

# BUSINESS RESPONSIBILITY REPORT

Eicher Motors Limited ("the Company"), flagship Company of the Eicher Group, has traversed an exciting journey in the world of automotives that has propelled the Company towards remarkable growth, while creating noteworthy milestones in diversifying, acquiring, amalgamating, consolidating and expanding.

In the financial year ended March 31, 2017, the Company recorded its highest ever total income from operations at Rs. 7,944 crores. The Company is part of India's Nifty 50 Index.

Well-positioned in the domestic market with the support of an extensive network of dealers across India, the Company's iconic Royal Enfield brand leads the premium motorcycle segment in India. The Company also marks its presence internationally through a chain of 25 exclusive stores of Royal Enfield in the USA, South America, Europe, Middle-East, Southeast Asia and Australia, besides exporting to 46 countries.

The disclosures contained in this Business Responsibility (BR) Report illustrate the efforts of the Company towards creating and enduring value for all stakeholders in a manner that embraces Social, Environmental and Economic Responsibilities of Business.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L34102DL1982PLC129877
2. **Name of the Company** : Eicher Motors Limited
3. **Registered Address** : 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017
4. **Website** : www.eichermotors.com
5. **E-mail id** : investors@eichermotors.com
6. **Financial Year reported** : April 1, 2016 to March 31, 2017
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**  
 Manufacture of motorcycles  
 (Code 30911 of National Industrial Classification 2008, Government of India).
8. **Key product that the Company manufactures (as in balance sheet):**  
 Motorcycles
9. **Total number of locations where business activity is undertaken by the Company:**
  - i. **Number of international locations:** The Company has subsidiaries in North America, Brazil, Canada and a technology centre in the United Kingdom. The Company has 25 exclusively managed retail stores in the USA, South America, Europe, Middle East, Southeast Asia and Australia.
  - ii. **Number of national locations:** With registered office in New Delhi and corporate office in Gurugram (formerly Gurgaon in Haryana), the Company has a countrywide footprint. The Company's other locations and offices are:
    - Manufacturing locations: The Company has 3 plants located at Thiruvottiyur, Oragadam and Vallam Vadagal (under construction) in Tamil Nadu
    - Technical centre at Chennai, Tamil Nadu
    - Regional sales and other offices: The Company has a total of 15 regional offices and 3 zonal offices
    - The Company has 12 Company-operated Royal Enfield retail stores supported by an extensive network of dealers, distributors and service centres
10. **Markets served by the Company:** Apart from the Indian market, the Company's Royal Enfield motorcycles are exported to 46 countries worldwide including USA, Japan, UK, European and Latin American countries, Middle East and South Asia.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up capital (INR)** : Rs. 27.21 crores
2. **Total turnover (INR)** : Rs. 7,037.97 crores - Net
3. **Total profit after taxes (INR)** : Rs. 1,560.02 crores
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax:**

The Company spent a total of Rs. 18.33 crores on CSR activities during the financial year under review, representing 2 per cent of average net profit of the Company in the previous three financial years.

5. List of activities on which expenditure as mentioned in point 4 has been incurred:

The Company's CSR agenda for the year under review comprised welfare and development initiatives undertaken for the benefit of two broad categories of vulnerable communities:

- Local communities located near or around the Company's operations
- Socio-economically disadvantaged sections of society near the Company's operations as well as other backward communities

Broad areas where CSR expenditure was incurred are:

- Promoting preventive healthcare & sanitation
- Upgrading community hospitals, clinics and dispensary facilities
- Promoting education, special education & employment-enhancing vocational skills especially amongst children and unemployed youth in socially and economically backward sections
- Ensuring efficient waste disposal and environmental sustainability
- Rural development projects
- Construction and repair of houses and toilets

These areas are aligned with the list of activities prescribed under Schedule VII to the Companies Act, 2013. Further details are available under Section E Principle 4 and Principle 8 as well as in Annexure-4 to the Directors' Report forming part of the Annual Report.

## SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company /Companies:**

Yes. Subsidiaries of the Company, inter alia include:

1. Royal Enfield Brasil Comércio de Motocicletas Ltda;
2. Royal Enfield North America Limited;

3. Royal Enfield Canada Ltd.;
4. VE Commercial Vehicles Ltd.

2. **Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s).**

Yes, the BR initiatives of the Company are also implemented by all its Subsidiary and Joint Venture Companies. The Company and its Subsidiary VE Commercial Vehicles Limited have incorporated a "Not for Profit" Company under Section 8 of the Companies Act, 2013 under the name Eicher Group Foundation (EGF) for the specific purpose of facilitating and monitoring their CSR agenda.

## SECTION D: BR INFORMATION

1. **Details of Director / Directors responsible for BR: Details of the Director / Directors primarily responsible for implementation of the BR Policy / Policies:**

Sl. No.	Name	DIN	Designation
1	Mr. S. Sandilya	00037542	Chairman & Non-Executive Independent Director
2	Mr. Siddhartha Lal	00037645	Managing Director & Chief Executive Officer
3	Mr. Prateek Jalan	02170139	Non-Executive Independent Director

The above-named Directors are also members of the Corporate Social Responsibility (CSR) Committee of the Company. The terms of reference of the CSR Committee include: (i) Formulating and recommending to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, (ii) Recommending the amount of expenditure to be incurred on the activities referred to in CSR Policy, and (iii) Monitoring the CSR Policy of the Company from time to time. For further details on CSR, please refer Annexure-4 to the Directors' Report.

Besides the CSR Committee, the Board, Managing Director and members of the Senior Management periodically review BR policies and practices and also oversee their implementation and adherence.

2. **GOVERNANCE RELATED TO BR:**

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company.**

The BR vision, strategy and performance of the Company are periodically reviewed by the Managing Director & Chief Executive Officer and members of the senior

management of the Company in the context of various BR principles. The CSR Committee of the Board reviews the social (CSR) performance of the Company as per the requirements of the Companies Act, 2013.

**b) Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?**

The Company publishes its Business Responsibility (BR) Report as part of its Annual Report. First BR report was published by the Company as part of its Annual Report for the year 2015-16 and hyper-link for the same is [http://www.eicher.in/uploads/1466253126\\_eicher-annual-report-2015-2016.pdf](http://www.eicher.in/uploads/1466253126_eicher-annual-report-2015-2016.pdf)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group /Joint Ventures / Suppliers / Contractors /NGOs /Others:**

The Eicher Group demonstrates corporate conduct that is rooted in the highest standards of business ethics, integrity and transparency. The Group's business philosophy reflects a strong commitment to display responsibility in the marketplace together with a deep-rooted concern for both stakeholders and society. This culture permeates across the Company's workplace management and is evident in all of its business decisions that are conducted with transparency, accountability and compliance.

The Company has several policies that reinforce the requirements of this principle as below:

- a. Code of Conduct for Directors & Senior Management – To ensure, inter-alia, protection of confidential information, prevent conflict of interests, ensure anti-bribery and corruption laws are complied with and to ensure compliance with all applicable laws, regulations and Company's policies (the Code is available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com)).
- b. Whistle Blower Policy – A vigil mechanism that allows Directors and employees to report any wrongdoing in the Company, while assuring protection from reprisals or victimization (the Policy is available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com)).

- c. Policy for Determining Materiality of Events and Information – To determine whether an event or information is material or not, to ensure disclosure of any event or information which, pursuant to SEBI Regulations and Company's Policies, is material, and to ensure timely, accurate, uniform and transparent disclosure (the Policy is available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com)).
- d. Company's Code of Conduct on prevention of Insider Trading – To prevent insider trading and to protect outflow of unpublished price sensitive information.
- e. Policy on prevention of sexual harassment.
- f. A thorough internal and external mechanism is in place to respond to investor grievances in a timely and appropriate manner.

