WE CARE
Today for a Better Tomorrow

Hero MotoCorp Limited
Sustainability Report 2023-24

A MASTERPIECE FOR THE MASTER.

INSPIRED BY A VISION.
A TRIBUTE TO A LEGACY.

THE CENTENNIAL COLLECTOR'S EDITION
MOTORCYCLE. DESIGNED, SCULPTED AND
ETCHED WITH UTMOST REVERENCE.
METICULOUSLY CRAFTED ONLY FOR
THE CHOSEN ONE HUNDRED.
ON AUCTION FOR THE GREATER GOOD.

DR. BRIJMOHAN LALL MUNJAL

Hero

CENTENNIAL CELEBRATION
1ST JULY 1923
HERO FOREVER

WE CARE

Today for a Better Tomorrow.

India is on the move, empowering a billion dreams and accelerating inclusive progress, demonstrating its inherent strengths and inspiring growth journey. At Hero MotoCorp, we are changing gears as well, transforming mobility for millions in India and around the world. Over four decades, our world-class products epitomise reliability, efficiency, and style, demonstrating our innovation capabilities, manufacturing prowess and service excellence. In today's volatile, uncertain, complex, and ambiguous world, we have retained our position as the world's largest two-wheeler manufacturer, for 23 consecutive years. Powered by our mantra of Synergy, Speed, Scale and Simplicity, we accelerate into the future, our journey continues to be fuelled by the trust and support of our stakeholders. Together, we ride with a promise to make a positive impact, championing sustainability at every turn, and usher in a prosperous and equitable future.

Hero @ 40

Celebrating a 40-year legacy of innovation, excellence and transforming mobility for millions.

CONTENTS

ABOUT THE REPORT

FY 2023-24

This is our seventh Annual Sustainability Report at Hero MotoCorp Limited. We are cognizant of our responsibility towards the environment and society and have prepared our Report following the GRI Standards (2021). The reporting period is concurrent with the financial year from April 1, 2023, to March 31, 2024. You can find this Report on our website:

Hero MotoCorp Sustainability Report FY 2023-24.

Scope and Boundary

The disclosures in this Report are in accordance with the GRI Standard 2021. The information in this report relates to FY 2023-24, i.e. from April 1, 2023, to March 31, 2024. Our reporting boundary includes all six of Hero MotoCorp's Indian manufacturing plant sites—Dharuhera (HM1D), Gurugram (HM2G), Haridwar (HM3H), Neemrana (HM4N), Halol (HM5V), and Tirupati (HM6T) as well as our Global Parts Centre (GPC) in Neemrana, the Centre for Innovation and Technology (CIT) in Jaipur, and our Corporate Office in New Delhi. The environmental performance data disclosed in the Report pertains to our manufacturing plant sites, GPC, and CIT.

Data Compilation Methodology

We have collated the data published in our Sustainability Report through various internal reporting systems, and indicated limitations where applicable. Bureau Veritas (India) Pvt. Ltd. has provided reasonable and limited assurance of the identified sustainability indicators in this report, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410, issued by the International Auditing and Assurance Standards Board (IAASB). The assurance statement, including the subject matter, criteria, procedures performed, is appended at the end of this Report. Quantitative disclosures can be found in the ESG Data Book in the Annexure of this Report.

Suggestions and Feedback

We welcome our readers' feedback, points of view and suggestions on the Report. You may write to us at:

esg.communication@heromotocorp.com

ESG HIGHLIGHTS FY 2023-24

Environment

40%
Reduction in emission per equivalent vehicle (EPV) compared to the baseline year 2010

14%
Electricity sourced from renewable sources resulting in offset of 14,219 tCO_2

13.8%
Reduction in fresh water intensity compared to FY 2022-23

100%
of our facilities are Zero Waste-to-Landfill certified

Social

13.5%
Gender diversity

25.29 lakh
Saplings planted till FY 2023-24

50,000
Kids' helmets distributed nationwide as part of our safety and awareness programmes

73.89 crore INR
CSR spend

Governance

100%
Compliance to the regulations

30%
Gender diversity in Board

96.6%
Average Board meeting attendance

50%
Independent Board Directors

EXECUTIVE CHAIRMAN'S MESSAGE

Riding Towards a Sustainable Tomorrow
Greener. Safer. Equitable.

Dear Stakeholders,

The year 2024 holds special significance as we celebrate the centennial of our Founder Chairman, Dr. Brijmohan Lall Munjal. His vision for a sustainable and equitable future, emphasising community support and environmental stewardship, continues to inspire us to uphold responsible business practices and pursue sustainable growth. Guided by his vision, Hero MotoCorp is committed to implementing a long- term strategy towards value creation, sustainable growth, continuous innovation and pioneering partnerships for our 116 million customers and counting.

Climate Change:
The Defining Challenge of Our Time

With the devastating consequences of global warming and GHG emissions, climate change already affects billions of people around the world, there is now a global focus like never before to tackle this defining challenge of our time. The 28th Conference of Parties (COP28) that was held in Dubai in Nov 2023, was particularly momentous as it marked the conclusion of the first ever global stocktake of the goals agreed upon in the 2015 Paris Agreement. A subsequent framework was agreed upon measuring progress on declarations. At Hero MotoCorp, we welcome this agreement as it is critical to accelerating collective action towards climate commitments and achieving the UN Sustainable Development Goals (17 SDGs) by 2030.

> As the world's largest manufacturer of two-wheelers and flag bearer of India's growth story, Hero MotoCorp is committed to driving sustainability across its business and value chain. As we mark our 40th year, our commitment to sustainable practices remains central to our growth and vision to **Be the Future of Mobility**. I am confident that with perseverance and commitment, we will continue to elevate our standards and create a better future for generations to come.

Dr. Pawan Munjal

Executive Chairman, Hero MotoCorp

As the third-largest automobile market, the Indian Government has set ambitious targets for Green Growth through Net Zero emissions by 2070. The introduction of the Energy Conservation (Amendment) Bill 2022 underlines the absolute centrality of sustainability in our journey towards Viksit Bharat by 2047. In line with this commitment, the Government of India plans to achieve EV sales penetration of 40% for buses, 30% for private cars, 70% for commercial vehicles, and 80% for two- and three-wheelers by 2030 – setting a new foundation for sustainable transformation across the industry.

The transformation that the auto industry can bring is pivotal to our national green agenda. We recognise the urgency of action not just to mitigate environmental impact but to create a sustainable ecosystem that positively impacts the planet and communities we serve. We aim to be the strongest advocates of sustainability in action, striving to create, collaborate, and inspire innovation that protects our planet – our only home.

This Annual Sustainability Report exemplifies our commitment to making a positive difference in the world. As a responsible corporate citizen, we see our commitment extending far beyond the confines of our own organisation by unlocking transformative partnerships and innovative mobility solutions. We believe that sustainable business practices are essential to creating a more prosperous and equitable future for all. We are not just talking about sustainability; we are practicing it every day and **Riding Towards a Sustainable Tomorrow**.

At Hero MotoCorp, our guiding principle for sustainability: Greener, Safer, Equitable continues to drive every decision and action, underscoring our commitment to positively impact our environment, communities, and business.

Greener

Environmental stewardship is not just a responsibility for us; it's an opportunity for innovation and growth. We are investing in clean energy, developing eco-friendly products, and promoting sustainable practices throughout our operations. Some of our initiatives are as under:

- **Carbon Neutral Operations:** We have achieved 40% carbon neutrality in FY 2023-24 and are steadily progressing towards our goal of 100% carbon neutrality by 2030. Through the adoption of emerging technologies and transition to renewable energy sources, we have successfully reduced our carbon emission per equivalent vehicle (EPV) by 22% compared to our baseline year of 2010.

- **Zero Waste to Landfill:** We achieved 100% zero waste- to-landfill in our facilities, one year ahead of our target year. All six of our state-of-the-art manufacturing facilities, Global Parts Centre (GPC) and R&D Centre (CIT) are now certified zero waste-to-landfill. Since embarking on this journey, we have reduced our waste output by 40% and achieved a diversion rate of more than 99.9%. This accomplishment reflects our commitment to co-processing, recycling, upcycling, and integrating technological advancements into our processes.

- **Water Positivity:** Our water positivity rate stands at 455%, saving nearly 3.8 million kilolitres of water annually. Through our water stewardship efforts, we have enhanced water conservation within our manufacturing units and extended access to water for marginalised agrarian communities. In FY 2023-24, our Gurugram facility earned the CII National Award for Excellence in Water Management.

- **Green Dealerships:** Our channel partners play a pivotal role in advancing our organisation's sustainability efforts. To strengthen our commitment to sustainable growth, we launched the Green Dealers Development Programme (GDDP). This programme is designed specifically for our dealership network to adhere to the CII rating system. Till date, we have successfully enrolled 17% of our partners in our initiative towards achieving 100% green dealerships by 2030.

- **Product Recyclability:** Currently, all our products meet the Automotive Industry Standard (AIS) 129, ensuring they are more than 80% recyclable. We are actively working towards achieving 100% product recyclability by 2030.

- **Sustainable Mobility:** We are committed to providing customer-centric solutions, driving technological advancements, and prioritising electrification and sustainability.

  - At Hero World 2024, we unveiled our latest innovation in electric mobility and clean technology – the Surge S32. This convertible electric vehicle features a dual battery system, seamlessly switching between a two-wheeler and a three-wheeler.
  - We are progressing with the development of our flex-fuel vehicle (FFV) concept to create products compatible with ethanol, in line with India's Flex Fuel mission.
  - We are also expanding our EV ecosystem globally. The VIDA V1 is set to enter international markets later this fiscal year, commencing sales in three key markets: the UK, Spain, and France.

Safer

Safety remains our top priority. We design our products to meet the highest safety standards, and are committed to continuously enhancing vehicle safety. Additionally, we actively promote community awareness to ensure a safer future for everyone.

- **Workplace Safety:** At Hero, we strive for a zero-incident culture, supported by our robust occupational health and safety management system. This system ensures a safe working environment by eliminating hazards and minimising occupational health and safety risks. We extend our safety commitment throughout our value chain, preparing them to address and mitigate risks effectively. In addition, we have conducted comprehensive safety training sessions for plant leadership teams across multiple locations and have organised a regional safety conclave for suppliers to enhance safety protocols across our extensive supply chain.

- **Road and Community Safety:** We consider road safety as a collective responsibility, and through education, we aim to inspire people worldwide to ride safely and responsibly. Through our 'Ride Safe India' programme, we conduct comprehensive on-ground and online campaigns to promote road safety behaviour across all age groups. Our initiatives have reached approximately 1,20,000 children and parents, and we have distributed 50,000 children's helmets nationwide to enhance road safety. To deepen our commitment, we organised a road safety awareness programme in March 2024 with Shri Nitin Gadkari, Minister for Road Transport & Highways, India.

Equitable

Every sustainable initiative serves as the foundation for a more equitable society, offering opportunities for all.

- **Diversity, Equity & Inclusion:** Our commitment to fostering a more equitable world is reflected in our efforts to promote diversity and inclusion, support our communities, and empower our employees to reach their full potential. We take pride in nurturing growth rooted in diversity, equity, and inclusion, with a goal to achieve 30% female representation in our workforce by 2030. Our efforts are concentrated on attracting, retaining, and advancing women at all levels, from operational roles

to leadership positions. In FY 2023-24, we increased our gender diversity from 8.6% to 13.5%.

- Through **'Hero We Care'**, our flagship Corporate Social Responsibility platform, we are committed to promoting equity. In FY 2023-24, our CSR initiatives positively impacted over 1.4 million people across the country. Some of our initiatives include:

  – **Skill Development:** Hero Saksham is a unique initiative aimed at enhancing the employability of women in the two-wheeler industry value chain. This programme offers industry-specific hands-on training and experience in both ICE and EV vehicles. In FY 2023-24, we enrolled 4,000 women in various courses tailored to their interests and career aspirations.

  – **Education:** Our company is dedicated to improving school facilities in line with the National Policy on Education (NPE), 2020, and the Right to Education (RTE) Act, 2009. We successfully renovated three schools in Varanasi, Kannur and Leh, benefitting 1,445 students by creating enhanced learning environments. Additionally, our Remedial Classes programme initiative aimed at enhancing learning, has benefitted 6,916 students across four locations i.e. Dharuhera, Neemrana, Jaipur and Haridwar.

  – **Armed Forces Collaborations:**
    • We have established **Chetna Centres** i.e. Early Intervention Centre (EIC) in collaboration with the Navy Welfare and Wellness Association (NWWA) currently supporting 98 children with neurodevelopmental disorders.
    • Through our **Hero Salutes Heroes of the Nation programme**, we support the specially-abled by providing wheelchairs, tricycles, and retro-fitted scooters. In collaboration with the Directorate of Indian Army Veterans, we provided customised scooters to specially-abled soldiers, ensuring a safe and convenient riding experience.

Our journey towards sustainability is ongoing, and we are grateful for the support and trust of our stakeholders. We recognise that we have much more to achieve and are confident in our vision and goals. Together, we can make a meaningful difference, driving positive change for our planet and future generations, while addressing some of the most pressing environmental and social challenges of our time. We invite you to join us on this journey, as we strive to create a more sustainable, inclusive, and resilient world.

Thank you for your continued support.

Warm regards,

Dr. Pawan Munjal
Executive Chairman
Hero MotoCorp Limited
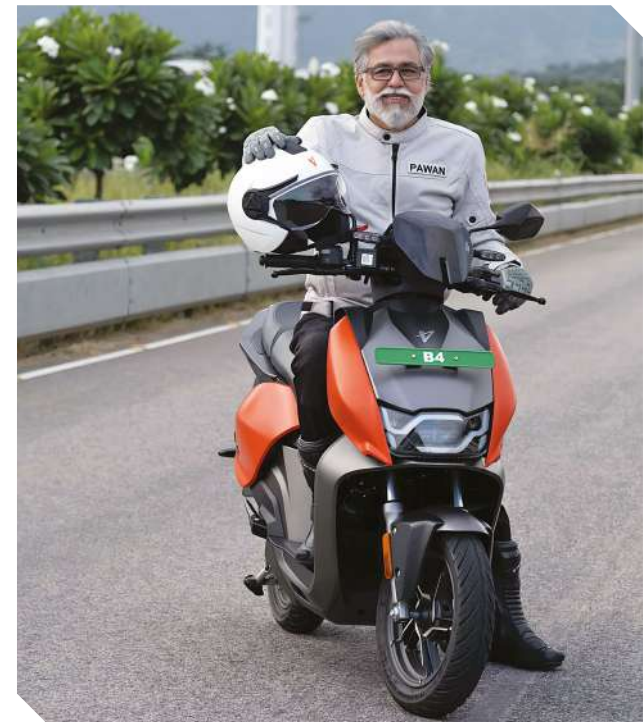
CEO'S MESSAGE

Sustainability for Everyone

Dear Stakeholders,

I am proud to share Hero MotoCorp's unwavering commitment to a sustainable future – one where progress and prosperity are inclusive and accessible to all. In a world grappling with climate change, resource scarcity, and social inequalities, we believe that sustainability is not just a choice, but a necessity. It is the only path forward for our Company, our communities, and our planet.

At Hero MotoCorp, we have embraced sustainability as a core value, embedding it into our corporate DNA. We recognise that our actions today will shape the world for generations to come. That's why we are committed to reducing our environmental impact, investing in renewable energy, and minimising waste. We are developing innovative mobility solutions that are not only efficient but also accessible to a wider range of people, empowering them to live better lives.

We believe that sustainability is not just about the environment; it's about people. It's about ensuring that everyone has access to clean air and water, safe working conditions, and equal opportunities. It's about building thriving communities where everyone can flourish.

We are committed to working with our employees, suppliers, dealers, customers, and communities to create a more sustainable and equitable world. We believe that together, we can make a real difference. This commitment is reflected in our comprehensive approach to sustainability, encompassing environmental stewardship, social responsibility, and inclusive, affordable growth.

> At Hero MotoCorp, we are deeply committed to fulfilling our responsibilities towards our nation and the global community. We take this commitment very seriously and continually strive to enhance our impact on the environment, social development, governance practices, and the well-being of our value chain partners. Our dedication to these principles form the foundation of our operations, and we are constantly working to create a positive impact in every aspect of our business.

Niranjan Gupta

Chief Executive Officer
Hero MotoCorp Limited

- **Inclusive Growth:** We are committed to fostering a diverse and inclusive workplace, increasing the representation of women in leadership and STEM fields.

- **Sustainable Mobility:** We are developing innovative and accessible electric vehicle solutions, investing in charging infrastructure, and promoting sustainable transportation options for all. Our efforts also extend to making sustainable mobility solutions accessible and affordable to everyone, ensuring that no one is left behind in the transition to a greener future.

- **Social Responsibility:** We believe in empowering individuals and communities. Our initiatives like 'Be a Road Hero' and 'Project Saksham' promote road safety and economic empowerment.

- **Sustainable Value Chain:** We prioritise sustainability throughout our value chain and have implemented targeted initiatives to improve our performance in the upstream and downstream operations. Our Sustainable Partner Development Programme (SPDP) and Green Dealers Development Programme (GDDP) are dedicated to collaborating with our value chain partners to enhance their capabilities and establish a clear plan for addressing environmental, social, and governance considerations. We are sharing our knowledge and experiences to support their journey to attain excellence in sustainable practices.

- **Water for All:** Our commitment to sustainability extends beyond environmental protection; it encompasses a vision of water security for all. Our water positivity demonstrates our dedication to responsible water management and conservation. Our water stewardship efforts reach far beyond our manufacturing facilities. By extending access to water for marginalised agrarian communities, we are empowering them with a vital resource for their livelihoods and well-beving.

We are proud of the progress we have made on our sustainability journey, but we recognise that there is still much work to be done. We are committed to continuously improving our performance, setting ambitious goals, and transparently reporting our progress.

As we look to the future, we are confident that our focus on sustainability will not only drive positive change but also create long-term value for our shareholders. Together, we can build a more sustainable and equitable future for all.

Thank you for your continued support and trust in Hero MotoCorp.

Warm regards,

Niranjan Gupta
Chief Executive Officer
Hero MotoCorp Limited

SUSTAINABILITY STEERING COMMITTEE'S MESSAGE

> Our commitment to sustainability transcends products – it's about cultivating a legacy of responsibility, innovation, and environmental stewardship for generations to come.

Vikram S. Kasbekar
Executive Director

> At the heart of our strategy lies sustainability, demonstrating our steadfast dedication to eco-friendly operations and the seamless integration of sustainable practices, fostering a responsible culture.

Mike Clarke
Chief Operating Officer

> Cultivating a diverse, equitable, and inclusive work environment while implementing digitalisation such as paperless operations, not only to achieve but surpass our sustainability goals. This paves the way for a sustainable and resilient future, generating long-term value for all our stakeholders.

Reema Jain
Chief Information and Digital Officer

COMPANY PROFILE

Hero MotoCorp Limited (HMCL), the world's largest producer of motorcycles and scooters, offers an extensive array of mobility solutions focused on style and comfort. Our Company's inception is rooted in a vision of empowering India through our mobility solutions – Motorcycles and Scooters.

