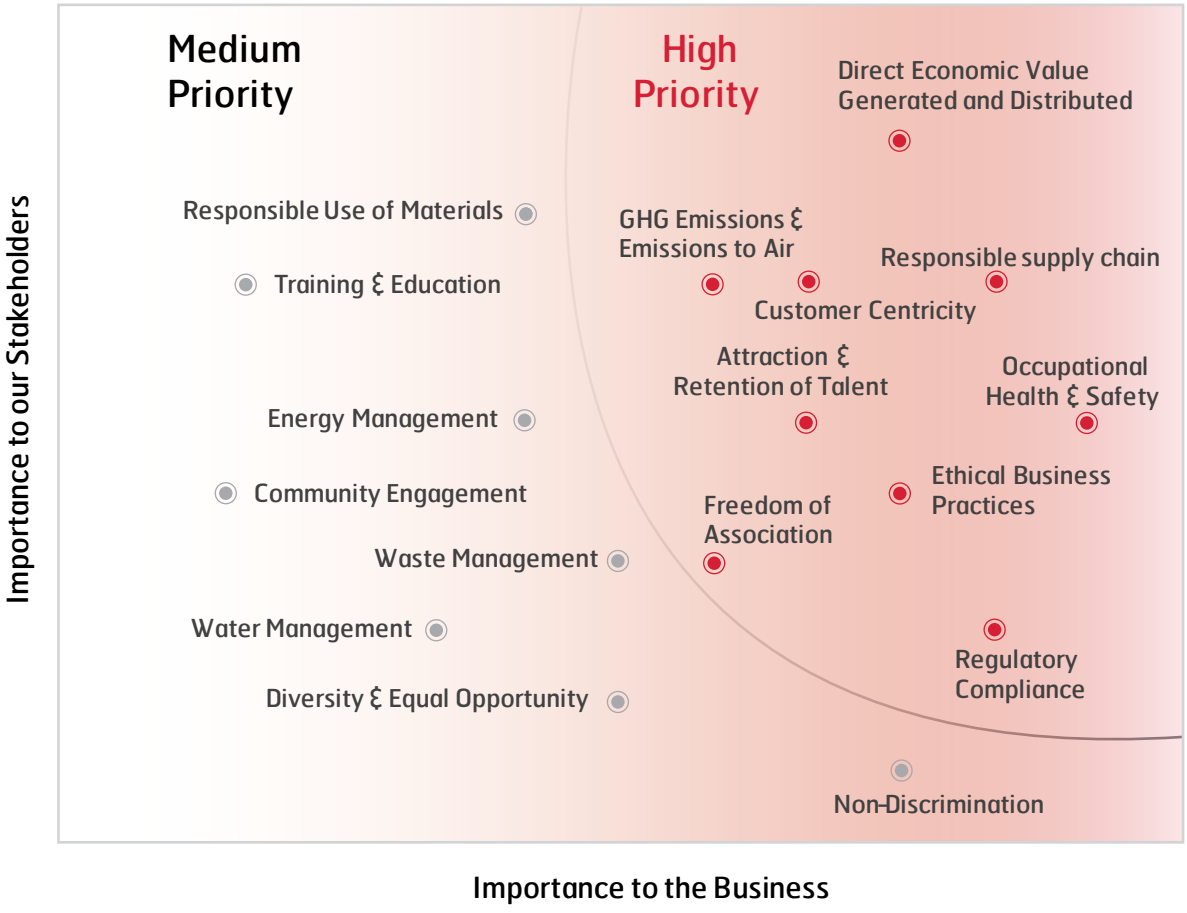
Bankers	▸ One-to-one meeting ▸ Press releases ▸ Emails and calls	▸ Business expansion and diversification ▸ Risk management ▸ Financial performance
Local communities	▸ Community outreach programs ▸ Press releases and publications	▸ Education ▸ Skill training ▸ Healthcare ▸ Infrastructure development
Peers and industry ecosystem	▸ Industry associations - memberships ▸ External conferences ▸ Press releases	▸ Action on upcoming regulations and compliance, including environmental & social compliances ▸ Innovation & product development
Government and regulatory bodies	▸ Mandatory compliance reports ▸ Onsite inspections ▸ One-to-one meeting	▸ Statutory compliance, including environmental and social compliance



Materiality

Performance on material issues, i.e. those issues which are prioritised by our business and our stakeholders is critical to creating shared value for our stakeholders. Our approach to materiality is that of identification followed by prioritization. Issues are identified through sectoral trends, our own previous research and industry benchmarks. These issues are prioritised on the basis of extensive stakeholder consultation with our internal & external stakeholders.

We continue to monitor the materiality of various issues and modify their prioritization based on ongoing business priorities and our performance on those issues in the past. The 'high priority' material issues identified in FY 18-19 sustainability report continue to be areas of focus for us. The chart showcases EML's materiality analysis for FY 19-20, plotted on two axes – importance to the business and importance to our stakeholders.



In an environment of sluggish economic recovery, economic growth remains a critical issue – both for our business, for our investors, and for our value chain, which is a vast network of suppliers and dealers.

In alignment with our sustainability outlook to expand beyond our operations, we have also placed high importance on developing a more responsible supply chain. Areas such as talent retention, occupational health & safety, ethical business practices and freedom of association are critical to our human capital and the way we conduct business.

Given the high contribution of the sector to global emissions and climate change, we believe that action on GHG & air emissions in our products & operations is also critical.

In accordance with the 'GRI-core' standards, we have chosen to report on the material topics, while giving an overview of certain additional topics. These material topics provide a detailed and balanced description of our approach and activities.

Mapping of specific GRI indicators with the material issues can be found in the GRI Index at the end of the report.



Aligning to the Sustainable Development Goals (SDGs)

The UN SDGs are a global benchmark for sustainability cooperation and performance. Many of our core business activities and sustainability initiatives are closely aligned to the SDGs. The below illustration showcases the alignment of various initiatives with the SDGs.

Goals



- Women empowerment programmes in Leh and Ladakh region through developing homestays and women engineers involved in electrification thereby providing livelihood opportunities to 300 women living in villages
- 35% increase in house income by providing infrastructure and training to create livelihood opportunities.



- Poornama Aahar (Nutrition) under Shikshak Pahel Programme



- Eicher schools, Schools in Tribal areas under Rural Development projects under CSR, providing digital education for 800 students by installing digital centres in schools and updating relevant educational content
- Supporting 32 Bodhshalas in Alwar district with holistic education
- Royal Enfield Academy - vocational training to youth in various locations across India

Contributors



Contributors

- Primary health care centres, community health clinics and medical camps, upgrading child care centres to enhance quality and infant mortality rate
- Establishment and awareness regarding trauma care centres on Leh-Manali highway, Safe road user initiative, improving road safety through behavioural insights
- Occupational health centre with 24*7 assistance for the employees
- Access to healthcare in flood hit areas, Donations as a response to Covid-19 Pandemic
- 50% reduction in health-related complaints by providing clean energy thereby avoiding exposure to toxic fumes produced from kerosene lamps
- Committed funds for hospital development as a response to COVID - 19 ξ offered factory capacity for manufacturing essential equipment
- Reducing health impacts of crop burning through Clean Air, Better Life
- Reducing the risk of road accidents through Safe Road User Initiative



- Diversity and equal opportunity at the workplace
- POSH Awareness training for employees



- The Community RO units-500 LPH installed and running at Vattampakkam, Vadakkupattu and Valayakaranai
- Zero liquid discharge from the factories, rainwater harvesting system, Water treatment and recycling of sewage and trade effluent in STP and ETP
- Lakes and abandoned water bodies restoration under CSR projects
- Water conservation measures for the communities under CSR



- Project Empower in Leh Ladakh for electrification in rural communities under CSR
- Started operation of 999 kWp solar rooftop plant
- Undertaken various energy efficiency measures and saved 2,674 MWH energy in FY 19-20

Contributors



- Dealing with many suppliers in SME category, and indirectly responsible for boosting local businesses and job creation
- 40 homestays are setup in Leh-Ladakh region to provide an opportunity to earn

- Skill based training through RE Academy, supplier trainings
- Strong commitment against Child labour, Forced or Compulsory labour

- Promoting protection of Human Rights in own and suppliers' operations, Right to freedom of association and collective bargaining for all our workers

Contributors



- Provision & enhancement of employment opportunities through our operations (on-roll + contract labour)
- Undertaking various Energy efficiency measures to minimize emissions per unit production



- 38 solar water heaters were set up in 17 villages making them self sustainable
- Resettlement and reconstruction activities in flood affected areas

Contributors



- Less material consumption by reuse and recycling
- Safe handling and management of hazardous waste
- Sustainability report disclosure according to GRI Standards, Business Responsibility Reporting
- Rides & events around environmental causes of waste management & resource conservation
- Publication of GRI-based sustainability report



- High density plantations on barren lands to restore the balance of the ecosystem

Contributors

RISKS, IMPACTS & OPPORTUNITIES

The dynamic environment of the automobile industry demands a proactive response to the risks related to the business.

At EML, various categories of risks are comprehensively assessed for relevance, magnitude and probability to strengthen our response to them. The senior management reviews the formal Risk Management Framework periodically to maintain business continuity. The Risk Management Committee of the Board has a broad oversight of all significant risks and impacts.

Major changes occurring in our sector across regulatory, supply chain and brand risks among others are continually tracked. We connect with various stakeholders including trade associations, external consultants and policy makers to better understand the risks and mitigation plans. An inventory of risks & opportunities is maintained & tracked by coordinating with various function heads.

The tables below showcase the risks and opportunities we believe to be significant to our business. While climate-related and sustainability risks are being addressed in various forms, we are working on their further integration as a risk driver.



Risk Driver	Type of Impact	Risk Mitigation Response
Regulatory	▸ Caps/quotas/ taxes on use of natural resource consumption ▸ Transition risks due to emerging regulations ▸ Product safety regulations	▸ Plans laid out to comply with BS – VI norms ▸ Conformance with product safety standards ▸ Use of recycled/recyclable materials in product & packaging ▸ Monitoring of all compliance requirements at facility level & organisational level
Brand & Reputation	▸ Being perceived as a brand that is not socially/ environmentally responsible ▸ Loss in brand value ▸ Social licence to operate	▸ Developing relationships with dealers ▸ Developing digital capabilities & tools for forecasting & social media engagement ▸ High product quality frameworks for operations and supply chain ▸ CSR activities in local communities
Climate-related	▸ Physical safety of operations due to natural disasters ▸ Chronic risk of resource scarcity for operations & supply chain	▸ Enhancement in resource (energy & water) efficiency in operations ▸ Scaling up of renewable energy ▸ Disaster management plan covering floods

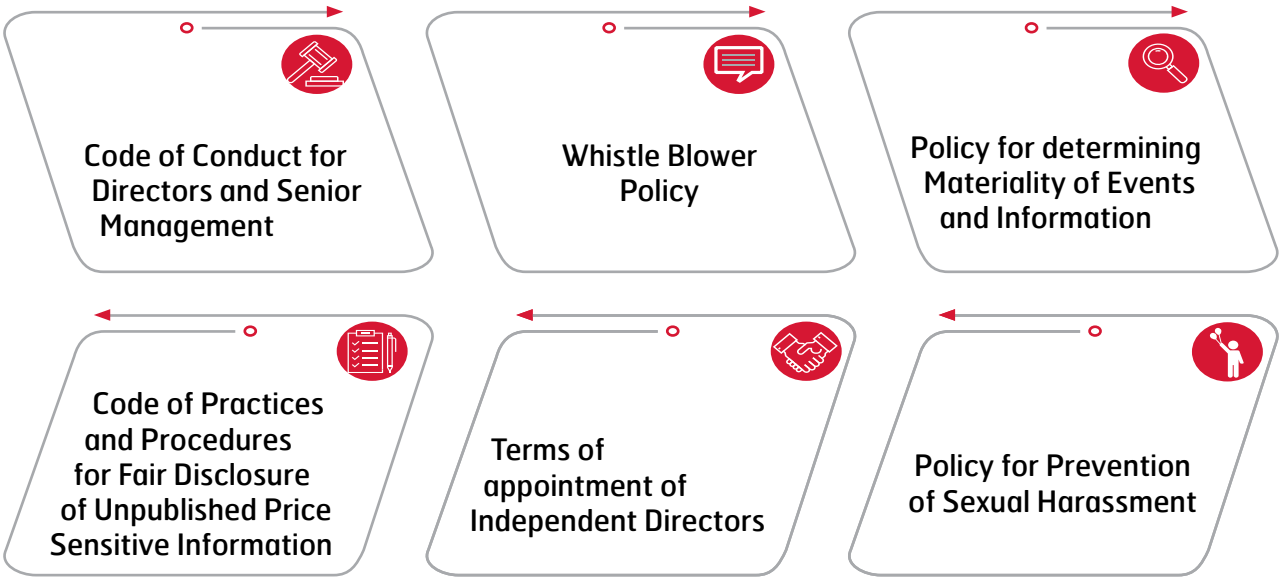
Customer Preferences	▸ Changing expectations of customers on product offerings & quality	▸ Active customer engagement ▸ Enhancement of in-store experience ▸ Events & rides to engage closely with customers
Employee engagement & Attrition	▸ Impact on productivity ▸ Critical talent retention ▸ Employee motivation levels	▸ Emphasis on learning & development ▸ Promotion of diversity across all levels ▸ Employee engagement initiatives covering technical and soft skills
Safety	▸ Physical safety of workers in operations ▸ Wellbeing of all employees	▸ Safety policy covering OHS aspects ▸ Safety training & mock-drills ▸ Occupational health centre ▸ Annual health camps
Supply Chain	▸ Price & quantity volatility of critical inputs ▸ Quality of supplied components ▸ Retention of Trained Labour	▸ Supplier audits covering quality, safety, environmental, cost and design aspects ▸ Development of long-term relationships with suppliers through collaborative working and assistance ▸ Supply chain spread out strategically ▸ Multi sourcing of critical parts ▸ Higher share of proximity suppliers ▸ Low cost automation initiatives

Opportunity Driver	Type of Impact	Opportunity Capture Response
Efficiency	▸ Reduction in operational costs	▸ Measures for conservation of water such as use of ETPs and STPs and ZLD plants ▸ Adoption of energy efficient technologies and retrofits ▸ Use of technologies & innovations to reduce virgin resource consumption
Brand of choice	▸ Positive image among customers by being perceived as a responsible brand	▸ Deep engagement events with customer base (actual & potential) such as rides & events ▸ Focus on communicating a narrative around social & environmental responsibility through the events and rides ▸ Continued emphasis on product safety & quality
Products	▸ Development of new products in line with changing policy & competitive requirements	▸ Investments in R&D and New Product Development – both standalone and with suppliers ▸ Reduce environmental pollution because of unburnt gases ▸ Addition of new features for customer comfort & safety

CORPORATE GOVERNANCE

Corporate governance at EML is driven by a strong ethical foundation. All our stakeholders require a respectable & ethical working environment.

A committed and productive corporate governance culture & framework is the backbone of our progress. We have well-defined policies and codes of acceptable conduct and behaviour for employees and management. The policies ensure adherence to ethical, professional & legal standards, and transparency and accountability mechanisms within Eicher Motors and in all business matters.

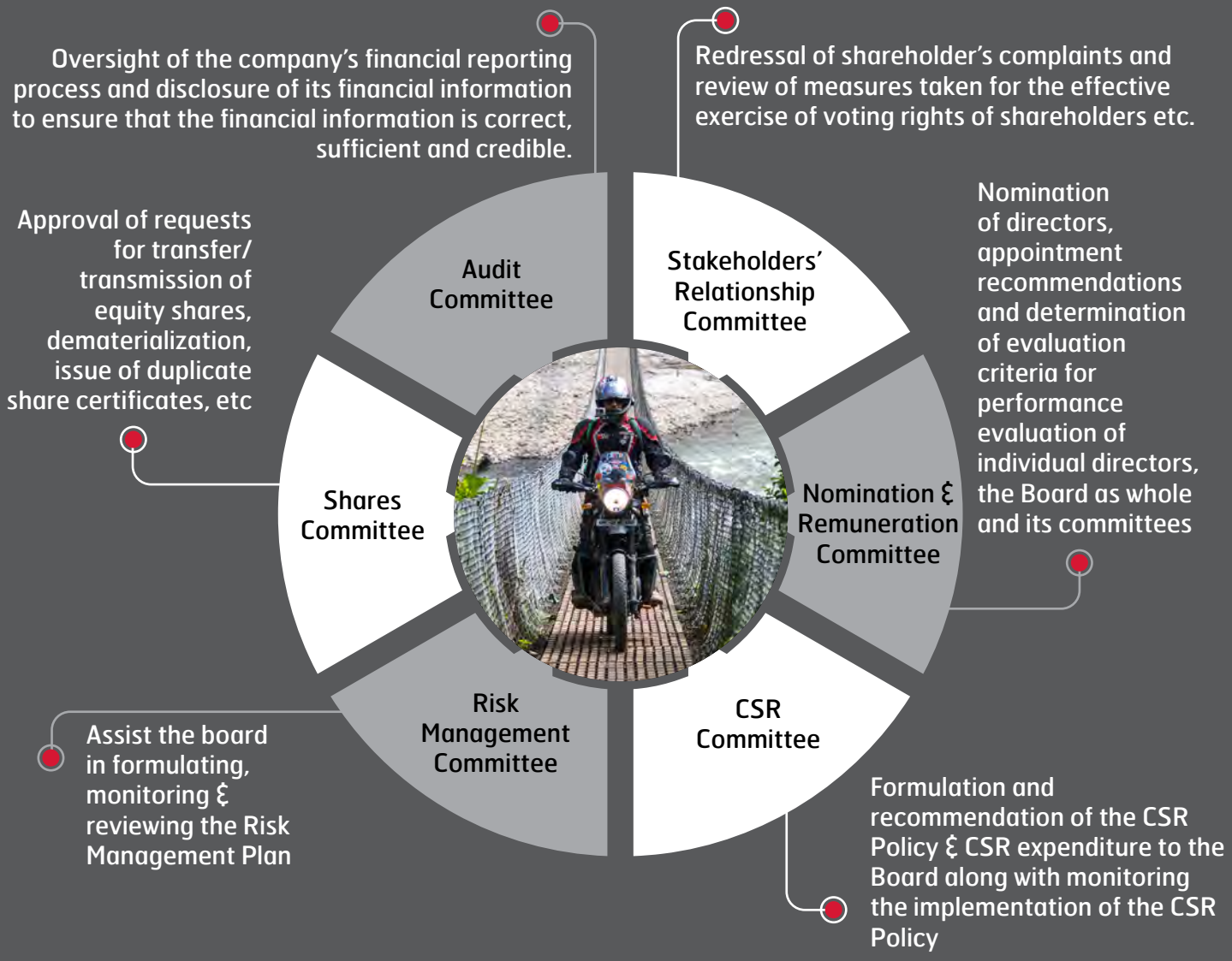


We also have a thorough internal and external mechanism in place to ensure investor grievances are resolved in a timely and appropriate manner.

Our senior management monitors the sustainability performance of our business across its operations. Our compliance team ensures that all the relevant regulatory requirements are met in our operations, which include social & environmental compliances. Our Board comprises esteemed & accomplished Directors in their respective fields. A list of Directors on our Board is shown below.

S. No.	Name	Designation
1	Mr S. Sandilya	Chairman, Non-Executive Independent Director
2	Mr. Siddhartha Lal	Managing Director
3	Ms. Manvi Sinha	Non-Executive Independent Director
4	Mr. Inder Mohan Singh	Non-Executive Independent Director
5	Mr. Vinod Kumar Dasari	Whole-time Director & CEO – Royal Enfield
6	Mr. Vinod Kumar Aggarwal	Non-Executive Director

Committees of highest governance body

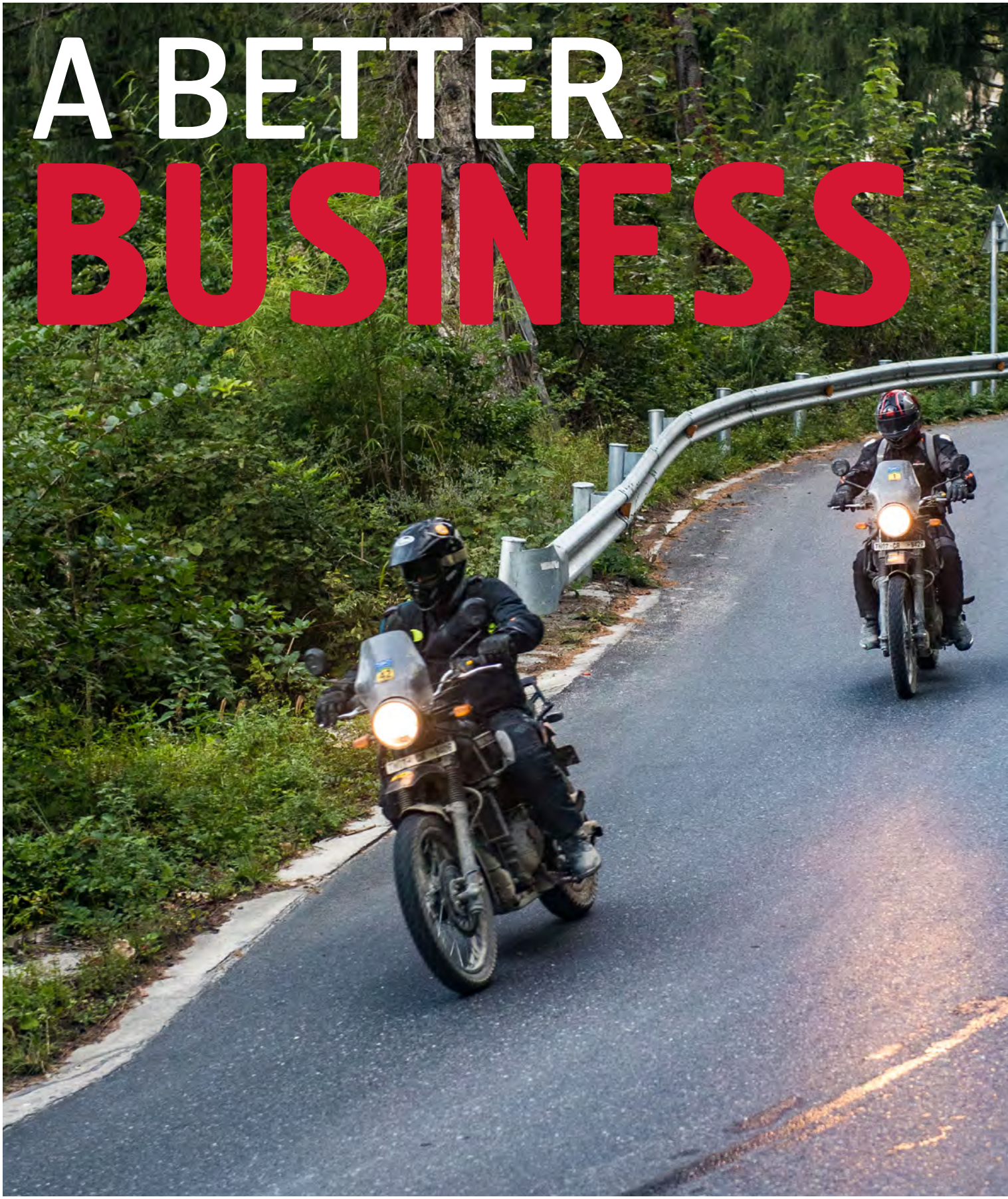


For further details on our governance structure, terms of reference of Committees, its composition, selection process of Directors/Committee members, performance evaluation etc., please refer our Annual Report for the FY 2019-20.

With increased investor and stakeholder focus on ESG issues, we believe sustainability will soon be at the forefront of the Board's Agenda. Therefore, we are institutionalizing formal governance mechanisms to track and report ESG performance – for instance through a formal sustainability strategy and integration of ESG issues in the risk management framework.

Governance of environmental and social aspects also occurs at the Board level. In addition to CSR, safety, environmental performance and crisis management are also discussed.

A BETTER BUSINESS





Economic Highlights

Rs. 173.6 Cr

R&D expenditure

61%

Share of spend on Proximity Suppliers

27%

Market share

Contributing to the Sustainable Development Goals

Sustainability in Procurement

- Training for suppliers and service providers
- Promoting protection of human rights
- Boosting local businesses and job creation

EML believes wealth must be created and shared in a fair manner for equitable socio-economic development of the nation. There are strict measurement and control and review systems in our company to manage our business performance. The management reviews business performance on a regular basis to track progress and carry out course corrections. Our value creation activities support not only our various stakeholders but also aid in the overall socio-economic development of our value chain, the local manufacturing clusters and the nation as a whole.

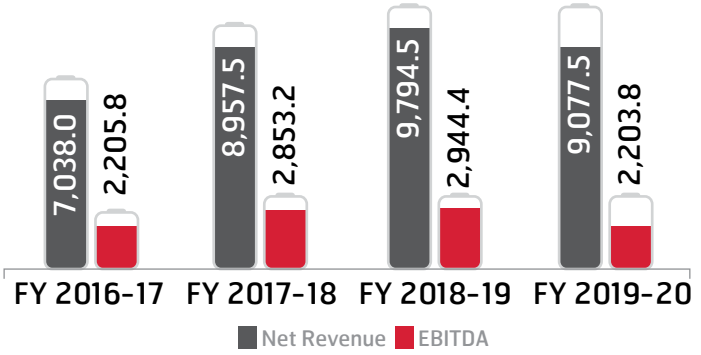
In FY 2019-20, India continued to remain Royal Enfield's primary market with 94% of the total volume being contributed by India and the remaining being exported to over 60 countries around the world. The Company's total volume decreased by 15.2% from 8,23,828 motorcycles in 2018-19 to 6,98,216 motorcycles in 2019-20. Domestic volumes declined by 17.9% from 8,03,003 in 2018-19 to 6,58,920 in 2019-20 mainly due to the slowdown in demand across the two-wheeler industry.