Policies / Codes referred under (a), (c) and (d) above also covers Company's subsidiary and joint venture companies, and it is expected that the stakeholders will follow it in all their interactions with the Company. Additionally, Company's subsidiary and joint venture companies have their own whistle blower and prevention of sexual harassment policies.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

There were no cases of violation of the Company's Codes/ Policies reported during the financial year 2016-17.

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

**1. Actions/Achievement of the Company to mitigate social or environmental concerns, risks and/or opportunities:**

- a) Company's products are meant to be durable and conform to best industry standards. Product-related guidelines, wherever applicable, are fully adhered to.
- b) The Company has switched over to BS-IV emission norms in all domestic manufactured motorcycles.

## 2. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

In comparison to the previous year, there has been a significant reduction of resources used throughout the value chain during sourcing / production / distribution of goods. The key areas are:

- (i) The Company has maximised the use of Maintenance Free Battery, in the motorcycles, which doesn't require re-filling of acid by the customer for the life period of 3 to 5 years.
- (ii) The Company has eliminated wooden crates for full motorcycle packaging and switched over to reuseable metal crates for its export despatches (Overseas).
- (iii) Initiatives have been launched and completed for switching over to assembly automation in wheel assembly and welding automation like SPM, robotic welding, etc. to reduce the human fatigue and increased product quality and customer satisfaction.
- (iv) Company's manufacturing plants are "Zero discharge plants" which follows the principles of recycle and reuse.
- (v) As far as energy management concerns, various measures, as under, have been adopted:
  1. LED lamps in place of MV lamps
  2. VFD installation in all blowers and compressors
  3. Day light and ventilation improvement in shop floor by putting transparent roof sheets
  4. Natural air circulation providing by turbo vents.
  5. Reduction of shop floor temperature providing by insulated roof sheets.  
(above energy conservation activities resulted in reduction of 2,50,000 units per annum).
  6. Switching off the machines during idle time
  7. In fabrication fume killers interlocked with Robots to run only in auto mode.

## 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

**If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes. The key pillars of the Company's supply chain and manufacturing excellence guidelines entail the

adoption of best-in-class manufacturing practices both in-house and at the suppliers' end, with a focus on deploying cutting-edge technology, low cost automation and process interventions that enable lean manufacturing.

An important set of procedures for sustainable sourcing (including transportation) was set in motion aided by suitable location of the Company's manufacturing plants at Thiruvottiyur and Oragadam helped in doing the same. Both the plants are situated in close proximity to suppliers who produce critical components for automobile industry. In fact, nearly 60% of its supplier base is located within a 100-kilometre radius of the plants. Not only has this trimmed down the cost and logistic hurdles of transportation, but has also helped the Company save valuable haulage time. Recognising the immense advantages of the situation, the Company has been encouraging suppliers to set up units in and around the Company's plants area.

The Company is actively engaging and encouraging the suppliers to set up manufacturing facility in the proximity of the Company to minimise / optimise the transportation, increase productivity and local employment opportunities.

All import & export activities of the Company are done through Chennai ports where the Company's manufacturing facilities are strategically located. This has helped resources and energy used in their transportation to be reduced to a minimum.

In addition, the Company has adopted green logistics process in the entire supply chain, i.e., using reuseable trolleys, bins and pallets and thereby significantly eliminating use of packaging materials.

## 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors:

The Company's manufacturing plants at Thiruvottiyur and Oragadam in Tamil Nadu are located in close proximity to most suppliers who produce critical components for the automobile industry. Nearly 60% of the supplier base is located within a 100-kilometre radius of these plants.

The Company supports its suppliers in different ways including in suggesting and enabling process and productivity improvements, trouble-shooting, training and ways to enhance their product quality. A team of engineers is stationed at key supplier locations with periodical visits by Senior Management executives who review and monitor progress.

**5. Does the Company have a mechanism to recycle products and waste:**

All the existing and new models of Royal Enfield motorcycles are designed taking into consideration the requirements specified in the Indian draft regulation of End- Of- Life Vehicles (ELV), which is as a guideline to protect the environment.