Overview of Hero MotoCorp Limited

Company Name: Hero MotoCorp Limited

Date of Establishment: 19th January, 1984

Headquarters: The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj – Phase-II New Delhi-110070

Chief Executive Officer (CEO): Mr. Niranjan Gupta

Key Business Area: Manufacturing of two-wheelers: Motorcycles & Scooters

Stock Exchange: Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

Website: heromotocorp.com 🌐

Financial Highlights

Sales Volumes

(lakh units)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
58	49	53	56

PAT

(₹ in crore)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
2,964	2,473	2,911	3,968

Total Income

(₹ in crore)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
31,380	29,802	34,371	38,348

Earnings Per Share

(₹)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
148	124	146	199

EBITDA

(₹ in crore)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
4,019	3,369	3,986	5,256
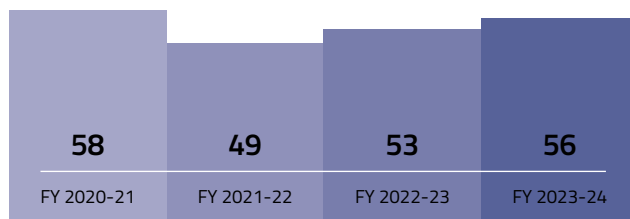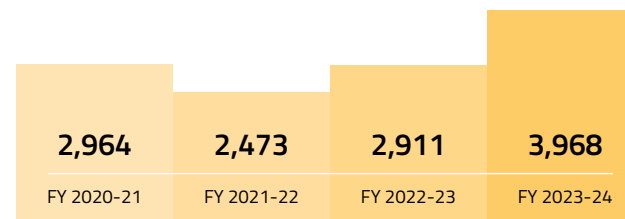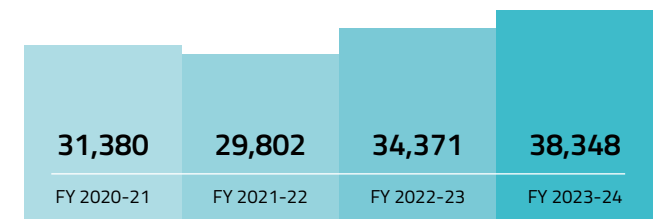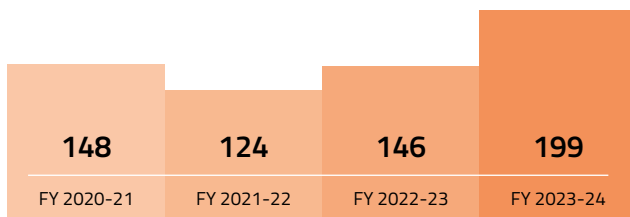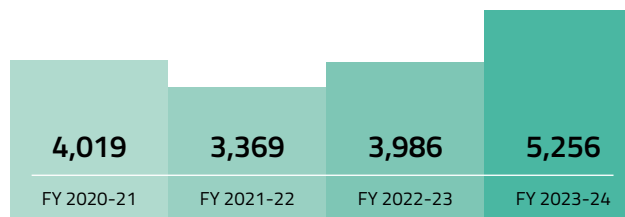
Return on Average Equity

(%)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
20.2	15.96	17.92	22.88
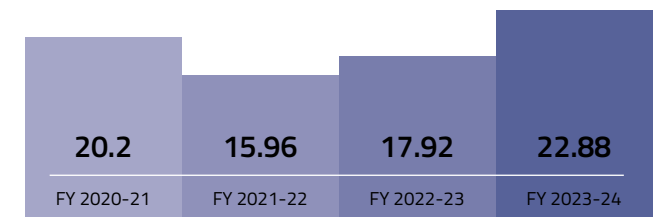
GLOBAL PRESENCE

Under the leadership of our Executive Chairman, Dr. Pawan Munjal, Hero MotoCorp has emerged as a global brand, with a presence extended to 48 countries across Asia, Central & Latin America, Africa and the Middle East.

Volumes Sold

(%)

● Asia	29
● LATAM	49
● Africa	5
● Middle East	16
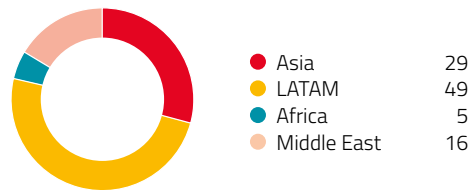
All figures related to the year ended March 31, 2024

Manufacturing Capability

(million units)

● Dharuhera	2.1
● Gurugram	2.1
● Haridwar	2.7
● Neemrana	0.8
● Vadodara	1.2
● Chittoor	0.4
● Colombia	0.08
● Bangladesh	0.15
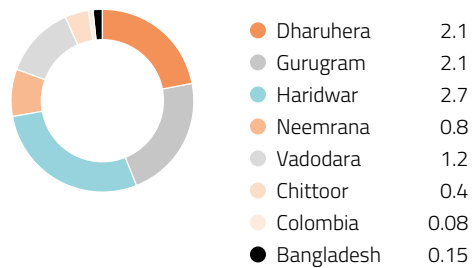
Asia
1. Sri Lanka
2. Bangladesh
3. Nepal
4. Myanmar
5. Philippines

116 million +

Units Sold (Cumulative)

Central & Latin America
6. Colombia
7. Peru
8. Ecuador
9. Guatemala
10. El Salvador
11. Honduras
12. Nicaragua
13. Costa Rica
14. Panama
15. Bolivia
16. Dominican Republic
17. Argentina
18. Guyana
19. Mexico
20. Haiti
21. Trinidad & Tobago

Africa
22. Kenya
23. Tanzania
24. Uganda
25. Ethiopia
26. Burkina Faso
27. Ivory Coast
28. Angola
29. Mozambique
30. Democratic Republic of Congo
31. Madagascar
32. Liberia
33. Guinea
34. Nigeria
35. Ghana
36. Djibouti
37. Zambia
38. Mauritius
39. Sudan
40. South Africa

Middle East
41. Turkiye
42. Dubai (UAE)
43. Iraq
44. Kuwait
45. Saudi Arabia
46. Egypt
47. Yemen
48. Qatar
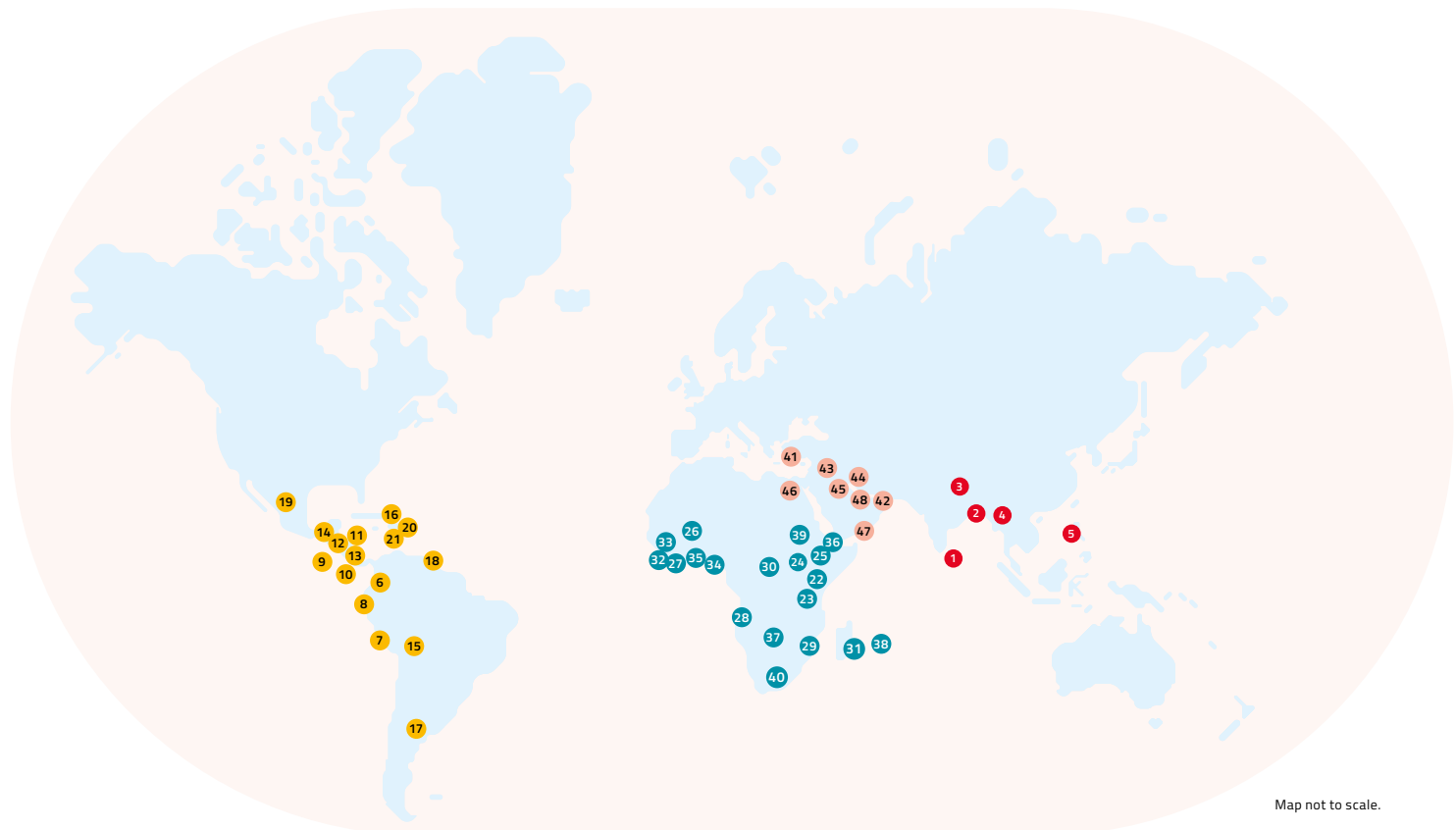
Map not to scale.

SUSTAINABLE MOBILITY

Hero MotoCorp is always at the forefront of introducing cutting-edge vehicles and solutions. Our product line includes a diverse range of high-end motorcycles and scooters seamlessly integrating style, performance, and technological advancements. We are steadfast in our commitment to providing cost-effective and efficient mass mobility solutions that cater to diverse customer segments.

VIDA - Recharging Our EV Journey

In FY 2023-24, VIDA made substantial stride in its strategic advancement, bolstering its presence across various regions and establishing a strong foundation for future growth. Our Company's expansion efforts resulted in a presence in over 100 cities, comprising over 200 touchpoints, including dealerships, VIDA Hubs, and Premia outlets.

Additionally, introducing the VIDA V1 Plus model, with its advanced features and improved performance, has distinguished VIDA in the market. This model's unique features include two removable batteries, spacious seating, exceptional comfort, and 50+ riding modes, all contributing to enhanced customer satisfaction.

Accessibility, Affordability, and Growth

Through VIDA, we have extended the reach and affordability of our products to a broader consumer base. Our Company has implemented a range of pricing strategies and financing options to ensure the accessibility of our electric vehicles.

Hero MotoCorp has experienced significant revenue growth due to our increased representation across all zones and expanded coverage of the EV industry. The introduction of new models and our successful global expansion have notably contributed to the overall revenue generation, which is a result of our team's diligence and hard work.

VIDA battery's state-of-health (SoH) drops to 70-80% from the original (100%) after travelling 60,000 to 70,000 kilometres or five years of use.

19,805 Total EVs sold in FY 2023-24

To know more about all our products, please visit our virtual showroom: **https://virtualshowroom.heromotocorp.com/**

RESEARCH & DEVELOPMENT

Total Patents Filed

In FY 2023-24, the organisation obtained over 200 patents, demonstrating its firm commitment to innovation and the relentless pursuit of cutting-edge technologies. These patents include pioneering vehicle designs to improve performance, efficiency, and safety, groundbreaking engine innovations pushing the boundaries of power and sustainability, and environment-friendly solutions contributing to a greener future. Securing these patents strengthens our intellectual property portfolio, safeguarding our technological innovations and establishing a robust foundation for future growth.

Organisational Innovation

Hero NEXT

Launched in 2021, Hero NEXT aims to drive rapid transformation by fostering innovation, sustainability, competitiveness, and collaboration across all our operational facilities. This initiative seeks to inspire new ideas, implement sustainable practices, enhance our competitive edge, and encourage teamwork and partnerships.

Global Kaizen Conclave

The Global Kaizen Conclave is a platform for participants to showcase their innovative Kaizen projects for assessment and evaluation. The event's primary objective is to identify and acknowledge the top ideas presented. This year, 1,450+ employees actively participated in the programme, contributing to its success and reinforcing the culture of continuous improvement within the organisation.

Social Innovation

In the heart of India's bustling innovation landscape, Hero MotoCorp envisions a future where social impact and technological advancement converge. Our motto, 'For Bharat, By Hero,' echoes the spirit of Prime Minister Narendra Modi's clarion call for innovation in India – Viksit Bharat, a nation poised for growth through ingenuity.

Hero x SIH

Hero MotoCorp recognises that innovation is the lifeblood of progress. Rooted in India's ethos, we aim to nurture the next generation of disruptors and innovators. Our vision extends beyond business; it encompasses societal transformation.

Hero Innovation Cell sponsored the Smart India Hackathon (SIH), the largest open innovation event organised by the Ministry of Education Government of India. Through this partnership, Hero MotoCorp and SIH aimed to contribute to the development of cutting-edge technologies and solutions that could potentially transform the mobility landscape and drive positive change in society.

Engaging Students and Institutions

The Smart India Hackathon (SIH) is a testament to India's dogged dedication to fostering innovation. This initiative, organised by the Government of India, invites the brightest minds from educational institutions nationwide to tackle real-world challenges. SIH transcends mere competition; it is a crucible of creativity where students grapple with complex problems faced by various ministries and government departments.

SIH 2023 witnessed an unprecedented surge in participation. Over 2.6 lakh students, 44,000 teams, and 2,307 institutions participated in the event, channelling their collective energy toward solving critical issues. The event spanned diverse areas, including healthcare, agriculture, transportation, and cybersecurity.

SIH's mission is not just about a hackathon. It is about igniting young minds and fostering a culture of innovation. By encouraging students to think beyond textbooks, SIH is sowing the seeds of practical solutions that will reverberate far beyond the event itself.

RESEARCH & DEVELOPMENT

Product Innovation

Surge S32 – Mobility through Sustainable Innovations

The Hero MotoCorp-backed Surge S32 stands out for its ability to transform from a nimble electric scooter to a stable three-wheeler. The vision of Surge S32 is 'To revolutionise mobility through sustainable innovations'. The world's first-class changing vehicle, Surge S32, is an engineering marvel designed to revolutionise transportation with sustainability at its core. Manufactured to deal with the challenges of modern life, this is a dual-battery convertible vehicle that can be easily transformed from a two-wheeler to a three-wheeler and vice versa within three minutes.

The Surge S32 is a versatile vehicle that replaces the need for multiple specialised vehicles. It serves various purposes, from personal transportation to commercial use. By lowering the number of vehicles on the road, it decreases road congestion, reduces emissions, and improves livelihoods. It is powered by electricity, ensuring sustainability in all aspects.

FREEDO – Freedom to Move

Presenting the Safe, Reliable and Affordable Mobility Solution

Freedo, an internal startup under Hero Innovation Cell's incubator 'Hero Hatch,' aims to reduce dependence on personal vehicles and ownership by introducing usership through shared vehicles. With a remarkable 80% utilisation rate, Freedo offers a technology-enabled rental service that provides people with a flexible, affordable, and sustainable mode of transportation.

Freedo has adopted digital verification process, and successfully transitioned from paper based documentation. Through the implementation of the new KYC and T&C verification model, over 40,000 digital document verifications have been completed. This transition has resulted in significant savings in document printing compared to traditional photocopying methods.

Freedo aims to facilitate easy access of bikes for gig workers, the team has enabled 3,000+ individuals to gain employment opportunities, contributing to the gig economy.

Hero World 2024

Hero World is an exclusive two-day event where we introduce a diverse range of innovative products and solutions designed to cater to the varied needs of our clientele. In January 2024, the second edition of Hero World took place at the Centre for Innovation and Technology (CIT) in Jaipur, Rajasthan.

The event saw the active participation of internal and external stakeholders, including dealers and research and development partners such as IITs, among others.

OUR SUSTAINABILITY JOURNEY

HIGHLIGHTS FOR FY 2023-24

Achieved 100% Zero Waste-to-Landfill

Re-conducted Materiality Assessment

Released Human Rights Policy

Climate Risk Assessment

FY 2016-2018

Stakeholder Engagement

Green Partner Development Programme (GPDP)

FY 2018-19

CII ITC Domain Excellence Award in Environment and CSR

Capacity Building of Stakeholders

FY 2019-20

Set ESG Goals

Sustainable Procurement Guidelines

Safety Culture Pre-Assessment

FY 2020-21

Materiality Assessment Conducted

Extensive Benchmarking

Sustainability Assessors

FY 2021-22

Sustainability Policy

Carbon Neutral Plan

Global Indices Participation

FY 2022-23

VIDA Launch

Sustainable Partner Development Programmes (SPDP)

Included in Bloomberg Gender-Equality Index (GEI) 2023

Green Dealer Development Programme (GDDP)

HERO MOTOCORP'S ESG GOALS

Progress

40%
Carbon Neutral Operations

100%
Carbon Neutral Operations (Scope 1+2) by 2030

100%
Green Dealerships by 2030

Progress

17%
Green Dealerships

Progress

455%
Water Positivity

500%
Water Positive Facilities by 2025

Hero
ESG GOALS

100%
Product Recyclability by 2030

Progress

95%
Product Recyclability

Progress

100%
of our Facilities are Zero Waste to Landfill Certified

100%
Zero Waste-to-Landfill Facilities by 2025

30%
Gender Diversity by 2030

Progress

13.5%
Gender Diversity

ESG TRACK RECORD

Energy Intensity

Energy Consumed (GJ/Vehicle)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
0.19	0.18	0.15	0.15
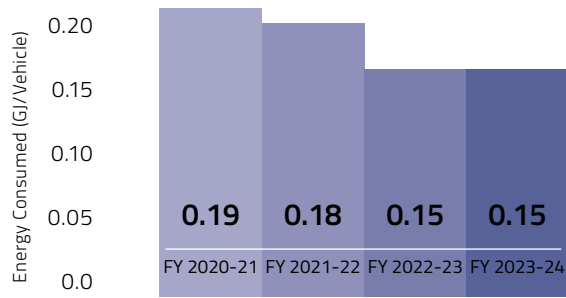
Carbon Emission Intensity

(Scope 1 and 2)

$kgCO_2$ / Vehicle

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
21.90	22.94	19.07	18.61

Fresh Water Intensity

Water Used (Litre/Vehicle)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
159.09	170.78	157.84	136.03
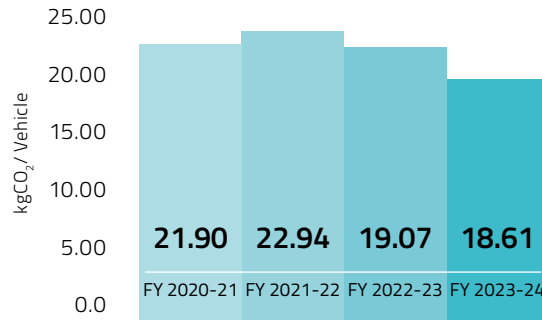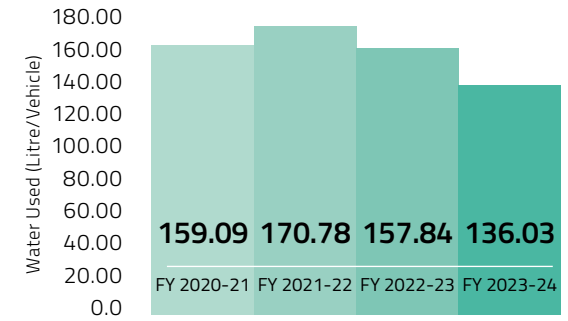
Water Recycled and Reused

Recycled & Reused Water (%)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
61.64	60.83	58.58	61.87
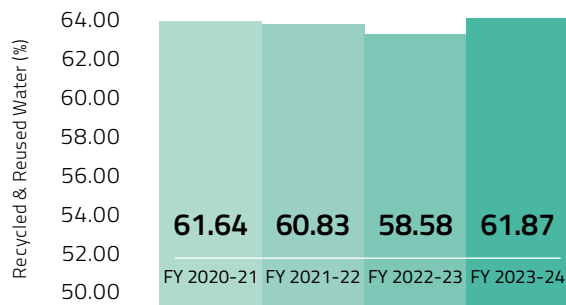
Waste Intenisty - Hazardous and Non-hazardous

Waste generated (kg/Vehicle)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
2.13	2.30	1.97	3.02*
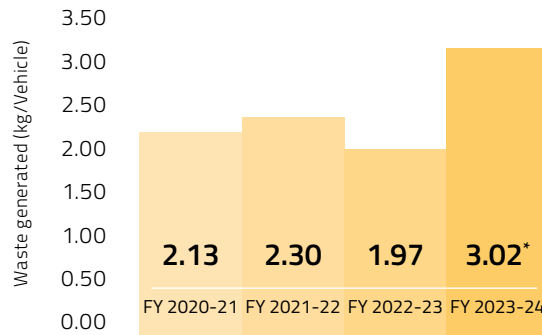
* Additional categories of non-hazardous waste included from FY 2023-24.