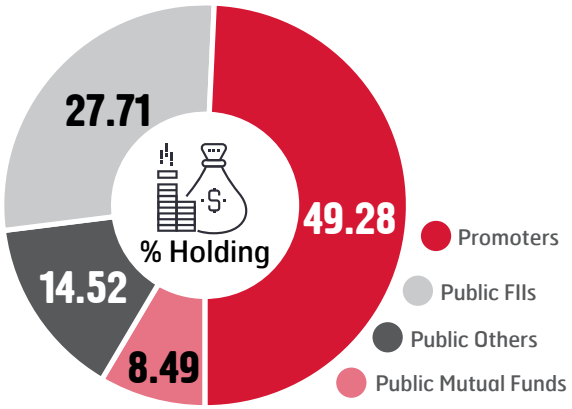
The two-wheeler industry in India witnessed a weak demand scenario during FY 2019-20 which was further affected by the spread of COVID - 19. The Company's total revenue from operations declined by 7% from Rs. 9,794.5 crores in 2018-19 to Rs. 9,077.5 crores in 2019-20. Revenue from India business reduced from Rs. 9,418.1 crores in 2018-19 to Rs. 8,322.7 crores in 2019-20, a decline of 12%. The decline in revenue was partially offset by growth in export volume as well as an increase in prices due to regulatory changes in safety & emission norms.

However, our market share increased from 25% in FY 2018-19 to 27% in FY 2019-20. EBITDA (Earnings before interest, taxes, depreciation, and amortization) decreased by 25% over the last year and total comprehensive income decreased by 7%.

As on March 31, 2020, our promoters hold 49.28% of the total share capital of the Company. Foreign institutional investors (FII's), mutual funds and other shareholders under the public category hold the remaining shares of the company.

Net revenue generation from operations and EBITDA





Product Enhancements & Portfolio Expansion

Our customer is an enthusiast who seeks to ride a motorcycle that reflects his or her personality. In order to give more choices to the customers in terms of colours and functionalities, Royal Enfield has launched new Bullet variants in 6 new colourways with contemporary design themes and new Classic variants with 2 new colour schemes & single channel Anti-Lock Braking System (ABS) option. The new models were very well received and complimented the accessibility provided by the studio stores.

Royal Enfield launched an industry first initiative - 'Make Your Own (MYO)', which offers customers an opportunity to customise motorcycles through an in-store 3D configurator, hence enhancing the overall purchase experience and ensuring an involved and engaged purchase decision. The initiative is part of Royal Enfield's strategy to further strengthen its product credentials on being amenable to customisation as well as taking the first steps to capture the custom and accessories market. The MYO programme provides a host of custom options across tank colours, graphics, badges and accessories (seats, seat covers, guards, fly screens, rear-view mirrors, among others) currently across 6 cities on the Classic Single Channel ABS model and will be expanded to more products and geographies in the next phase.

Royal Enfield has also successfully transitioned its entire product portfolio to the new emission norms of BS VI well ahead of the regulatory timeline. The new motorcycles are equipped with Electronic Fuel Injection system (EFI) which further improves the refinement, drivability and optimizes vehicle performance resulting in an enhanced riding experience.

While facilitating such advancements, the overall capital expenditure incurred during the year for Research and Development purposes aggregate to Rs. 173.6 crore. These include expenditure incurred for the purpose of improvement of existing models and the development of new models.

Direct Economic Value Generated & Distributed

Our wealth creation activities enrich a vast network of internal and external stakeholders. Wealth created is distributed in monetary form as various types of payments to employees, suppliers, capital providers and the government- in the form of taxes.

Source/Recipient of Economic Value	Value (INR)
	FY 2019-20
Direct Economic Value Generated	9,692.8
Gross Operating Income	9,077.5
Revenue from financial investments & other sources	615.3
Direct Economic Value Distributed*	8,185.3
Operating costs	6,053.2
Employee wages and benefits	765.1
Payments to the providers of capital	683.3
Payments to government	628.3
Community investment	55.4

* Direct Economic Value Distributed

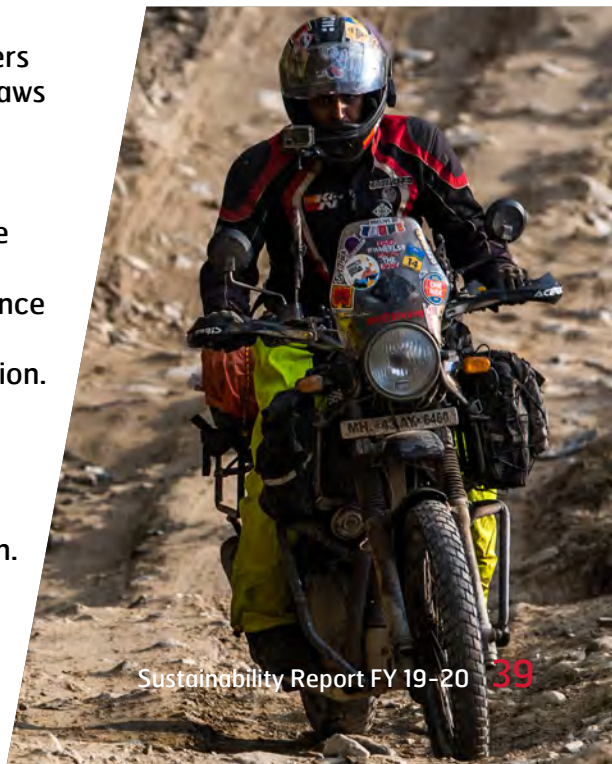
- Payments to governments represents the direct tax paid during the financial year.
- Does not include deferred tax, depreciation & amortisation expense.
- Payments to provider of funds represent the dividend distributed from the retained earnings of the company.

Doing Business Ethically

We at EML are committed to high standards of ethical, moral and legal business conduct. All our directors, employees, suppliers and dealers adhere to the Whistle Blower Policy cum Vigil Mechanism. All agreements and purchase orders issued by the Company include particulars of the Whistle Blower Policy/Vigil Mechanism. The Vigil Mechanism has given them the right to report any malpractice or wrongdoing in the Company without being victimised for doing so. A whistle blower can write to a designated email about the matter to be reported. Alternatively, any member of the Whistle Blower Committee can be directly approached for filing a complaint. All instances reported under this policy are thoroughly investigated only after a preliminary review and decisions are taken on the basis of investigation. It is ensured that no unfair treatment is meted out to a whistle blower for reporting an incident under this policy. Any reporting made under the aforesaid Policy/Mechanism is reported to the Whistle Blower Committee/Audit Committee of the Company.

We adhere to all anti-corruption and anti-bribery laws in all our business activities. All the governance body members, employees and business partners of EML are made aware of the laws and our operating procedures and are expected to adhere to the same. While on-boarding the Company, all employees are also required to sign requisite undertaking confirming adherence to the laws and Company's Policies related to anti-corruption. Training on anti-corruption policies and procedures is a part of Induction training given to employees under Ethics and integrity within the organisation.

We also have a Code of Conduct for Directors and Senior Management and Directors and employees at Group level provide annual affirmation to the compliance of said Code. During the year under review, a few cases were identified, and strict disciplinary actions were taken.

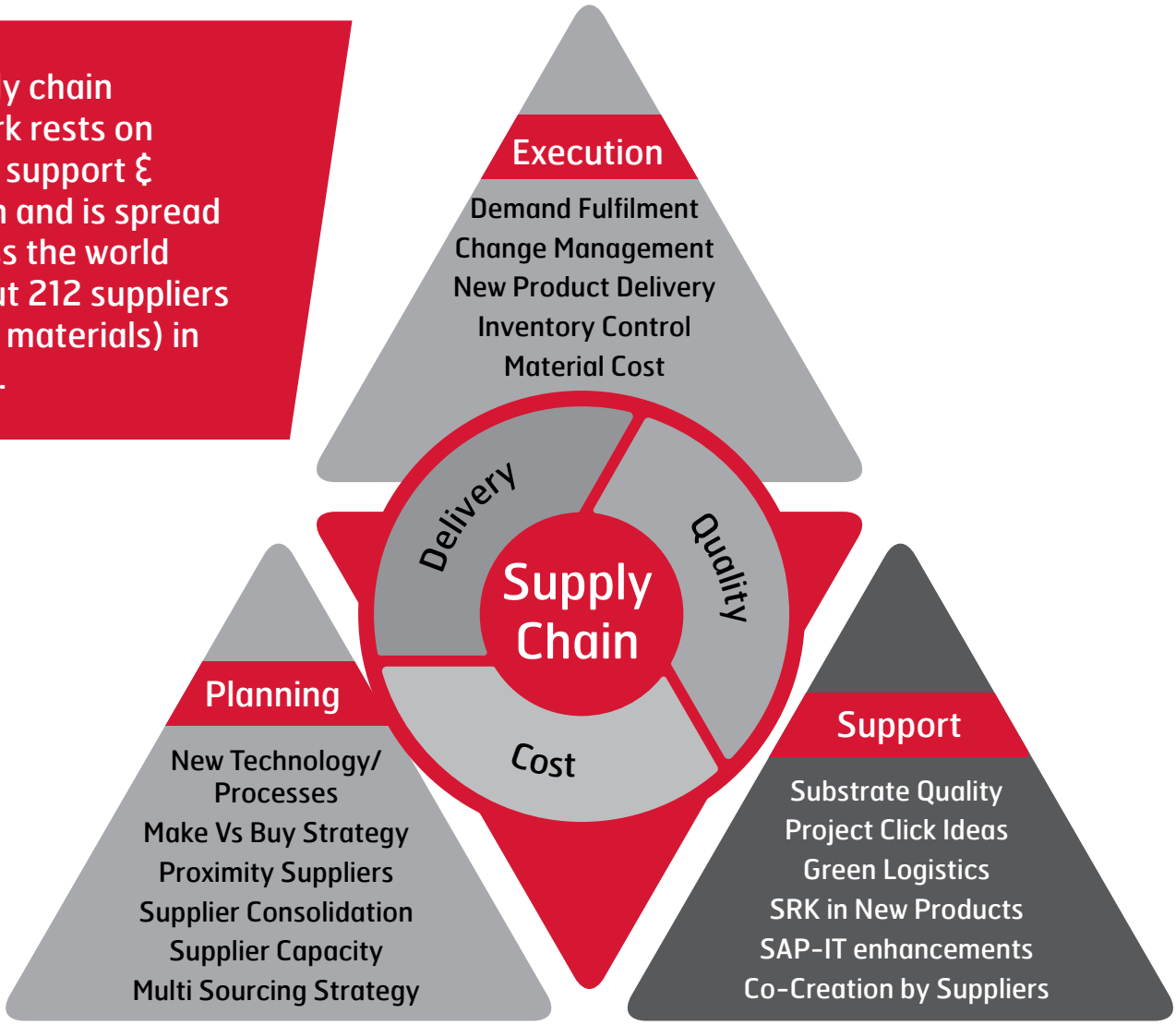


Sustainability in Procurement

At EML, the supply chain is critical in maintaining our competitive advantage. The relationship with our suppliers is based on trust, which we nurture through a host of management systems and engagement activities.

We source from major clusters in the North (Delhi NCR & Haryana), West (Pune, Aurangabad, etc.) & South (Chennai, Hyderabad, Coimbatore etc.). We also source from international suppliers based in the USA, EU, China and South East Asia for very select parts.

Our supply chain framework rests on planning, support & execution and is spread out across the world with about 212 suppliers (of direct materials) in FY 19-20.



Our suppliers are categorised into various Process Commodities such as Sheet Metal & Fabrication, Castings, Forgings, Proprietary (Mechanical & Electrical) and Others (including Rubber & Plastics). The extent of our engagement with these suppliers is driven by the uniqueness of the processes and the expertise demonstrated by the suppliers.

Local Supply

Purchasing raw materials from Small and Medium Enterprises situated within India has been at the forefront of our strategic steps towards achieving environmental as well as social sustainability, as it also reduces impact due to transportation of materials while boosting local economies. At EML, we define 'Proximity Suppliers' as those suppliers which are situated in and around our areas of operations in Chennai, India whose materials can reach us overnight. Maximising procurement from the proximity suppliers reflects in lower transportation emissions, faster delivery, lesser dependency on international trade volatility and also mitigates the risks of currency devaluation, price volatility and material availability.

Our import content is less than 5% by value while the share of sourcing from our proximity suppliers is 61% by value which is scaled up from 43% in the last few years.

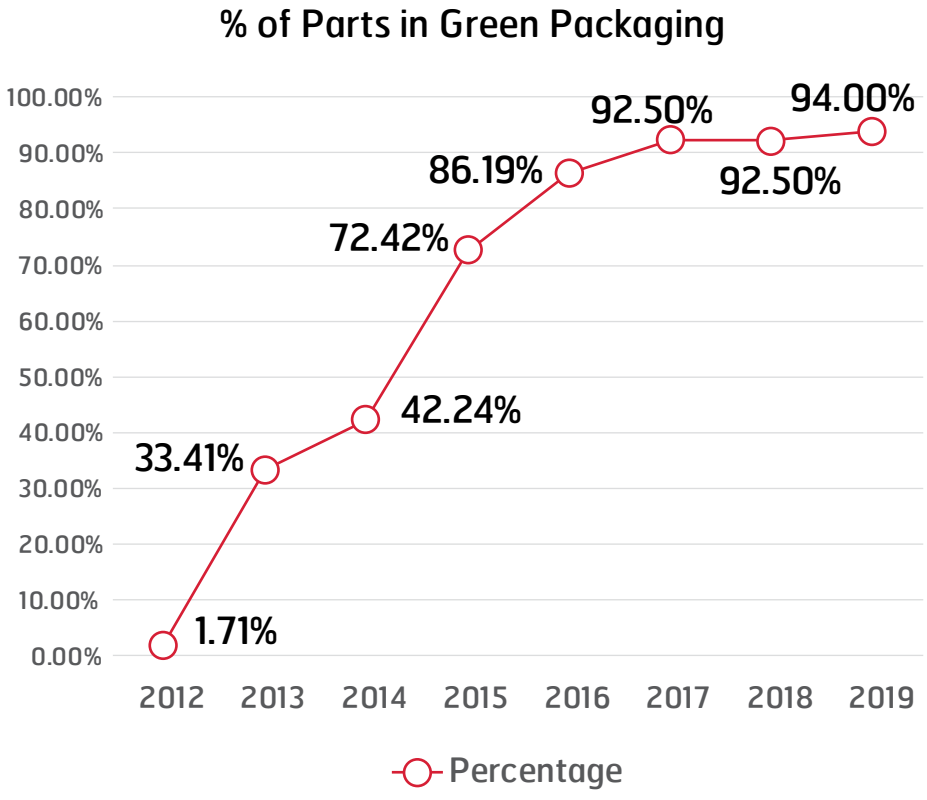
Green Logistics

Across our supply chain, we have made a concerted effort to imbibe green logistics. In addition to focusing on local supply and reducing our upstream transportation emissions, we have gradually enhanced the share of parts that are received in green packaging, i.e. packaging made of recyclable, reusable and certified materials.

As a definitive step towards minimising impacts of packaging material in our procurement, we have replaced the disposable corrugated boxes with reusable plastic boxes.

The plastic boxes can be used several times for transportation unlike corrugated boxes. The plastic boxes received with the material are returned to the supplier and tracked within the system to ensure maximum reuse. We have ramped up the share of green logistics, with 94% of parts arriving at our facilities in green packaging in FY 19.



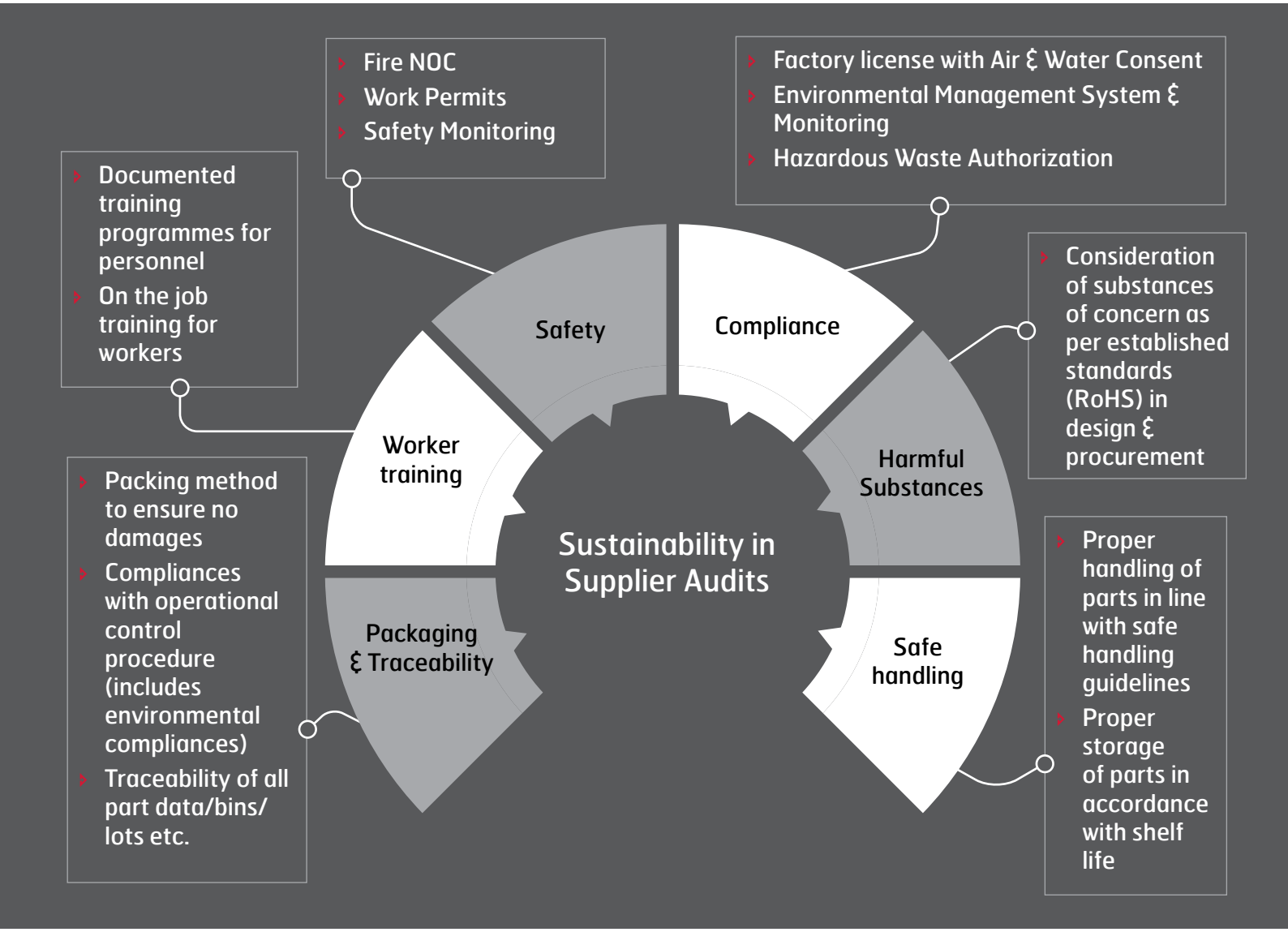


Supplier Assessment

Suppliers are classified into categories based on the criticality of the item sourced. Vendors identified are screened on the basis of various criteria including safety, environmental compliances, design, manufacturing capacity, quality and cost competitiveness among others. Once a vendor is on-boarded, an audit calendar is prepared and periodic audits are executed. We also provide a quality rating and delivery rating to select suppliers to enable continuous improvement in their activities. In addition, supplier performance rating is provided once in a year for select suppliers.

In FY 2019-20, 17 new suppliers were onboarded and 6 were assessed on social and environmental compliances as per our audit checklist.

Our audit checklists also include parameters assessing the sustainability performance of suppliers as depicted in the graphic below. All audits are carried out by either EML's procurement teams or through a third party. As of FY 19-20, 304 suppliers (including Tier-2 Suppliers) were assessed as per the audit checklist.



Supplier Engagement

Sustainability in procurement at EML has been built & nurtured through effective engagement and relationship management of suppliers & service providers as shown by the list of engagement initiatives below.

Communication
- Supplier meets
- Digital & written communication

System & Process Audits
- New supplier approvals
- Supplier quality improvements

Training & Development
- Supplier visits
- Gemba audits
- Learning modules

Collaboration
- Involvement in NPD
- Co-creation
- Tech shows

Strategic Initiatives
- Cost reduction projects
- Green logistics

Eicher Motors maintains a continuous dialogue with all the suppliers in order to achieve combined business value. We share our technical expertise with our suppliers to facilitate incorporation of prevailing best industry practices. We also support suppliers' initiatives on environmental performance improvement and actively tap the opportunities for future development.

The supplier meet is conducted every year to share and showcase Royal Enfield's performance, strategic business plans, supplier contributions and new initiatives. It is informal and interactive and well attended by Senior Management and Leadership from suppliers & Royal Enfield. We also conduct tech shows for suppliers to showcase their capabilities and collaborate with us on developing new products.



Supplier Meet



Case study

Training for Suppliers & Service Providers

Objective: To support value chain partners with knowledge skills essential to the sector

Training for suppliers & service providers is one of our core initiatives to build a high performing supply chain. We have rolled out online training modules with 37 online courses and about 1200+ learning hours completed. The modules include soft skills, quality tools and electric vehicles. We also invite suppliers for hands-on sessions to witness the use of their supplies, and we provide solutions to further improve quality.

Our service providers are a key component of the value chain, and we also have a variety of training initiatives in place to support them. Imparting training to service providers like transportation and warehouse staff is critical to retain the build quality of our products to reach the customers. With our pan India depot network, we constantly assist our service providers through an electronic control tower and render support to enable timeliness.



Going ahead, we aim to further embed sustainability into our supply chain through formalized mechanisms that build on our existing management systems & relationships.



Our commitment to our suppliers remains solid; during the COVID -19 lockdown period, our senior management has been virtually meeting our suppliers and sharing their thoughts and measures under consideration to address suppliers' wellbeing.





Our Outlook on the Auto Mission Plan

The Automotive Mission Plan 2016 – 2026 (or AMP 2026) is a policy vision by the government of India to boost the Indian automotive industry for domestic & export markets. It is aligned with various other policy initiatives of the government such as 'Make in India' & 'Skill India'. Our business activities are aligned in supporting multiple objectives of AMP 2026.

- *To promote safe, comfortable and environmentally friendly mobility, we have been developing several measures to reduce exhaust emissions, enhance vehicle safety and enhance rider comfort through additional ergonomic & stability upgrades*
- *To ensure a smooth transition to changing policy scenarios, we constantly monitor emerging regulations and setup pre-emptive measures, particularly in R&D.*
- *To support export growth and expand further in international markets, we have a 5-year plan in place with an emphasis on developing global models for both developing & developed markets.*

LEAVE EVERY PLACE BETTER

A BETTER ENVIRONME





Environmental Highlights

Commissioning of **999** KWp onsite renewable energy plant

18% recycled materials in primary materials

Increasing Green Cover by planting **10,005** Saplings by Miyawaki technique

Contributing to the Sustainable Development Goals

Materials

- Less material consumption by reuse, recycling and use of renewable materials in production and packaging

Energy and Emissions

- Started operation of 999 kWp solar rooftop plant
- Undertaken various energy efficiency measures and saved 2,674 MWH in FY 19-20

- High density plantations leading to additional green cover and carbon sequestration

Water and effluents

- Zero liquid discharge from the factories,
- Installation of rainwater harvesting system
- Water conservation measures at manufacturing facilities

Waste

- Safe handling and management of hazardous waste

Overall Management Approach

The automotive industry has a major influence on industrial and economic development of the world. It employs millions of people, offers innovative mobility solutions for all and boosts various other businesses at the same time. We at EML understand that with all the growth and prosperity there comes the responsibility to protect and nurture the foundation on which the business is built.

EML as a responsible corporate entity strives to minimize its environmental impacts occurring in the entire value chain. Our approach towards environmental performance is driven by the precautionary principle, i.e. to take an approach that is proactive in conserving resources & rejuvenating the ecosystem. We identify threats to the environment posed by our activities and actively work towards prevention and mitigation of these impacts. With a focus on maximizing resource efficiency, we have incorporated closed loop water management systems, material recovery and many key energy efficiency measures. We are also looking to enhance the share of renewable energy in our energy mix.

Going forward, our aim will be to further strengthen and streamline our initiatives under resource efficiency, which will be a critical part of our sustainability strategy. Implementation of the strategy will include a formal roadmap, goals, targets and governance. We have adopted the principles of Green Building in our facilities. Shifting to Green Building principles from a conventional approach provides a range of benefits including enhanced productivity, reduced environmental impacts and operational cost reduction.