The Company has in place a mechanism to recycle process waste under which it has been sending paint sludge for co-processing to the cement industry. This has resulted in reducing secured landfills.

**Key Recycle (s) / Reuse (s):**

- (i) The Company has instituted a mechanism to eliminate waste by installing bundling machine in steel scraps disposal and scraps are directly delivered to the melting sources for recycling.
- (ii) Direct disposal of aluminium scrap to alloy producers by eliminating multiple processing & improving the recovery efficiency at lower energy.
- (iii) Approximately 200 tonnes of paint sludge and 3,000 litres of waste oil recycled in last financial year.
- (iv) The Company continues to work with suppliers to undertake process re-engineering aimed at qualitative improvements in waste elimination, product performance, etc.

**PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES**

The Company has robust and sustainable practice which aims to promote the wellbeing of employees so that they feel valued and supported in their work roles. These practices also promote individual health and wellbeing.

The Company believes that a well-designed and well-managed workplace can play a crucial role in improving the employing health and wellbeing, minimising avoidable ill health, absenteeism and facilitating faster recovery and return to work after injury or illness.

**1. Please indicate the total number of employees:**

Sl. No.	Manpower Category	No. of Employees
1	Management Staff	2,049
2	Shop Floor Associates	250
<b>Total</b>		<b>2,299</b>

**2. Please indicate the total number of employees under different categories:**

Sl. No.	Manpower Category	No. of Employees
1	Retainers / Advisors	11
2	Third Party Employees	1,421
3	Casual Employees	2,877
<b>Total</b>		<b>4,309</b>

**3. Please indicate the number of permanent women employees:**

79 as on March 31, 2017

**4. Please indicate the number of permanent employees with disabilities:**

4 as on March 31, 2017

**5. Do you have an employee association that is recognised by the management:**

Yes. The Company has internal and independent labour unions at its Thiruvottiyur plant. Union elections are held as per the statutory requirements.

**6. What percentage of permanent employees are members of such recognised employee associations:**

100%. All permanent workers at the Thiruvottiyur plant are members of the recognised labour union.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as at on the end of the financial year:**

During the year under review, no complaints relating to child labour, forced or involuntary labour or of sexual harassment in the workplace were received. No such complaints were pending as at the end of the financial year.

**8. What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year:**

- a) Permanent Employees
- b) Permanent Women Employees
- c) Casual/Temporary/Contractual Employees
- d) Employees with Disabilities

Training reach for the year has been 80% of the total regular employees of the Company.

- |   |        |
|---|--------|
| A. Permanent employees                        | : 80%  |
| B. Permanent women employees                  | : 80%  |
| C. Casual / Temporary / Contractual Employees | : 100% |
| D. Employees with disabilities                | : 100% |

For creating a culture of workplace safety begins with a well-trained workforce. Accordingly, the Company has made safety training a part of the employee's induction process, which includes training in fire fighting. A training department has been set up for capability development of its employees, dealers and suppliers. Shop floor workers undergo periodic safety training organised as per the annual safety calendar. The Company continues to provide technical training in the areas of heat treatment controls, inspection techniques, surface treatment controls, etc.

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED**

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

Company's major stakeholders are employees and their families, consumers, suppliers and dealers, investors, Government and regulatory bodies, local community, peers and industry ecosystem, amongst others.

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

Yes. The following represent two broad categories that make up the Company's most vulnerable sections:

- i. Local communities located near or around the Company's operations;
- ii. Socio-economically disadvantaged sections of society near the Company's operations as well as other backward communities.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

A comprehensive package of scheme has been specially designed to enable integrated rural development for upliftment of these stakeholders. This includes:

- i. Capacity-building at panchayat level;
- ii. Basic education facilities and enabling infrastructure;
- iii. Promoting primary healthcare and sanitation;
- iv. Skill-building, vocational and employment-oriented training;
- v. Construction and repairs of houses;
- vi. Construction of sanitation units.