Recycled Material Used Intensity

Recycled Material (kg/Vehicle)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
18.32	18.30	22.40	23.64
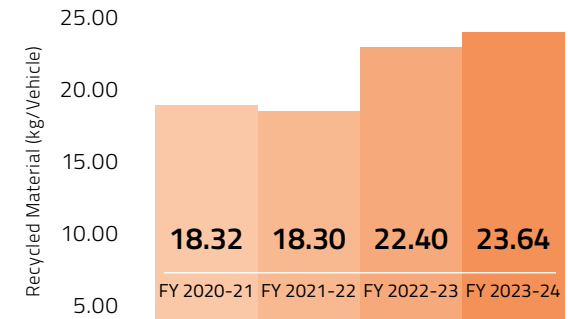
ESG TRACK RECORD

Board Gender Diversity

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
11	27	30	30

Women in Board (%)

Gender Diversity

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1,520	2,079	2,579	4,495
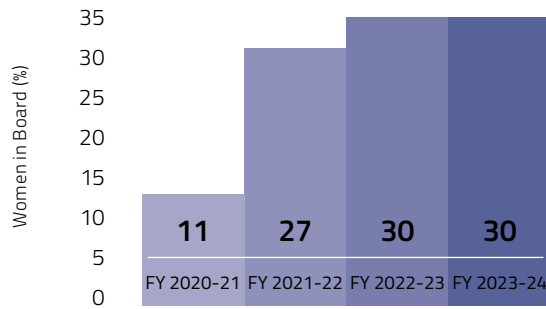
Gender Diversity Count (Nos.)
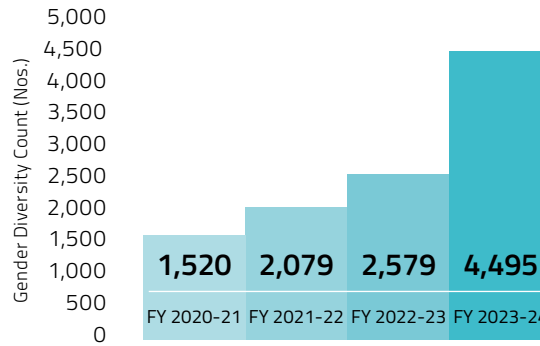
Specially-abled Workforce

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
66	98	105	103

Specially-abled Count (Nos.)

Average Training Hours

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
35.94	37.60	46.40	32.93*

Hours/Employees

* Contractual, permanent workers training data for GPC and Neemrana plant not added in FY 2023-24.
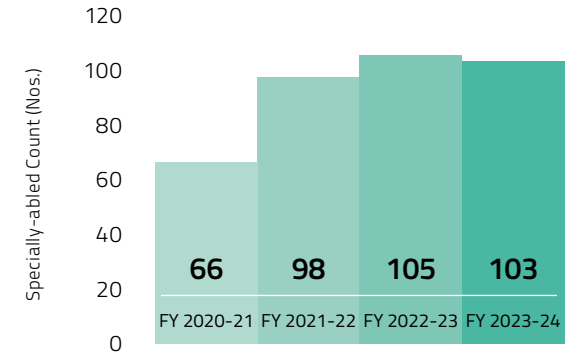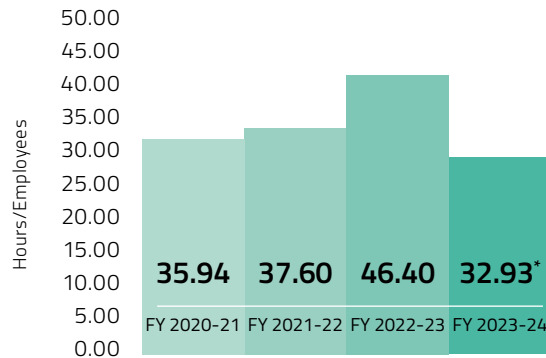
Beneficiaries of Project Shiksha

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
4.31	4.35	4.44	4.52

No. of Beneficiaries till year (in lakh)
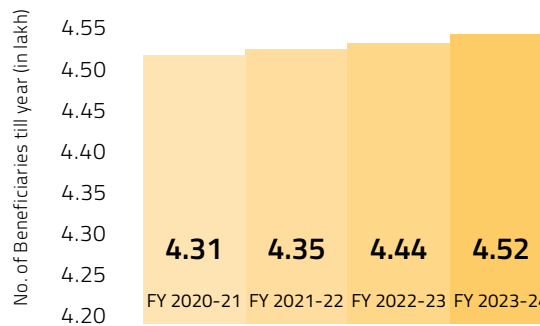
Beneficiaries of Ride Safe Training

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
7.68	9.21	15.74	21.74

No. of Beneficiaries till year (in lakh)

ESG RATINGS

MSCI

'A' Rated in Morgan Stanley Capital International (MSCI) on ESG

Bloomberg Gender-Equality Index 2023

Only Two-wheeler OEM included in Bloomberg (GEI)

CDP DRIVING SUSTAINABLE ECONOMIES

Disclosing our progress on CDP for Climate Change and Water Security

DJSI
Dow Jones Sustainability Indices

Consistently disclosing in DJSI Rating Index

FTSE Russell

Member of the FTSE4Good Index Series

REFINITIV
An LSEG Business

Above Average degree of transparency of ESG

AWARDS AND RECOGNITIONS

Gurugram Plant received CII National Award for Excellence in Water Management

Dharuhera Plant received CII National Award for Excellence in Energy Management

Gurugram Plant received CII National Award for Environmental Best Practices

Hero MotoCorp received the CII GreenCo Champion Award

Gurugram Plant won Best Canteen Arrangements Award from Labour Department, Haryana

Hero MotoCorp received Fast Runners in Gender Equality by PwC

Hero MotoCorp received HR Excellence Award 2023 by PNGI Forum

BW Healthcare Award in Institutional Excellence in Occupational Health and Wellness

Hero MotoCorp has been certified as a 'GOQii Healthy Place to Work'

AFFILIATIONS

We need collaborations and strong bonds with various organisations to create a powerful impact. The association is necessary to avoid high-risk situations and uncertainty.
We are affiliated with significant groups to make a considerable impact.

Climate Change

CDP – Climate Change

ESG Ratings

DJSI
Refinitv (now LSEG)
MSCI

Information Security

ISO 27001:2013
Data Security Council of India (DSCI)

Diversity

Bloomberg (GEI)

Employee Health and Safety

ISO 45001:2018

Environmental Management

ISO 14001:2015
CDP – Water Security

Quality

ISO 9001:2015
ISO / IEC 17025:2017

Food Safety

ISO 22000:2018

Energy Management

ISO 50001:2018

Governance

Ministry of Corporate Affairs, Government of India
Security Exchange Board of India (SEBI)

Associations

Society of Indian Automobile Manufacturers (SIAM)
Automotive Component Manufacturers Association of India (ACMA)
Confederation of Indian Industries (CII)

ESG GOVERNANCE

We have incorporated a range of governance frameworks and procedures to oversee aspects of our performance throughout our value chain and operations. At Hero MotoCorp, ESG governance is about creating a more sustainable and equitable future for business and society. Effective ESG governance entails aligning business strategies with long-term value creation for all stakeholders, not just shareholders. This approach includes managing environmental risks, fostering diversity and inclusion, ensuring transparent communication with stakeholders, and upholding high standards of business ethics.

Sustainability and Corporate Social Responsibility Committee (SCSR)

The SCSR committee comprises four directors: Executive Chairman and Whole-Time Director, one Non-Executive Director and two Non-Executive & Independent Director. It oversees and manages ESG challenges and opportunities, evaluates the adequacy of our Company's sustainable development framework, monitors the implementation of policies, quarterly reviews Company's ESG performance against targets and provides recommendations if required.

Chief Executive Officer (CEO)

The Chief Executive Officer convenes regular meetings with senior executives across departments to review the progress of ESG programs and key performance indicators. Additionally, the CEO offers valuable insights to help shape strategies and evaluate ESG

initiatives to ensure their alignment with the Company's vision and objectives.

Sustainability Steering Committee (SteerCo)

The Sustainability Steering Committee is a three-member team comprising C-level executives. The Sustainability SteerCo is responsible for monitoring the ESG initiatives taken at the organisation level to address the impacts of plant-specific ESG challenges including carbon neutrality, climate change and directing them to align and work towards achieving them. It also provides necessary directions and resources for effective and accelerated implementation of climate change initiatives at the plant level.

Key Department Heads

The department heads discuss the ESG implementation direction and plan, conducts performance improvement activities, and shares information on pending matters and performance.

Sustainability Core Team

The Sustainability Core Team drives our Company's environmental, social, and governance goals. It provides regular updates to the Sustainability Steering Committee on ESG issues and progress on the targets. The team interacts with cross-industry experts, develops and implements strategies and looks into potential areas of improvement. The team collaborates with the various functions of plant's to carry out assessments, set targets, and engage stakeholders to drive positive change.

**Sustainability and Corporate Social Responsibility Committee (SCSR)
(Board of Directors)**

↓

Chief Executive Officer (CEO)

↓

Sustainability Steering Committee (C-Level Executives)

→ **Key Department Heads**

↓

Sustainability Core Team

Environment	Social	Governance
▪ Carbon & Energy Management ▪ Water Security ▪ Waste Management ▪ Materials ▪ Product Stewardship	▪ Health, Safety & Well-being ▪ Human Rights ▪ Diversity, Equity and Inclusion ▪ Talent Management ▪ Inclusive Growth	▪ Brand & Reputation Management ▪ Business Profitability and Growth ▪ Business Ethics ▪ Data Privacy ▪ Value Chain Sustainability

STAKEHOLDER ENGAGEMENT

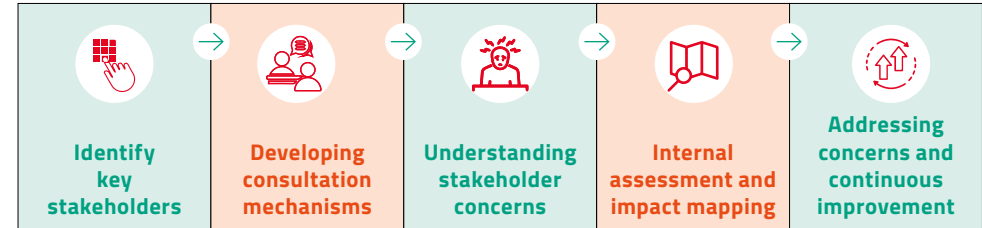We firmly acknowledge the role played by stakeholders in informed decision-making and defining future courses of action for organisation. We collaborate and maintain strong relationship with our stakeholders, which help us to achieve our strategic objectives.

We have developed robust and agile mechanisms for engaging with our stakeholders, understanding their key concerns and needs, and prioritising them accordingly to plan redressal.

Identify key stakeholders → **Developing consultation mechanisms** → **Understanding stakeholder concerns** → **Internal assessment and impact mapping** → **Addressing concerns and continuous improvement**

S. No.	Stakeholders	Significance	Engagements	Key Parameters
1.	**Employees**	Employees substantially impact business activities in developing business strategies, optimising operations and enhancing business profitability and growth.	▪ Employee voice survey ▪ Open houses & town halls ▪ Performance reviews ▪ Learning and development programmes	▪ Employee well-being and work-life balance ▪ Sharing organisational achievements and new developments ▪ Employee grievances and redressal ▪ Performance feedback, training and skill development
2.	**Customers**	Having a 116+ million customer base is a core strength for Hero MotoCorp. Strengthening customer relations and meeting their expectations is our core business priority.	▪ Customer feedback via surveys, phone calls, and e-mails ▪ Good life programme ▪ Sustainability brand perception surveys	▪ Product and service feedback ▪ Digital engagements, Paperless referrals, e-cards and kits ▪ Green rewards, bonus points and celebration of events
3.	**Suppliers**	Supply chain partners, through their business expertise, contribute significantly to our business operations.	▪ Supplier assessments & SPDP programme ▪ Supplier meets and conferences ▪ Regular evaluation and site visits ▪ Vendor development teams	▪ Detailed assessment for onboarding new suppliers ▪ Capacity building of suppliers ▪ Policy alignment and Supplier Code of Conduct signoff ▪ Regular assessments and audits

STAKEHOLDER ENGAGEMENT

S. No.	Stakeholders	Significance	Engagements	Key Parameters
4.	**Regulatory agencies and government institutions**	Regulatory agencies and government institutions influence our operations, product portfolios and as a responsible organisation, we aim to adhere to all regulatory compliance and requirements.	- Compliance management for various activities - ELV treatment: AIS 129 - Flex fuel regulations, Emission norms for vehicles - Permissions and clearances for regular operations - EPR for various commodities	- Detailed compliance management - Reasonable assurance for BRSR core KPIs - Vehicle scrapping as per government norms - E10 and E20 compatibility of vehicles - Tax strategy and compliances - Stringent regulatory emission norms
5.	**Shareholders and investors**	Building strong relationships with shareholders and investors contribute to an impressive market reputation.	- Annual general meetings - Company website updates for quarterly, annual results - Meetings with investors	- Dividend distribution - Updates on new product launches - Addressing their key concern areas - Industry specific inputs
6.	**Local communities**	As an entity, we use multiple shared resources of communities, and are committed to uplifting society through responsible actions and ethical practices.	- Engagement with NGOs - CSR team engaging with communities - Impact assessment	- CSR programmes - Inclusive development - Promote environmental and biodiversity conservation
7.	**International organisations and rating agencies**	Complying with international standards and having higher ratings build strong brand image among stakeholders.	- World Economic Forum (WEF) - Global indices (DJSI, FTSE Russell, CDP, Bloomberg, MSCI, Refinitiv (now LSEG))	- Understanding rating agency requirements - Developing action plan for improvement in ratings
8.	**Dealerships**	Downstream value chain partners are significant as they serve as Hero MotoCorp's customer contact points.	- Green dealership programme - Annual dealership meets	- Capacity building for dealer workforce - Quality check points and inspections - Customer grievance redressals
9.	**Industrial association**	Industrial association provides a platform to discuss sector-specific challenges, business trends and developments.	- Collaboration through events - Webinars and seminars	- Cross-industrial collaborations - Emerging regulations, industry response and preparedness

We are conducting engagements with stakeholders on regular basis (monthly, quarterly, yearly and on need basis).

MATERIALITY ASSESSMENT

Materiality

Materiality serves as the cornerstone of our sustainability initiatives, guiding our approach and strategy for sustainable development. We have been engaging with our various internal and external stakeholders to conduct materiality assessment every three years (in line with GRI guidelines), which helps us to assess priority areas that are significant from the stakeholders' perspective and have an impact on business.

Furthermore, it allows us to evaluate the impacts and risks associated with significant issues, plan effective business strategies to mitigate them, and capitalise on opportunities. This approach strengthens our commitment to sustainable growth and stakeholder engagement.

We effectively disclose the progress of our target and performance on material issues and communicate to our stakeholders through our sustainability reports annually.

Step 1
Arriving at a Long List of Material Topics

Revisiting previous assessments, international standards, frameworks, and peer benchmarking

Step 2
Identify Actual and Potential Impacts for Material Topics

Engaging with internal and external stakeholders to gather subjective and objective responses regarding the actual and potential material impact of each topic

Step 3
Assess Significance of the Impacts

Analysing qualitative and quantitative inputs from stakeholders to assess the significance of impacts

Step 4
Prioritisation of Topics and Impact Mapping

Finalising material topics which are of high significance from stakeholders' perspective and to the organisation

Step 1: Arriving at a Long List of Material Topics

We have used a multifaceted approach to identify a long list of material topics. This includes, revisiting previous year's material topics, extensive consultation with experts, understanding international standards and frameworks, benchmarking with peers, and also including stakeholders' concerns to arrive at a long list of material topics.

This ensures that the material topics identified are comprehensive, relevant, and aligned with both internal and external expectations, supporting Hero MotoCorp's commitment to sustainable development and stakeholder engagement.

The Long List of Material Topics

Environment	Social	Governance	
Climate Change Management – Energy and Emissions	Health, Safety and Well-Being	Regulatory Compliances	Brand ESG Strategy
Biodiversity Conservation and Promotion	Human Rights	Ethical Marketing and Advertising	Value Chain Management
Logistics Management	Diversity, Equity and Inclusion	Product Stewardship and Safety	ESG Governance
Product Recyclability and Circularity	Employee Engagement	Brand Reputation and Product Quality	Board Effectiveness
Waste Management	Employee Welfare and Retention	Emerging Mobility Solutions	Research and Development
Responsible Sourcing (Minerals)	Stakeholder Engagement	Customer Experience and Satisfaction	Cybersecurity and Data Privacy
Water Conservation		Business Growth and Profitability	
ELV Treatment		Risk Management and Controls	

MATERIALITY ASSESSMENT

Step 2. Identify Actual and Potential Impacts for Material Topics

Once the long list of material topics was created, a stakeholder engagement exercise was initiated to map each topic's actual and potential positive and negative impacts.
This exercise was divided into two parts: consulting with internal stakeholders and with external stakeholders.

Stakeholder Consultation Plan

Category	Stakeholders
Internal	Board members, leadership, employees and internal functions
External	Investors, dealerships, suppliers, customers, and sustainability experts

Stakeholder Engagement

We have collaborated with various internal functions, senior employees and managers at Hero MotoCorp to obtain their objective and subjective responses regarding the current and potential impact of each material topic. Beyond functional impacts, our efforts also involved acquiring in-depth insights into the actual and potential - positive and negative impacts on

external stakeholders through their regular interaction. Moreover, we conducted surveys for board, leadership, and employees to gather their input on the priority and significance of each material issue.

Further, we have directly engaged with external stakeholders by conducting surveys to gather their quantitative feedback on the perceived importance and priority of each material topic from an external perspective. This step ensures that the direct views of external stakeholders are incorporated into the materiality assessment process.

Step 3: Assess the Significance of Impacts

Assessing Significance and Priority: During consultations, we engaged with stakeholders to evaluate the significance and priority of each material topic. This approach involves detailed discussions to understand the relative importance of different topics from the perspective of those closely involved in the Company's operations and strategic planning.

We analysed the qualitative and quantitative data from stakeholders to assess the significance of impacts.