Conservation, Efficiency, Renewable energy

Recycled Materials, Recycled Materials

Rain water, ZLD, Water Efficiency

Energy and Emissions

Materials

Water and Effluent

Environmental Compliance

Waste

Consent to Establish & Operate, Air, water & effluent quality

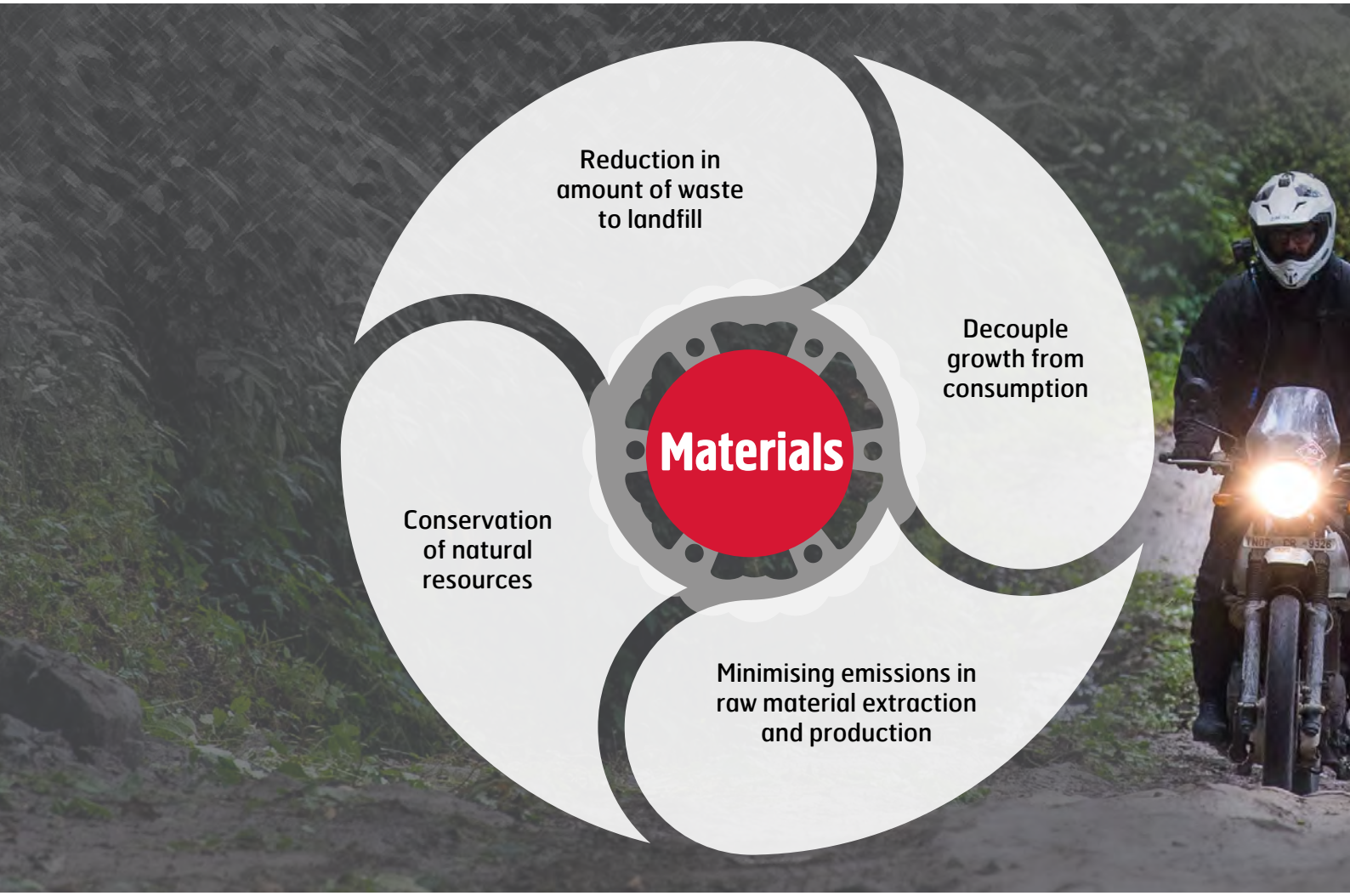
Integrated management of waste, Safe disposal of waste

Materials

Each year, the steel industry recycles more than 14 million tonnes of steel used in automobiles[1] due to the high recyclability potential of their components – many automotive components like steel, aluminium and other metallic components are recyclable in nature.

The use of recycled and recyclable materials therefore has a huge potential to minimize waste and maximize the life span of extracted raw materials. We aim to use the maximum amount of recycled materials in our vehicles wherever possible and ensure maximum recyclability of the components at the end-of-life of our products.

The illustration highlights the environmental benefits of enhancing the share of recyclable, recycled and reused materials.



[1] https://www.worldautosteel.org/life-cycle-thinking/recycling/

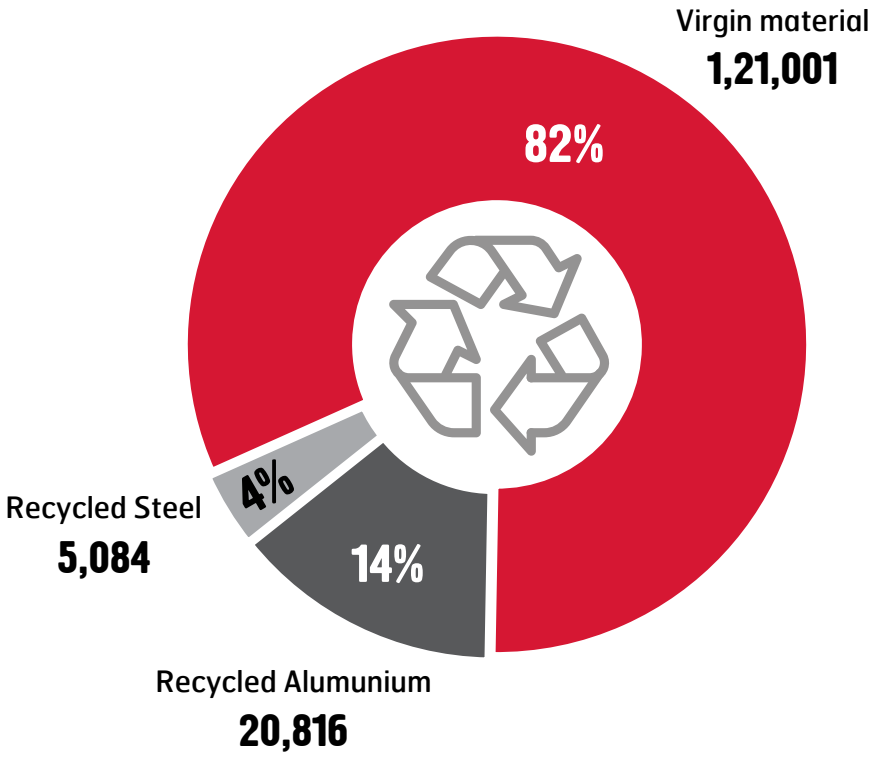
We use both virgin and recycled materials in our products ξ packaging. Primary virgin materials by weight in our products are as follows:

Materials	Virgin Material Quantity (Tonnes)	Recycled Material Quantity (Tonnes)	Total Material Quantity (Tonnes)	Renewable/ Non-renewable
Aluminium	8,921	20,816	29,737	Non-renewable
Steel	96,587	5,084	1,01,671	Non-renewable
Rubber ξPlastic	9,409		9,409	Non-renewable
Lead	2,229		2,229	Non-renewable
Nickel	105		105	Non-renewable
Glass	272		272	Non-renewable
Paint	2,748		2,748	Non-renewable
Others (Copper, Zinc, etc.)	730		730	Non-renewable
Total	1,21,001	25,900	1,46,901	



We are developing measures to reduce the use of virgin materials in our products. This year, the share of recycled materials in our primary materials was about 18%, driven using recycled aluminium and steel – 14% and 4% respectively.

Primary materials used in products (Tonnes, %)



Packaging material:

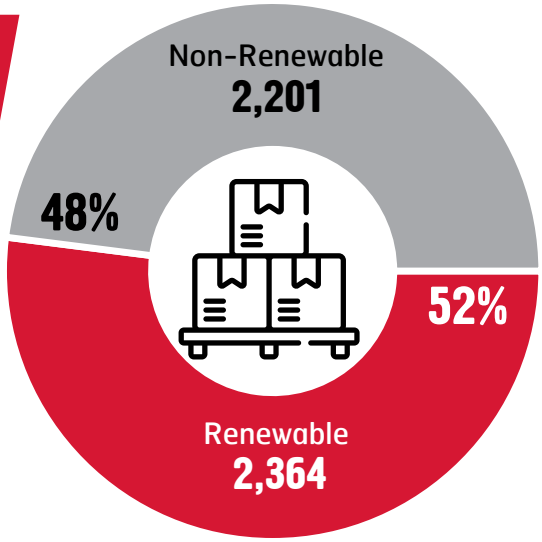
We at EML have embarked on the journey to minimize packaging waste by applying waste management principles and changing the way all types of packaging waste is managed in our entire value chain. Out of the total packaging material used, 2,753 tonnes of material was recycled material which constituted 60% of the total packaging material used. We strive to minimize the use of virgin material in packaging which is currently only being used in steel crates for export.

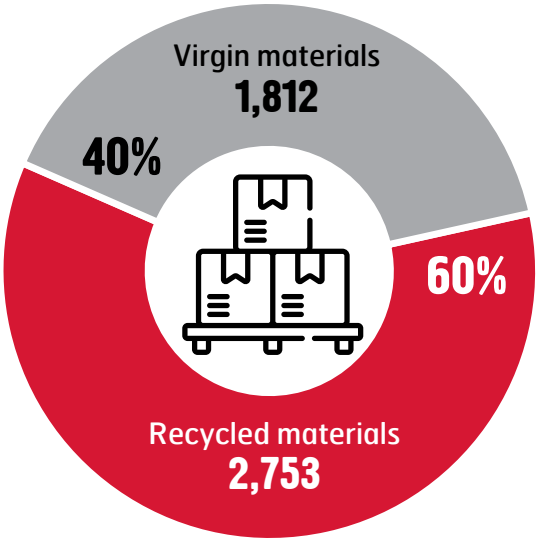
Packaging Materials	Virgin Material Quantity (Tonnes)	Recycled Material Quantity (Tonnes)	Total Material Quantity (Tonnes)	Renewable/Non-renewable
Cardboards-Spares		2,166	2,166	Renewable
Cardboards-IDM		159	159	Renewable
Plastic-Spares		287	287	Non-Renewable
Plastic-IDM		102	102	Non-Renewable
Paper-IDM		39	39	Renewable
Others - Steel Crate to Export, etc	1,812		1,812	Non-Renewable
Total	1,812	2,753	4,565	

Non-renewable materials are those that do not renew in short time periods. Whereas renewable materials are defined as being derived from abundantly available natural resources that are quickly replenished by ecological cycles. The regeneration ensures that resources are not endangered and remain available for future generations.

Packaging Material (Tons, %)

52% of packaging material comprises paper & cardboard which are renewable in nature; 48% of our remaining packaging material is non-renewable – comprising plastic & steel crates.





Case study

Spare-parts packaging transformation project

Objective: Compliance with Plastic Waste Management Rules, 2018

To transition our spare parts packaging materials in compliance with the PWM Rules, 2018, we have initiated a sustainable packaging development project. In its first phase, we have selected 141 components out of total 500 identified components to initiate the use of sustainable packaging material. We have completed the transformation of 5 components on the use of sustainable packaging. Work on each of the other components is underway. The information regarding thickness, recyclability and price for buy back is mentioned on the packaging to encourage responsible use and waste minimization in the value chain.

We aim to maximise the use of environment friendly plastic in all our operations thereby embracing circular economy principles in our operations.

Introduction of laser welding in fabrication of fuel tanks

Objective: Provide a clean weld while minimizing filler material use

Earlier, the fuel pump mounting flange was fixed by using MIG brazing, which has been replaced by Laser Welding. The process gives uniform and clean weld with enhanced quality.

The process has eliminated the use of brass as filler material, leading to savings 20 grams of brass wire per tank and reduced the need to use shielding glass while operating. This can be performed with fewer resources, producing lesser gaseous fumes thereby leaving the workplace cleaner & safer. Despite being a fast process, laser welding develops localised heat at the area where the part is being welded reducing distortion of the product. In addition, the finish is better, with no spatter and eliminates the need for cleaning post operation.

Introduction of semi synthetic engine oil

Objective: Minimize oil usage by replacing mineral oil in all UCE vehicles

We have optimised our maintenance schedule to attain customer satisfaction as well as reduced material consumption. With effect from 15th August 2019, our service interval schedule was changed from 3 months/3000 kms to 6 months/5,000 kms – whichever is earlier. In addition, the oil and filter change interval has been changed from 6 month/6,000 kms to 12 months/10,000 kms – whichever is earlier. To facilitate this extended servicing and oil change interval, we have replaced mineral oil with Semi Synthetic Engine Oil in all UCE models.

The shift is thoroughly implemented by completely stopping the supply of mineral oil in our network and encouraging use of Semi Synthetic Oil resulting in reduced frequency of oil change in our after-sale services.







Energy and Emissions

India became the fourth largest auto market in 2018 with sales increasing 8.3% year-on-year[2] . While manufacturing in automobile industries is bound to rise corresponding to the increasing demand, it also puts pressure on energy resources such as coal and other fossil fuels.

EML's strategic steps to environmental sustainability are rooted in the belief to reverse the existing trend of over consumption and restore balance in the ecosystem. We recognise the possibility to reduce energy intensity by active involvement in efforts to reduce consumption in our operations and switch to renewable energy.

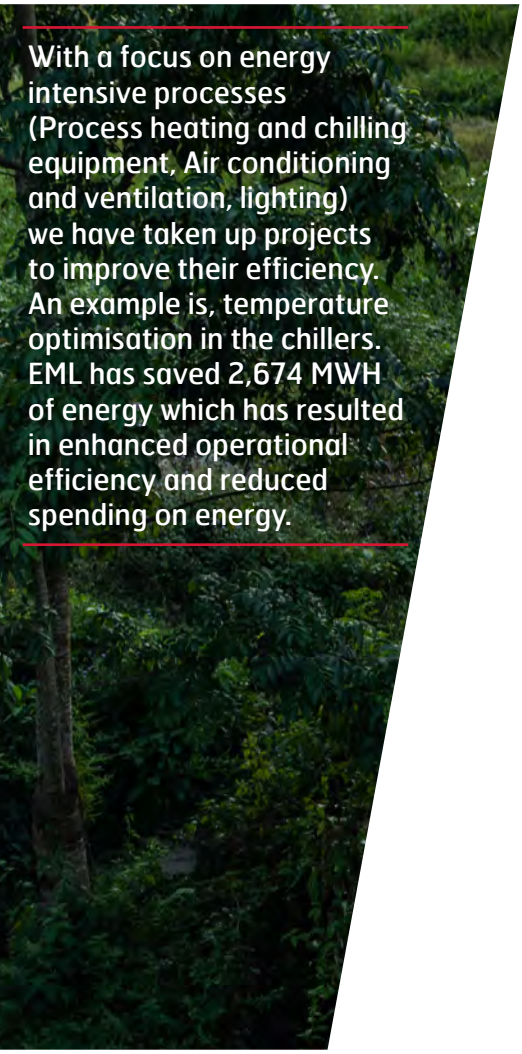


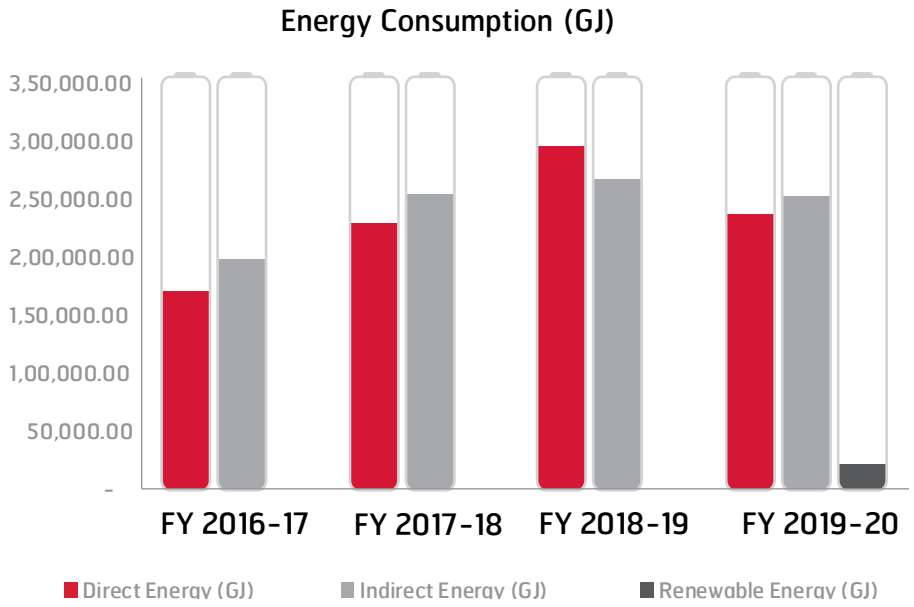
[2] https://www.ibef.org/industry/india-automobiles.aspx

Energy

This financial year marks an important milestone in our renewable energy journey with the commissioning of our 999 KWp onsite renewable energy plant at the Oragadam manufacturing facility.

Going forward with the implementation of additional onsite and offsite capacity, we will have a higher proportion of renewable energy in our energy mix. The energy consumption chart includes our 3 manufacturing facilities & the HQ in Chennai.

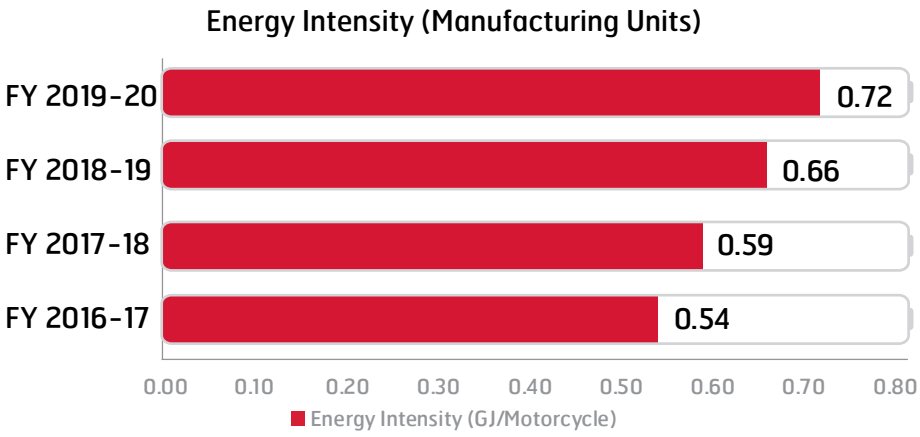




* Energy consumption for FY 19-20 includes our manufacturing facilities and corporate office

Energy Intensity

Despite all the actions done to reduce the energy intensity, we observed a slightly rising trend this year, which is primarily because of two reasons. The first was due to significant usage of diesel generators (DG) for operations, caused by an unprecedented breakdown in the power utility substation (TNEB) which affected the grid power supply for a period of two months. The second reason for higher energy consumption was due to the power consumed during the commissioning and proving of Paint Shop 2 at the Vallam Vadagal Plant, which started operations only by end of FY 2019. In addition, the contraction in total units of output over the last year has also contributed to the increase in energy intensity in FY 19-20.



* The above figure represents energy intensity trend year-on-year only for manufacturing units of EML. The combined energy intensity is 0.75 GJ/Motorcycle for the 3 plants and the corporate office

Case study

Renewable energy at Oragadam plant

Objective: Enhance share of renewable power in the energy mix

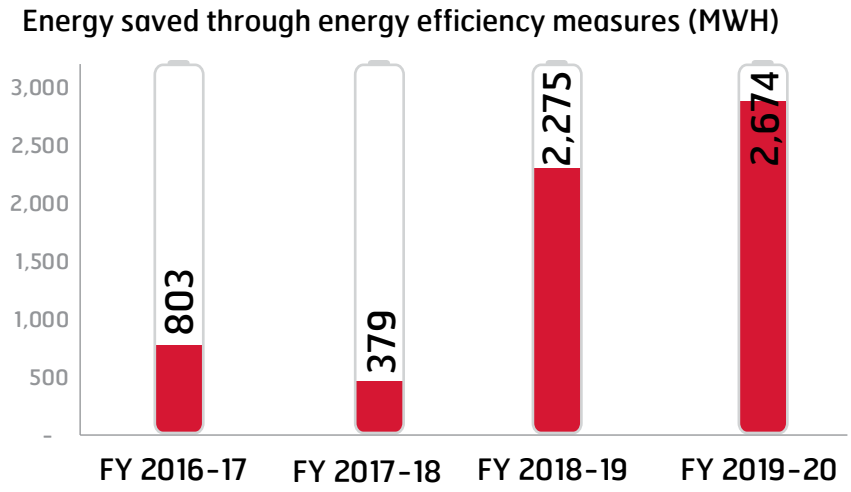
We established solar rooftop plants over Vehicle Assembly 1, Engine Plant 1 and over the admin building in Oragadam. FY 2019-20 was the first year of operation of these 999 kWp solar plants. 13 lakh units of electricity were generated in FY 2019-20, leading to significant reduction in conventional grid electricity consumption and reducing indirect GHG emissions by 1,071 tCO2e.



The key energy saving initiatives in our manufacturing plants and corporate office in Chennai are shown in the illustration below. In FY 2019-20, we saved 2,674 MWH of energy by implementing energy efficiency measures and prevented 1,868.54 tCO2e GHG emissions from our manufacturing plants and corporate office.

- 648 GJ / 148 tCO2e — Power savings in compressor
- 3,476 GJ / 792 tCO2e — Power savings in Lightings, ventilation and air conditioning at the manufacturing facilities and headquarters
- 912 GJ / 208 tCO2e — Power savings in paint shops at the manufacturing facilities
- 183 GJ / 42 tCO2e — Power savings from operations related to environmental facilities
- 104 GJ / 24 tCO2e — Power savings in vehicle assembly at the manufacturing facilities
- 4,304 GJ / 656 tCO2e — Other LPG and power savings in various operations

The energy saved through energy efficiency measures over the years is shown in the chart below.



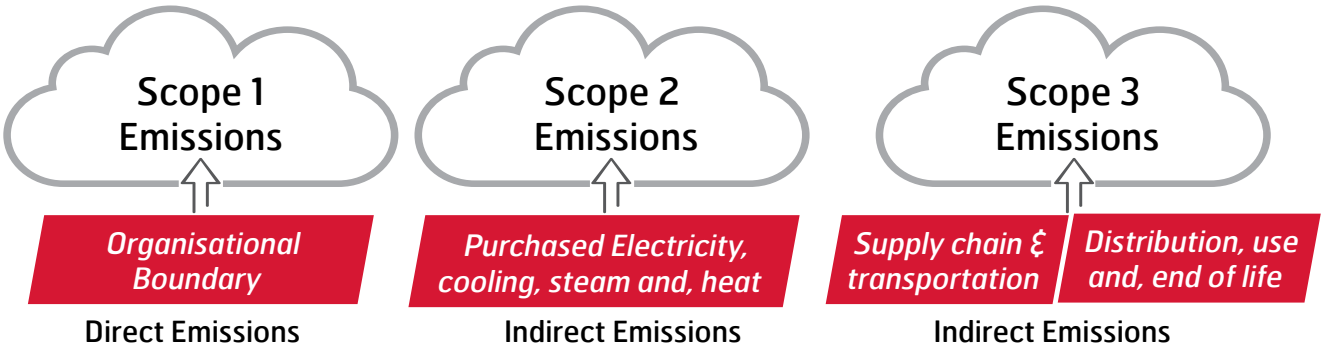
* Energy saved for FY 19-20 includes our manufacturing facilities and corporate office



Emissions

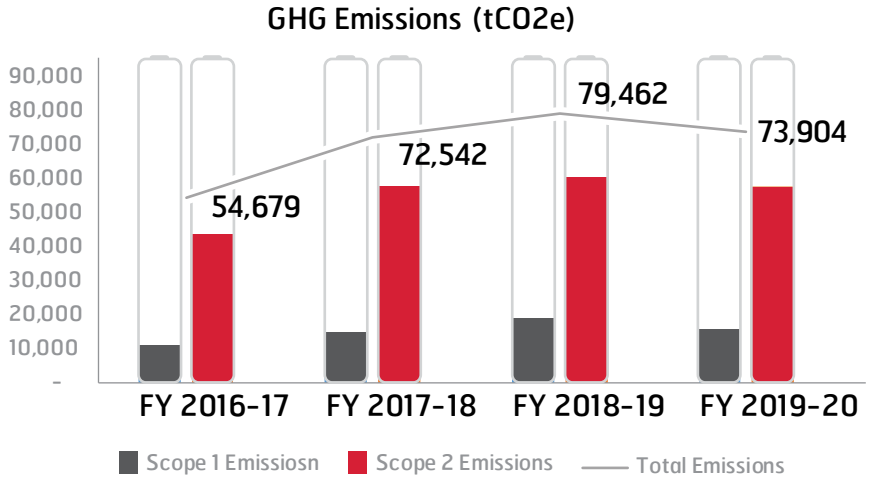
Renewable energy, energy conservation and efficiency measures also contribute to lowering GHG emissions and mitigating climate change impacts.

Considering the severity of impacts of carbon emissions, we compute the emissions occurring as a result of our energy consumption across two categories: Scope 1 and Scope 2 as per the guidelines provided by the GHG Protocol.





We understand the importance of accounting for & reducing our scope 3 emissions as well. Though we do not have direct control over these emissions, we understand our role in minimizing them through innovation in the way our vehicles are made, used and disposed. We have switched to BS VI emission standards which state stringent emission norms to be followed by the vehicle manufacturing industries in their products. Apart from GHG emissions, we also aim to reduce the amount of SOx, NOx and other particulate matter emitted from our operations.