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

The Company recognises the importance of respecting and promoting human rights globally. However, the Company has its own limitations and ability to influence change on the world stage. The Company therefore focusses its efforts on those areas which are within its own direct influence. The Company strives to protect human rights of its employees and others throughout the value chain.

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others:**

This principle is inherent in Company's various policies/ codes such as Code of Conduct for Directors & Senior Management, Policy on prevention of sexual harassment, CSR Policy and various other Human Resource Policies. Subsidiary and Joint Venture companies are also covered under Company's Policies and/or have their own Policies of similar nature. Accordingly, the Company, its subsidiary and joint venture companies demonstrate respect for human rights of all its employees and stakeholders, as per the prevailing laws of the land.

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

The Company did not receive any stakeholder complaint during the financial year 2016-17 on issues relating to human rights.

**PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

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

The Company has well-articulated work practices on environment conservation and sustainability. Aspects of this principle are inherent in the Group's CSR policy and in its manufacturing practices. Presently, third parties are not covered by the Company's Policies.

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

Yes. The Company's approach in this regard is to adopt and promote practices that serve to cut its carbon footprint. A significant contribution in this respect would be to develop cleaner and more fuel-efficient vehicles in all of our product segments.

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

Yes. This forms part of our formal risk management identification process.

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

The emissions / waste generated by the Company during the year are in compliance with the approved permissible limits prescribed by CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

**5. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year**

As at end of the financial year under review there were no show cause/ legal notices from CPCB / SPCB pending with the Company.

**PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.**

- a. Confederation of Indian Industry (CII)
- b. Federation of Indian Chambers of Commerce and Industry (FICCI)
- c. Society of Indian Automobile Manufacturers (SIAM)
- d. Society of Automotive Fitness and Environment (SIAM SAFE)

**2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas.**

The Company actively participates with committees set up by Society of Indian Automobile Manufacturers (SIAM) and the Government of India to address matters such as future regulations, policies and implementation plans as well as other issues pertinent to the automobile sector, advancement of the industry and public good. The Company also interacts with the Bureau of Indian Standards (BIS) to suggest inputs for new regulations for vehicles, new standards feasibility, etc.

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

With a long history of institutionalised CSR & community activities, the Company has a well-stated

CSR Policy which has been developed pursuant to Section 135 of the Companies Act 2013 and the Rules made thereunder. Details of various ongoing programmes and initiatives are already described in answers to Section B - Q5 and Section E - Principle 4 of this report and are hence not repeated for sake of brevity.

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

The Company's CSR programmes are managed by in-house teams facilitated by Eicher Group Foundation. Where needed, the services of reputed NGOs are availed for building capacity, streamlining internal processes, building new solutions, establishing pilot projects, nurturing the ecosystem, implementing CSR projects and strengthening the organisation's CSR network towards further growth.

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

Yes. The impact of CSR initiatives is periodically assessed by members of the CSR functional team including Eicher Group Foundation and later by the Company's Senior Management. The CSR Committee of the Board is specifically mandated to periodically review the effectiveness of CSR programmes and steer them in a manner that enables them to achieve a high social and economic impact.

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

In the financial year under review, the Company spent Rs. 18.33 crores on various CSR activities, the amount represents 2% of the Company's average net profit in the preceding three financial years. The Company's CSR agenda for the year under review comprised a wide range of welfare and development initiatives, undertaken for the benefit of two broad categories of vulnerable communities:

- A. Initiatives for local communities located near or around the Company's operations;
  - i. Sustainable Village Upliftment Programme near Oragadam town in Tamil Nadu.
  - ii. Various development initiatives at Tiruvottiyur, Tamil Nadu in upgrading primary health care centres, upgrading school facilities and infrastructure and a waste disposal solution creating bio-electricity.
  - iii. Sustainable Interventions to transform Rural Communities (SIRTC) in rural area of Madhya Pradesh.