Step 4. Prioritisation of Topics and Impact Mapping

Each material topic was assigned a score and categorised into three priority levels:
- Low priority: No immediate strategic focus
- Medium priority: Limited relevance to the strategic focus
- High priority: Require immediate strategic focus and attention

Management Response and Materiality Matrix

The management team reviewed a long list of material topics to ensure alignment with the Company's strategic vision and operational capabilities.

Based on the scoring and prioritisation, we created a materiality matrix. The matrix visually represents the significance and priority of each material topic, plotting them on axes of impact (both actual and potential) and importance to stakeholders. The Y axis represents the impact on stakeholders, and the X axis represents the impact on the business. The materiality matrix provides a clear and structured representation of which topics are most critical to address, guiding Hero MotoCorp's strategic decisions and sustainability initiatives.

MATERIALITY ASSESSMENT

Materiality Matrix (2023-24)
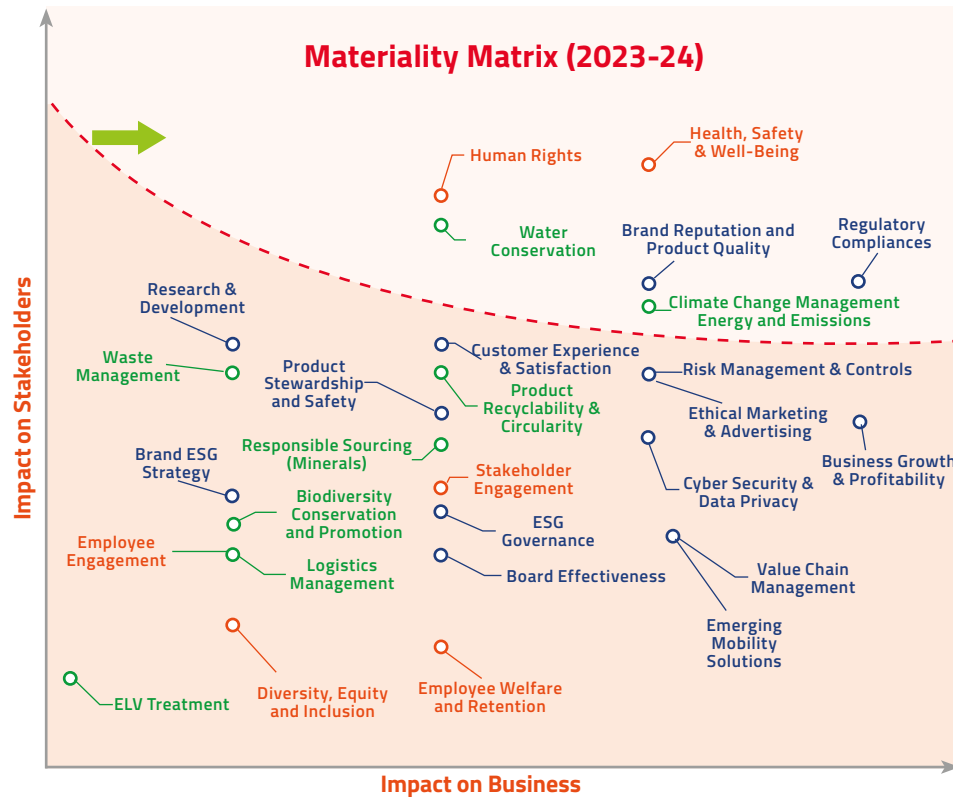
From Materiality Matrix, we have outlined the strategic areas to the management as well as stakeholders.

Climate Change Management – Energy and Emissions	Human Rights
Water Conservation	Regulatory Compliances
Health, Safety and Well-being	Brand Reputation and Product Quality

We have also reported on value chain management as this will be an emerging priority area in future.

Mapping of Changes in Material Topics

Revisiting materiality assessment enable us to reassess the priorities of the stakeholders and the business impacts of material topics. As the industrial landscape has evolved in a post-pandemic scenario we have mapped changes in high-priority material topics as below:

	Previous Reporting Period	Current Reporting Period
Environment	Climate Protection (Energy & Emissions)	Climate Change Management – Energy and Emissions
	Water Conservation	
	Product Stewardship	Water Conservation
	Efficient Waste Management	
Social	Health Safety and Well-being	Health, Safety and Well-being
	Human Rights	Human Rights
Governance	Ethical Practices	Regulatory Compliances
	Regulatory Compliance	
	Assuring Product Quality	Brand Reputation and Product Quality
	Brand & Reputation Management	
	Emerging Mobility Solutions	Value Chain Management
	Business Growth & Profitability	
	Responsible Value Chain	

MATERIALITY ASSESSMENT

Impact Mapping and Significance of High-priority Material Topics

Category (ESG)	High-priority Material Topics	Impact Activities	Impact on the Value Chain	Stakeholders (External / Internal)	UN SDGs Mapping
Environment	Climate Change Management – Energy and Emissions	Energy consumption	Upstream & downstream value chain, operations and products	▪ Investors ▪ Communities ▪ Suppliers and dealers	7 AFFORDABLE AND CLEAN ENERGY / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION
	Water Conservation	Water consumption and discharge	Operations, value chain and communities	▪ Employees ▪ Communities	6 CLEAN WATER AND SANITATION / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 14 LIFE BELOW WATER
Social	Health, Safety and Well-being	Risk of injuries, fatalities and illnesses	Upstream & downstream value chain, operations and products	▪ Employees ▪ Workers ▪ Suppliers ▪ Customers ▪ Communities	3 GOOD HEALTH AND WELL-BEING / 6 CLEAN WATER AND SANITATION / 8 DECENT WORK AND ECONOMIC GROWTH
	Human Rights	Human rights violations	Upstream & downstream value chain, operations and community	▪ Employees ▪ Workers ▪ Value chain ▪ Communities	3 GOOD HEALTH AND WELL-BEING / 5 GENDER EQUALITY / 10 REDUCED INEQUALITIES

MATERIALITY ASSESSMENT

Category (ESG)	High-priority Material Topics	Impact Activities	Impact on the Value Chain	Stakeholders (External / Internal)	UN SDGs Mapping
Governance	Regulatory Compliances	Regulatory compliance	Upstream & downstream value chain, operations	▪ Government institutions and regulatory bodies ▪ Value chain ▪ Investors ▪ Customers	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
	Brand Reputation and Product Quality	Strengthening brand reputation through effective communication, quality control, supply chain monitoring, marketing, sales, customer engagement and services etc.	Upstream & downstream value chain, operations and products	▪ Investors ▪ Customers	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
	Value Chain Management	Purchase of goods and services, sales of goods	Upstream & downstream value chain and products	▪ Investors ▪ Communities ▪ Suppliers and dealers	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS

MATERIALITY ASSESSMENT

Material Topics: Environment

Climate Change Management – Energy and Emissions

Significance of Material Issue (Business Case)

The energy consumption and emissions resulting from various organisational activities, such as raw material procurement, manufacturing, transportation, product use, and disposal, have a significant impact. These activities positively impact communities and customers by enabling automation and providing fuel-efficient vehicles that enhance last-mile connectivity, particularly for women from rural and urban backgrounds, thus contributing to individual mobility.

However, continued reliance on fossil fuel-based energy consumption poses potential risks and negative impacts on the environment, communities, and human rights, including climate risks contributing to Greenhouse Gases (GHG) emissions, air pollution and climate change. Furthermore, escalating energy costs and geopolitical uncertainties can lead to price fluctuations, causing actual and potential negative economic impacts on the external stakeholders - value chain (upstream and downstream) and the organisation.

Risks Associated as per Enterprise Risk Management (ERM)

- Managing the shift from internal combustion engine (ICE) vehicles to electric vehicles (EVs)
- Climate change

Business Impact

Cost, risk, and revenues

Quantified Impact

- **Emission:** 1,03,600 tCO$_2$ (Scope 1 and 2 emissions for 100% business activities for defined current reporting boundaries)
- **Energy consumed:** 2,33,671 MWh

Stakeholders Impacted	Investors, Communities, Suppliers, and Dealers							
Impacts	**Social**		**Economic**		**Environmental**		**Human Rights**	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
	+	–	–	–	–	–	N	–
Complexity	Standalone	Systemic	Standalone	Systemic	Standalone	Systemic	Standalone / Systemic	Systemic

+: positive impact, –: negative impact, N: neutral / no impact

Management Approach

Our Policies: Environmental Policy, Sustainability Policy, Sustainable Procurement Guidelines and Supplier Code of Conduct.

Potential short-term and long-term negative impacts of climate change on communities, organisation, value chain partners are managed by:

- Promoting energy efficiency and targeted emission intensity reduction.
- Reducing dependence on fossil fuels for operations, through investments in onsite or offsite renewable energy projects, investing in alternative and flex fuel technologies, and enhancing fuel efficiency and curbing emission through BSVI-compliant norms.
- Partnering with organisations (Zero Motorcycle) for expanding EV product portfolios and manufacturing.
- Conducting detailed climate risk assessments for our facilities and preparing short-, medium- and long-term mitigation strategies based on risk priorities.

- Engaging with our value chain partners to create awareness and taking proactive steps to decarbonise their energy portfolios to reduce their impact on environment, communities and economy.
- Building resilience at the community level through afforestation drives and restoration of Aravali Biodiversity Park.

Goals / Targets

100% carbon-neutral operations by 2030

Goal Progress

FY 2023-24 - 40% carbon-neutral operations

46% more renewable energy used from FY 2022-23

14,219 tCO$_2$ emissions avoided

MATERIALITY ASSESSMENT

Material Topics: Environment

Water Conservation

Significance of Material Issue (Business Case)

Water is a shared resource, and water conservation is a significant issue for our stakeholders, including communities, employees, and value chain partners. Water is used in essential applications throughout our operations and supply chain, such as painting, machining, ventilation requirements, and human consumption. We recognise the importance of water conservation for our communities and are implementing initiatives to have a positive impact through our CSR programmes. While there are no actual negative impacts on communities or the economy, there is a potential for impact in long term due to future climate risks, such as droughts driven by climate change.

Risks Associated as per Enterprise Risk Management (ERM)

- Climate change

Business Impact

Risk and revenues

Quantified Impact

- **Total water consumption:** 7,57,178 KL (for 100% business activity defined for current reporting boundary)
- **% of total water recycled / reused:** 61.87

Stakeholders Impacted	Employees, Communities							
Impacts	**Social**		**Economic**		**Environmental**		**Human Rights**	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
	+	-	N	N	+	-	N	-
Complexity	Standalone	Systemic			Standalone	Systemic		Systemic

Management Approach

Our Policies: Water Policy and Sustainability Policy

- Our facilities are zero liquid discharge, which ensure minimal fresh water withdrawal and recycling of wastewater for reuse. Our Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) with recycling capability treat domestic and process wastewater for reuse in processes and horticulture, which ensure no negative impact in the short term.

- Hero MotoCorp is committed to achieve water positivity through rain harvesting and optimising water consumption intensity by implementing various water-saving measures.

- We have installed advanced technologies such as nano pre-treatment in our paint shop, adiabatic cooling towers, radiator-type cooling, drip irrigation, and low-flow water faucets to minimise water usage.

- To mitigate long-term climate risk, we are implementing various initiatives such as constructing rainwater recharge shafts as well as developing farm ponds beyond the fence, which not only help with water conservation but also allow communities to generate livelihood by ensuring the availability of water for farming activities.

Goals / Targets

500% water positivity by 2025

Goal Progress

FY 2023-24 - 455% water positivity

Fresh water Intensity Reduction: 13.8% reduction in fresh water intensity from FY 2022-23

MATERIALITY ASSESSMENT

Material Topics: Social

Health, Safety and Well-being

Significance of Material Issue (Business Case)

Hero MotoCorp is committed to ensuring health, safety, and well-being for all stakeholders, like employees, customers, value chain partners, communities, etc. through our business activities. Additionally, we have prioritised health and safety as a criterion in our contractual agreements and onboarding new suppliers. Moreover, we are conducting regular assessments at suppliers' facilities for various health and safety indicators. Furthermore, we have integrated product safety features in our products that ensure the positive impact on health, safety, and well-being of our customers. We allocate financial resources to uphold health, safety, and well-being of our stakeholders, resulting in both actual positive and potential neutral economic impacts. Our adherence to statutory and international standards, coupled with regular auditing, underscores our unwavering dedication to the well-being of our stakeholders.

Risks Associated as per Enterprise Risk Management (ERM)

- Labour and communities

Business Impact

Risk and revenues

Quantified Impact

- **Fatalities:** 0
- **LTIFR:** 0.24 (permanent employees) and 0.35 (contractual employees)

Stakeholders Impacted	Employees, Workers, Suppliers, Customers, Community							
Impacts	**Social**		**Economic**		**Environmental**		**Human Rights**	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
	+	-	+	N	+	N	+	-
Complexity	Systemic	Systemic					Systemic	Systemic

Management Approach

Our Policies: Occupational Health and Safety (OHS) Policy, Sustainable Procurement Guidelines, and Sustainability Policy

HMCL has made a positive impact on stakeholders through various activities such as:

- Establishing joint committees to identify, assess, and mitigate occupational health and safety (OHS) risks, which helps to prevent negative social impacts and enhance positive social impacts while ensuring the health and safety of the workforce.

- Maintaining a healthy workforce and reducing healthcare costs to boost overall productivity creates a positive impact, thereby upholding human rights.

- Implementing rigorous safety measures including proper disposal of hazardous waste, adherence to government regulations and emission control measures, which include capturing paint particles and Volatile Organic Compounds (VOCs) during production, help to reduce environmental impacts.

- All our plant facilities are certified as Zero Waste-to-Landfill (ZWL), which help us to maintain a positive impact on the environment, communities, and human right aspect (health, safety and well-being).

- Investing in Research & Development (R&D) for advanced technological interventions and product safety features (Hero Intelligent Cornering Light TM - HiCL and side stand indicators) focused on customer safety and ensuring a positive impact on customers.

- Promoting CSR programmes focusing on ride safety and various community development programmes to provide training for safe riding practices.

- Engaging with value chain partners and conducting audits at the supplier facilities to ensure safety and awareness measures are in place.

Goals / Targets

Zero fatalities on annual basis

Goal Progress

Zero fatalities in FY 2023-24
100% of HMCL facilities are **ISO 45001:2018**-certified

MATERIALITY ASSESSMENT

Material Topics: Social

Human Rights

Significance of Material Issue (Business Case)

We are committed to uphold equal opportunities, health and safety at the workplace. We actively enforce a zero-tolerance policy against all forms of discrimination, harassment, child and forced labour, modern slavery, and human trafficking. Any violation of human rights poses a risk to our reputation and could have financial implications. Therefore, it is significant for stakeholders and management to prioritise human rights on Company-wide strategies.

Stakeholders Impacted	Employees, Workers, Value Chain, Communities							
Impacts	**Social**		**Economic**		**Environmental**		**Human Rights**	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
	+	-	+	-	N	N	+	-
Complexity	Systemic		Standalone				Systemic	

Risks Associated as per Enterprise Risk Management (ERM)

- Labour and communities

Business Impact

Risk and revenues

Quantified Impact

- 100% return-to-work rate after taking parental leaves

Management Approach

Our Policies: POSH, Human Rights, Sustainable Procurement Guidelines and Conflict Minerals Policy.

We have taken proactive measures to prohibit any violation of human rights:

- Conducted due diligence and informed workers regularly about established channels for reporting grievances.
- Enforcement of human rights policy to prohibit child and forced labour.
- Sensitising employees through training sessions to ensure re-enforcement of our zero-tolerance policy towards human rights violations.
- Organising regular assessments and awareness sessions for Prevention of Sexual Harassment (POSH) and constituted POSH committees to safeguard the interests of the women workforce.
- Entitled parental leaves for male and female employees.
- Internal audits and supplier assessments were conducted

to ensure timely resolutions of any concerns that arose while also protecting human rights within operations and the supply chain.

- Set up the Better Works portal for anonymously reporting grievances and enhancing transparency and accountability.

Goals / Targets

30% gender diversity by 2030

Goal Progress

13.5 % gender diversity in FY 2023-24

MATERIALITY ASSESSMENT

Material Topics: Governance

Regulatory Compliances

Significance of Material Issue (Business Case)

Hero MotoCorp diligently upholds regulatory compliances in all spheres covering its multifaceted operations including research & development, manufacturing, office spaces, value chain management, financials, sales & marketing and customer service.

We ensure transparency and accountability in partner relationships, for adherence to environmental, social, and governance (ESG) criteria. We demonstrate ethical business practices within our organisation and value chain and ensure adherence to all the laid statutory compliances.

We are creating positive impact on the environment, communities and economy by taking voluntary initiatives apart from adherence to statutory requirements. We are committed to protect our customers' data in compliance with data protection laws, which increases trust and loyalty towards our Company. Furthermore, the organisation adheres to taxation principles and uses research and development in an ethical manner aligned with intellectual property rights.

Risks Associated as per Enterprise Risk Management (ERM)

- Regulatory risk

Business Impact

Cost, risk, and revenues

Quantified Impact

- 100% transition to BS VI norms

Stakeholders Impacted	Regulatory agencies & Govt. Institutions, Investors, Value Chain, Customers							
Impacts	**Social**		**Economic**		**Environmental**		**Human Rights**	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
	+	–	+	+	+	–	+	+
Complexity	Standalone	Systemic	Standalone	Systemic	Standalone	Systemic	Standalone / Systemic	Systemic

Management Approach

Our Policies: Tax strategy, Privacy Policy, Ethical Marketing and Advertising, Code of Conduct

Proactive measures to ensure adherence to regulatory compliance and prioritise ethical practices by:

- Regular employee training sessions and annual sign-off of Code of Conduct, fostering integrity and accountability.

- Ensuring product conformity in alignment with industry standards and regulatory requirements, spanning in the areas of use phase of the products and vehicle end-life compliance way forward.

- Delivery of the products to the end users after third-party certification by competent agencies like iCAT and ARAI.

- Adhering to regulatory standards including environmental and adopting effective tax strategies as a responsible business house.

- Fostering sustainable practices contributes to GDP growth, which helps in creating a lasting impact on the community and relevant stakeholders.

- Data privacy and protection for our stakeholders in compliance with regulations, upholding human rights.

- Effective mechanism including e-compliance tool for safeguarding entity against overall compliance-related risks.

- For in-depth risk analysis, the Risk Management Committee receives periodic inputs from Risk SteerCo to develop mitigation plans for key identified risks to avoid impact on business activities leading to financial losses.

Goals / Targets

Adherence to all regulatory compliances

Compliance to vehicle emission norms

Goal Progress

100% transition to BS VI emission norms within timelines and continues adherence to them.

MATERIALITY ASSESSMENT

Material Topics: Governance

Brand Reputation and Product Quality

Significance of Material Issue (Business Case)

We prioritise brand reputation and product quality, considering it fundamental to the organisation's DNA. Our activities aim to create significant positive impacts on stakeholders and the business. A robust brand reputation and high-quality products help us to build consumer trust and loyalty, leading to increase in sales and market share, and hence has a positive economic impact on the business. Also, it helps us to maintain enduring relationships with investors and customers. Increased market share and an improved brand reputation also help us to maintain enduring relationships with investors and customers.

It enables us to uphold human rights by providing safe and reliable transportation options, contributing to the well-being and safety of our customers. We collate regular customer feedbacks at dealerships level and continuously improve our performance to enhance customer experience, which helps us to retain our large customer base.