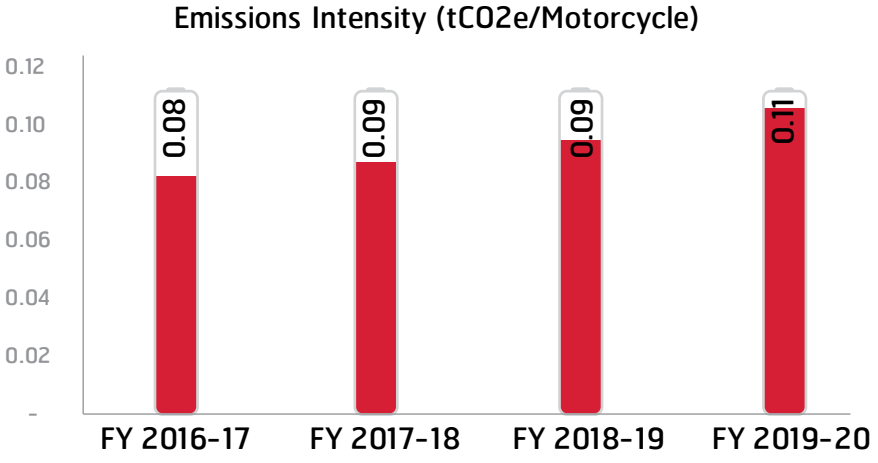


* Emissions for FY 19-20 include our manufacturing facilities and corporate office

In FY 19-20, EML's carbon footprint has decreased pertaining to energy efficiency measures that we have put in place along with decreased production volumes. This had led to a reduction of 1,868 tCO2e across our operations.

Emission Intensity

Emission intensity was observed to have increased over last year. This follows the pattern of energy intensity – the increase in emissions intensity is primarily due to reduced output of production while incurring direct energy costs. As we increase our renewable energy share, we expect the emissions intensity to drop significantly in the short-medium term.



* The above figure represents emissions intensity trend year-on-year only for manufacturing plants of EML. The combined energy intensity is 0.11 GJ/Motorcycle for the 3 plants and the corporate office

SOx, NOx and Particulate Matter

We monitor our SOx, NOx and PM emissions to ensure they are always below the limits prescribed by the Tamil Nadu Pollution Control Board (TNPCB). We carry out periodic testing on air quality and noise through third party agencies that are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). We also have real-time monitoring facilities for Volatile Organic Compounds (VOCs) which are reported directly to the State's air care centre. The primary sources of SOx, NOx and PM emissions are the stacks of the DG sets, boilers and paint bake ovens. Our methodology for computing these emissions is based on the concentration of the pollutants, their flow rate and the running hours of the respective equipment. Concentration and flow rate parameters are obtained from the stack test reports. The table below depicts our SOx, NOx and PM emissions for FY 19-20, for our 3 plants and corporate office.

PM (Tonnes)	SOx (Tonnes)	NOx (Tonnes)
11.02	2.48	36.42

Case study

Miyawaki forest

Objective: Increasing green cover within the boundaries of manufacturing plants and also carrying out carbon sequestration

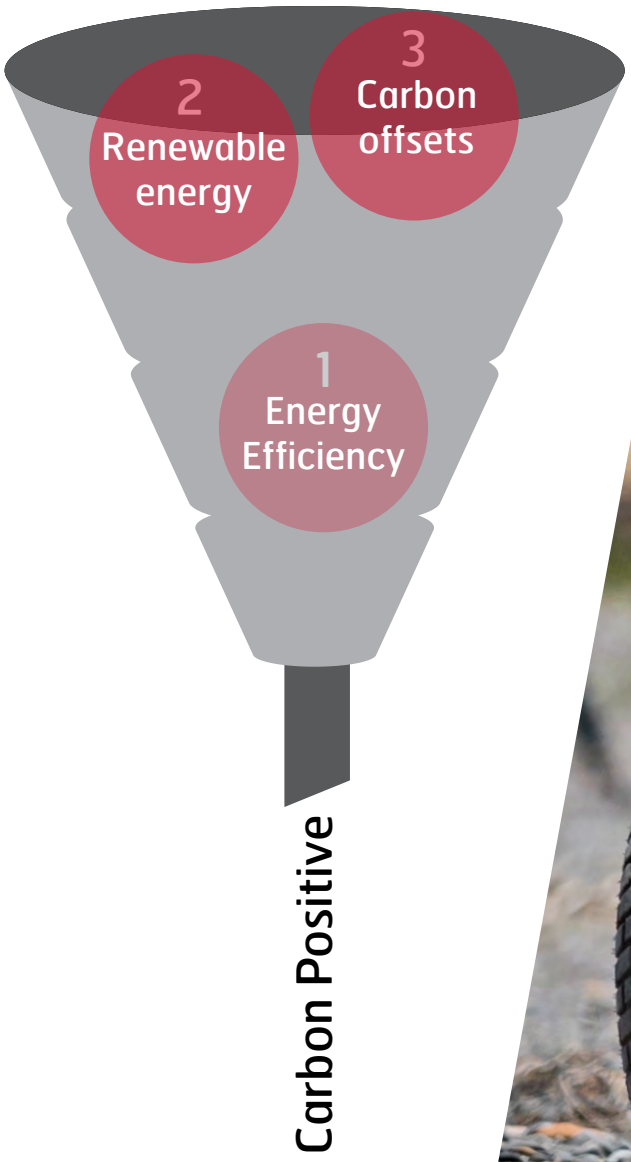
The 'Miyawaki' technique pioneered by Japanese botanist Akira Miyawaki has been implemented to plant high density trees at Oragadam and Vallam plants. The technique helps to build native forests 30 times denser than usual which will help us in our aim to achieve Carbon Neutrality through rapid afforestation.

Initially, we undertook a pilot project at Oragadam plant by planting 1,150 saplings of native species on an area of 387 sq. m. Analysing and learning from the pilot, we have planted 2,200 saplings at Vallam plant covering an area of 770 sq.m. In the second phase of 'Miyawaki forest' project, we have planted additional saplings taking the number of saplings planted to a total of 10,005 trees in Vallam and Oragadam facilities. The photos from sites show an encouraging picture of our journey towards greener surroundings and mitigation of environmental impacts.





Future Scope: In addition to a continuing focus on energy conservation and efficiency, we aim to achieve carbon positive status in our operations by reducing energy consumption, using renewable energy sources and using carbon offsets to restore the balance of the ecosystem. Our long-term strategy involves target setting and developing roadmaps to achieve those targets over the next few years.





Water and Effluent

Various studies suggest an increasing trend in water demand for the industrial sector in India which is projected to account for 8.5 and 10.1% of the total freshwater abstraction in 2025 and 2050 respectively[3].

The automotive industry is a major consumer of water for various processes such as paint spray, coating, washing and cooling, in addition to domestic use. We understand that water is a shared resource and that our manufacturing facilities are present in areas of water stress (as per the WRI Aqueduct tool). Therefore, we understand our responsibility in the conservation of water ξ replenishment of shared aquifers ξ surface water bodies.

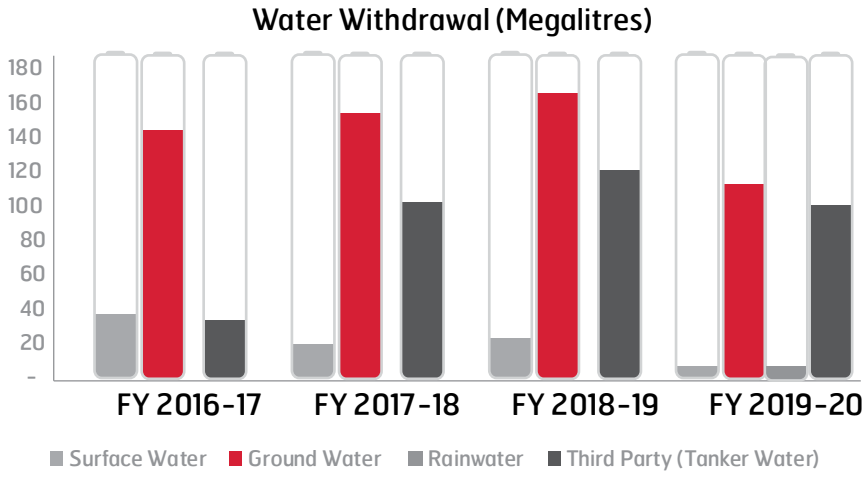
We conventionally use surface water, groundwater and third-party water resources to fulfil domestic as well as industrial water demand. Our manufacturing units are all zero liquid discharge units. We have adopted closed loop recycling systems for the effluent generated; sewage water is treated and the resulting Tertiary Treated Reverse Osmosis (TTRO) water is used as makeup water in the Air Handling Units (AHUs) and for gardening. These water management practices have resulted in reduction in freshwater withdrawal at our manufacturing facilities. In addition, to reduce our dependency on freshwater, we have set up rainwater harvesting systems for groundwater recharge.



[3] http://ficci.in/Sedocument/20188/Water-Use-Indian-Industry-Survey_results.pdf

At EML, we follow a high standard of water management and accounting practices. Based on a third party water balance assessment, the Oragadam & Vallam plants were verified as water positive.

*The assessment covered FY 18-19 data and was carried out in September 2019



* FY 19-20 figures include combined water withdrawal across manufacturing facilities and corporate office



We also encourage suggestions given by our workers on opportunities to save water in the manufacturing facilities.

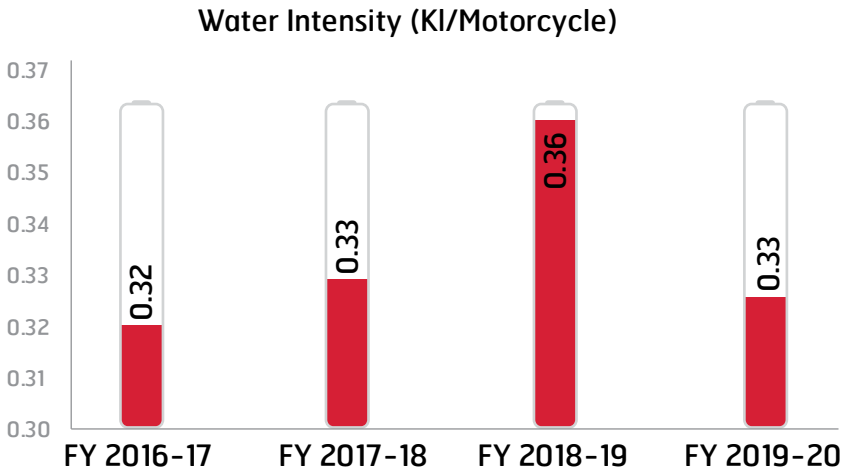
In FY 19-20, we reduced water withdrawal from surface and ground water as compared to the last year. We also harvested 7.47 Megalitres of rainwater at one of our manufacturing plants. Through our advanced water & effluent treatment systems, 2,03,268 KL of treated effluent (92% of water withdrawal) has been recycled into the process.

Various measures to minimize water consumption and maximise water efficiency in our operations are shown below.

- Efficient hand wash nozzles saving 20 KL/Day at Vallam
- Replacement of nozzles in plate washing taps at Oragadam and Vallam
- 10 KL/Day fresh water used in flushing is replaced by recycled RO water at Oragadam
- 20 KL/Day makeup water fed to AHUs was replaced by recycled RO water
- Saving 30 to 35 KL/Day by using RO treated water from STP for chemical cleaning and backwashing of RO and UF membranes respectively
- Evaporation loss of 100 KL/Day from AHUs replenished by TTRO recycled water at Vallam
- Reducing need for top up water consumption of 40 KL/Day by using treated RO water from STP for chemical cleaning
- Reducing output of reject water by modifying one of the RO plants with 8'' membrane in place of 4'' membranes
- Organisation of water conservation drives for employees

Water Intensity

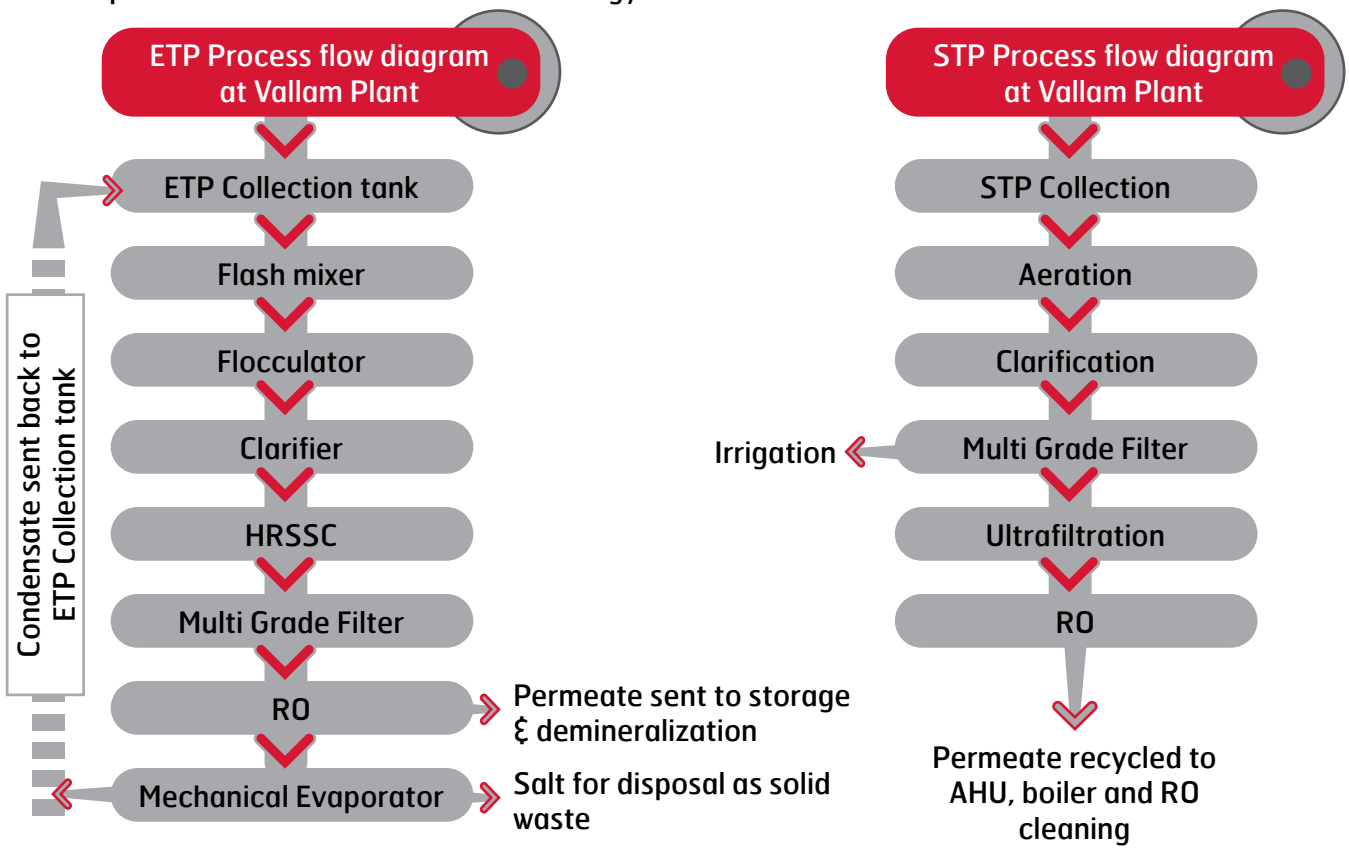
Our water intensity metric has shown a decreasing trend pertaining to the positive impact of our water conservation and efficiency measures implemented.



* The above figure represents water intensity trend year-on-year only for manufacturing plants of EML. Intensity is calculated on the basis of water withdrawal.

Wastewater

Wastewater generated out of the manufacturing processes is sent to an Effluent Treatment Plant (ETP). Zero Liquid Discharge (ZLD) is maintained at every manufacturing facility with the help of our extensive treatment technology.



Sewage water is also treated using aeration, clarification, Multi Grade Filter, Activated Carbon Filter, Ultra Filtration and lastly RO filtration. Permeate water from RO is used as makeup water for AHUs, boiler and for cleaning of RO membranes. We monitor water quality in line with regulatory testing norms and all quality parameters (BOD, COD, pH, TDS etc.) are below the prescribed limits. We have introduced static mixer with auto dosing system of chemicals resulting in eliminating chemical overloading in treated effluent. In addition, installation of auto pH Controller in the outlet of Activated Carbon Filter has enhanced the water recovery from RO membranes by 10%. We have also optimised the recovery of third stage RO by implementing smart solutions.

We also encourage suggestions given by our workers on opportunities to save water in the manufacturing facilities.

Auto-dosing feature has also contributed to our agenda of resource efficiency by reducing the amount of caustic soda flakes usage by 125 kg per day.

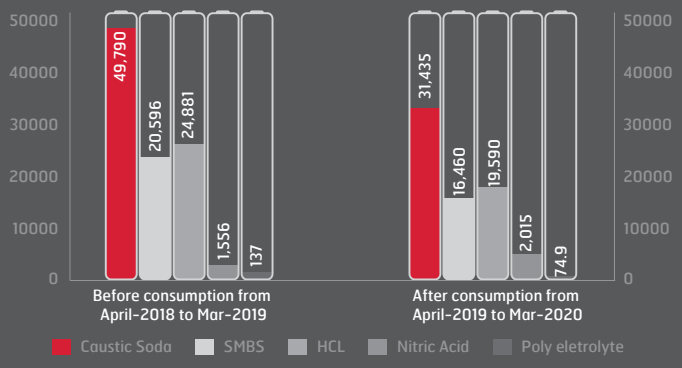
Case study

Reduction of Chemical usage in Effluent Treatment & Reverse Osmosis Plant at TVT

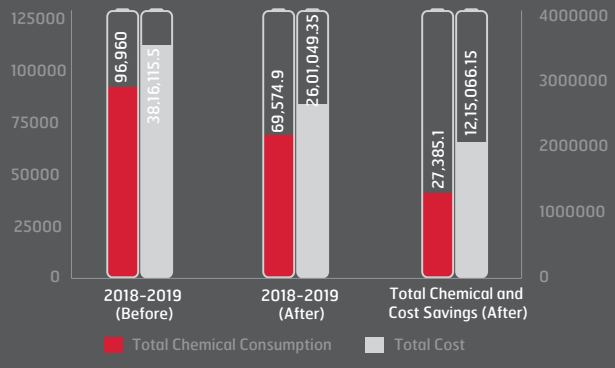
Objective: Resource efficient treatment of effluent generated in Chrome Plating process

Chrome plating at Thiruvottiyur Plant produces various effluent streams from the process baths. Earlier, the effluent streams used to get collected in a single effluent stream and treated for pollutant removal. The quantity of chemicals required to neutralise and achieve precipitation of contaminants was very high. During FY 19-20, we segregated the acid-chrome effluent line, the Alkali Nickel effluent line and the High TDS rinse effluent; collected them at separate facilities and transferred separately for the treatment. The chemical consumption for the treatment has reduced by 28% as a result of specific treatment provided for each effluent stream. The reduction in amount of chemical added has also resulted in reduced sludge generation as a result of efficient treatment and has also reduced the quantity of chemical waste sent to authorized landfill by 150 to 120 Ton annually. The reduction in chemical consumption has also helped us in saving cost on procurement and treatment.

Reduction of Chemical usage in Effluent Treatment & Reverse Osmosis Plant at TVT: Before vs After Consumption Trend (in Kg)

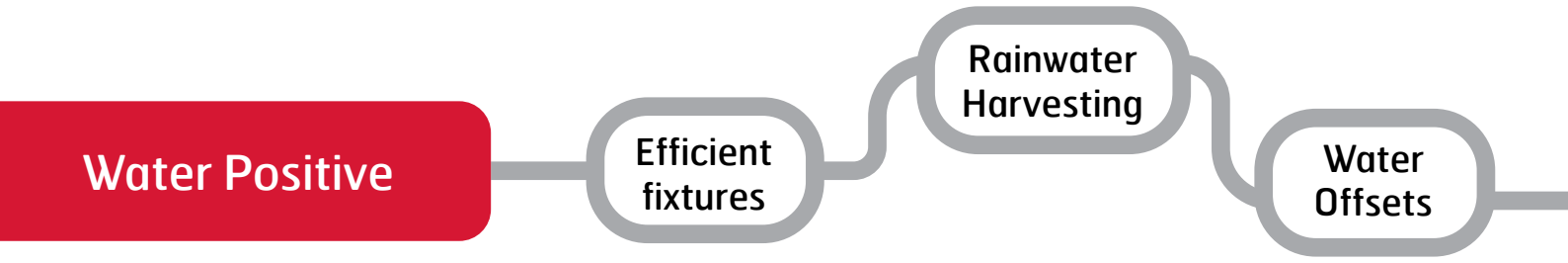


Reduction of Chemical usage in Effluent Treatment & Reverse Osmosis Plant at TVT: Before vs After chemical consumption (in Kg) and cost saving chart (in Rs.)



Future Scope

Going ahead, EML aims to adopt an integrated water management approach to achieve a water neutral status for its operations. Some of the initiatives include the installation of water efficient sanitary fittings, fully tapping the rainwater harvesting potential at our facilities and through water offsetting programmes. As has been previously mentioned, we have achieved a water positive status for two of our plants (based on 3rd party assessment of FY 18-19 data carried out in September 2019). We plan to extend this status for all our facilities.





Waste

The automobile industry uses an extensive amount of materials for product manufacturing starting from metals, plastics, glass, rubber to paints and oils. Most of this material is sent back as scrap at the end of the product's life cycle. To prevent harm to the environment and harness maximum potential of the resources, waste management principles guide us on reducing, reusing and recycling the waste material generated at each step of the operation. We empower our workers and management to identify and implement initiatives to minimize waste at the manufacturing facilities.



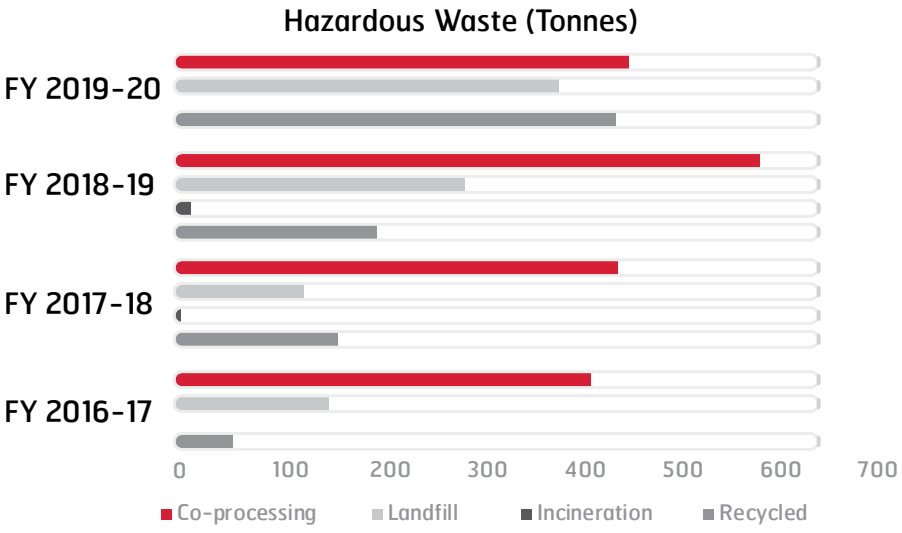
EML emphasizes on reducing the amount of waste material going to the landfill. We have consistently reduced the amount of brass by weight in our operations. We have also reduced the amount of paint sludge and powder wasted from our operations. We monitor the quantity of chemical sludge generated at our manufacturing facilities which is sent to the authorized landfill for safe disposal. As a step towards attaining maximum customer satisfaction, we have optimized the frequency of oil change in our vehicles thereby reducing the amount of oil wastages.

We are working on minimizing the use of paper in our operations, and we try to use recycled paper wherever possible. We have embarked on a new pilot project to eliminate use of paper in the making of history cards for each vehicle. We intend to achieve complete digitization of the system thereby minimizing use of paper and achieving efficient record keeping.

We manage our non-hazardous waste through authorized dealers identified for specific processes. Collected non-hazardous waste is further segregated, processed to achieve maximum waste recovery and sent to authorized recyclers for further processing.

Hazardous Waste:

We at EML dispose the hazardous waste generated in our manufacturing facilities with utmost responsibility – by adhering to the regulatory norms pertaining to management and disposal of hazardous waste. The ETP chemical sludge and phosphate sludge is disposed to authorized landfill and records are maintained. To minimize the amount of waste sent to the landfill, paint sludge, powder and filter waste from the paint shop is sent to cement kilns for co-processing. Used oil, spent solvent and empty barrels are recycled through the authorized vendors.



* The above figure includes hazardous waste generated at our manufacturing facilities only.

In FY 19-20, we observed an increase in the generation of ETP sludge. The cleaning ξ revamping of the ETP settling and collection tanks was carried out to maximise efficiency – which also resulted in an increased quantity of chemical sludge generation at Vallam and Thiruvottiyur manufacturing units. In addition, trial runs at paint shop II in the Vallam plant led to a higher generation of chemical sludge. We have started the operation of a filter press at the Thiruvottiyur unit to minimize the volume of chemical sludge generated. We also disposed of 6.8 tonnes of accumulated phosphate sludge in FY 2019-20.