- iv. Disaster Response Initiative around Oragadam and Tiruvottiyur following the major Chennai floods in December 2015 to help construct and repair houses and build sanitation units in Tiruvottiyur region.
- v. Eicher Academy for Skills in Chennai and Gurugram to train unemployed youth.
- vi. Road safety training in Indore, Madhya Pradesh for students and teachers.

B. Initiatives for socio-economically disadvantaged sections of society near the Company's operations as well as other backward communities;

- i. Skill Development training programmes in repair and maintenance of two wheelers, in ten locations in India.

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

The CSR plan is finalised using a collaborative and participatory approach by involving the concerned community members to ensure successful implementation of individual community development programmes and is made up of some of the following steps:

- i. Building a rapport with community leaders and opinion makers.
- ii. Identifying projects in association with community members.
- iii. Securing necessary approvals from the community leaders prior to commencement of work
- iv. Involving community members in project implementation.
- v. Maintaining continuous close interaction with community members through field teams.
- vi. Impact assessment and perception survey to measure impact of social initiatives.

The direct involvement of community beneficiaries ensures a greater ownership of the projects, which proves to be crucial in determining sustainability of the CSR initiatives.

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

**1. What percentage of customer complaints / consumer cases is pending as at the end of the financial year 2016?**

The Company believes and strives to provide best-in-class customer experience and after sales services to the customers. The Company, its subsidiaries and Joint Venture companies give priority to customer engagement and have an effective redressal mechanism in place for addressing customer complaints and handling consumer cases. This is regularly reviewed

by the Company's management team. The Company adopts a customer-centric approach and customers can reach on its toll free customer care helpline 1800 210 0007 (9 AM - 9 PM) and also write to concerned team at support@royalenfield.com. The Company through its vendor also provides Royal Enfield Roadside Assistance to its customers in case of emergency breakdown of the vehicle. Customer complaints from various sources (email, telephone, Facebook and twitter) are registered in Dealer Management System. Customer complaint escalation mechanism till Head – Sales, Service and Spaces is followed till its closure. The Company measures, monitors and improves on customer complaints KPIs such as 90% customer complaint closure within 5 days.

The total incidence of customer complaints has been successfully reduced by offering permanent solutions; as a result the current field failure trends have come down significantly. A total of 54 consumer cases were filed against the Company during the financial year 2016-17.

The assurance of reliability and best value has created a corpus of loyal customers for the Company, thus reducing the number of complaint/cases.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks(additional information)**

The Company pursues an unwavering policy of providing products and services that assure world-class quality, a commitment that is underscored by the high level of equity enjoyed by its brands in domestic and international markets. Company's products comply with all requisite codes, specifications and regulations relevant to its business. Stringent standards are met particularly with regard to safety. Additional care is taken to provide adequate information and services, including vital safety information, to customers through a wide range of media to ensure appropriate and responsible use of its products.

Apart from product literature, user manuals and display boards at points of sale, the Company's website offers a wealth of useful information on its products and services. Pre-sales interactions include conducting rides to demonstrate products performance and features. A well-defined process for product delivery also incorporates an effective opportunity to impart customer education and orientation about product features, proper usage of products & services, maintenance and safety precautions. A strong after-sales service system further reinforces the customer's knowledge on the products or services.



**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour pending as at end of financial year? If so, provide details thereof.**

There were no cases of any litigation pending against the Company concerning unfair trade practices, irresponsible advertising and / or anti-competitive behaviour as at the end of the financial year.

**4. Did the Company carry out any consumer survey/ consumer satisfaction trends:**

Yes. The Customer is at the core of the Company's business strategy. Customer feedback is obtained in different ways to provide vital inputs for upgrading products and services. Regular surveys were conducted during the year to gauge customer satisfaction levels and benchmark the Company's performance with industry peers.

Projects to seek and incorporate customer's inputs on 'fit and finish' and aesthetic improvement were also commissioned and successfully concluded.