Risks Associated as per Enterprise Risk Management (ERM)

- Customer-acceptable quality

Business Impact

Cost, risk, and revenues

Quantified Impact

116+ million customer base

7% reduction in customer complaints compared to FY 2022-23

Stakeholders Impacted	Investors, Customers							
Impacts	**Social**		**Economic**		**Environmental**		**Human Rights**	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
	+	−	+	+	+	+	+	−
Complexity	Standalone	Standalone	Standalone	Systemic	Standalone	Systemic	Standalone / Systemic	Systemic

Management Approach

Our Policy: Quality Policy

We have taken affirmative steps to build strong brand reputation and product quality by:

- Delivering quality products, enhances consumer trust and loyalty, driving economic growth through increased sales and market share leading to positive economic impact.

- Focusing on maintaining high product quality standards, enable us to minimise rejections, waste generation, and resource consumption during the manufacturing leading to create positive environmental impact.

- Ensuring human rights and safety, we focus on effective quality building, supported by internal benchmarking of processes and Quality Function Deployment (QFD). We follow robust quality standards at organisation level and deploy the same for our value chain partners.

- Achieving high customer experience index scores and a significant reduction in customer complaints, showcasing our commitment to customer satisfaction.

We have developed rigorous testing procedures during product development and manufacturing phase for excellence in performance and durability, leading to enhanced customer experience.

Goals / Targets

100% customer satisfaction annually

Goal Progress

98.77% customer satisfaction in FY 2023-24

100% of HMCL facilities are **ISO 9001:2015** certified

MATERIALITY ASSESSMENT

Material Topics: Governance

Value Chain Management

Significance of Material Issue (Business Case)

Hero MotoCorp incorporates sustainable practices into its value chain management constituting suppliers and dealers. Effective value chain management results in significant positive impacts on the economy, the environment, and communities. It leads to cost savings, increased productivity, and resource optimisation.

Environmental impacts include depletion of resources, GHG emissions, water stress, waste generation and air pollution. Promoting green sourcing of materials and ensuring compliance with Restriction of Hazardous Substances (RoHS) regulations helps in pollution control and optimise resources, positively impacting the environment.

We strive to strengthening value chain management by effectively monitoring and addressing health, safety, and human rights concerns through due diligence in near future.

Risks Associated as per Enterprise Risk Management (ERM)

- Semiconductor shortage
- Geopolitical risk

Business Impact

Cost, risk, and revenues

Quantified Impact

- 3 MWp of solar PV systems installed at our dealerships

Stakeholders Impacted	Investors, Communities, Suppliers, and Dealers							
Impacts	**Social**		**Economic**		**Environmental**		**Human Rights**	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
	+	–	+	+	+	–	N	–
Complexity	Standalone	Systemic	Standalone	Systemic	Standalone	Systemic	Standalone/ Systemic	Systemic

Management Approach

Our Policies: Sustainable Procurement Guidelines and Supplier Code of Conduct

We ensure ethical sourcing practices and compliance through comprehensive supplier screening processes and regular audits across the value chain to mitigate risk associated with human rights.

- Collaborative efforts with suppliers to promote responsible and sustainable business practices and minimising environmental impact through our comprehensive Sustainable Partner Development Programme (SPDP). Hero MotoCorp has 128 significant supply chain partners selected for the SPDP, constituting a high volume of business.

- Implemented de-risking strategies, such as multi-sourcing plans for critical suppliers, integrating sustainable practices into value chain management, helping us to minimise operational vulnerabilities and generate positive economic, environmental and social outcomes.

- Our green dealerships programme focuses on implementing sustainability (Green energy, Green products and Green processes) at dealership levels.

- Regular reviews and discussions with value chain partners to mitigate business interruption risks and maintain high accountability and performance standards.

Our proactive management and mitigation strategies reflect a commitment to responsible and ethical business practices, enhancing our reputation and long-term sustainability.

Goals / Targets

100% green dealerships by 2030

Goal Progress

17% green dealerships in FY 2023-24

MATERIALITY ASSESSMENT

Material Issues for External Stakeholders

During the materiality assessment, we identified economic, environmental, and social impacts on external stakeholders, mainly through our operations, value chain, and products.

Category (ESG)	High-priority Material Areas	Cause of Impact	Impact Areas	Quantified Impacts and Metrics	External Stakeholders
Environment	Climate Change Management – Energy and Emission	Operations and product (use phase of product)	Environment and community	**Impact Valuation: Environment Gain / Loss** • **Emissions:** 1,03,600 tCO_2 (negative impact on the environment and community) • **Renewable Energy:** 46% more renewable energy used than FY 2022-23 (**positive impact** on environment, society by avoiding emissions. Total avoided emission 14,219 tCO_2 in FY 2023-24)	▪ Investors ▪ Communities ▪ Suppliers and dealers
	Water Conservation	Operations	Environment and community	**Impact Valuation: Environment Gain / Loss** • Total water consumption: 7,57,178 KL (negative impact on the environment and community) • Fresh water intensity reduction: 13.8% (**positive impact** on the environment and society by reducing water consumption per vehicle) • Target: 500% water positivity by 2025 • Performance: 455% water positivity achieved (**positive impact** on the environment and society)	▪ Communities
Social	Health, Safety and Well-being	Operations	Environment, community and product	**Impact Valuation: Health issues and social costs avoided** • Zero fatalities (**positive impact** on community, economy) • All our facilities are ZWL-certified (over 99 % diversion rate achieved from zero waste-to-landfill, **positive impact** on the environment and communities)	▪ Suppliers ▪ Customers ▪ Communities
	Human Rights	Operations	Environment and community	**Impact Valuation: Promote Inclusivity** • Target: To achieve 30% gender diversity by 2030 • 13.5% diversity achieved (**positive impact** on community)	▪ Value chain ▪ Communities

MATERIALITY ASSESSMENT

Category (ESG)	High-priority Material Areas	Cause of Impact	Impact Areas	Quantified Impacts and Metrics	External Stakeholders
Governance	Regulatory Compliances	Operations, value chain and products	Environment, community, and product	**Impact Valuation: Complying with All Regulations** ■ 100% transition to BS VI emission norms achieved (**positive impact** on the Environment, community, and customer) ■ Abiding by all environmental regulations (**positive impact** on the environment and society)	■ Government institutions ■ Value chain ■ Investors ■ Customers
	Brand Reputation and Product Quality	Operations, value chain, and products	Environment, community, and product	**Impact Valuation: Positive Products and Services Provided** ■ Customer Satisfaction: 98.77% (**positive impact** on customers and the economy) ■ 7% reduction in complaint compared to FY 2022-23. (**positive impact** on customers and the economy)	■ Investors ■ Customers
	Value Chain Management	Value chain	Environment and community	**Impact Valuation: Environment Gain / Loss** ■ 3 MWp of solar PV systems installed at our dealerships facilities (**positive impact** on environment, customer, economy and communities) ■ 17% green dealerships in FY 2023-24 (**positive impact** on the environment, customer, economy, and communities)	■ Investors ■ Communities ■ Suppliers and dealers

MATERIALITY ASSESSMENT

Executive Compensation Linked to Material Issues

Key performance indicators (KPIs) are established to define goals and targets for various material issues. These KPIs are used to evaluate the performance of our employees and executives and to measure progress and achievement of specific objectives during performance reviews.

Category (ESG)	High-priority Material Areas	Mapped KPIs
Environment	Climate Change Management - Energy and Emissions	100% Carbon-neutral operations by 2030
	Water Conservation	500% Water positivity by 2025
Social	Health, Safety and Well-being	Zero fatalities
	Human Rights	30% Gender diversity by 2030
Governance	Regulatory Compliances	Compliance to regulatory norms
	Brand Reputation and Product Quality	100% Customer satisfaction annually
	Value Chain Management	100% Green dealership by 2030

Detailed outcome of materiality assessment along with management approach has been approved by Sustainability Steering Committee comprising of C-Level executives. Our organisation is committed to continuously improve its performance on material issues and preparing strategies to create positive impact on all the stakeholders.

Assurance

This materiality assessment process is verified and assured on limited basis by M/s Intertek India Private Limited on GRI indicators. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

➚ **Assurance Statement – Materiality Assessment**

ENVIRONMENT

Being one of the world's leading two-wheeler manufacturing companies, Hero MotoCorp demonstrates a strong sense of responsibility and commitment when it comes to addressing environmental protection and challenges posed by the climate crisis. Every aspect of our operations reflects our dedication to environmental stewardship. We are shaping a future where responsible business practices align seamlessly with ecological well-being. Our collective efforts echo a resounding commitment to mitigating environmental impacts, fostering resilience, and championing a sustainable legacy to benefit the planet and future generations.

Focus Areas

- Environmental Management
- Climate Action
- Energy Management
- Water Management
- Circularity
- Waste Management
- Product Stewardship
- Biodiversity Protection

UN SDGs Mapping

| 3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND |

Highlights

40%
Carbon-neutral operations

100%
Zero Waste-to-Landfill

455%
Water-positive facilities

46%
Increase in use of renewable energy from FY 2022-23

ENVIRONMENTAL MANAGEMENT

Environmental Management System

Hero MotoCorp has implemented an environmental policy based on ISO 14001 (the international standard for environmental management systems) to mitigate the adverse environmental effects of our products and operations. We regularly review and update the policy to align with the ever-evolving business landscape and the varied requirements of stakeholders.

Environmental Policy

In March 2024, we updated our environmental policy as part of our ongoing efforts to improve environmental performance through eco-friendly management and reduce negative environmental impact throughout the value chain. The policy applies to all our employees, business partners, and other relevant parties; we expect our business partners and other relevant parties to comply.

Composition of Environmental Policy

Overview	Principle Elements	System for Execution
▪ Purpose of establishment ▪ Scope ▪ Implementation measures	▪ Conservation of natural resources - raw materials ▪ Energy ▪ Water ▪ Waste ▪ Pollutants ▪ Hazardous materials ▪ Greenhouse gases ▪ Waste products (reuse/recycling) ▪ Communities	▪ Governance ▪ Training programmes ▪ Workshops ▪ Stakeholder communication ▪ Performance management

↱ **Hero MotoCorp Environmental Policy**

Environmental Management Governance

We have established a robust governance system to identify and manage major environmental issues through close and regular communication with stakeholders.

Role of the Sustainability and Corporate Social Responsibility Committee – SCSR

The Board Level Committee (Sustainability and Corporate Social Responsibility Committee – SCSR) serves as the highest decision-making body regarding environmental matters. The committee receives reports on environmental management performance, major risk factors, and improvement activities and provides recommendations to enhance our environmental practices. The SCSR Committee oversees the implementation of environmental practices and assesses the adequacy of our Company's sustainable development framework to meet current and future challenges. It also monitors and approves the proper distribution of resources for our Company's sustainability roadmap and reviews the environmental performance and targets quarterly.

Role of the Sustainability Steering Committee (SteerCo)

Sustainability SteerCo is responsible for making all decisions about environmental aspects and executing the organisational environmental management plan. They play a pivotal role in fostering innovation, resource planning, and guiding the key stakeholders in implementing various environmental protection programmes within and outside the Company.

Role of the Sustainability Core Team

The sustainability core team drives our Company's environmental agenda. Their responsibilities include setting targets, consulting with leadership and functional teams, monitoring and disclosing environmental progress while reporting on sustainability indices, and supporting the plant-level team in implementing environmental management system.

Role of Plant-level Teams

The plant-level teams are responsible for developing and maintaining an environmental management system, increasing environmental efficiency, reducing the environmental footprints of business sites, recognising and mitigating environmental hazards, and receiving and managing grievances about the environment are among the responsibilities assigned to the plant-level teams.

Implementation of Environment Management System

Hero MotoCorp has established a structured framework to effectively manage environmental aspects and impacts. We have a robust mechanism to identify all the applicable regulatory requirements and establish an effective system to comply with all statutory requirements and environmental regulations through the respective competent authorities.

100% of our facilities are ISO 14001 certified

ZERO Environmental violations and monetary fines in FY 2023-24

Environmental Awareness

Our employees play a crucial role in our environmental stewardship and contribute significantly to our environmental performance. Our environmental professionals receive strategic awareness, training, and guidance to help them keep up with evolving environmental concerns, laws, standards and best practices. Our awareness and training programmes include various topics, such as impact assessment, air quality management, GHG emission reduction measures, waste management, water management, and other pressing environmental challenges.

CLIMATE ACTION: OUR RESPONSE

In recent decades, the world has witnessed unprecedented changes in climate patterns, leading to a global crisis that demands urgent attention. Responding to climate change is not just a responsibility but a necessity for the survival of our planet. Hero MotoCorp responds to climate change at a company level by constantly identifying, evaluating, and managing climate-related risks and opportunities. A unified effort is crucial to safeguarding our planet for current and future generations.

In response to the challenges posed by climate change, we have opted to disclose our climate-related data in accordance with the recommendations prescribed by the Task Force on Climate-Related Financial Disclosures (TCFD).

Governance – Climate Change

The Sustainability Steering Committee, operating under the Board-Level Committee (Sustainability and Corporate Social Responsibility Committee - SCSR), oversees and manages risks and opportunities associated with ESG, including carbon neutrality and climate change. The committee convenes bi-weekly to review the status of relevant assignments and ongoing initiatives, such as climate change, carbon-neutral operations, and other ESG challenges. It reports to the Board quarterly on the progress of ESG initiatives. As the highest decision-making body, the Board holds responsibility for these matters and makes final decisions on reported issues.

Core Elements of TCFD Recommendations

Governance
Disclose the organisation's governance around climate-related risks and opportunities.

Strategy
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Risk Management
Disclose how the organisation identifies, assesses, and manages climate-related risks.

Metrics and Targets
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Governance Structure and Roles of Management

Sustainability and Corporate Social Responsibility Committee (Board of Directors)

Sustainability Steering Committee (C – Level Executives)

Corporate and Plant Level Team

Sustainability Core Team	**R&D and Innovation Team**	**Environment, Health & Safety Team**	**Energy Management/ Facility Management Team**	**Other Key Departments**
Driving the ESG agenda of the organisation, establishing strategies, setting targets, consulting with the leadership and functional teams	Conduct LCAs Innovate new technology to reduce GHG emissions	Manage water and air emissions and hazardous waste	Manage the energy consumption of the facilities, implement energy efficiency projects	Support the ESG initiatives to achieve targets

CLIMATE ACTION: OUR RESPONSE

Climate Strategy

A climate action plan or climate strategy is based on selecting plausible scenarios and time horizons relevant to risk and impact mapping.

Scenario Selection

Hero MotoCorp systematically addresses potential climate risks and opportunities through transitional and physical scenario analysis. In the reporting year, we conducted a comprehensive qualitative analysis of climate risks for our business facilities, including six manufacturing plants, one Global Part Centre (GPC), and one R&D Centre (CIT).

In the previous reporting period, our Company analysed two scenarios: one based on the 2DS (2°C Scenario) and the other on RCP 8.5 (non-reduction scenario), the most conservative of the RCP (Representative Concentration Pathway) scenarios based on the concentration of carbon dioxide in the atmosphere. We mapped these scenarios to account for global climate change's uncertainties within existing policy frameworks. Given the persistent uncertainty due to global geopolitical circumstances, particularly in transitioning towards climate change mitigation, we have introduced two new scenarios. RCP 2.6 assesses physical risks associated with climate change, and B2DS (Beyond 2° Scenario) addresses transitional risks and explores potential pathways for adaptation and resilience-building amid uncertain geopolitical conditions. These additional scenarios provide a more comprehensive understanding of the climate change's likely impacts and challenges and shape our strategic decision-making processes accordingly. In the coming years, we will conduct the climate risk assessment of our supply chain to quantify and assess the risks. Given that our supply chain is predominantly local / regional, the same physical risks affecting our plants may similarly impact our supply chain.

The time horizons considered for evaluating these risks are short-term (0-5 years), medium-term (5-15 years), and long-term (15-30 years).

Scenario Selection	Scenario Analysis	Time Horizon
▪ Transition- IEA 2DS and B2DS ▪ Physical- RCP 2.6 and RCP 8.5	▪ Qualitative	▪ Short-term- (0-5 years) ▪ Medium-term- (5-15 years) ▪ Long-term- (15-30 years)

Transitional Risk

Transitional risks are assessed based on the International Energy Agency (IEA) scenario, 2DS and B2DS. These scenarios consider potential pathways for transitioning to a low-carbon economy, accounting for various policy and technological changes at both global and national levels.

Our Company assessed transition risks across various legal, regulatory, technology, market, and reputation factors. Regulatory risks encompass compliance with country-specific and international regulations, while technology risks involve upgrading and investing in new technology. Market risks relating to changing customer behaviour and increased raw material costs, while reputational risks encompass customer preferences and stakeholder concerns.

Physical Risk

To assess physical risks, the Intergovernmental Panel on Climate Change (IPCC) proposed four distinct scenarios: RCP 2.6, RCP 4.5, RCP 6, and RCP 8.5. These scenarios represent different potential future greenhouse gas concentration pathways.

The approach for identifying physical risks involved desktop research, industry benchmarking, local stakeholder consultations, and combinations of tools. Stakeholder consultations focused on understanding climate change science, validating desk research through plant-level ground checks, and training teams to update event registers with historical data, official records, published news, and the Indian Meteorological Department (IMD) data. We mapped the detailed impact for RCP 2.6 and RCP 8.5 scenarios.