Type	Quantity (Tonnes) FY 2019-20
MS Melting scrap	1,432
MS Miscellaneous Scrap	228
Dry Carton with Polycover	1,088
Wet Carton with Polycover	96
Carton with Gunny Bag	44
Aluminium Casting	169
Aluminium Boring	37
Aluminium Briquette	810
Aluminium with MS attachment	101
Wood	312
Electrical	12
Plastic	37
Rubber	29
Organic waste*	221
Total	4,616

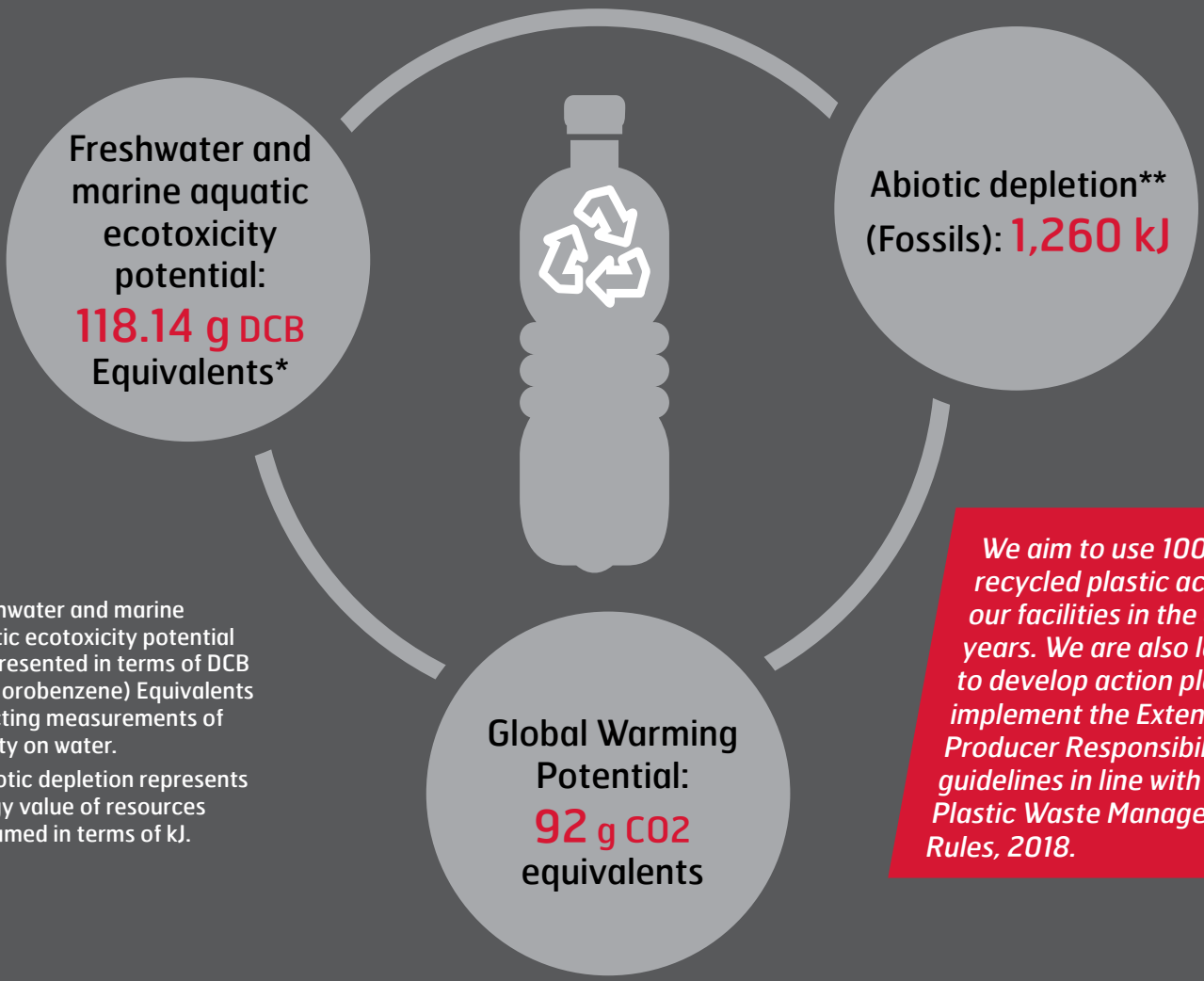
*The organic waste reported does not include the canteen waste generated at the corporate office as it is managed by a third party and not in direct control of EML. This will be reported in subsequent reporting years

We segregate and dispose all the non-hazardous waste generated across all our facilities. Organic waste generated from the canteen from all our manufacturing units is sent to a piggery farm. All other non-hazardous waste is handed over to authorized scrap dealers for further recycling and sale. Records of billing and disposal are diligently maintained to ensure responsible disposal of waste.

Case study

Elimination of PET bottles at all our manufacturing units and corporate office

Objective: To eliminate the use of PET bottles ξ minimize plastic consumption



*Freshwater and marine aquatic ecotoxicity potential is represented in terms of DCB (Dichlorobenzene) Equivalents reflecting measurements of toxicity on water.

**Abiotic depletion represents energy value of resources consumed in terms of kJ.

We aim to use 100% recycled plastic across our facilities in the coming years. We are also looking to develop action plans to implement the Extended Producer Responsibility guidelines in line with the Plastic Waste Management Rules, 2018.

The manufacturing, use and, disposal of 1 PET bottle imparts a substantial burden on our natural resources and pollutes the environment. As of November 2019, we have eliminated use of PET bottles in our offices and manufacturing units. As per a lifecycle assessment conducted by PACE (PET Packaging Association for Clean Environment) and the Institute of Chemical Technology (ICT), PET bottles (weighing 21 grams including cap) impact the ecosystem as shown in the illustration above. Furthermore, PET bottles are recycled multiple times thereby consuming additional energy and water in each cycle. The elimination of PET bottles across all our facilities enables us to become a more sustainable entity and set a positive example for our employees to emulate.

Source: http://www.in-beverage.org/lca-pet/ICT%20Final%20Report%20on%20LCA%20of%20PET%20Bottles_for%20PACE_01_01_2018.pdf

Case study

Hard machining of Crank Pin Bores in the Crank Shaft Halves

Objective: Use of hard machining for crank shaft assembly

Conventionally, the crank shaft assembly is built up by assembling three pieces - Crank Shaft LH, Crank Shaft RH and a Crank Pin. As the portion of the two crank shaft halves into which the Crank Pin is pressed is locally hardened, the conventional process would require the bores to be ground to meet the requirements of size and geometry. In the new product platform – hard machining has been introduced to overcome the disadvantages of the conventional process.

The improved process produces steel swarf that is recyclable, instead of grinding sludge from the earlier process which has to be disposed of in a landfill. In addition, hard machining is a quicker process and consumes lesser energy. The process also provides a cleaner work environment for our workmen.



Future scope

As the amount of waste generation is on the rise, regulations for the management of waste have become more stringent. Leading businesses have moved to Zero Waste and Circular Economy programmes to enable effective and responsible management of the waste. As a future strategy, EML plans to adopt integrated waste management and circular economy principles to manage our waste more effectively.

Achieve Zero Waste to Landfill

Through partnerships with authorized dealers and recyclers, we aim to achieve Zero Waste to Landfill status for our own operations and institute mechanisms to get our facilities certified.

Establish traceability mechanisms

To understand the flow of waste beyond our operations and to go beyond 100% diversion from landfill, we plan to institute traceability mechanisms to track and manage data pertaining to waste generation at each stage of the lifecycle.

Infuse circularity in value chain

To achieve the transition from the linear to the circular economy, we plan to take a value-chain based approach to imbibe circular economy principles in design, procurement, manufacturing and end of life processes.

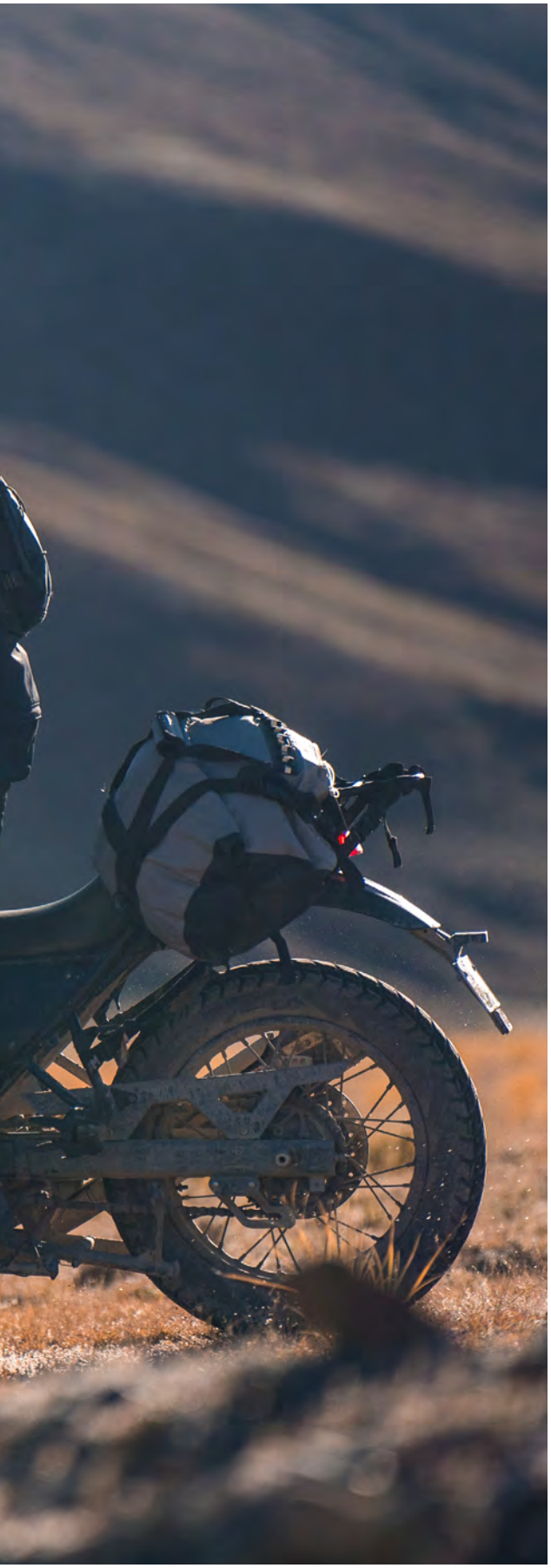
Environmental Compliance

At EML, we give the utmost importance to compliances right from the start of our operations. All the regulatory requirements pertaining to zero discharge of wastewater, safe transportation and disposal of hazardous waste, consents to establish and consents to operate among others. We adhere to the vehicle safety and quality norms in all our products. In this reporting year, there was no instance of non-compliance on any environmental law or regulation.



A BETTER SOCIETY





Social Highlights

0

Fatal Accidents

496

Cause-Rides

Rs. 55.39 Cr

CSR Spend

Contributing to the Sustainable Development Goals

Employment

- Provision & enhancement of employment opportunities through our operations (on-roll + contract labour)

Training and development

- POSH Awareness training of employees

Occupational health and safety

- Occupational health centre with 24*7 assistance for the employees

Freedom of association

- Right to freedom of association and collective bargaining for all our workers

Human Rights

- Protection of Human Rights across our operations

Diversity and equal opportunity

- We at EML foster diversity and provide equal opportunity irrespective of gender or age

Overall Management Approach

Our people are crucial to our value creation journey, as they form the building blocks of the organisation. We acknowledge our responsibility towards our permanent as well as contract employees, our customers across the world and the local communities in which we operate. Our social sustainability principles drive continual dialogue, people centricity and ethical responsibility at our organisation. Our HR system is based on our culture of respecting and empowering our people through a flexible work environment, fostering innovation and result oriented policies. We develop our workforce in technical and soft skills to future-proof the organisation and build the skills needed to compete in the markets of the future.

We emphasize on developing a high performing and customer centric culture within our workforce. This is achieved by strengthening our processes and policies while revising them periodically in accordance with a changing business environment. We place a high priority on occupational safety and well-being, with proactive management systems & regular training. We have systems in place to safeguard the human rights of our workforce – such as zero tolerance policies on child and forced labour, sexual harassment and an open grievance redressal mechanism.

We have developed strong partnerships with our local communities – who not only give us the social license to operate but also share natural resources, human capital and invaluable support throughout our business operations. We have contributed to transforming the lives of rural communities by fulfilling basic needs such as electricity, education, and healthcare. We believe in creating inclusive growth to ensure empowerment of our communities in a sustainable manner.

We are proud of the reputation EML has among its customer base, and we leverage it as an instrument to achieve positive social change. We engage with the biker community through a variety of programmes such as rides & events – to utilize the Royal Enfield brand as a force for good. Many rides and events are conducted around the causes of ecological conservation, road safety, and other social causes.

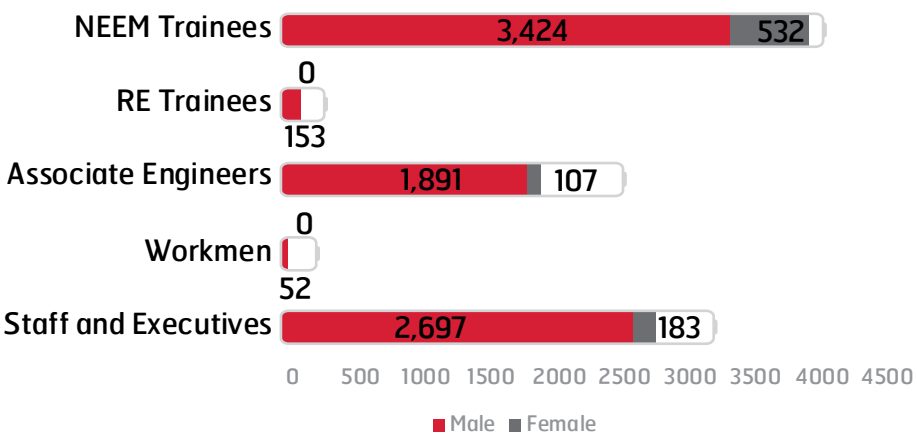


Employment

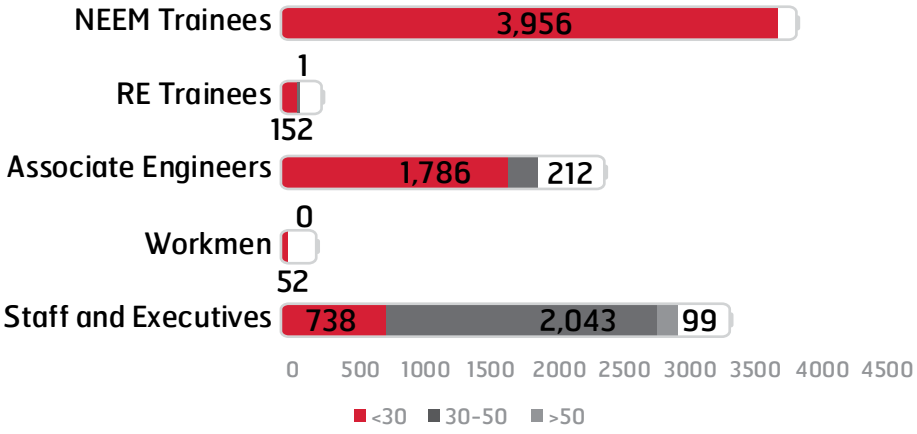
We believe that our employees are the most valuable assets of our organisation. The HR department is directly responsible for maintaining an employee friendly and open-door culture at our organisation; by understanding employees' aspirations and senior management's approach towards people management. Our focus on providing a respectable and empowering work environment for every employee has resulted in one of the lowest rates of attrition in the industry. In addition, we provide opportunities for our employees to develop through various programmes to harness their leadership and people management capabilities. We also emphasize on attraction and retention of talent as it leads to maintaining an innovative and result oriented approach in our workplaces. Majority of the recruitments are from local communities and surrounding areas.

The charts below show our employee count by gender & age. While we have a high proportion of men in our workforce, we are constantly working to increase the amount of gender diversity in the management & on the shop floor.

Employee Count by Category and Gender



Employee Count by Category & Age





We have a share of over 6% women in our workforce, that we are constantly enhancing through our hiring practices. The tables below show the number of new hires by age & gender.

New hires by gender for FY 19-20

Employee Category	Males Hired	Females Hired
Staff & Executive	246	36
Associate Engineers	751	80
Workmen	0	0
Trainees	5	0

New hires by age for FY 19-20

Employee Category	<30 Hired	30-50 Hired	>50 Hired
Staff & Executive	102	169	11
Associate Engineers	816	15	0
Workmen	0	0	0
Trainees	5	0	0

Our turnover is among the lowest in the industry. The attrition rate for the year was observed to be 8.15% for the Staff and Executive category and 0.75% for Associate Engineer category.

Turnover by gender for FY 19-20

Employee Category	Males Left	Females Left
Staff & Executives	238	18
Workmen	16	0
Associate Engineers	13	2
RE Trainees	0	0

New hires by age for FY 19-20

Employee Category	<30 Left	30-50 Left	>50 Left
Staff & Executives	77	163	16
Workmen	0	0	16
Associate Engineers	15	0	0
RE Trainees	0	0	0

Benefits provided to full time employees

We provide many monetary & non-monetary benefits to our employees, going beyond the statutory regulations. We believe in taking care of the health of our employees and their families. The broad list of benefits that we provide to our full time and contract employees is shown below. We also have reward systems in place to reward our employees for performance and for long service awards for full-time employees at each milestone of their careers.

Type of benefit	Provided to Full time employees	Type of benefit	Provided to Full time employees
Life Insurance	Yes	Stock Ownership	Yes (for select employees)
Health care	Yes	Transportation	Yes*
Disability	Yes	Housing	No
Parental leave	Yes	Food allowance	Yes
Marriage leave (Additional to normal leaves allotted)	No	Extra paid holidays	No
Bereavement leave (additional to normal leaves allotted)	No	Paternity leave	Yes
Retirement provision	Yes	Annual health check-up and health camps	Yes

Benefits that are not provided to the temporary and part time employees include Group personal accident policy, Group Health insurance policy, joint group personal accident policy, stock ownership and retirement provisions. We also have an HR bot for employee assistance that can be used to access HR related services like payroll. The bot is also used to communicate insights on best working practices.

Expense incurred towards defined benefit and contribution schemes:

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	(in INR Crore)			
Contribution to provident fund	15.7	15.6	20.1	20.3
Contribution to superannuation fund	0.4	0.5	0.5	1.1
Contribution to gratuity fund	1.0	4.5	4.4	4.7
Contribution to State Insurance Corporation	2.2	4.8	4.7	1.1
Contribution to other funds	3.9	7.6	10.5	11.3

Employee wages and benefits:

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	(in INR Crore)			
Salaries, wages, bonus and allowances	329.4	454.5	585.7	667.0
Contribution to provident and other funds	18.9	22.1	29.5	27.2
Employee welfare expenses	40.2	53.1	50.2	45.9
Share based payments	20.5	18.1	14.2	25.0

*Transportation allowance is provided to all REHQ employees. For the plants, all categories are provided company transport.

Parental leave

All our regular employees are entitled for parental leave as per regulatory requirements. The maternity leave benefits also ensure sufficient support to all our female colleagues to return to work after completing the leave and to manage their personal as well as professional responsibilities efficiently. The Return to work rate in the Financial year 2019-20 was 90.60%.

Indicator	Male	Female
Total employees entitled for parental leave	1961	80
Total employees that took parental leave in FY 2019-20	260	70
Total employees returned to work in the reporting period after parental leave ended	278	21
Total employees returned to work after parental leave ended still employed after 12 months after returning to work	204	4

Learning and Development

In today's fast changing world, organisations like ours need to be on the forefront of every technological detail and expertise. Organisational training provide an opportunity to expand the knowledge base & skill sets of our employees. At EML, a training department has been set up to look after training needs of our permanent as well as contractual workers. We roll out a yearly training calendar at the start of every financial year. Training and learning opportunities include internal and external training facilitated by EML or through an external training and development agency appointed by EML. Skill upgradation training are provided after identifying on-job needs of respective employees.

In FY 2019-20, a total of 273 training programmes were held across various categories. Total of 206 new employees in staff and executive category were inducted with a comprehensive 5-day induction programmes in FY 2019-20. To upgrade employee skills, employees were provided with 'Percipio' – an online learning platform. The platform was well utilized by our employees. A total of 1,048 employees used the online content of 1,700 Hrs. We encourage our employees to utilize such platforms for personal as well as professional development. Various internal skill upgradation courses were organised offering a total of 29,110 hours of training which was attended by 3,063 employees across the organisation.

Some of the key training programmes that we have provided are shown in the illustrations.

GCO

- Business Analytics training for GCO and Finance Team
- Customer Experience – Service Excellence (ASM) session for regional area sales and service managers
- Business Stimulation programme for cluster managers
- Leading Customer Loyalty for cluster managers

GTO

- Problem Solving Techniques using 7 QC tools, Basic/Advanced GD&T, Tolerance & Stack Up Analysis, SPC, Design/Process FMEA
- IMS Internal Auditor Training
- Negotiation Skills training for Sourcing and Logistics team
- Control Systems & Noise and Vibration for PD team

Technical Training in Plants

- NEEM trainees Induction programme at Oragadam and Vallam
- AEs training (RENEW workshop – Goal Orientation / creating positive workplace environment)
- Lean Tools and QC Story techniques to build in a culture of Kaizen and Problem Solving

GET Project

- 6 months training on SRK project
- 3 months assignment with Sales Studio Project teams across India
- Customised Young Leadership Programme before assigning full time roles

Enabling functions

- IND AS Standards for Controllership team
- Train the Trainer training from HR & People Excellence

Managerial Programme

- Managerial Development Programme for People Managers
- Project Management

7 Habits of Highly Effective People Leadership Programmes

- LDP with ISB Hyderabad
- Situational Leadership
- 7 Habits of Highly Effective People for Group Managers

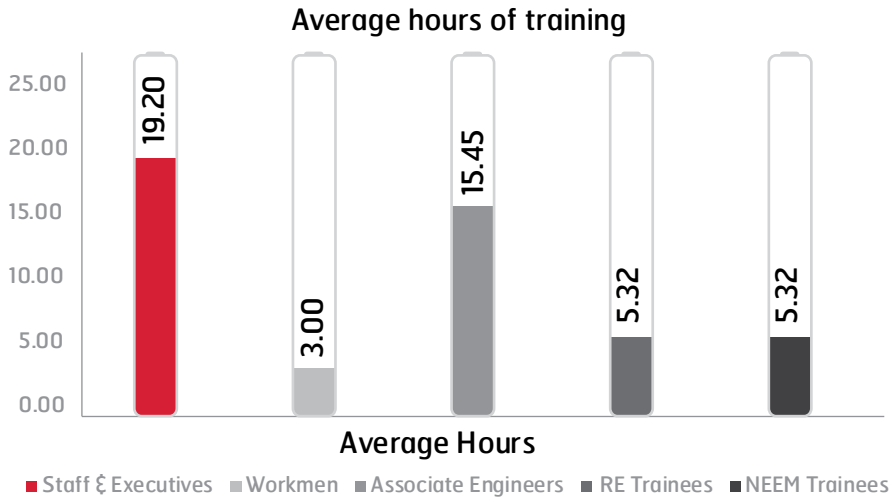
Behavioural Programmes

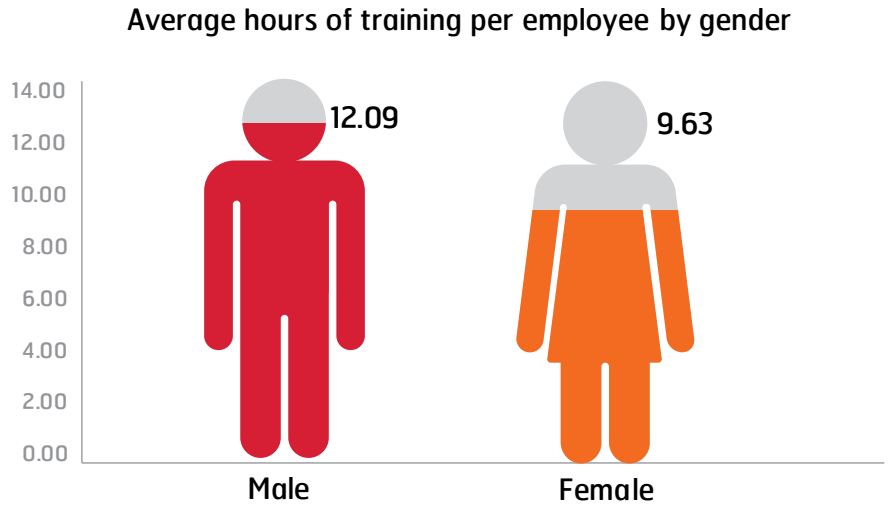
- Behavioural and Communication, Negotiation programme for 205 individual participants
- Power BI Desktop 3 days classroom session



We ensure that training is provided to all employees at all levels of management to ensure the overall growth of our employees & the organisation.