Major identified transition risks

- Current regulation
- Emerging regulation
- Market risk
- Technological risk
- Legal risk
- Reputational risk

Major identified physical risks

Major acute risks

- Drought
- Heatwave
- Cold wave
- Wind hazard
- Dust storm

Major chronic risks

- Air quality
- Water stress
- Extreme summer temperatures

CLIMATE ACTION: OUR RESPONSE

Acute Physical Risks

		Dharuhera (Rewari)	Gurugram	Haridwar	Neemrana (Alwar)	Jaipur	Vadodara	Tirupati
Drought	RCP 2.6 / RCP 8.5							
Heatwave	RCP 2.6 / RCP 8.5							
Dust Storm	RCP 2.6 / RCP 8.5							
Thunder Storm	RCP 2.6 / RCP 8.5							
Flood	RCP 2.6 / RCP 8.5							
Cyclones	RCP 2.6 / RCP 8.5							
Lightening	RCP 2.6 / RCP 8.5							
Hail Storm	RCP 2.6 / RCP 8.5							
Wind Hazard	RCP 2.6 / RCP 8.5							
Cold Wave	RCP 2.6 / RCP 8.5							
Fog Days	RCP 2.6 / RCP 8.5							
Snowfall	RCP 2.6 / RCP 8.5							
Rainfall	RCP 2.6 / RCP 8.5							

Legend: No Risk | Very Low Risk | Low Risk | Moderate Risk | High Risk | Very High Risk | Extremely High Risk

Chronic Physical Risks

		Dharuhera (Rewari)	Gurugram	Haridwar	Neemrana (Alwar)	Jaipur	Vadodara	Tirupati
Extreme Summer Temp.	RCP 2.6 / RCP 8.5							
Water Stress	RCP 2.6 / RCP 8.5							
Saline Water Intrusion	RCP 2.6 / RCP 8.5							
Sea level rise	RCP 2.6 / RCP 8.5							
Glacial melting	RCP 2.6 / RCP 8.5							
Air Quality	RCP 2.6 / RCP 8.5							

Legend: No Risk | Very Low Risk | Low Risk | Moderate Risk | High Risk | Very High Risk | Extremely High Risk

Other Risks

		Dharuhera (Rewari)	Gurugram	Haridwar	Neemrana (Alwar)	Jaipur	Vadodara	Tirupati
Land Slide	RCP 2.6 / RCP 8.5							
Vectors/ Pests	RCP 2.6 / RCP 8.5							

Legend: No Risk | Very Low Risk | Low Risk | Moderate Risk | High Risk | Very High Risk | Extremely High Risk

CLIMATE ACTION: OUR RESPONSE

Short-, Medium-, and Long-term Climate-related Risks and Opportunities

Type	Regulatory Risk-Current	Regulatory Risk-Emerging	Technology Risk	Legal Risk
Key Issues / Risks	More stringent policies and regulations to combat climate change and emission norms	Carbon Credit Trading Scheme (CCTS) and EPR credits	Increase in the competition for technology development of eco-friendly vehicles	More stringent fuel economy regulations for ICE vehicles
Time Horizon	Short- and medium-term	Short- and medium-term	Short-term	Short- and medium-term
Potential Financial Impact	▪ Costs increase due to adherence to technological development to respond to climate change, emissions and regulatory requirements ▪ Rising operational costs	▪ The procurement of credit certificates results in escalating operational costs	▪ Decline in the 2w market share (ICE fuel efficiency, EV mileage, product safety, etc.)	▪ R&D costs increase due to fuel economy-related technological development ▪ Increased response costs because of penalties for non-compliance with regulations
Opportunities	▪ Market share gain by effective deployment of low emission norms technology / eco-friendly vehicles	▪ Acceleration in the adoption of energy-saving technologies ▪ Deployment of renewable energy into operations	▪ Explore new business models – battery-as-a-service and vehicle-as-a-service, etc. ▪ Charging infrastructure	▪ Increase in market share due to early deployment of higher fuel economy / eco-friendly vehicles ▪ Lower / reduce the costs of responding to regulations by promoting the development of low-emission norm technologies
Our Response / Mitigation Strategy	▪ Development of technologically superior products at our two world-class, state-of the-art R&D facilities–the CIT in India and Tech Centre Germany (TCG) working on emission reduction, fuel efficiency, EVs and future mobility	▪ Embracing emerging technologies for lowering energy and carbon footprint, e.g. Robotic paint shop, direct shaft driven blowers in ventilation system, VRV air conditioning with zoning control, etc. ▪ Energy transition from fossil fuel-based energy to renewable energy	▪ R&D on next generation mobility packages, flex fuel vehicles (FFV) ▪ In-house efforts towards a winning alternative fuel solution	▪ Development of technologically superior products at our two world-class R&D facilities–the CIT and TCG working on emission, fuel efficiency, EVs, and future mobility

CLIMATE ACTION: OUR RESPONSE

Short-, Medium-, and Long-term Climate-related Risks and Opportunities

Type	Market Risk	Reputational Risk	Physical – Acute Risk	Physical – Chronic Risk
Key Issues / Risks	Expansion of EV markets as the consumer sentiments are changing toward eco-friendly vehicles (shift from ICE vehicles to EV)	Growing demand from investors and other stakeholders for climate data disclosure	Damage to business sites due to abnormal weather events (cyclones, floods, extreme rainfall, and dust storms, etc.)	▪ Operation in water-stressed regions ▪ Rising pollution levels (air quality)
Time Horizon	Short- to medium-term	Short-term	Short-term	Long-term
Potential Financial Impact	▪ EV sales replacing traditional ICE volumes	▪ Failure to disclose climate change information will result in a decline in corporate value, withdrawal of investment, and consumer attrition	▪ Damage to production facilities and restoration cost	▪ Low production and eventually shut down ▪ Public transport and shared mobility solutions are taking over private modes of transportation, impacting sales volume
Opportunities	▪ Explore new business models – battery-as-a-service and vehicle-as-a-service, etc. ▪ Charging infrastructure	▪ Transparent disclosure of climate change-related information will boost investor confidence, brand image, and attract investments	▪ Investment in adaptation to climate change (climate-resilient infrastructure) ▪ Opportunity to tap rainwater to improve water positivity profile	▪ Utilise technology and lower water consumption ▪ Shared mobility opens new revenue streams by encouraging OEMs to develop targeted products and innovate business operations
Our Response / Mitigation Strategy	▪ R&D on next generation mobility vehicles ▪ Expanding the EV portfolio ▪ Expanding our market reach globally	▪ Disclose climate data transparently through Sustainability and Annual Reports ▪ Participate in international initiatives such as CDP, DJSI, and Sustainalytics, etc. ▪ Encourage value chain partners to participate and disclose climate change-related information	▪ Preparation of Climate Action task force ▪ Native tree buffer, removal / retrofitting of unsafe structures	▪ Enhanced efficiency of existing recycling facilities, increased reuse and recharging of groundwater through rainwater harvesting ▪ Successfully transitioned to Bharat Stage Emission Standards (BS VI) ▪ Expanding the EV portfolio

CLIMATE ACTION: OUR RESPONSE

Physical Climate Risk Adaptation

The assessment of physical climate risks and its adaptation plan covers 100% of our business operations.

Physical Risks	Adaptation Measures	Implementation Timelines
Droughts	- Reduce water consumption by implementing water-saving measures - Adopt water conservation measures within and beyond fence, e.g. storage and reuse of rainwater, artificial recharge of rainwater, use of recycled water - Benchmark all water intensive processes - Explore partnerships with industrial clusters to share best practices - Undertake afforestation and reforestation and water conservation at the community level - Coordinate emergency relief efforts	
Heatwaves	- Heatwave preparedness protocol - Awareness - Flexi work (early morning shifts for some employees to reduce mid-day exposure) - Hydration therapy: buttermilk and lemonade accessibility - On-site weather monitoring	
Cold Waves	- Thermal protection for workers; layered clothing - Warm beverages - Heated shelters - Emergency preparedness plan	
Wind Hazards	- Asset protection (yard bikes) - Wind break trees - Wind shelters - Emergency service preparedness	**Less than five years**
Dust Storms	- Comprehensive risk assessment for vulnerable areas and equipment - Risk assessment for employees - Assessing PPEs, enforcing the use of PPEs, face mask provision; protective eyewear - Emergency preparedness kits - Support medical assistance; post-event health checkups	
Cyclones	- Early warning system - Emergency preparedness plan - Evacuation plan, safe rooms, and shelters - Emergency kits, relocation planning	
Floods	- Drainage assessment; flood barriers - Emergency power systems - Emergency evacuation plans - Set up an emergency response team	

CLIMATE ACTION: OUR RESPONSE

Climate Risk Management

Our well-structured risk management framework enables us to identify, assess, categorise, address, and mitigate both positive opportunities and negative consequences associated with our business. These are monitored periodically, tracked, and reviewed through a robust governance and process architecture, with roles and responsibilities clearly defined for each stage.

Climate Risk Identification, Assessment, and Management Process

In our risk assessment process, we consider the specific nuances of each local and regional context when evaluating physical risks. Similarly, transitional risks are assessed within a framework considering sectoral dynamics and national policies, ensuring a comprehensive understanding of potential impacts. This dual contextual approach enables us to align our assessment process with immediate surroundings and broader industry and policy landscapes.

Identification of Company-wide issues related to climate change

Discussions with related departments to identify risks and opportunities along with their impact

Development of mitigation plans

Implementation of counter measures

Monitoring and analyses
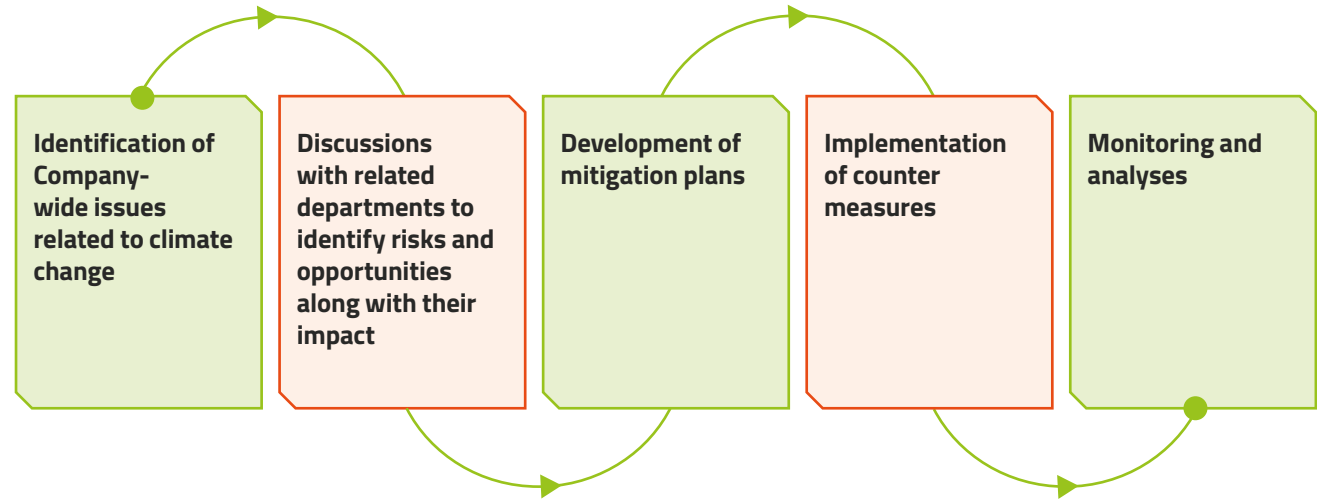
The Risk Management Committee (RMC), with the support of Enterprise Risk Management (ERM), oversees the overall risk management process of our business units and corporate functions. We undertake several measures to build strong risk awareness within our Company. Climate change is part of our risk register, which we review annually.

CLIMATE ACTION: OUR RESPONSE

Targets and Progress

Entity	Targets	Progress	Primary Impact	Secondary Impact
Climate Action				
Operations	Carbon-neutral operations by 2030	Achieved 40% carbon-neutral operations	Reduce global temperature	• Climate action
Vehicles / Products	Accelerate alternate mobility business through EVs and required infrastructure	Expanding our EV portfolio by launching new models and opening new dealership	Reduce GHG emissions	• Circularity • Focus on end-of-life vehicles (ELVs)
Value chain	Assessments of suppliers on ESG performance	Baseline assessment of key suppliers and dealers Capacity building and target setting to mitigate risks	Climate action Reduce Scope 3 emissions	• Circularity • Reduce the use of virgin material through waste recycling and co-processing
Community-based projects	Afforestation	Tree plantation drives are conducted	Reduce pollution and preserve the ecosystem	• Climate action
Air emissions				
Reducing air pollution	Reducing SOx, NOx, Particulate Matter (PM), and VOCs emissions	Installed control tools (Emission Control Devices - ECD) to arrest emissions while they are being produced Online Continuous Emission Monitoring System (OCEMS) connected with CPCB	Result in pollution reduction	• Reduction in airborne diseases
Water				
Operations	500% water-positive by 2025	Developing rainwater harvesting potential within and beyond the fence Currently 455% water-positive	Water security Maintained groundwater level	• Climate action
Wastewater				
Zero liquid discharge (ZLD)	All plants are zero liquid discharge	Achieved for all facilities in compliance with the government norms	Circularity	• Climate action

CLIMATE ACTION: OUR RESPONSE

Entity	Targets	Progress	Primary Impact	Secondary Impact
Waste				
Zero waste-to-landfills (ZWL)	100% zero waste-to-landfill facilities by 2025	100% of facilities are zero waste-to-landfill certified.	Circularity Resource conservation by recycling and co-processing of waste	▪ Climate action ▪ Reduction in water and land contamination
Zero single-use plastic	No use of single-use plastic (SUP) (across all facilities)	100% of our facilities and offices are single-use-plastic-free certified by the Confederation of Indian Industry (CII)	Circularity Using biodegradable material	▪ Climate action ▪ Reduce landfill waste ▪ Protecting aquatic life by reducing pollution in water bodies
Circularity				
Product recyclability	100% product recyclability by 2030	100% of our products (ICEs and EVs) are more than 80% recyclable as per Automotive Industry Standard (AIS) 129	Circularity Using recyclable material	▪ Climate action ▪ Less extraction of metals ▪ Reduction in embodied energy
Biodiversity protection				
Adopt biodiversity park	Nurturing and preserving biodiversity	Conservation work at Aravali Biodiversity Park in Gurugram, Haryana	Genetic diversity of flora & fauna is preserved	▪ Climate action

Rewards on Attainment of Climate-related Targets

We have introduced a dual incentive system, combining a salary increase based on performance and a bonus tied to a percentage of the salary. This innovative approach recognises and rewards exceptional contributions while motivating executives, business unit managers, and employees to achieve their targets and drive overall success.

Type of Incentive
- Monetary
- Recognition

Incentivised KPIs
- Emission reduction
- Energy reduction
- Efficiency
- Purchasing
- Supply chain engagement

CLIMATE ACTION: OUR RESPONSE

Carbon-neutral Operations (Scope 1 and 2)

As one of the world's leading two-wheeler manufacturing companies, we feel a strong sense of responsibility and commitment in responding to the climate crisis. HMCL aims to achieve carbon neutrality (Scope 1 and 2) by 2030, with progress measured and reported through the reduction in emission per equivalent vehicle (EPV) from the baseline year 2010. We achieved carbon neutrality of 40% in FY 2023-24.

Pillars of Carbon-neutral Operations

We reduce our direct emissions by enhancing the energy efficiency of our operations, using more renewable energy and offset mechanisms.

Target

Phased targets for achieving carbon neutral operations by 2030:

Year	2010	2023	2024	2030
Emission per equivalent vehicle (EPV)	23.9 (Baseline)	14.6	14.3	0.0 (Goal)
Carbon-neutrality (Scope 1 and 2)-%	0%	39%	40%	100%

Carbon neutrality without afforestation in FY23 is 20%, and in FY24, it is 22%.

Emission per equivalent vehicle (EPV) – Scope 1&2
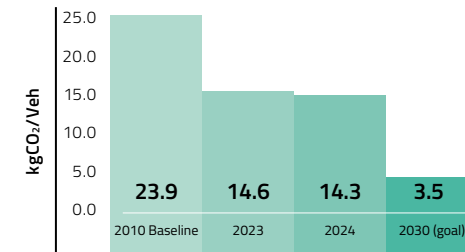
Residual EPV will be offset through carbon credits

Carbon-neutral Operations Roadmap

2010
- Baseline for Carbon Neutrality
- Accelerating On-site Solar Plant Installations

2017
- Energy Efficiency Target Setting and Project Implementation
- Accelerating Tri-generation Energy Portfolio

2019
- Shift from Heavy to Cleaner Fuels
- Energy Efficiency Projects

2021
- Increasing Renewable Energy Portfolio
- Accelerating Digitalisation of Utilities by Installing a Central Cockpit for Proper Monitoring of Plant Utilities

2023
- Groundwork for Wheeling of Renewable Energy
- Strengthening Carbon Neutral Operations Journey

2024
- 2 MW Hybrid Renewable Energy Wheeling
- Energy Efficiency Projects

2027
- Enhance RE Wheeling Capacity
- Adopting New Technologies for Digitalisation, Alternate Energy, Energy Storage, Afforestation, etc.

2030
- 100% Carbon Neutral Operation

CLIMATE ACTION: OUR RESPONSE

Scope 3 Emissions

We are striving to reduce our Scope 3 emissions related to our upstream and downstream value chains. To achieve this, we have inducted the Sustainable Partner Development Programme (SPDP) that collaborates with our upstream value chain partners to ensure, effectively operationalise sustainability. The programme outlines clear responsibilities and processes. In addition, we have launched our Green Dealer Development programme to encourage our dealers to adopt green energy and products and implement sustainable practices.

Our long-term strategy for achieving net zero emissions encompasses accelerating the production of EVs. EVs are one of the most effective ways to reduce tailpipe emissions. Additionally, we intend to make EVs more accessible and affordable for consumers.

We have reported on five of the Scope 3 categories in FY 2023–24, and they are:

Category – 1	Purchased goods and services
Category – 4	Upstream transportation and distribution
Category – 6	Business travel
Category – 7	Employee commuting
Category – 11	Use of sold products

Our emissions details can be found under the ESG Data Book in Annexure.

Air Quality Management

Access to clean air is a fundamental human right. Reducing emissions from our products and operations will reduce air pollution, safeguard people's health, and combat climate change.

We have optimised our operations and introduced emission control devices wherever feasible for overall reduction of pollutants which are generated by the use of fossil fuels. The primary air pollutants in vehicle production are paint particles and volatile organic compounds (VOCs) generated during painting. The use of fossil fuels results in air emission of Sulphur Oxides (SOx), Nitrogen Oxides (NOx), and particulate matter (PM).

However, we have equipped our facilities with the required measures to arrest pollutants as produced. The details of the air emissions from our manufacturing plants are in the ESG Data Book.

We have reduced our tailpipe emissions by effectively transitioning to BSVI platforms and incorporating fuel-efficient and flex-fuel technologies into our products.
We are also expanding our EV portfolio and reach to reduce tailpipe emissions.

ENERGY MANAGEMENT

We recognise the critical importance of energy management in achieving sustainability goals, reducing environmental impact, and moving towards decarbonisation. The primary objective of our energy management programmes is to cover the following elements:

- Regular energy audits to identify opportunities for improving energy performance
- Quantified targets to address energy savings
- Actions to reduce the amount of energy use
- Evaluation of progress in reducing energy consumption
- Promoting clean or green energy usage

- Investments in innovation or R&D to decrease energy consumption
- Energy efficiency training provided to employees to raise awareness of energy consumption reduction

100% of our manufacturing facilities are ISO 50001 certified

8,41,215 GJ Total energy consumption in FY 2023-24

Energy Conservation Initiatives

We have successfully implemented a range of energy-saving projects and initiatives to reduce our energy usage and improve efficiency, these efforts include:

- Capacity utilisation of paint shop transfer hangers through the implementation of hanger tracking system in pre-treatment line and in engine assembly washing machines hanger system.
- Improvement in Energy Efficiency Ratio (EER) by replacing inefficient chillers by high efficient Variable Speed Drive (VSD) chillers.
- Process automation to reduce energy consumption by integrating Proportional–Integral–Derivative (PID) control on weld shop cooling towers.
- Automatic Power Factor Correction (APFC) panels for improving power factor.
- Judicious use of energy usage in lighting systems, fans, machines through efficient controls.

Energy Consumption by Source (GJ) FY 2023-24

(%)

Electricity (non-renewable)	49
Natural gas	39
Electricity (renewable)	8
High-speed diesel (HSD)	2
Propane	2
LPG	<1
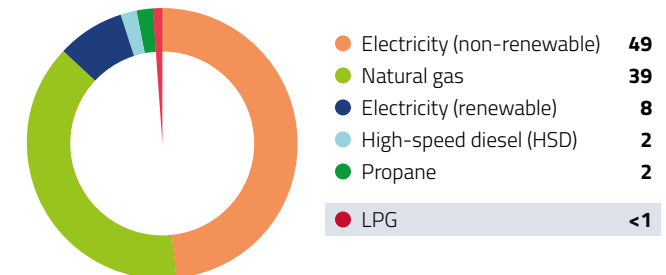
ENERGY MANAGEMENT

Renewable Energy

With a focus on using clean energy, HMCL is swiftly moving from non-renewable to renewable energy sources across our operations. We have installed in-house solar plants in all manufacturing facilities, with a combined capacity of 11.2 MWp. Additionally, we have started wheeling hybrid (wind+solar) renewable energy from a third party in our Halol plant. In FY 2023-24, we wheeled 6.09 GWh.

46% More renewable energy used from FY 2022-23

14,219 TCO$_2$ Emissions avoided in FY 2023-24

Renewable Energy Generation and Use

Renewable Energy Consumption (GWh)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
9.18	10.67	13.62	19.86
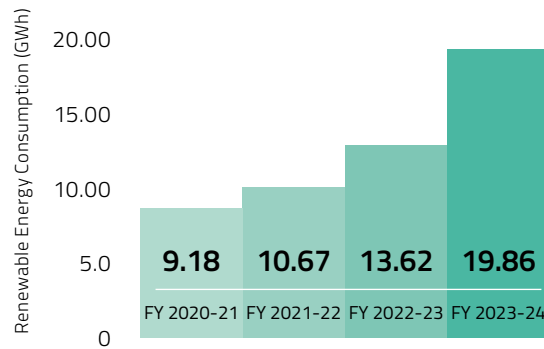
Carbon Offsets

Our primary focus is to reduce greenhouse gas emissions (GHG) at the source, replacing fossil fuels energy used in manufacturing with renewable energy. Carbon offsetting will only be considered in limited cases (hard-to-abate emissions), for example, where viable solutions are unavailable or still need to be created.

STEP TOWARDS LOW CARBON PORTFOLIO

Expanding the EV Portfolio

VIDA is our commitment to empower the next billion users and ushering in the electric age. We are consistently optimising our processes, big and small, to move towards a future of zero emissions.

Hero MotoCorp unveiled three innovative concepts at the Hero World 2024 event to promote a versatile and sustainable mobility ecosystem as a part of our vision to 'Be the Future of Mobility'. Among these concepts is the Vida V1 Coupe, which seamlessly integrates practicality with personal expression, alongside two electric vehicle concepts, the Lynx and Acro. These products, developed at our Company's European R&D Centre, the Tech Centre Germany, near Munich, represent a significant leap in design, functionality, efficiency, and environmental sustainability.

Expanding the EV Charging Infrastructure

HMCL is expanding the charging infrastructure for EVs to enhance the convenience of using eco-friendly vehicles and accelerate their adoption. We have partnered with the leading public sector undertaking (PSU), Bharat Petroleum Corporation Limited (BPCL), to set up charging infrastructure for two-wheeler EVs nationwide.

Fast-charging Network

Hero MotoCorp has established a state-of-the-art, highly efficient, advanced, and robust EV fast charger network that is available 24x7. Currently, we provide a DC fast charging option featuring a DC fast charger with two DC ports, each capable of delivering 3kW. This enables the charging of a VIDA electric scooter at a super-fast rate of 1.2 km / min.

We collaborated with Ather Energy for interoperability, which allows VIDA customers to seamlessly charge on the Ather Energy charging network and vice versa.

250+ Cities

2.3 MILLION kms powered

2,500+ Fast Charging Points

Improving Fuel Economy

As our vision is 'Be the Future of Mobility', we are working on alternative mobility models, fuel efficiency and the creation of flex-fuel engines, all of which help to combat life cycle emissions.

We are developing a significant programme to improve fuel efficiency through engine performance optimisation for fuel with higher ethanol content.

Flex Fuel Vehicles

As of March 2023, we achieved E20 compatibility for all our models. Additionally, we developed new control strategy patents to enable combustion to detect ethanol content between 20% and 100%. We will implement this technology as we upgrade the combustion systems across our platform.

100% of our products are E20 compatible

30%* of our products will be E85 compatible by 2030
* Subject to availability of Flex Fuel

i3s Technology

Hero MotoCorp's patented i3s technology (Idle Stop-Start System) technology is a proven technology that improves fuel efficiency and promotes eco-efficiency. i3s enhances fuel efficiency by up to 5% while reducing the product's carbon footprint during use. This technology works by turning off the engine when the bike is idle, and the gear is neutral, resulting in improved fuel efficiency and reduced pollution.

Partnerships and Collaborations

ATHER   HARLEY-DAVIDSON   HeroFinCorp.

Bharat Petroleum   MARELLI   NITOL MOTORS LIMITED

HP   ZERO MOTORCYCLES

WATER MANAGEMENT

Our water strategy aims to reduce freshwater withdrawals for manufacturing processes to support freshwater availability in local communities.

Our Company is committed to ensuring water positivity across our manufacturing locations. The primary objectives of our water management programmes are:

- Water use assessment to identify opportunities for water efficiency improvements
- Actions to reduce water consumption
- Actions to improve treated wastewater quality
- Establishment of targets to reduce water use
- Application of recycled water
- Awareness training provided to employees on water efficiency management programme

This approach translates into using water efficiently in the manufacturing processes, recharging and rejuvenating local aquifers, and deploying water harvesting methods beyond the fence to build access to water among communities. Thus, it drives our Company's efforts towards water stewardship. We are not impacting the community due to the wastewater discharge as there is no wastewater discharge from the plants.

Our water-positive rate for FY 2023-24 is 455%; three of our plants, HM2G, HM4N, and HM5V, have undergone independent audits and verifications. The FY 2024-25 audit will cover the remaining plants.

At Hero MotoCorp, we are committed to achieving a water positivity rate of 500% by 2025, and we are well on our way to reaching our goal.

↱ **Hero MotoCorp Water Policy**

Implemented 3M-7R Approach for Water Management

3M
- Map
- Monitor
- Measure

7R
- Reduce
- Recycle
- Recover
- Replenish
- Recharge
- Rejuvenate
- Recognise /Respect
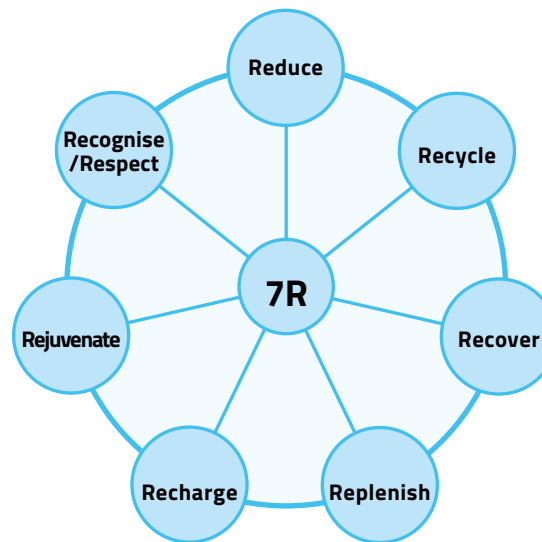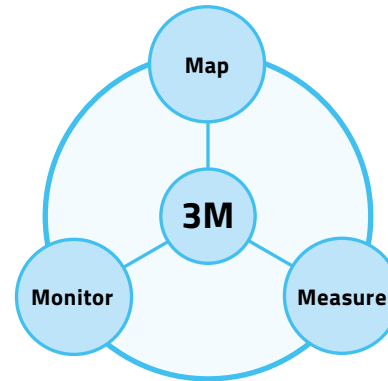
0.14 KL / VEHICLE Fresh water intensity

13.8% Reduction in water intensity from FY 2022-23

WATER MANAGEMENT

Case Study | **Farm Ponds Rejuvenation**

In Chareda village in Rajasthan, crop yields are significantly lower because of the high fluoride content in the groundwater and more dependency on seasonal monsoons for irrigation. By partnering with local communities in Dausa, Rajasthan, we have developed 62 farm ponds on 5% of the farmer's land. After having rainwater storage, farm pond farmers harvest various crops, providing livelihood opportunities to the local communities.

Impact of the Project

62 FARM PONDS developed

40,000 CUBIC METRES of annual rainwater conservation capacity created for year-round irrigation

94.02 ACRES of farmland made independent from groundwater supporting environment conservation

3X projected enhancement in farmers' incomes supporting women farmers, rural health, education, and better living standards

Before

After

"I was earlier able to sow bajra in only one-and-a-half bighas out of five bighas of land. We were dependent on the seasonal monsoons for irrigation and had to incur losses every year. With a farm pond within my farm now, I can grow groundnuts along with bajra. I have also sown rabi crops for the first time and plan to sow more crops. Farming has become profitable now."

Bhagwan Sahay Meena

CIRCULARITY

HMCL is focused on increasing circularity throughout the vehicle life cycle, starting with design and using recycled materials and continuing with sustainable product packaging.

Raw Materials | **Recyclability** | **Recycled Materials**

Raw Materials

Steel, aluminium, rubber, paints and thinners, and plastics are the primary raw materials used in vehicle manufacturing. Our objective is to enhance the design and production processes in order to minimise the amount of raw materials used per product. We prioritise the utilisation of recyclable or recycled materials wherever feasible. Reducing raw material consumption encourages a circular economy model aimed at prolonging the utilisation of resources and maximising their value while minimising waste.

Recyclability

100% of our product volume (ICEs and EVs) are more than 80% recyclable as per Automotive Industry Standard (AIS) 129. The recyclability rate is the percentage of design mass that can potentially be reused and recycled.

65% of our sold products in FY 2023-24 are more than 95% recyclable

Recycled Materials

Aluminium and steel allow us to use second-life materials instead of virgin materials in some of our components. In the ESG Data Book, we have provided the amounts of various recycled inputs used in our operations.

18.3% Recycled content of input materials used in product manufacturing

End-of-Life Vehicles (ELV)

Hero MotoCorp strives to develop an effective end-of-life vehicle (ELV) strategy, and we have achieved notable progress in this endeavour during FY 2023-24. We have established compliance with the draft ELV guidelines outlined by the Ministry of Road Transport and Highways of India (MoRTH) and have forged partnerships with a network of Registered Vehicle Scrapping Facilities (RVSFs) spanning across the states of Haryana, Punjab, Delhi NCR, Chandigarh, Rajasthan, Uttarakhand, Uttar Pradesh, and Himachal Pradesh. Our collaboration enables the seamless recycling of two-wheelers at these RVSF facilities. Furthermore, we have enlisted the support of over 200 dealers to facilitate the collection of old and used vehicles in Uttar Pradesh, Haryana, and Delhi NCR. As a pilot initiative, we have effectively recycled 22 vehicles in FY 2023-24.

Resources Efficiency in Products

Tyre Weight Optimisation

We lay a keen emphasis on the sustainable use of raw materials. We have reduced the tyre weight of 100cc motorcycles by ~100 grams. With the current volume of the products, we expect an annual reduction of ~450 tonnes of rubber in tyre usage.

Lubrication Oil Advancement

We have developed a series of new lubricant blends with leading oil manufacturers. These new oils enhance fuel efficiency by 1.5% to 2.5% overall. We also anticipate reducing oil volume through this initiative by approximately 11 million litres in the first year with current production. Over five years, this volume reduction will likely increase to approximately 60 million litres. This initiative carries broader implications for the Indian GDP and the effective management of crude imports.

Case Study | **Recycling Initiative Upcycling of Waste in Road Construction**

"Our Dharuhera and Gurgaon facilities have undertaken a commendable green initiative by incorporating plastic waste into bituminous road construction. These pioneering projects utilised 3.23 tonnes of plastic waste to pave a 7,000 sq m area, demonstrating our commitment to sustainability and environmental stewardship."

WASTE MANAGEMENT

Zero Waste-to-Landfill (ZWL)

We are pleased to announce that we have achieved our goal of 100% zero waste-to-landfill one year ahead of schedule.

We have achieved more than a 99% diversion rate from our operational waste in landfills and incineration. This strategy helps drive innovation in the recycling industry, supporting all elements of a circular economy. The primary objectives of our waste management programme are to cover the following components:

- Waste segregation at source and inventorisation
- Audits to identify opportunities for improving waste performance
- Action plans to reduce waste generation
- Quantified targets to minimise waste
- Investment in innovation or R&D to minimise waste
- Waste reduction training provided to employees
- Integration of recycling programmes to ensure zero waste is sent to landfills
- Waste diversion from landfills is certified by an independent accredited body

Our Waste Management Hierarchy

Our waste hierarchy shows the increasing benefits of each waste management method. It is a bottom-up approach, and we continuously strive to move up in the hierarchy.

Waste Management Hierarchy
Avoidance
Minimisation
Recovery — Recovery of Materials (Recycle & Reuse)
Disposal — Co-processing
Incineration
Chemical Physical Pre Treatment
Landfilling
Unmanaged Waste
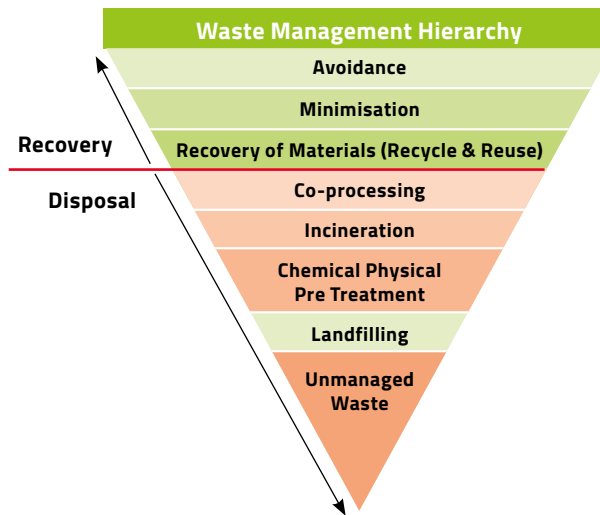
Waste Disposal Methods – FY 2023-24

(%)

16,825.3 tonnes

- Recycle — 67
- Reused — 23
- Co-processing with Energy Recovery — 10
- Incineration without Energy Recovery — <1

100% of our facilities are zero waste-to-landfill certified

Zero Waste-to-Landfill Journey

2018-19
HM4N

2019-20
GPC
HM1D
HM2G

2020-21
HM3H
HM5V

2022-23
CIT

2023-24
HM6T

Achieved 2025 Goal
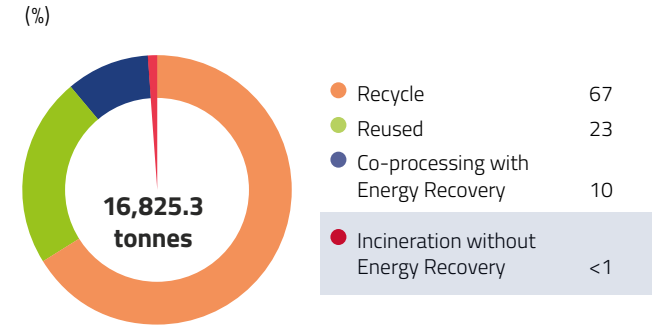
Fight Against Plastic

100% of our facilities and offices are single-use plastic free-certified

1,437 TONNES of plastic collected and disposed through Extended Producer Responsibility (EPR) in FY 2023-24

4,771 TONNES Total cumulative plastic collected and disposed through EPR since 2019
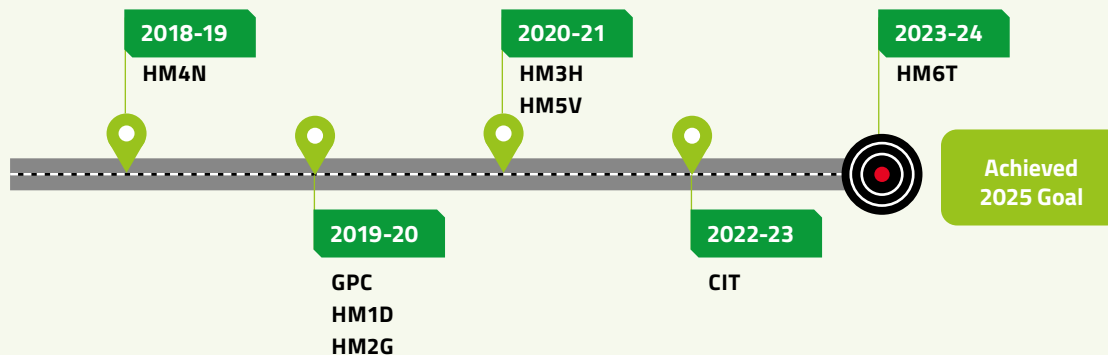
PRODUCT STEWARDSHIP: DESIGN FOR ENVIRONMENT

Hero MotoCorp is committed to developing and delivering products that meet modern customers' needs while reducing the environmental footprint. This approach involves various strategies, such as designing products for the environment, which include, but are not limited to, reducing or substituting hazardous substances from products, implementing take-back programmes (EPR) for used products, and educating consumers about proper disposal methods.

Life Cycle Assessment (LCA)

HMCL conducts cradle-to-grave life cycle assessment (LCA) based on ISO 14040 and 14044 international standards to comprehensively evaluate the environmental impacts of our product's life cycle. We use the CML (Centre of Environmental Science at Leiden) impact assessment methodology framework in conducting life cycle assessments to quantify various environmental impact categories, i.e. abiotic depletion potential (ADP), acidification potential (AP), eutrophication potential (EP), global warming potential (GWP), ozone depletion potential (ODP), human toxicity potential (HTP), photochemical oxidant creation potential (POCP), primary energy demand and blue water consumption.

As of FY 2023-24, we have carried out a full LCA study (cradle-to-grave) for 17% of the total sales volume in the reporting financial year. We target LCA study for ~70% of the sales volume in the coming financial year.

Reducing Product Carbon Footprint

At HMCL, we strive to minimise the carbon footprint of our products by integrating electric vehicles (EVs). In 2023, we conducted a comprehensive comparative study of our EV scooter, the Vida V1 Plus, with the similar Internal Combustion Engine (ICE) Scooter. The study aimed to assess the actual environmental performance of the VIDA V1 electric and

ICE scooters across various impact categories, particularly emphasising on GHG emissions throughout different life cycles.

- Cradle to the entry gate of HMCL plants
- Product manufacturing
- Use phase of products
- Maintenance of products

Study of carbon emission in different phases

- Raw Materials
- Transportation
- Processing
- Transportation
- Product Production
- Product Use
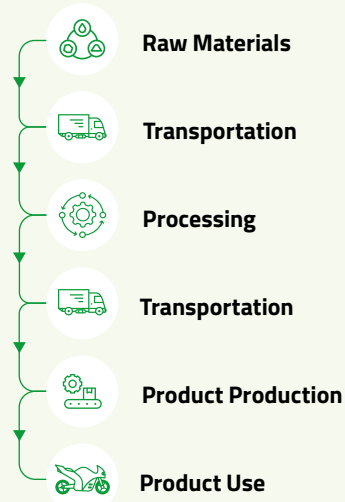
PRODUCT STEWARDSHIP: DESIGN FOR ENVIRONMENT
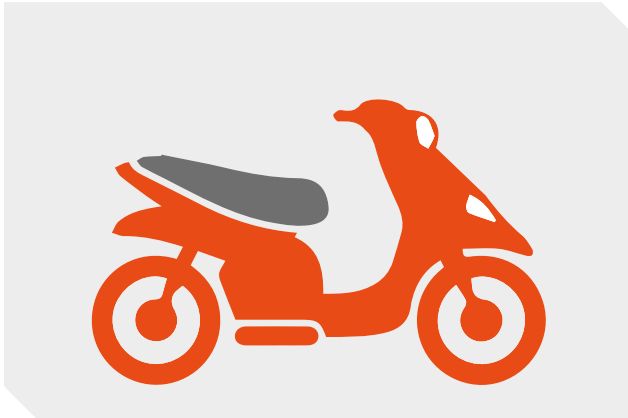
CPF Value for ICE vs. EV Scooter

CFP (Ton/15 Year)

ICE Scooter	Electric Scooter (Vida V1 Pro)
5.7	3.7

Major Specifications of ICE Scooter

Engine type	Air cooled, four-stroke single cylinder
Displacement (cubic capacity)	110.9 cc
Maximum power output (kW)	6.0 kW (8 BHP) @ 7,000 revolutions per minute (RPM)
Maximum torque	8.70 Nm @ 5500 revolutions per minute (RPM)
Emission standard (Fulfilled)	BS VI
Kerb weight (kg)	104
Fuel type	Petrol
Consumption (L / 100 km)	1.59 litres
Tyre type	90 / 100x10-53 J (Tubeless)
Fuel Tank Capacity	4.8 litres

Major specifications of EV Vida V1 Plus Scooter

Installed battery capacity	3.44 kWh - (2X1.72 kWh)
Range (IDC)	143 km
Kerb weight (Kg)	124
Top speed	80 kmph
Motor peak power	6 kW
Motor continuous power	3.9 kW
Torque	25 Nm
Fast charging	1.2 km / min
Grade ability	20°
Wheel size	12-inch machined cast alloy wheels (FR and RR)

The total carbon footprint (CFP) from the cradle-to-end user, of an ICE Scooter is 5.7 tCO_2e while the CFP of an EV scooter (Vida V1 Plus) is 3.7 tCO_2e.