Average hours of training by Employee Category:

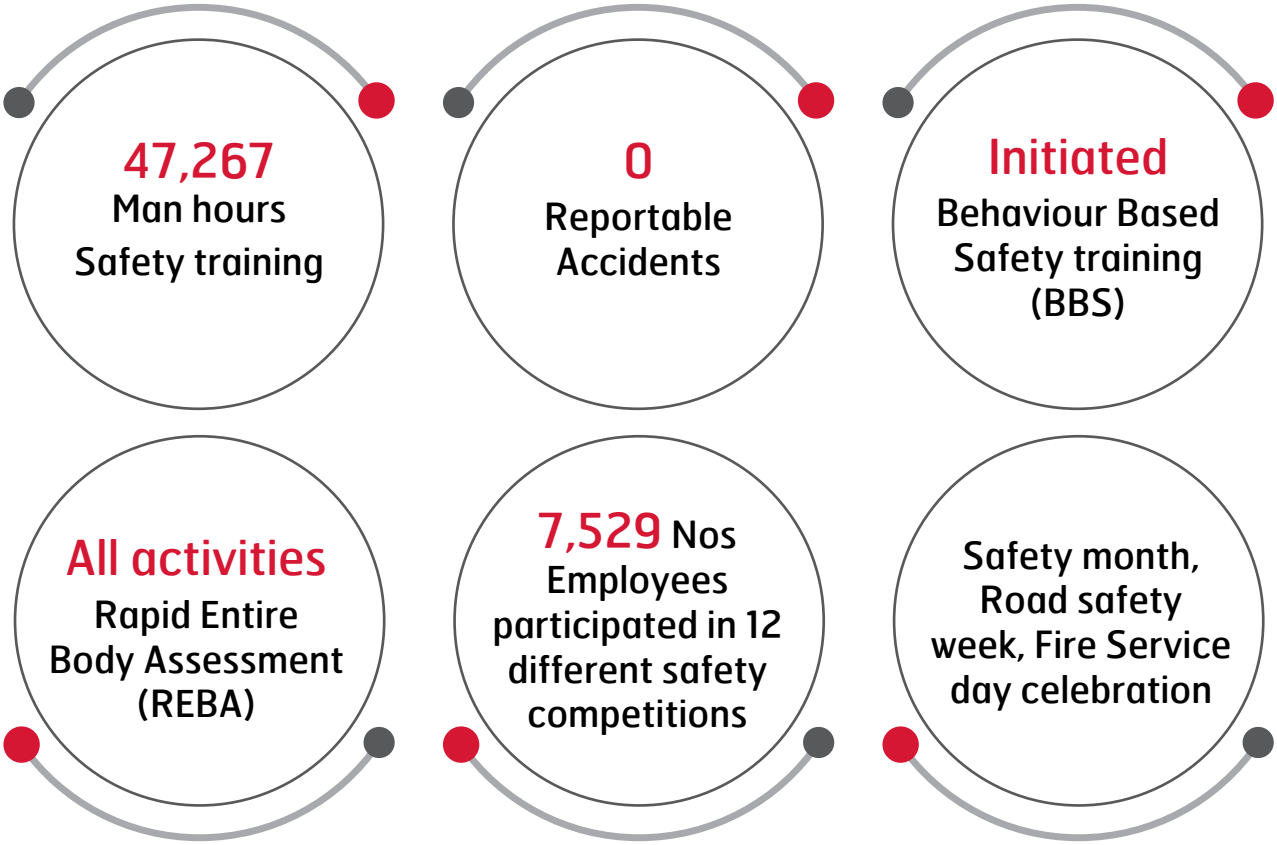




All the employees irrespective of gender and employee category receive regular performance and career development reviews on a periodic basis. We believe in achieving inclusive growth by involving employees on a continual improvement agenda at EML.

Occupational Health and Safety

Our Safety Snapshot



The health and safety of our employees have been a priority across all our operations at EML. We constantly ensure healthy and safe working conditions for all our permanent as well as contract employees through a detailed Occupational Health and Safety (OHS) management system. Our OHS policy aims to maintain health, safety and welfare for every employee working in our manufacturing units and others who may be affected by our business operations. All our permanent employees and contract workers are covered by the policy.

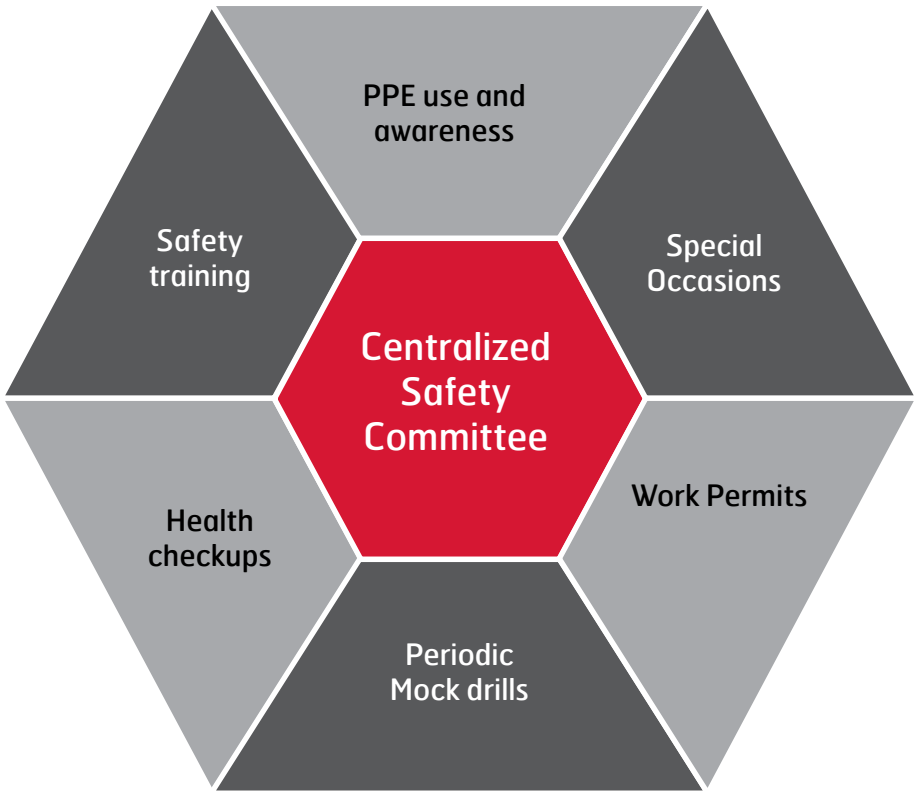
We have set up a centralized safety committee comprising representatives from upper management as well as representatives from each manufacturing plant. Each manufacturing plant has one high-level safety committee and separate safety committees for each shop floor to ensure thorough coverage of safety initiatives and vigilance. The central safety committee meets once in three months to review the safety performance and make changes to the operating procedures where required.

We commit to consult with workers in all matters relating to health, safety and environment in the workplace. Continual improvement in safety performance through effective management is always encouraged at EML.

We ensure valid work permits are held for various activities performed at the factories including hot work, cold work, isolation, work at height and confined spaces to ensure work is being performed safely and efficiently. Stringent guidelines regarding fire, spill and electrocution are being followed at each manufacturing unit. We also conduct periodic mock drills to create awareness regarding standard operating procedures to be followed in case of emergencies. We keep ourselves well prepared to tackle any kind of emergency in an efficient and responsible manner.

Occupational Health and Safety practices adopted are constantly improved with Kaizen – a concept of continuous improvement. We also have an established occupational health centre equipped with 24x7 assistance from doctors, nurses and pharmacists. We take care of all our workers' health including temporary workers by providing periodic and annual health check-ups. Also, all the Personal Protective Equipment purchased by us are sample tested to ensure good quality. We conduct PPE competition for our workers to encourage and evaluate correct usage of PPEs for enhanced safety at the workplace.

To create awareness and motivate our workers to follow stringent safety norms at the workplace, we celebrate National Safety day on 4th March every year. On this occasion, we engage all our employees and contract workers with quiz competitions, hazard identification and mock drills at our manufacturing facilities. All our new joinees and workers are mandatorily provided basic safety training.



We have provided appropriate safety training contributing to 47,267 man-hours in the year. As a part of Integrated Management System (IMS) activity, we are planning on obtaining the ISO 45000 certification in the near future.

We are proud that in the financial year 2019-20, there were zero occurrences of fatal accidents across our manufacturing facilities.


Firefighting training



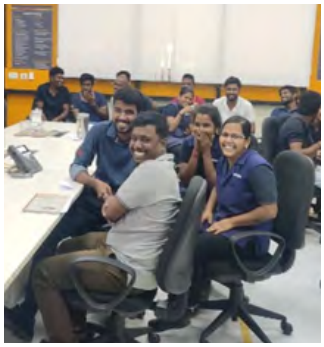



Road Safety Awareness campaign conducted for RE Employees by Thozhan team at their work locations, Canteen and outside areas

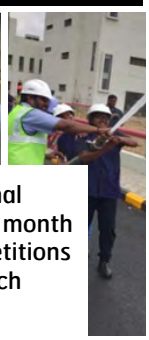




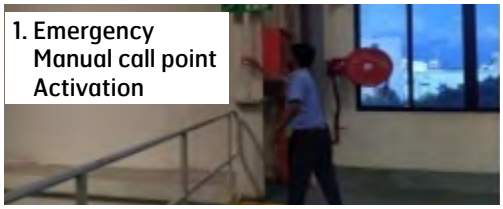




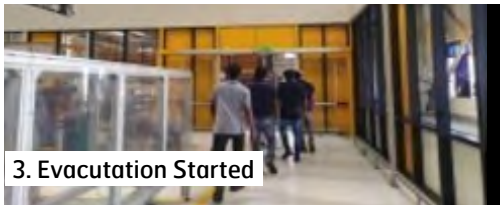



National safety month competitions in March 2020




1. Emergency Manual call point Activation


2. Emergency Communication


3. Evacuation Started


4. Roll call at safe assembly point


5. Briefing about importance of mock drill


6. Workers returning to work area in queue

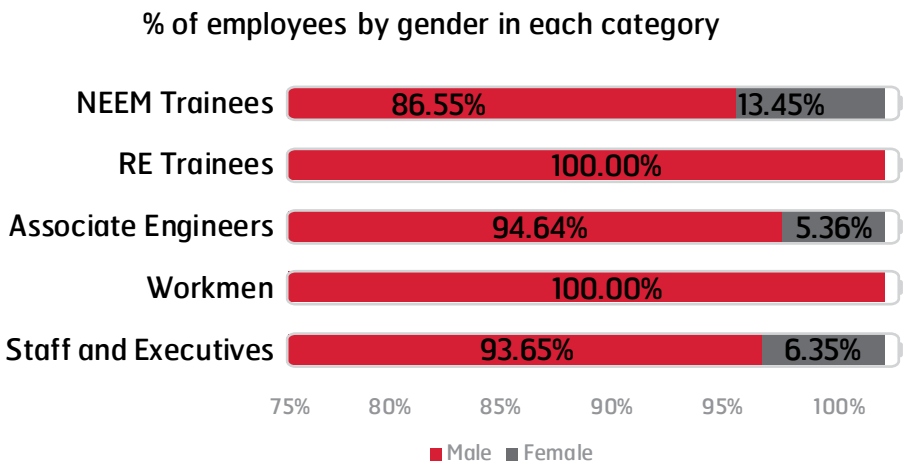
Diversity and equal opportunity

We take enormous pride in our diverse culture while offering opportunities to grow personally and professionally to every employee. We provide equal opportunity of employment in our organisation irrespective of gender, age group, religion, caste or any other such classifications.

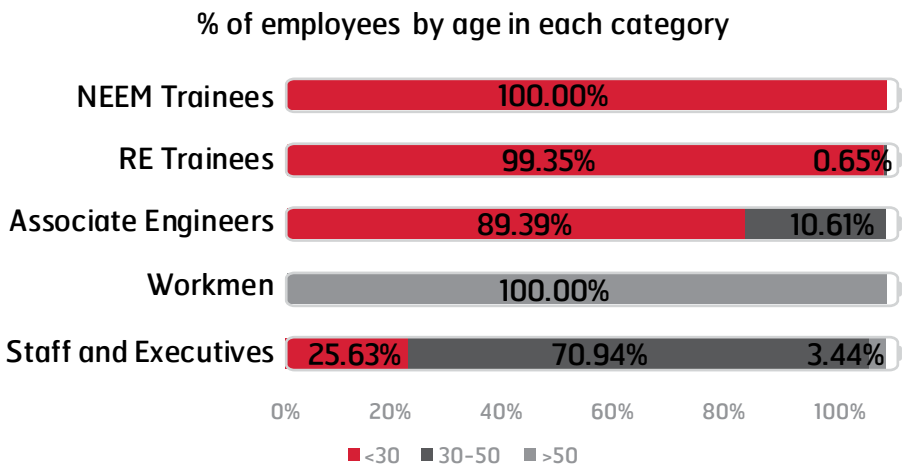
Salaries are offered solely based on education, talent and experience of an individual. Promotions and increments are offered in line with HR policies ensuring compliance with norms of diversity and equal opportunity. All full-time employees undergo yearly performance appraisals which enable them to progress in their career.

We actively take efforts on inclusion of women in every operation and at all levels, including in our board of directors with one female member as an Independent Director. We are proud of one of our manufacturing units which have been running an assembly line which has been managed completely by women since 2018.

Percentage of employees by gender in each employee category:



Percentage of employees by age group in each employee category:



We aim to achieve equality of pay across genders; remuneration is determined by a host of factors including level of experience, performance & number of years in the organisation. The ratios of basic salary and remuneration of women to men are shown in the table below.

Parameter	Associate Engineers	Staff & Executive	NEEM Trainees
Ratio of Basic Salary (Women to Men)	0.98	0.87	1
Ratio of Remuneration (Women to Men)	0.98	0.95	1

A grievance redressal mechanism has been set up to ensure timely resolution of any complaint regarding discrimination at the workplace. In FY 2019-20, we did not receive any complaints regarding discrimination.



Freedom of Association

At EML, our deep-rooted understanding of human rights entails all our workers the right to freedom of association and collective bargaining. It is an integral part of a free and open society and is essential to achieve sustained progress.

Although none of our operations were identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, we have established appropriate mechanisms for action. All the permanent workers are part of these unions and may take benefit of right to collective bargaining. As per the statutory norms, we undertake wage settlements with internal and independent labour unions once in every three years or as per the requirement.

While we have a formal union in one of our plants, we have unions that are recognized by management in two other plants where democratically elected representatives of employees are selected as members to interact with the management on their concerns.

Human Rights

Protection and remediation of human rights in our operations & supply chain is core to the way we do business. We ensure that all our vendor contracts have clauses which state the necessity of their compliance with all labour regulations – particularly child labour, forced labour and sexual harassment among others. We plan to strengthen our assessments of our operations & supplier facilities in order to ensure that no action of EML leads to a human rights violation. As an ethical organisation, we do not engage with the suppliers, distributors or any other value chain entity employing forced, compulsory or child labour in their operations.

A total 4,624 hours of training was given to 23% of all employees on human rights policies or procedures concerning aspects of human rights relevant to our operations. POSH Awareness trainings were organised and total of 1,156 employees were involved in these training sessions.

None of our operations have been identified to be at significant risk for incidences of child labour and forced or compulsory labour. Our HR department strictly ensures that no forced, compulsory or child labour is employed in any of our manufacturing facilities. Any complaints related to the company's operations can be raised through a Grievance Redressal mechanism as well as a whistle blower mechanism. We have an internal ombudsman for whistle blowers to report their concerns, who in turn reports to the audit committee of the board. All of our 350 security personnel are trained on human rights procedures.

We follow 'Zero Tolerance' towards any kind of sexual harassment at the workplace. We adhere to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and have a policy in line with the act. We also have set up an "Internal Complaints Committee' (ICC) as per the requirements and all the employees are made aware of the functions of ICC.

Socio-Economic Compliance

We comply with all applicable socio-economic regulations for our employees and contract labour – such as payment of wages, minimum wage, overtime, maternity etc. Compliance against these laws is monitored across our facilities through periodic audits.

In this reporting year, there was no instance of non-compliance on any socio-economic law or regulation.



Customer Centricity

The age of mobility has been advanced in a manner like never before. Powerful forces driven by technology are driving these shifts in new ways including environmental, economic and social developments. However, the experience and service delivered to our customers will always remain at the heart of our philosophy. Royal Enfield has been a brand of choice ever since its inception. Our unique designs, quality of products and aftersales services have been of utmost pride for us and our customers. Our marketing strategy revolves around delivering exceptional experiences and value to our customers.

We ensure customers' health and safety right from the design stage of our product development process. We monitor changing regulatory requirements and emission norms to prevent harm to the environment or society. We are continuously experimenting with new technologies to achieve maximum safety, cleaner operation and use of recycled materials in vehicle manufacturing. We conform to all applicable product safety standards and are continually making design improvements in ergonomics and stability to enhance rider comfort. To provide a safe & enriching in-store experience to our customers we have a comprehensive dealer on-boarding framework which includes detailed assessments on service quality as well as possession of all requisite fire safety and environmental clearances. We are engaging with our stores to educate them about rainwater harvesting practices. We are also in the process of carrying out pilots with few of our dealerships to enable them to achieve Zero Waste to Landfill.

In addition to the various initiatives to embed sustainability in our products, we strongly believe in making our customers a part of our sustainability journey. We see them not just as consumers of our products but as agents of change. To engage with our customer base, we conduct a plethora of rides and events with messaging on social and environmental causes.

Rides – Building a brand purpose

We conduct various rides oriented around social & environmental causes that we call 'Cause Rides' which bring bikers together to ride for a cause.



In the year FY 2019-20, we conducted 496 rides across the country raising awareness and addressing a variety of social & environmental causes.

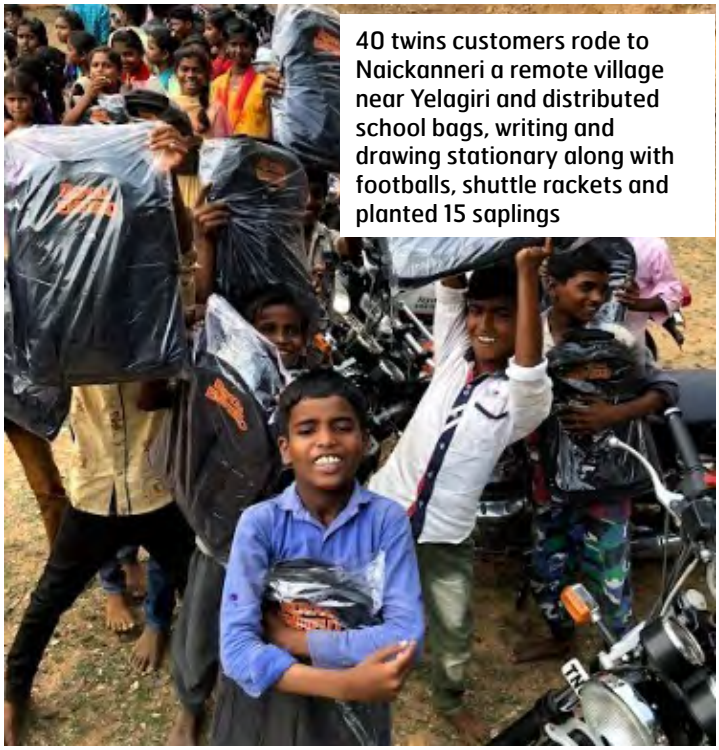
496
Cause Rides

River Cleaning / Public Space / Parks	Road Safety / Helmet/ Blood Donation / Saving Girl Child	Tree Plantation	Orphanage / Old Age Home / Army / Govt Schools
116 Cleanliness	71 Awareness	207 One Bike One Tree	102 Donations

Our rides have received positive coverage from the press as well as the broader community. We are proud of our customers for using our motorcycles as 'vehicles for change' and will continue to support them in their causes for the overall benefit of society.



Riders at Falcon Auto - Yamunanagar & Riders from Delhi cleaned the Inner Circle of Connaught Place



40 twins customers rode to Naickanneri a remote village near Yelagiri and distributed school bags, writing and drawing stationary along with footballs, shuttle rackets and planted 15 saplings



226 riders from Bihar, Jharkhand, West Bengal & Orissa Helmet awareness ride on World Motorcycling Day



Andhra Pradesh & Telangana - On 9th June 100 + riders from Vijaywada rode to the banks of Godavari, put their hands dirty to clean the garbage thrown.

Himalayan Odyssey 2019

Our marquee ride for the year is the Himalayan Odyssey. This is an adventure event where bikers cross the Himalayan landscape for 10 days across rough terrain. However, due to increased tourist inflow, there is an increased amount of consumption of bottled water. To combat the menace of plastic waste in and around the pristine regions of Leh & Ladakh, we have engaged our communities to minimize the use of plastic water bottles and go for water purifiers which are installed at key locations, including the camps at which bikers reside. This has eliminated the necessity of using water bottles altogether. Our initiatives in the Himalayan Odyssey are an example of our philosophy to leave only our tyre marks behind and leave every place better.

> They came up with a very innovative solution of having these water purifiers, accessible to all. I have seen that difference where people are actually going and filling it and that does make an impression.

> It's been 10 days and I have not taken a single plastic bottle. I have drunk from the water that Royal Enfield is giving, or the hotel is giving.





Event

Rider Mania 2019 – #LeaveEveryPlaceBetter

We also conduct a variety of events across the year where riders and motorcycling enthusiasts come together. One of our flagship events is the 'Rider Mania' – which has several themed events around motorcycles along with entertainment events featuring some of the most well known as well as emerging artists. These events are a medium to engage closely with our customer community and also an opportunity to communicate the values that we at Royal Enfield stand for.

For Rider Mania 2019, we used the hashtag 'LeaveEveryPlaceBetter' to emphasize the importance of environmental responsibility. At Rider Mania, we took the initiative of no plastics during the event and used refillable water bottles. We estimate that the purchase of about 61,000 plastic bottles was avoided through this initiative. We also avoided the use of plastics in food packaging and cutlery and opted for paper-based compostable alternatives. We are conscious of the impact a large gathering has on the quantum of waste generated. Therefore, we partnered with an external agency to manage the waste generated during the event. Stations were setup for waste separation and engagement events were also carried out with attendees on sustainability issues. Through our waste management partner for the event, we ensured that waste generated was duly separated and handed over to the respective partners. Food waste was sent to a composting site and excess food was donated. Non-recyclable materials were sent to the municipality for co-processing and energy recovery. About 350 cups were sterilized and sent for reuse.



While we have made great progress in engaging with our customers on our values and initiatives, we are currently looking at embedding these initiatives in a much more strategic manner, by embedding 'responsible travel' within the brand purpose. Responsible travel builds upon 'Leave Every Place Better' and extends the scope of our sustainability strategy at the heart of our brands and products.

Community Engagement



At EML, the journey of CSR started 20 years ago with the agenda of giving back to the society to which we owe our existence. We have carried forward this thought process of our senior leaders with an aim to create shared value and to actively contribute towards the development of a sustainable society.

Nurturing human connections and supporting the livelihoods & infrastructure of the communities we operate in has been our approach to CSR at EML. We have a formal Corporate Social Responsibility Policy pursuant to Section 135 of the Companies Act 2013, and the relevant rules prescribed therein. A CSR committee has been set up consisting of three directors including the managing director. The committee regularly monitors the implementation of the CSR policy and recommends modifications to the CSR policy as and when required.

Community engagement has always been embedded in the ethos of the Eicher group ever since its inception. The founders of the group believed in supporting the community independent of the ups & downs of the business cycle. The journey started with core investments in community education & health and has gradually expanded to support more of the communities where the group operates.



Increaing Maturity of CSR Interventions at EML

Eicher schools

We started Eicher schools in various tribal districts across India 20 years ago

Dr Shroff Charitable Eye Hospital

To stay connected to the society in which we operate, we support Dr Shroff Charitable Eye Hospital situated at Delhi

CSR Mission

We update our CSR mission statement in every two years in line with our CSR policy & the needs of the community

Responsible Tourism

We are planning to Embark on a new project called 'Responsible Tourism' by embedding sustainability initiatives in a strategic manner



All CSR initiatives are overseen & implemented by the Eicher Group Foundation (EGF). EGF is a not-for-profit Company registered under Section 8 of the Companies Act, 2013 setup as a joint venture of the Company and VE Commercial Vehicles Limited, Company's subsidiary, for the purpose of implementing the group's CSR initiatives. EGF also facilitates the Company's CSR Committee in managing & monitoring its CSR programmes. EGF collaborates with implementation partners/ NGOs which connect on the ground for seamless implementation of the CSR policy.



Our CSR activities in the year FY 2019-20 contributed to 'Sustainable Development Goals' (SDGs) as follows:

Community Development

- Improving maternal & child health through Sustainable village upliftment programme for 14,000 mothers, 4,000 sick new-borns and 3,000 children
- English learning programme in schools for 160 children in Grade 6th to 9th

Ride safe in Himalayas

- Improving awareness regarding road safety and minimising road traffic accidents

Project Empower

- Electrification in total 28 rural communities
- 35% increase in house income through infrastructure & training
- 29 Homestays in Leh & Ladakh as an earning opportunity

Project Clean Himalayas

- Household Waste segregation, collection and safe management for Kharu and Pangong villages

Royal Enfield Academy for Skills

- Vocational training to candidates in centres across India in industry-specific skills
- Placement opportunities provided to youth through RE academy

Shikshak Pahel Programme

- Poornama Aahar (Nutrition) under Shikshak Pahel Programme
- Supporting 32 bodhshalas to achieve holistic development of students and communities

Safe Road User Initiative

Awareness building & distribution of Standardized Helmets to reduce road accidents

Clean Air, Better Life

Improving Air quality and reducing health impacts due to crop burning practices

Disaster response projects

Access to healthcare in flood risk areas and providing support to a total of 3,041 families in 4 states



Our Initiatives

1 Community Development Projects:



A) Improving status of maternal and child health:

Eicher Group Foundation (EGF) has joined hands with Ekam foundation – a not-for-profit NGO to serve the community with the aim to improve the status of maternal and child health within the four villages of Sennakuppam, Nattarasampattu, Vallam and Valayakaranai for the period of 2 years.

The key activities & outcomes under this programme have been highlighted below

Activity	Description	Key Outcomes for FY 19-20
Promoting Early Referral	We ensure early identification and referral of new-born children through screening camps called Retinopathy of Prematurity [ROP] with support of Radhatri Nethralaya	48 medical camps conducted, 601 babies screened, 18 referred & treated
Immediate Life Saving Support	Focusing on the right of every child for proper healthcare, we provide medical support to children	Support provided to 9 children. 2 children were provided repeated support
Youth and Community Mobilisation	With the help of Ekam foundation, we conduct awareness programme on Maternal and Child Health, awareness of Government Schemes and on importance of food and nutrition to mothers	53 training spells conducted benefitting 1,300 Mothers & Community members
Infrastructure Upgradation in Hospitals	Through the gaps identified in our baseline assessment, we have upgraded hospital infrastructure at Chengalpet Municipal Hospital and 5 PHC's (Kundrathur, Ezhichur, Panruti, Vallam, Padappai)	We have been able to reach to around 4,000 sick new-borns, 3,000 children and 14,000 mothers who got admitted in the health facilities this year
Counselling Mothers in The Obstetric and Paediatric Wards	We provided counselling to mothers on discharge, breastfeeding, post-surgery care, kangaroo mother care and nutritional intake	2,693 postnatal mothers were counselled, and 247 Counselling sessions were conducted
Follow up & Tracking of New-Borns	All babies admitted at the Neonatal Intensive Care Unit (NICU) were screened to determine whether they are at risk for any developmental delays	We reached out to 3,940 babies for screening



We have been able to reach approximately 4,000 sick new-borns, 3,000 children and 14,000 mothers , supporting them in various ways through this comprehensive programme.

B) Sustainable Village Upliftment Programme (SVUP):

As a part of the Sustainable Village Upliftment Programme, we carried out various interventions based on the needs identified in the villages.

We have donated wheelchairs to the elderly and differently abled persons to improve their mobility

We installed Community RO units of 500 LPH at Vattampakkam, Vadakkupattu and Valayakaranai

We introduced a 'Spoken English Course' in a government Hr. Sec. school at Mathur Panchayat

We distributed school bags to all the students studying at Little Flower Higher Secondary School and Government Primary school in Vallam GP of Sriperambathur

We distributed bicycles to girl children studying in Grade 8 and 9 in Little Flower Higher Secondary School, Vallam, Sriperumbathur simplifying their daily commute from remote villages to their schools.



Caring differently abled/senior citizens
No. of beneficiaries: 25



Wings for Girl children
No. of beneficiaries: 13



Carry with comfort
No. of beneficiaries: 740

C) Spoken English Course:

In December 2019, we launched a Spoken English Course in schools for the children of Std. 6 to 9 at GHSS, Mathur to prepare the rural students with English communication skills in a holistic manner: Reading, Writing, Listening & Speaking. Proficiency in the English language helps students gain self-confidence and land good job opportunities.



Various activities have been planned to improve English reading and speaking skills for school children. By collaborating with English Learning Foundation (ELF) Learning Solutions, we provide ELF English Content Package and training workshops for tutors and schoolteachers. The programme also includes monthly reviews and reports to track their progress.

As a part of this programme, we conduct assessments three times a year to measure students' progress to evaluate the outcomes achieved from the project. A baseline assessment was carried out in January 2020 for 160 students, who will be a part of this 1-year programme.

One year programme for 160 students studying in Grade 6th to 9th

Interactive audio visuals

High quality learning materials

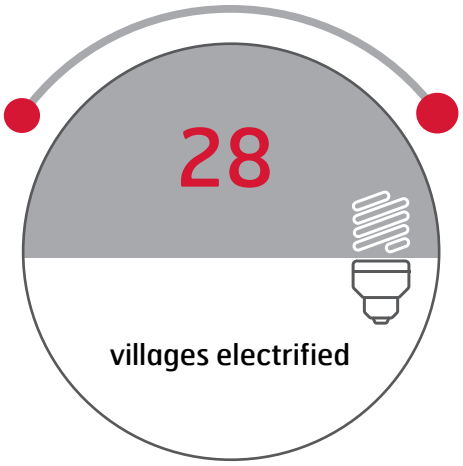
Bi-weekly sessions per class

Certificates and badges, annual report regarding level of improvement in reading, comprehension and speaking skills

2 Empower

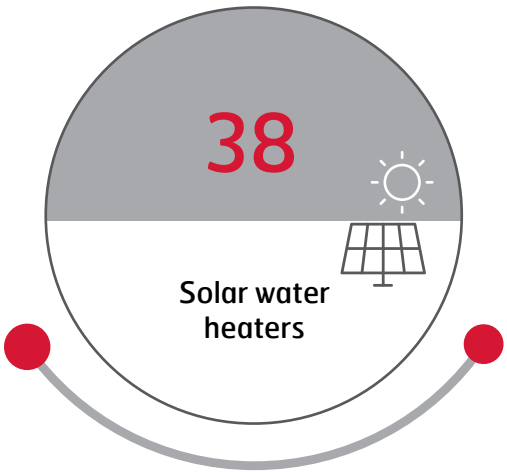


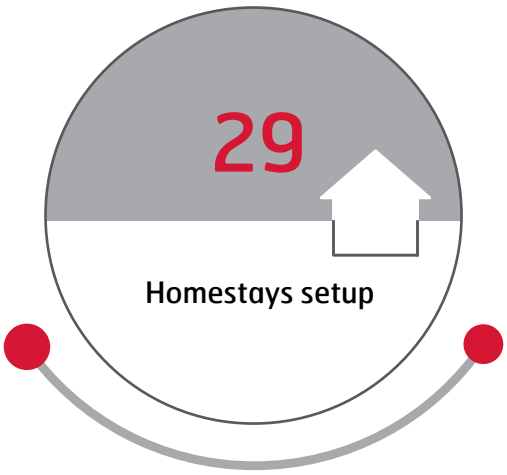
In the last few years, the collaboration between Eicher Group Foundation (Royal Enfield) and Global Himalayan Expedition (GHE) has laid a strong foundation to ensure the sustainable development of the remote villages in Ladakh. Continuing the work of Solar electrification in many new villages, the team focused on innovations in the education and livelihood sector. In the year 2019-2020, the collaboration has gone a step ahead to create tangible livelihood opportunities in the electrified villages. The collaboration has achieved a milestone of 14 villages that are on the path of holistic development.



Overall Impact

14 Villages developed holistically





A) Village Electrification:

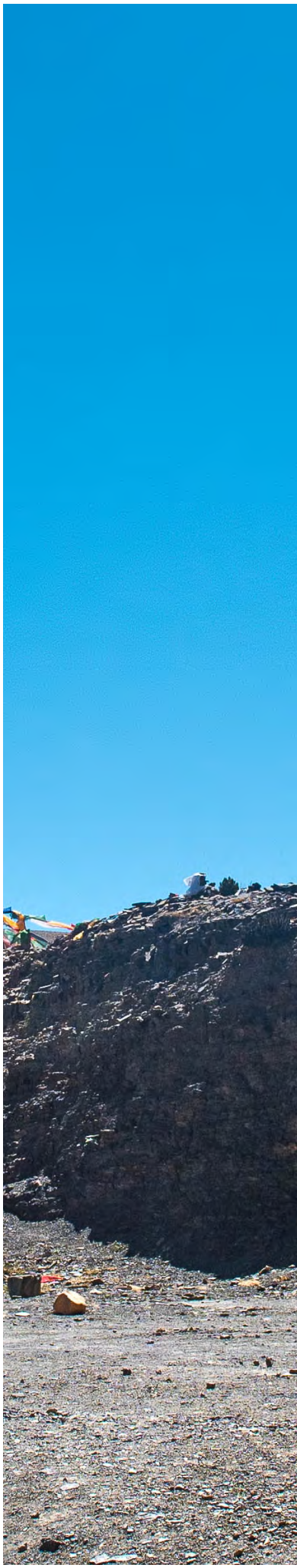
The village electrification process is carried out in 4 stages – a village survey, group discussion with the villagers, community participation, and the final installation of solar microgrids. In FY 19-20, we electrified 14 villages and one cultural site. There has been a significant impact of this programme from the lens of sustainable development, as it has resulted in the creation of local jobs (including for women) along with the generation of renewable power.

3108
Lives Impacted Directly

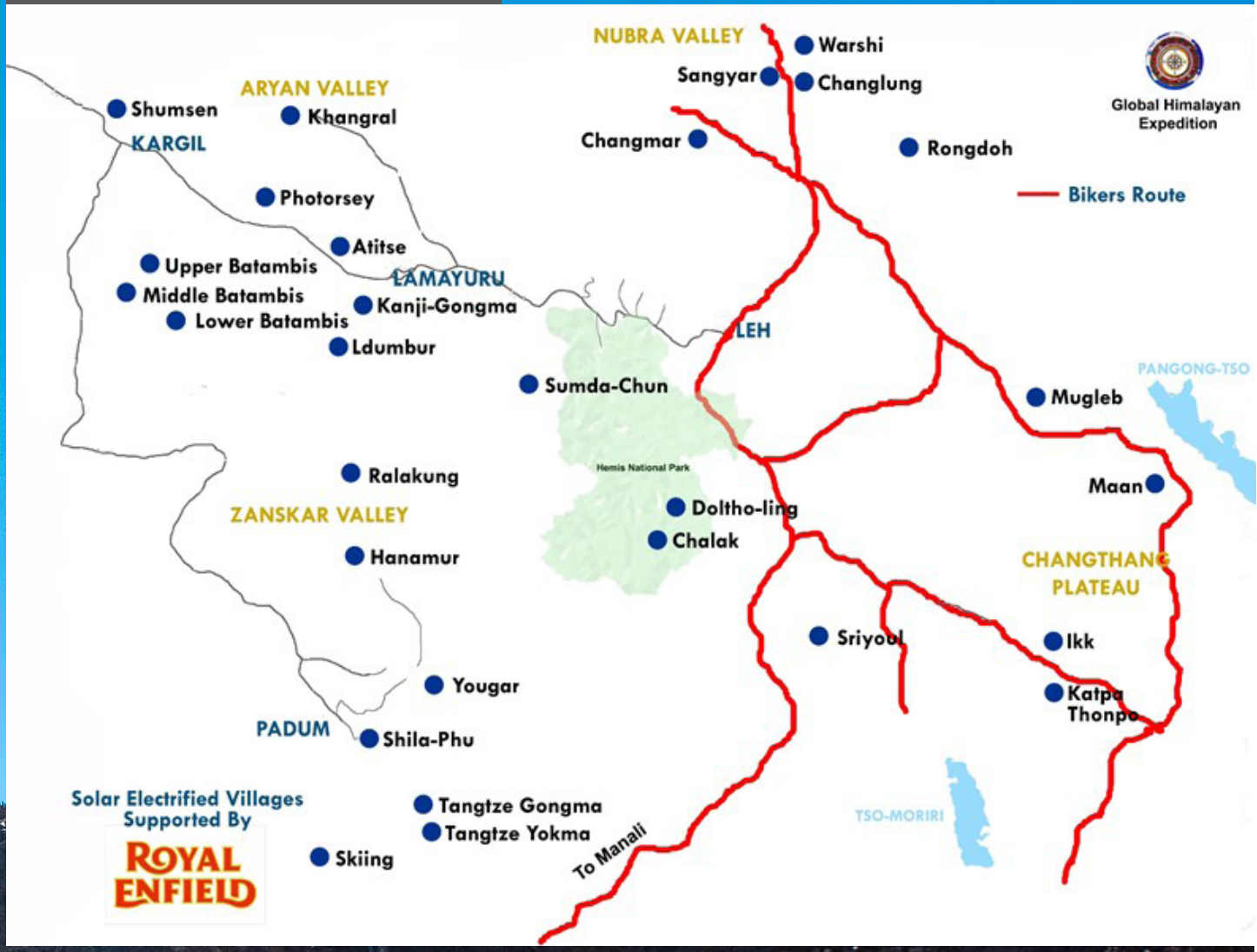
500
Local Jobs Created

30.75 kW
Solar Power

67 Tons
CO_2 Offset



The map below showcases the villages where we have solar electrification initiatives.





B) Himalayan Innovation Centres (HIC):

The Himalayan Innovation Centres are setup for providing an enriching learning experience to students in remote regions. We have partnered up with the Global Himalayan Expedition (GHE), supporting HIC's in the Ladakh region.

38 Projects on experiential Learning | New curriculum added

FY 19-20 HIC Highlights

~4000 students impacted | 2 HIC Fellows



The focus of this year was to go a step ahead and create a good amount of quality educational content in the HIC's. Two fellows selected by GHE worked on creating this digital content that included topics around entrepreneurship, waste management, local culture and traditions along with giving the students an exposure to an experiential learning project. The HIC fellows help improve the quality and delivery of educational content and also support in resolving technical challenges.







C) Royal Enfield servicing & tourist homestay (REST):

The mountain homestays are created by Eicher Group Foundation along with GHE to provide livelihood generation opportunities for the local communities. The homestays and tourism developed around it empowers local communities and uplifts their ability to earn and learn. In Ladakh, Mountain Homestays are emerging as an empowering opportunity for women living in villages.

To further scale up our concept of REST homestays, we identified 5 members from the local communities to be trained as Royal Enfield mechanics from different regions of Ladakh. The training was provided free of cost. The investment to travel and stay was taken care of by Entrepreneurs and GHE. The objective to make sure that these identified entrepreneurs train furthermore entrepreneurs in the other homestay villages to set up more REST homestays.

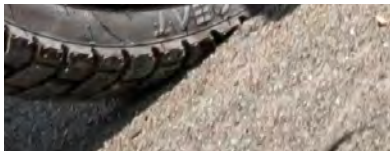
Livelihood for
14 villages

5 young
entrepreneurs trained

50 women
entrepreneurs trained
on homestays







The map depicts the locations of homestays supported by Eicher Motors Limited.



Progression to Holistic Development:

We consider those villages whose basic requirements are fulfilled and where sustainable livelihood opportunities have been created as villages that have progressed to holistic development. Starting from the basic requirement of electricity, we have supported the creation of livelihood opportunities through the REST homestays along with the development of the required skillsets. Environmental sustainability has also been nurtured through clean energy & solar microgrids and solar water heaters leading to the reduced use of fossil fuels. Considering these criteria, we have supported 14 villages in taking a step towards holistic development in FY 19-20 through Project Empower.

3 Royal Enfield Academy for skills:

We have established skill development academies, with multiple centres in the regions of Chennai, Gurgaon and Lucknow. The focus of these academies is on the holistic training and skill development of the youth. In addition to classroom training, the centres carry out activities such as guest lectures, leadership development, community immersions, job fairs, and awareness building on social issues.

- The partnership with the Unnati Foundation has helped us establish skill development centres for college dropouts and unemployed graduates. A total of 169 candidates have been trained on language, tally, and value education with a 100% placement rate.



- In 3 Chennai based centres, (Padapai, Walajabad ξ Sriperumbudur), we are working with a project partner - Aide-et-action on the creation of jobs and enterprises. The centres have been equipped with infrastructure to cater to the students for training in soft skills, mechanical and wiring, retail marketing and entrepreneurial skills. The target beneficiaries are from 18 years to 35 years who will be guaranteed with employment and mentoring till they become economically independent. In the period FY 19-20, a total of 862 enrolments and 468 placements took place, with placements for 266 students in the latest batch ending March 2020 still in progress.



- The RE Academy for Technical skills, Padappai, Chennai implemented a scheme targeting to empower 1000 polytechnic as well as ITI candidates from different states through sector specific training and placement in the automobile industry. A training centre is established at RRASE college of Engineering, Padappai, Chennai. Along with technical skills, soft skill training is also included in the programme to achieve holistic development of the candidates. The first batch kick started in August 2019; and we have supported 608 candidates with an 87.1% placement rate.



- The RE Academy, Gurgaon focuses on employability and entrepreneurship training. By the end of the 4th batch in May-2019, we have trained 1,084 deserving candidates. A total of 71% candidates have been successfully placed in the organised sector or are self-employed. In FY 19-20, we trained candidates in various trades in automobiles, retail, fashion, IT, hospitality and logistics. We completed 3 batches in this year with 275 candidates either placed or self-employed, and placement for 332 candidates still in progress.

The RE Academy for Technical skills, Lucknow is providing livelihood opportunities to 600 Indian Youth annually who are economically and socially deprived of career opportunities through ASPIRE – A Royal Enfield Skill Development Centre. This training centre was established in December 2019 with various facilities including classrooms, hostel, playground and transportation. The centre and hostel were established in a record time and to the standards of the Eicher Group Foundation. Content has been created with technical, digital and soft skills. Three batches: one each of Sales Consultant, Service Consultant and Technician have finished their training and other 3 batches will be completing the programme in the month of April – May 20.



4 Ride Safe in Himalayas:

A) Road Safety Awareness and Emergency & Trauma Care:

This programme is a comprehensive awareness, support and capacity building programme to improve road safety and accident response in the remote regions of the Himalayas. We organised various bikers' campaigns in Leh, Lahaul and Manali to increase awareness about safety rules and regulations while riding. Truckers' campaigns were also organised to sensitize the participants on the importance of road safety. We have also conducted training on rescue operations for mountain trekkers, handling medical emergencies, basic first aid, and demonstration of ISAT phones and Antenna.





Initiative	Activities	Participants
Bikers Campaign	▸ Leh – Road safety quiz, Team Games, #EmbraceLife contest ▸ Manali – Introduction of the Road Safety Project, Bikers rally, Awareness activities and games, distribution of collaterals	▸ 168 bikers in Leh ▸ 148 bikers in Manali
Truckers Campaign	▸ Leh – Street play on the importance of road safety ▸ Lahaul – Street play, distribution of collaterals and communication material	▸ 168 truckers in Leh ▸ 116 truckers in Lahaul
Emergency Response	Workshop on good practices for emergency management	41 participants across health, govt, fire, police, community PoP's
Guideline Dissemination	Emergency response guidelines developed in 2018-19 distributed to various government & emergency response entities, along with information leaflets for relevant nodes	Distributed to 104 personnel
PoP Training	Training on Rescue Operations for Mountain Trekkers, Handling Medical Emergencies and First aid, Life Support, Avalanche Response	16 PoP's participated
Rescue Equipment & First Aid Kits	Procurement & provisioning of ISAT phones and antennas for emergency responses along with administrative support and MOU signing with district administrations	▸ Completed process for procurement of 8 ISAT phones for Lahaul ▸ 21 Antennas dispatched to Leh in Sep 2019 ▸ 24 ISAT phones given to nodal agencies in Leh & Lahaul in the winters ▸ MOU signed with DC Keylong & Leh

Emergency Helpline	▸ Meetings with the Government of Himachal Pradesh for scaling the ERN helpline and integrating with existing 108 Helpline Service ▸ Creation of branding material to raise awareness of the helpline ▸ Meetings with Airport Authority, SDMs, Petrol Pumps and Police Officials for installation of Kiosks and LED equipment	▸ Promotion of ERN helpline through All India Radio broadcasts in Leh & Lahaul ▸ Branding materials installed at POPs, FRCs and Pitstop Kiosks along the Leh Manali Highway
Improvements in the Road Safety App	▸ Discussions with various stakeholders to improve the design, functionality and features of the app ▸ Communication with app developer for improvements in app size, inclusion of information on petrol pumps, hospitals etc, and other UI changes	▸ Pilot testing of the app on Leh Manali highway
Information, Education & Communication (IEC) Materials	▸ IEC Materials distributed at all key checkpoints along with a QR code for the app ▸ Materials on road safety, high altitude mountain sickness, life support etc. kept at pitstops, FRC locations, PoP cabins ▸ Bi-lingual flyers for road safety developed with do's and don'ts	▸ 15 Sun Boards installed for POPs and 2 FRCs, as well as 5 Pitstop Kiosks in Keylong ▸ 20 Sun Boards installed for POPs and 3 FRCs, as well as 7 Pitstop Kiosks in Leh
Capacity building for health emergencies and trauma care	▸ Design and conduct of training on emergency and trauma care with Frontline Health workers ▸ Assessment, Procurement and Delivery of equipment for health facilities (First Response Centres, Advanced Trauma Care Centres, Ambulances)	▸ 24 participants (frontline health staff) in Keylong for training on Advanced and Basic Trauma management ▸ Capacity building for nursing staff, paramedics & Female multipurpose health workers on trauma management
Equipment and Ambulances for advanced trauma care centres and first response centres	▸ MOU signed with police authority in Leh for an ambulance post finalisation of the design ▸ MOU signed for the functioning of ambulances in Lahaul with the health department	▸ 1 critical care ambulance for Leh, delivered in July 2019 ▸ 2 ambulances handed over to the Chief Medical Officer, Keylong in August 2019

Training for ERN, FRC & Ambulance staff	▸ 3-day orientation on installation and demonstration conducted for ATCC, FRC, Ambulance staff in Leh ▸ 2-day orientation session in Lahaul on installation and demonstration of the ambulances for FRC Darcha and Sissu for doctors, paramedical staff and ambulance drivers	▸ 40 participants in the orientation session in Leh

The Ride Safe in Himalayas project completed its first phase in December 2019. There were 33 cases in which the medical services of the hospital were used by patients. 23 of those cases were in which the victim had to undergo surgery (70%); 9 cases were treated by Orthopaedics (27%) and; 1 case was critical where the patient was admitted in an ICU (3%).









B) Community Health Improvement:

As a part of this project, we also carry out programmes to improve community health, through awareness programmes, health camps and provision of preventive equipment.

- Health awareness sessions on sanitation, nutrition, reproductive health, preventive healthcare, waste management and pollution were carried out. Across Leh and Lahaul & Spiti, a total of 120 sessions were carried out, reaching 2,033 participants
- In the first quarter, a broadcast on health awareness focusing on nutrition and healthy food habits was conducted for Lahaul & Spiti on All India Radio. In the second quarter, a jingle promoting the importance of mental health awareness was developed in both Ladakhi and Hindi for broadcasting in the two project districts. The song was developed by local culture proponents and then recorded and broadcast in Leh (July) and in Keylong (August). The listenership as per the AIR local stations was 90,000 in Leh and 23,000 in Keylong
- A total of 104 health camps, reaching 7,238 beneficiaries were conducted in FY 19-20. The health camps have generated more awareness among the marginalized and remote communities. IEC materials such as the Health Education kit for children and Training modules for grassroot level health workers were distributed among the community
- Focusing on preventive health, water tanks were inspected for leakage and cleanliness. In addition, solar lighting kits were installed at select community centres to reduce dependence on fuel-based energy, which poses a health risk from the inhalation of gases. In FY 19-20, the structures were inspected for damage and batteries were refilled. No damage was found in the solar installations as well as the water tankers



C) Vocational Skills Building and Livelihoods Development:

Various skill development and training programmes are carried out through our partner agency, Pragya. These programmes equip participants with employable skills and equipment and buyer seller meets.

- Training for Trainers programmes were conducted in FY 19-20 with a total of 49 participants in 3 sessions. The overall goal of the ToT sessions was to enhance training facilitation and learning practices. The trainers benefitted by improving their training methods and understanding the effective use of teaching material for learning sessions
- In collaboration with ITI Leh and ITI Udaipur, vocational training courses on Mobile repairing, Ecotourism and Basic computer were conducted in the target districts. A total of 101 participants attended the courses in Leh and 117 attended the courses in Lahaul
- The youth in Leh and Lahaul & Spiti were provided with Vocational Assistance & Advisory Services (VAAS), with 868 youth accessing these services
- Support kits (mobile repairing, knitting & weaving, ecotourism) were procured and given to select candidates who had completed the vocational courses. In 2019, 10 mobile repair kits were distributed in Lahaul, and 5 mobile repair kits were distributed in Leh
- A career fair was organised in Leh to provide a platform for individuals who had completed the vocational training to seek job opportunities and entrepreneurship development
- In December 2019, a Buyer Seller Meet was conducted in Leh where 2 SHG Groups (Shara and Sharnos) were linked with buyers. Experiences were shared by both buyers and sellers in which they discussed the main challenges faced in the marketing of products. In addition, trade negotiations were discussed between buyers and sellers.



5 Project Clean Himalayas - Waste Management project at Pangong and Kharu:

This project is being implemented with the help of Leh district administration with the primary objective of reducing landfill and maximizing reuse and recycling of waste at Pangong and Kharu areas of Ladakh. People were sensitized about the hazards of solid waste and the importance of waste segregation through PowerPoint Presentation, short plays and documentary films. Stress was mostly given on segregation at source (Primary Segregation) and to reduce waste. We have helped to establish domestic solid waste management systems including awareness programmes, deciding routine of collection, engagement of labour and hiring vehicles for collection.

Before launching the project, two sensitization/awareness camps were organised, and two cleanliness drives were also carried out. We also distributed separate dust bins for waste collection to the local communities.


Centre at Kharu


Segregation hall Pangong

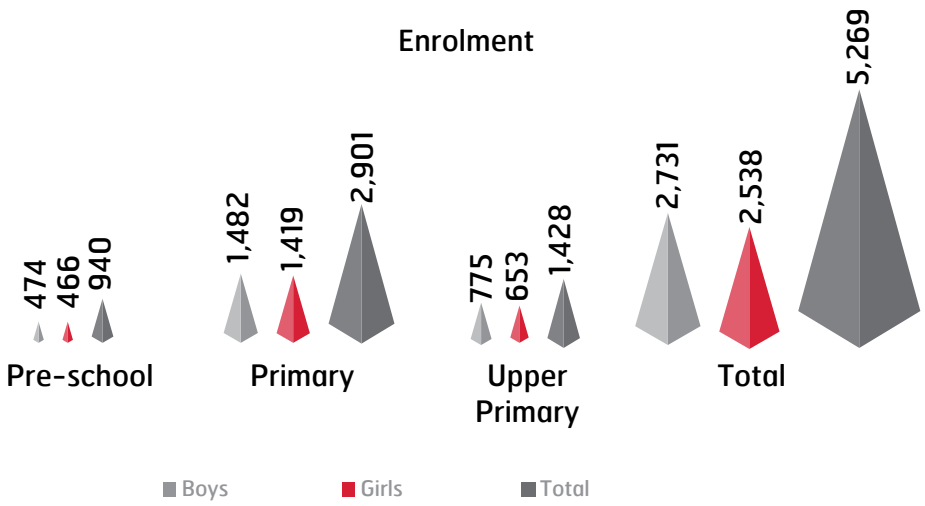
A total of 5,744 kg of waste was collected at the waste management centres at Pangong and Kharu. Out of which 370 kg of waste is reused or recycled, 616 kg is sold, and 512 kg of waste is sent to the landfill for further disposal. From the total waste collected so far, about 17% is sold for recycling and reuse.

6 Shikshak Pahel Programme:

The Shikshak Pahel Programme is being implemented since the past 19 years with financial support from the Eicher Group Foundation (EGF), the Goodearth Education Foundation (GEF), the MM Lal Charitable Trust, and local communities. The programme supports 32 bodhshalas of the Thanagazi and Umrein blocks of the Alwar district in India. Various programmes are conducted throughout the year to involve all sections of the community through the bodhshalas supported by us. The impact assessment of this programme is carried out through a third party.

This is a holistic programme that provides holistic educational support to students in terms of infrastructure, learning resources and health. Regular support and knowledge are provided through Review and Planning Meetings (RPM) on a monthly basis. RPMs ensure activity-based teaching and learning across the schools, regular assessment of children's socioeconomic scenario and effective planning and review of academic progress. Bodhshala teachers adopt innovative methodologies to make learning processes interesting and relevant to the challenging needs of the students.

In the Financial Year 2019-20, school wise average attendance ranged between 75% to 95%, which is an encouraging picture despite livelihood hardships faced by the community in the region.



Some of the key initiatives under this programme are:

6.1



Shiksha Samar

During the summer break in 2019, upper primary bodhshalas organised remedial education camp – called 'Shiksha Samar' for the students to improve on their grades by providing innovative learning opportunities.

6.2









Workshops

Various workshops were organised to strengthen students' capabilities and enhance knowledge around specific subjects like English, Hindi, Mathematics and Arts and sciences. Computer training was organised for teachers to resolve basic challenges and difficulties faced by the students to access the course content.

6.3





Baal Utsav and Educational trip

Baal Utsav was celebrated between 5th to 7th March 2020 enabling the students to learn important life skills through real life experiences. An adventure trip was also organised to help the students better experience history, habitat and nature.

6.4



Strengthening synergies with community

Regular community meetings were held to share annual income – expenditure of the bodhshalas and also current year plans were discussed in the same. Community members were enlightened about the importance of their active involvement in the enhancement of the pace of effective execution and implementation of school development plans.

6.5



Poornama Aahar (Nutrition) and Inclusive Education (Health) Programme:

The students across bodhshalas received medical check-ups and medical aids under the programme. We crossed an important milestone in supporting the communities by providing aahar (diet) for students, community members, teachers and other needy children. The quality and nutritional value of the meals was ensured with laboratory testing and frequent meetings held by the responsible committee members.

7 Safe Road User Initiative:

Eicher Group Foundation and TRAX have come together for the project "Safe Road Users Initiative" with support of Kolkata Traffic Police, with an aim to encourage young people in 15 different Colleges of Kolkata to use Standardized Helmets. The project aims to sensitize the road users, with the involvement of youth and other stakeholders.

The various activities that have been carried out in FY 19-20 under the Safe Road User Initiative are listed below

- During Kolkata Road Safety week from 11th to 17th March, 2019, Standardized Helmets were distributed to 'Motorised Two Wheeler (MTW) riders. Under the supervision of the traffic department, our team targeted defaulters and distributed 840 helmets to the road users and 24 helmets to the special officers and guests who participated in the activity
- The Safe Road User team reached out to various colleges in Kolkata to sensitize college students on the beneficial use of Standardized helmet while riding. Seminars were held with road safety experts and helmets were distributed to students and faculty. A total of 1,192 helmets were distributed to students and 68 helmets to college staff and external guests
- Scaling the initiative further, selected volunteers from different colleges ran campaigns to raise awareness through various activities such as Nukad Natak, Community Mobilization and the development of a Road Safety video. The video was made along with support from the Kolkata traffic police by setting up an observation deck and raising awareness among violators on road safety and the use of helmets. 855 helmets were distributed by volunteers across various such activities.





In the FY 19-20, 3,283 helmets have been distributed on the roads, In colleges and to dignitaries, and faculty members through different activities.

8 Clean Air, Better Life – A Crop Residue Management Initiative

The objective of this project is to bring about a behavioural change among farmers to avoid the practice of burning residual straw. The project enables this by supporting farmers in adopting better straw management and farm practices that are sustainable and environmentally friendly.

A cluster of 10 villages covering 11,664 acres of farmland has been selected for this project. A total of 1,328 farmers fall within this scope, and are supported through machinery support, technical training and handholding, mass awareness campaigns, and participatory monitoring.

Machinery Support

- 42 machines – including happy seeders, rotavators, MB ploughs procured
- Procurement carried out basis discussion with farmers

Warehousing & Delivery

- Warehouse space allocated for storage of machinery in off-season
- Volunteers engaged to assist sowing across NGO's and FPO's

Awareness Building

- Meetings with village staff, Sarpaches to maintain regular dialogue
- Door-to-door awareness campaigns & awareness vans
- Awareness sessions in 6 schools and 5 panchayats in the project area

Technical Trainings

- Technical trainings for Panchayat members in Punjab Agriculture University
- Technical training of drivers with machine manufacturers

Events

- Farmer field day in Halawara village to raise awareness on stubble burning, with attendance of over 300 farmers
- 10 Nukkad nataks through theatre artists

Since the start of this project in August 2019, it has achieved favourable outcomes, with complete burning reduced to less than 10%, mulching/incorporation without burning at about 98%, and partial burning at about 33% .

9 Disaster response project

Between May 2019 and October 2019, severe floods hit Odisha (May 2019) and Maharashtra, Karnataka and Kerala (September 2019). The intensity of the floods was tremendous which damaged properties and highways. More than 15,000 families got displaced as a result of the floods in these 4 states. Based on an assessment of the situation done by Habitat for Humanity India, Eicher Group Foundation responded to this disaster and supported 3,041 families in 4 states with Humanitarian Aid Kit's (HAK's). In addition to this, additional 307 families were supported by the Dealer Support Programme.



10. Together with India

We have partnered up with the Clothes Box Foundation to distribute clothes to beneficiaries across India. We have distributed over 3,800 clothes to beneficiaries in various states throughout FY 19-20. We have distributed large quantities of clothes in the areas of Srinagar, Tumkur, Nandurbar, Sainjhi village, Tamilnadu, Manipur and Longewala in the current financial year.

Additional Initiatives:

We have taken up the implementation of Green Highways, as promulgated by the Ministry of Road Transport and Highways projects around our facilities. The initiative has contributed to the aesthetic and sustainable development of the local area along with local job creation.

We are also engaged in creating a Joyful Learning School Environment at the High School and Primary School, A.S. Nagar, Thiruvottiyur by providing essentials for uninterrupted education including tables & chairs for 40 students at the library, bench & desk for 40 students at a classroom.



OUR RESPONSE TO COVID-19

Covid-19 Pandemic has hit us in many expected and unexpected ways and continues to do so as this report is being published. We at EML, have been carrying out our responsibility towards our society in every possible way. We have extended complete support to our employees to work from home wherever possible, while implementing measures for their health & well-being.

We have committed a sum of 50 Crores towards the national funds and for strengthening healthcare supplies in our communities. We have identified 3 hospitals in and around our communities to empower to fight against the Covid -19 emergency. Out of 3, we have taken the responsibility to provide complete support to 1 hospital in establishing suitable infrastructure and medical facilities with about Rs. 2.2 Crores of investment.

In addition to donations, we understand that it is our inherent responsibility to take care of every individual who is associated with us. We will continue our support to anyone involved with our business in every way possible. As the availability of medical equipment remains a critical issue, we have signed an agreement in an open forum to donate our facilities for the production of essential equipment required in this emergency.

LEAVE EVERY PLACE BETTER

WAY FORWARD



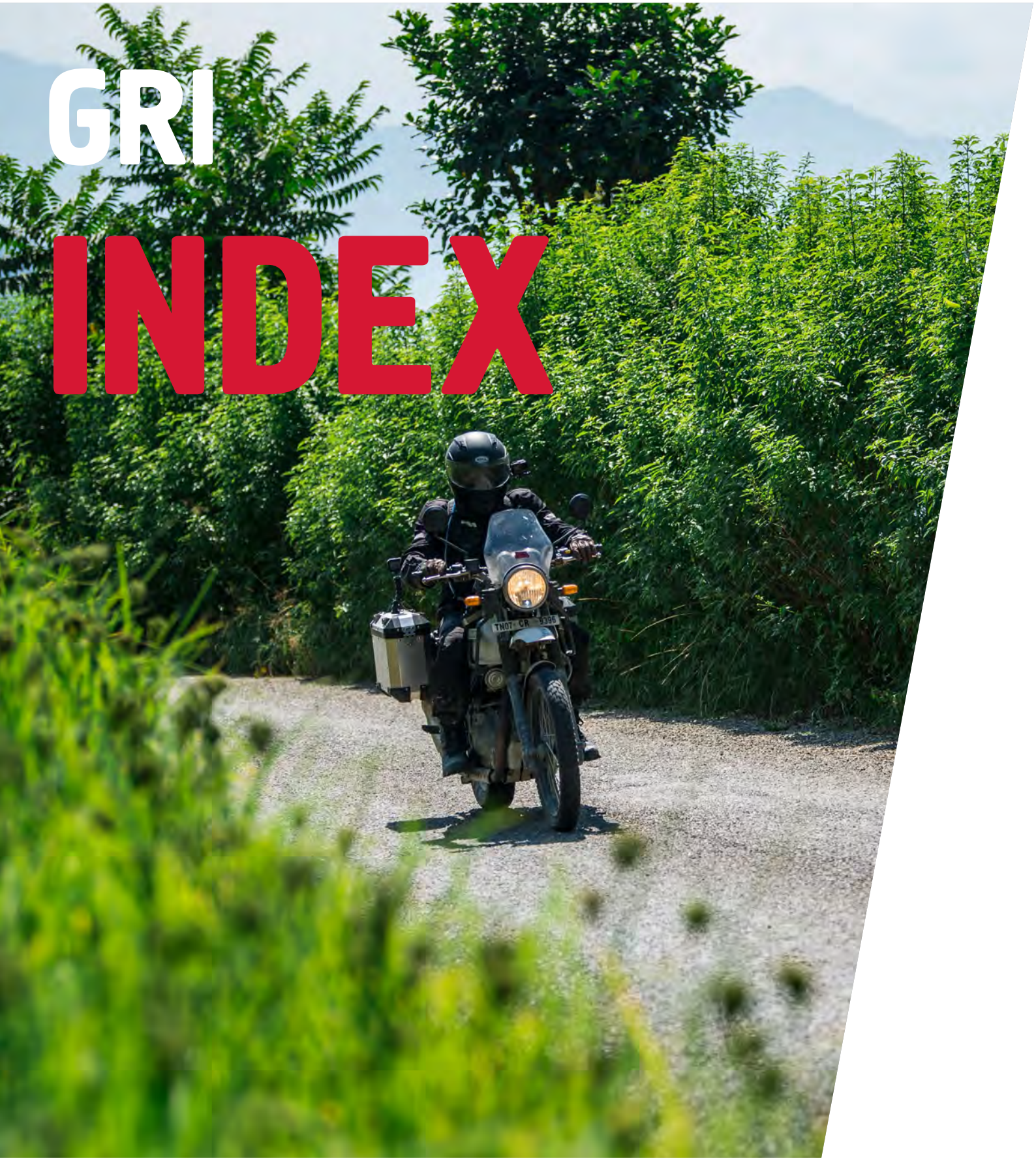


In light of large -scale global challenges such as climate change, the COVID – 19 crisis, social inequity and many others, there is an increasing need for all stakeholders to act with foresight & responsibility. The COVID – 19 crisis has shown that organisational resilience and responsibility are essential to thrive in an increasingly uncertain environment. Our sustainability strategy is being developed considering the broad shifts occurring in the market, the environment and the policy spaces. We are looking at three focus areas through an integrated sustainability strategy – product stewardship, resource efficiency, and transparent disclosures. Under each focus area, we are in the process of developing bold targets by increasing our alignment with global standards such as the UN Sustainable Development Goals.

On the policy front, we are engaging with various associations to contribute to India's policy objectives such as the AMP 2026 and Make in India. We are also looking more seriously at electrification and an electric future, through building capabilities and defining what it means for Royal Enfield's brand and products.

The decade 2020-2030 is a crucial one for the sustainable development agenda, as the global SDGs are intended to be achieved by 2030. This decade is also important in adequately responding to climate change with bold targets and action. With a commitment to 'Leave every place better', we at EML are hopeful and excited to make meaningful changes towards a sustainable future.

GRI INDEX



General Disclosures	Description	Status	Cross Reference/ Direct Answer	
Organisation Profile				
GRI 102-1	Name of the organisation	Reported	Cover page	
GRI 102-2	Activities, brands, products, and services	Reported	About us – Our Products	
GRI 102-3	Location of headquarters	Reported	About us – Our Spread Across the World	
GRI 102-4	Location of operations	Reported	About us – Our Spread Across the World	
GRI 102-5	Ownership and legal form	Reported	A Better Business - % Shareholding	
GRI 102-6	Markets served	Reported	About us – Our Spread Across the World	
GRI 102-7	Scale of the organisation	Reported	About Us – Our Products, A Better Society – Employment, A Better Business	
GRI 102-8	Information on employees and other workers	Reported	A Better Society - Employment	
GRI 102-9	Supply chain	Reported	A Better Business – Our supply chain	
GRI 102-10	Significant changes to the organisation and its supply chain	Reported	A Better Business – Our supply chain	
GRI 102-11	Precautionary Principle or approach	Reported	Corporate Governance	
GRI 102-12	External initiatives	Reported	Sustainability at EML – Aligning to the Sustainable Development Goals	
GRI 102-13	Membership of associations	Reported	About us – Collaborations and Memberships	
GRI 102-14	Statement from senior decision-maker	Reported	Message from the COO	
GRI 102-15	Key impacts, risks, and opportunities	Reported	Risks, Impacts and Opportunities	
Ethics and Integrity				
GRI 102-16	Values, principles, standards, and norms of behaviour	Reported	Values & Strategy	
GRI 102-17	Mechanisms for advice and concerns about ethics	Reported	Corporate Governance, A Better Business - Doing Business Ethically	

Governance				
GRI 102-18	Governance structure	Reported	Corporate Governance	
GRI 102-19	Delegating authority	Reported	Sustainability at EML – Our Approach	
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Reported	Corporate Governance, Sustainability at EML – Our Approach	
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Reported	Stakeholder Engagement	
GRI 102-22	Composition of the highest governance body and its committees	Reported	Corporate governance	
GRI 102-23	Chair of the highest governance body	Reported	The Company has separate positions for the role of Chairperson of the Board and MD/CEO. The Chairperson of the Board of Directors is Mr. S. Sandilya who is a Non-Executive Independent Director. Mr. Siddhartha Lal is the Managing Director of the Company and Mr. Vinod K. Dasari is the Whole-time Director and CEO- Royal Enfield.	
GRI 102-24	Nominating and selecting the highest governance body	Reported	Corporate Governance (Detailed information is reported in Annual Report FY 19-20)	
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Reported	Corporate Governance	
GRI 102-30	Effectiveness of risk management processes	Reported	Corporate Governance	
GRI 102-31	Review of economic, environmental, and social topics	Reported	Corporate Governance	
GRI 102-32	Highest governance body's role in sustainability reporting	Reported	This sustainability report is reviewed by the senior management & members of the board	
Stakeholder engagement				
GRI 102-40	List of stakeholder groups	Reported	Stakeholder Engagement	
GRI 102-41	Collective bargaining agreements	Reported	A Better Society – Freedom of Association	
GRI 102-42	Identifying and selecting stakeholders	Reported	Sustainability at EML - Stakeholder Engagement	

GRI 102-43	Approach to stakeholder engagement	Reported	Sustainability at EML - Stakeholder Engagement	
GRI 102-44	Key topics and concerns raised	Reported	Sustainability at EML - Stakeholder Engagement	
Reporting practice				
GRI 102-45	Entities included in the consolidated financial statements	Reported	The entities included in the consolidated financial statements are: 1) Royal Enfield North America Ltd. 2) Royal Enfield Canada Ltd. 3) Royal Enfield (Thailand) Ltd. 4) Royal Enfield Brasil Comercio de Motorcicletas Ltda 5) Royal Enfield UK Limited 6) VE Commercial Vehicles Limited 7) Eicher Polaris Private Limited 8) VECV Lanka (Private) Ltd. 9) VECV South Africa (PTY) Ltd.	
GRI 102-46	Defining report content and topic Boundaries	Reported	About the report – Reporting Boundary	
GRI 102-47	List of material topics	Reported	Sustainability at EML - Materiality	
GRI 102-48	Restatements of information	Reported	There are no restatements of information over the previous sustainability report FY 18-19	
GRI 102-49	Changes in reporting	Reported	About the report – Reporting Boundary, Materiality	
GRI 102-50	Reporting period	Reported	About the report	
GRI 102-51	Date of most recent report	Reported	About the report – Reporting Boundary	

GRI 102-52	Reporting cycle	Reported	About the report – Reporting Boundary	
GRI 102-53	Contact point for questions regarding the report	Reported	About the report	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Reported	About the report	
GRI 102-55	GRI content index	Reported	GRI Index	
GRI 102-56	External assurance	Reported	While this report has not been externally assured, we have developed internal mechanisms to validate & review data in-line with the GRI standards. We plan to take a 3rd party assurance for the subsequent years	
Economic Disclosures				
GRI 103	Management Approach	Reported	A Better Business	
GRI 201: A Better Business				
GRI 201-1	Direct economic value generated and distributed	Reported	A Better Business - Direct Economic Value Generated & Distributed	
GRI 204: Procurement Practices				
GRI 204-1	Proportion of spending on local suppliers	Reported	A Better Business- Sustainability in procurement	
GRI 205: Anti-Corruption				
GRI 205-1	Operations assessed for risks related to corruption	Reported	A Better Business-Doing Business Ethically	
GRI 205-2	Communication and training about anti-corruption policies and procedures	Reported	A Better Business-Doing Business Ethically	
GRI 205-3	Confirmed incidents of corruption and actions taken	Reported	A Better Business- Doing Business Ethically	
GRI 206: Anti-Competitive Behaviour				
GRI 206-1	Legal actions for anti-competitive behaviours, anti-trust, and monopoly practices	Reported	There have been no legal actions or instances of anti-competitive behaviours, anti-trust, and monopoly practices	

Environmental Disclosures				
GRI 103	Management Approach	Reported	A Better Environment	
GRI 301	Materials used by weight or volume	Reported	A Better Environment - Materials	
GRI 302: Energy and Emissions				
GRI 302 - 1	Energy consumption within the organisation.	Reported	A Better Environment – Energy and Emissions	
GRI 302 - 3	Energy intensity	Reported	A Better Environment – Energy and Emissions	
GRI 302 - 4	Reduction of energy consumption	Reported	A Better Environment – Energy and Emissions	
GRI 303: Water and Effluent				
GRI 303 - 1	Interaction with water as a shared resource	Reported	A Better Environment- Water and Effluent	
GRI 303 - 2	Management of water discharge related impacts	Reported	A Better Environment- Water and Effluent	
GRI 303 - 3	Water Withdrawal	Reported	A Better Environment- Water and Effluent	
GRI 303 - 4	Water Discharge	Reported	A Better Environment- Water and Effluent	
GRI 305: Emissions				
GRI 305 - 1	Direct (Scope 1) GHG emissions	Reported	A Better Environment – Energy and Emissions	
GRI 305 - 2	Energy indirect (Scope 2) GHG emissions	Reported	A Better Environment – Energy and Emissions	
GRI 305 - 4	GHG emission intensity	Reported	A Better Environment – Energy and Emissions	
GRI 305 - 5	Reduction of GHG emissions.	Reported	A Better Environment – Energy and Emissions	
GRI 305 - 7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Reported	A Better Environment – Energy and Emissions	
GRI 306: Effluents and Waste				
GRI 306 - 1	Water discharge by quality and destination	Reported	A Better Environment – Water and Effluents	
GRI 306 - 2	Waste by type and disposal method	Reported	A Better Environment – Waste	
GRI 307: Environmental Compliance				
GRI 307 - 1	Non-compliance with environmental laws and regulations	Reported	A Better Environment – Environmental Compliance	

GRI 308: Supplier Environmental Assessment				
GRI 308 - 1	New suppliers that were screened using environmental criteria	Reported	A Better Business – Sustainability in Procurement (Total 17 new suppliers were onboarded in FY 2019-20 and 6 were assessed on environmental criteria.	
GRI 308 - 2	Negative environmental impacts in the supply chain and actions taken	Partially Reported	A Better Business – Sustainability in Procurement (About 304 suppliers have been assessed through the audit checklist in FY 19-20, which includes environmental criteria & social)	
Social Disclosures				
GRI 103	Management Approach	Reported	A Better Society	
GRI 401: Employment				
GRI 401-1	New employee hires and employee turnover	Reported	A Better Society - Employment	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Reported	A Better Society - Employment	
GRI 401-3	Parental leave	Reported	A Better Society - Employment	
GRI 403: Occupational Health and Safety				
GRI 403-1	Occupational health and safety management system	Reported	A Better Society – Occupational Health and Safety	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Reported	A Better Society – Occupational Health and Safety	
GRI 403-3	Occupational health services	Reported	A Better Society – Occupational Health and Safety	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Reported	A Better Society – Occupational Health and Safety	
GRI 403-5	Worker training on occupational health and safety	Reported	A Better Society – Occupational Health and Safety	

GRI 403-6	Promotion of worker health	Reported	A Better Society – Occupational Health and Safety	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Reported	A Better Society – Occupational Health and Safety, A Better Business – Sustainability in Procurement, A Better Society – Customer Centricity	
GRI 403 - 8	Workers covered by an occupational health and safety management system	Reported	A Better Society – Occupational Health and Safety	
GRI 403 - 9	Work-related injuries	Reported	A Better Society – Occupational Health and Safety	
GRI 404: Training and Education				
GRI 404-1	Average hours of training per year per employee	Reported	A Better Society – Learning and Development	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Reported	A Better Society – Learning and Development	
GRI 404 - 3	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	Reported	A Better Society – Learning and Development	
GRI 405: Diversity and Equal Opportunity				
GRI 405-1	Diversity of governance bodies and employees	Reported	Corporate Governance, A Better Society – Diversity and Equal Opportunity	
GRI 405 -2	Ratio of basic salary and remuneration of women to men	Reported	A Better Society – Diversity and Equal Opportunity	
GRI 406: Non-discrimination				
GRI 406-1	Incidents of discrimination and corrective actions taken	Reported	A Better Society – Diversity and Equal Opportunity	
GRI 407: Freedom of Association and Collective Bargaining				
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Reported	A Better Society – Freedom of Association	

GRI 408: Child Labor				
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Reported	A Better Society – Human Rights	
GRI 409: Forced or Compulsory Labor				
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Reported	A Better Society – Human Rights	
GRI 410: Security Practices				
GRI 410-1	Security personnel trained in human rights policies or procedures	Reported	A Better Society – Human Rights	
GRI 412: Human Rights				
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Partially Reported	A Better Society – Human Rights (All our operations are covered by our policies against child labour, forced labour & POSH, along with grievance and remediation mechanisms for the same)	
GRI 412-2	Employee training on human rights policies or procedures	Reported	A Better Society – Human Rights	
GRI 413: Local Communities				
GRI 413 - 1	Operations with local community engagement, impact assessments, and development programs	Reported	A Better Society – Community Engagement	
GRI 414: Supplier Social Assessment				
GRI 414-1	New suppliers that were screened using social criteria	Reported	A Better Business – Sustainability in Procurement (Total 17 new suppliers were onboarded in FY 2019-20 and 6 were assessed on social criteria.	
GRI 414-2	Negative social impacts in the supply chain and actions taken	Partially Reported	A Better Business – Sustainability in Procurement (About 304 suppliers have been assessed through the audit checklist in FY 19-20, which includes environmental criteria & social)	

GRI 416: Customer Health and Safety				
GRI 416-1	Assessment of the health and safety impacts of product and service category	Reported	A Better Society – Customer Centricity. We comply with all applicable regulatory standards on product safety in addition to ergonomic improvements for product safety & stability. We also carry out regular inspections of part & assemblies for defects in quality & functionality	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Reported	There have been no instances of non-compliance due to health & safety impacts of products & services	
GRI 417: Marketing and Labelling				
GRI 417-1	Requirements for product and service information and labelling	Reported	We comply with all applicable regulatory standards on product labelling and marketing communications	
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	Reported	There have been no instances of non-compliance concerning product and service	
GRI 419: Socioeconomic Compliance				
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Reported	A Better Society – Socio-Economic Compliance	



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