EV SCOOTER (VIDA V1 Plus) is 35% greener (less carbon emission) than ICE Scooter

An independent third party has conducted reasonable assurance (verification and validation) in accordance with the GHG protocol and ISO 14064-1: 2018, ISO 14064-2:2019, ISO 14064-3:2019, and ISO 14067:2018.

Note- ICE scooter and EV scooter weighing ~104 kg and ~120 kg, respectively travelling 1,09,500 km over a life span of 15 years (cradle-to-end user system boundary).

VEHICLE EFFICIENCY AND EMISSIONS

We have a robust governance system to ensure that the product complies with the current emission standards and that we report verified data to the relevant authorities.

After manufacturing the product, we evaluate it on critical quality parameters like performance, emission, and durability. The cross-functional team takes corrective action if any noncompliance or deviation from the design specification is reported. The product is verified extensively before the launch.

Periodic Intervention

We regularly audit the existing product portfolio to cross-check the compliance requirements; if any intervention is required to counter the variability, we take action accordingly. Additionally, we carry out conformity of production tests at the International Centre for Automotive Technology (ICAT)/ Automotive Research Association of India (ARAI) at a set frequency, which certifies that the product meets the emission norms.

We haven't receive any complaints about emission deviation during the product's use phase.

Reduction or Phase-out of Hazardous Substances from Products

We have an organisation-wide commitment to reduce or phase out hazardous substances from our products to ensure no harm to the environment and employees' health by preventing them from entering the production process and keeping them out of the waste stream. All our products comply with the requirements of persistent organic pollutants (POPs) and restriction of hazardous substances (RoHS). Through this, we aim to prevent the risks posed to human health and the environment related to waste.

Inspection and Analysis of Hazardous Substances

We have implemented the International Material Database System (IMDS) as a screening tool for all parts and components to build a more sustainable product portfolio. We are devoted to reducing the environmental impact of our products throughout their life cycle.

Customer Engagement

We are committed to promoting sustainability and responsible consumption through our products and practices. As part of our ongoing efforts to enhance transparency and accountability, we prioritise educating our customers on our products' social and environmental impact.

We believe in the power of transparency to build trust and foster meaningful relationships with our customers. Through various communication channels, including our website and marketing materials, we provide clear and accessible information about our products. We seek feedback through phone calls and focus groups to understand customer preferences and environmental concerns.

BIODIVERSITY PROTECTION

We acknowledge our responsibility to protect and improve biodiversity and understand its significance in maintaining a healthy planet.

Through our Happy Earth Initiative, we have expanded our afforestation activities inside and outside our premises. Till the end of the reporting year, we have planted more than 2.53 million tree saplings. Planting trees contributes to increased green cover, biodiversity, and carbon sequestration.

We are committed to developing solutions to preserve biodiversity and restore ecosystems across our facilities and the surrounding communities through our programs and initiatives.

- Before initiating any new project, we assess biodiversity risk and its impacts through international / national or industry frameworks. We define clear boundaries for biodiversity assessment, such as site-specific, overall corporate, and entire ecosystem (value chain upstream and downstream).

- We will identify priority areas through biodiversity risk assessment and set targets (avoidance, minimisation/ reduction and restoration) to work toward achieving no net loss.

- We set net positive impact (NPI) targets for the defined site and take actions through the mitigation hierarchy.

- We follow the mitigation hierarchy approach to measure projected impact, avoidance, minimisation / reduction, and rehabilitation before offsetting residual impact.

- We adhere to all applicable local, national, and international rules and regulations on biodiversity conservation.

- We will avoid operational activities near sites containing globally or nationally important biodiversity and extend this commitment to our value chain partners.

- We will reduce environmental impact by lowering emissions, waste, and resource usage.

- We protect and conserve ecosystems, such as wetlands, forests (we are committed to no gross deforestation), and other natural habitats, as well as species at a high risk of biodiversity loss, both within and outside the regions where we work.

- We engage with stakeholders, including communities, to integrate biodiversity considerations into decision-making processes.

Nurturing and Protection of Biodiversity

With the 'Nurturing and Protection of Biodiversity' Project, Hero MotoCorp has taken a firm step towards accomplishing such solutions as protecting, conserving, and restoring extensive forests and reserved areas in an urban landscape, including biodiversity parks. The project's objectives are to address the issues of global warming, soil erosion, and pollution, to help preserve biodiversity and ecological balance, and to foster awareness among people about environmental imperatives and actions required of each of us.

Aravali Biodiversity Park - Impact Assessment

In FY 2023-24, we continued the conservation work at Aravali Biodiversity Park in Gurugram, Haryana. We planted hundreds of new sapling species and focused on conserving and reviving the local species to ensure the sustainable and healthy development of the Aravali Biodiversity Park. This year, we completed the restoration and development of the amphitheater, drinking water booths, and visitor washrooms.

The team is also working on more extensive plans to enhance the protection of the flora and fauna. To that end, The Energy and Resources Institute (TERI) and the Indian National Trust for Art and Cultural Heritage (INTACH) have conducted a baseline assessment to assess the flora, potential rainwater harvesting methods within the park, groundwater table assessment, and air quality monitoring.

↗ **Aravali Biodiversity Park Assessment Report**

SOCIAL

We recognise the significant contributions of our stakeholders, such as communities, customers, and workforce to build Hero MotoCorp's legacy. Our commitment to generate equal opportunities for growth and employment and to include diversified sections of society in our workforce has positively contributed to societal development.

Our strategic focus is to build a resilient social foundation by sharing benefits with society through various CSR projects. We are committed to serving our extensive customer base by consistently delivering high-quality products and services.

Focus Areas

- Human Rights
- Diversity, Equity and Inclusion
- Talent Management
- Health, Safety and Well-being
- Customer Satisfaction and Brand Values
- Corporate Social Responsibility

UN SDGs Mapping

| 1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 15 LIFE ON LAND |

Highlights

13.5%
Gender diversity

100%
of our facilities are
ISO 45001 certified

100%
Employees returned after
parental leave

98.77%
Customer complaints
resolved

OUR PEOPLE

Our innovative, skilled, and passionate workforce strongly backs the story of our success as the world's largest two-wheeler manufacturer. We value their diverse skills and perspectives, work collaboratively to achieve our goals by eliminating sociocultural barriers and respecting diverse identities to ensure an equitable and inclusive working environment. We prioritise employee safety and health and have implemented policies and well-being initiatives that empower them to realise their true potential and succeed within the organisation.

Our Diverse Workforce

103 Specially-abled employees

4,495 Women workforce

27 Expats

9 Nationalities

9,225 Total number of permanent workforce

512 Number of female permanent employees

8,713 Number of male permanent employees

24,741 Total number of temporary / contractual / casual employees

HUMAN RIGHTS

We believe in creating a working environment that upholds human dignity, establishes zero tolerance for discrimination and harassment, that eliminates barriers and stereotypes across our operations, value chain, and other business partners. We have integrated it into our policy framework of Human Rights, Prohibition, Prevention, and Redressal of Sexual Harassment at workplace (POSH) policy, Sustainability Policy and Code of Conduct. We have articulated an equal opportunity policy for people with special abilities that empowers them to improve their social and economic conditions, promoting social inclusion.

We have developed a stringent policy and mechanism for Prohibition, Prevention, and Redressal of Sexual Harassment (POSH policy) at the workplace to ensure the dignity of our female workforce, with defined reporting channels at all levels to make it accessible.

Human Rights Commitments

Hero MotoCorp's Human Rights Policy demonstrates our commitment to respect human rights according to internationally accepted standards, including the UN Global Compact and UN Guiding Principles on Business and Human Rights. We commit to prevent human trafficking, forced labour, and child labour and ensuring freedom of association, the right to collective bargaining, equal remuneration, and non-discrimination. This policy applies to our operations, value chain partners and, abide to respect human rights. Our policy is publicly available on our corporate website.

Human Rights Assessment and Due Diligence

To ensure zero discrimination and harassment at the workplace, we have established dedicated training modules on gender sensitisation, unconscious bias, and POSH guidelines and ensured 100% sign-off on the Code of Conduct by all employees. We are also conducting department-level meetings and open houses to assess and address any potential issues or grievances shared by employees, including human rights.

Moreover, to ensure health and safety at the workplace, joint committees are established with the participation of all stakeholders. They are functional throughout the year to identify potential and actual risks. Furthermore, we are conducting risk assessments and training for our supply chain partners along with our operations on various health and safety aspects.

Human Rights Mitigation and Remediation

We have established procedures and reporting mechanism outlined in our Human Rights Policy, Code of Conduct, and Prevention of Sexual Harassment (POSH) policy. Ethics committee addresses complaints and provides remediation for discrimination and harassment. Internal committees at all locations safeguard the interests of women employees from sexual harassment, as per our POSH policy. Our Environment, Health, and Safety (EHS) department plans mitigation actions for occupational health and safety (OHS) risks, ensuring a safe workplace. We engage with supply chain partners for risk assessments and training on health and safety aspects, and we support local communities by providing training on emergency preparedness and fire safety.

↗ **Hero MotoCorp Human Rights Policy**

↗ **Hero MotoCorp POSH Policy**

↗ **Hero MotoCorp Code of Conduct (CoC)**

↗ **Hero MotoCorp Occupational Health & Safety Policy (OHS)**

↗ **Hero MotoCorp Sustainable Procurement Guidelines**

↗ **Hero MotoCorp Supplier Code of Conduct (SCoC)**

↗ **Hero MotoCorp Sustainability Policy**

↗ **Hero MotoCorp Conflict Minerals (Responsible Mineral Policy)**

These documents are publicly accessible on our corporate website, provide detailed insights into our commitments, procedures, and steps to protect human rights. We seek to continuously improve human rights performance, share best practices, and engage in open dialogue with stakeholders to uphold human dignity and rights.

DIVERSITY, EQUITY, AND INCLUSION

At Hero MotoCorp, diversity, equity, and inclusion are ways of life. We are committed to promote gender diversity, which is reflected in our workforce and the products we manufacture.

Our goal is to achieve 30% gender diversity by 2030. In FY 2023-24, we have made significant strides towards our gender diversity goal.

51% Increase in the number of women in the workforce (staff+contingent workforce)

56% Increase in women's representation on the shop floor (contingent workforce)

To uphold our commitment to an inclusive culture, we have implemented various initiatives and programmes:

Heroes Network

This initiative is a unique women's network platform across all facilities that enables and supports women to share experiences, mentor each other, and participate in mentoring conversations with leaders. We also introduced Lean in Circles, where women groups choose a workplace related topic and receive mentorship from the leadership team.

Building an Inclusive Workplace

Our manufacturing facility ensures ergonomic feasibility for women employees by implementing automated pulleys, planks, and other innovative techniques to enable them to reach specific heights of the conveyor belts. This approach ensures equal opportunities and inclusion in the workforce for all employees.

Equity-first Policies

To provide an inclusive and supportive environment for women to grow and excel in the organisation, through following measures:

- Company-sponsored transportation for women employees, including contractual employees.
- Parental leave policy and work-from-home provision post-maternity leave.
- Support for returning mothers, crèche facilities, a buddy system that eases their return to work and helps them settle in, and a policy to have a child and an attendant during business travel for six months after returning to work.
- Coverage of medical costs to avail in vitro fertilisation.

Future Diversity, Equity, and Inclusion (DEI) Strategies

We announced a new DEI framework on International Women's Day, March 8, 2024, strengthening our commitment to embrace 30% gender diversity by 2030. Further, we have set a time-bound action plan with targets to increase the representation of women in staff (including management, and senior management positions) and contingent workforce sections. For FY 2024-25, our target is to achieve gender diversity by 20% (staff+contingent) at the organisation level.

The focus remains on:

Building the core	– by hiring, retention and development initiatives.
Strengthening the ecosystem	– by providing inclusive training on gender sensitisation and unconscious bias.
Continuous engagement with leadership	– ensuring that we have embedded diversity and inclusion into our organisational values and strategic priorities.

We regularly conduct diversity audits and surveys at all levels of the organisation to identify gaps and work on improvement areas as per top management guidelines.

TALENT MANAGEMENT

To create a productive and engaging work environment, we attract and recruit top talent worldwide, aligning with our organisation's diverse skill requirements. We aim to nurture and build the overall capabilities of our workforce by facilitating communication with management through various engagement platforms and surveys. This approach encourages innovative thinking and satisfaction among them, which keeps us at the top of the two-wheeler manufacturing sector.

Talent Acquisition

To fulfil our dynamic business requirements and hire the best talent across the globe, HMCL has developed a robust strategy to meet current and emerging skill requirements. We induct talent through various modes, such as campus recruitment, lateral hiring, employee referrals and internal job posting.

1,233 Total permanent employees hired

176 Female employees hired

11% of open positions filled by IJP

14.27% of new hires are women

Internal Job Postings (IJP)

We promote internal talent among our employees by providing exposure to diverse fields, which enables them to fulfil their career aspirations within the organisation. 11% of open positions filled by IJP.

Employee Referrals

We promote the recruitment of potential candidates through employee referrals, with each employee receiving a reward upon successfully selecting a candidate. We also actively encourage gender diversity by offering a reward three times the standard amount for successfully selecting a female candidate.

Hero Campus Challenge

With a focus on people, planet and products, the Hero Campus Challenge Season 9 was organised to interact and engage with creative mindsets from B-schools and E-schools of India to have out-of-the-box approaches and innovative ideas for solving real-time business problems. This platform allows students to showcase their skills while offering a pathway to become a part of the Company.

This year, in Season 9 of the Hero Campus Challenge, with a theme of changing gears, we received overwhelming participation, with an increase of 33% compared to FY 2022-23.

Enhancing the Employee Hiring Experience

We have developed a comprehensive hybrid induction programme aimed to streamline the onboarding process. This optimises resource utilisation and supports sustainability by minimising emissions through business commutes. We conduct multiple sessions covering various topics and policies like employee welfare, Code of Conduct, gender sensitisation and awareness, POSH and reporting mechanisms, sustainability and CSR initiatives, and product training. The induction programme provides participants with a reasonable understanding of the many sub-functions within the organisation.

Integrating Technologies and Innovation in Talent Acquisition

We are integrating Artificial Intelligence (AI) enabled features into various talent acquisition processes to consider data-driven decision-making, enhancing our operations' efficiency and effectiveness. This mechanism helps us to make informed decisions, achieve successful internal mobility, improve the referral programme, and promote diversity and inclusion during FY 2023-24.

We also seek to uphold legal and ethical standards in the hiring process by preventing discrimination based on nationality, ethnicity, gender, age, and religion. We strive to perform continuous improvements through regular evaluation, feedback collection, benchmarking with industry peers, organising training, investing in technology, and data analytics.

This approach reflects the organisation's dedication to foster a fair and inclusive recruitment environment, where we evaluate everyone based on their qualifications, skills and merit.

TALENT MANAGEMENT

Talent Development

We understand the importance of aligning all our talent development initiatives with emerging industry trends and technological advancements. We strive to create an ecosystem where all our employees can get developmental opportunities, infrastructure and expert guidance to reskill and upskill towards becoming a future ready workforce.

Learning and Training Programmes

The programmes include technical, behavioural, functional, and leadership development training.

- **Technical Training:** Programmes like CNC programming, auto-gauging, hydraulics, pneumatics, electrical, drives, Integrated Management System (IMS) awareness, Total Productive Maintenance (TPM), Jishu Hozen (JH) pillar awareness, and Kobetsu Kaizen (KK) pillar awareness for all segments of workforce.

11,18,505 Total training hours

32.93 Average training hours / employee

₹ **10,488** Average spent on training and development per employee (includes staff and permanent workers)

- **Behavioural Training:** Training programmes which enhance soft skills such as nurturing workplace relationships, assertive communication, and Company's core values workshop. It also includes sensitisation programmes such as POSH, gender sensitisation, unconscious bias, and Code of Conduct.

- **Functional Programmes:** Training programmes which enable our workforce for upskilling data analytical capacities like 7 QC tools training, Advanced Excel, and Power BI.

- **Hero Virtual Learning Centre:** We are committed to provide self-paced learning opportunities that allow employees to enhance their skills anytime, anywhere. Our platform Hero Virtual Learning Centre (HVLC) facilitates continuous learning.

  – Skillsoft Percipio covers a variety of programmes from quality, lean Six Sigma, project management, ESG and sustainability initiatives. To inculcate a habit of learning, we launched the #21DayLearningChallenge, encouraging employees to enhance their learning. Themes were framed around key topics like Six Sigma and lean methodologies, and smart goal settings. We encourage our top learners by rewarding them and motivate all employees to make learning as a habit.

  – K-Point helps to build the functional understanding for the employees where multiple informative videos are available for learning basics of engine, equipment, machine, and automation.

TALENT MANAGEMENT

Leadership Development Programmes

To develop future leaders, we recognise our employees' importance and pivotal role. Accordingly, we have curated customised transformative programmes that foster leadership, strategic thinking, managerial abilities and empower individuals with practical decision-making abilities for executive roles.

- **NexGen Leaders (NGL):** This foundation programme equips first-time managers with skills to transition from individual contributors to managerial roles effectively. In FY 2023-24, we covered 142 employees under this programme.

- **Transcend Leaders Programme (TLP):** The programme helps managers build competencies to transition from managing individuals' roles to managing managerial roles. It trains them in a scientific way of developing and coaching teams. In FY 2023-24, we covered 46 managers under this programme.

- **LeadNext:** This year, we launched the LeadNext programme, which is designed to develop overall managerial capabilities. This programme builds proficiency in planning, delegating, and developing personal leadership amongst the middle management. In FY 2023-24, we covered 26 employees under this programme.

- **Hero ACE:** We launched the Hero ACE programme in 2023 to address leadership development needs. The programme helps the participants to identify individual developmental needs and work through the guidance of a coach. In FY 2023-24, we covered 19 employees under this programme.

- **Women in Leadership Programme (WIL):** We started the WIL programme with the vision to diversify our leadership pipeline. It is designed keeping in mind the unique challenges faced by women in their path to leadership and professional lives. The programme develops individuals on three levels: self, team, and organisational leadership. In 2022, we received the National Award for Innovative Training Practices by Indian Society for Training and Development (ISTD) for this initiative. Till date, we have successfully completed seven batches of WIL programme, where 23 aspiring women leaders were part of seventh batch.

- **Hero MBA:** The Hero MBA is an executive MBA programme created to enhance the abilities of mid-level managers. We have partnered with BITS Pilani and BML Munjal University, which are high-quality career partners that are extending support to refine their competencies. 20 employees are enrolled for 2023–2025 batch.

- **Women in Successful Entrepreneurship (WISE):** This flagship programme aims to cherish diversity at the dealership level and encourage women dealers by enhancing entrepreneurship skills with our agile learning programme.

Recognising Hero Learning League's success, we bagged the Skill Soft Impact Award for our special learning and development initiative, surpassing 30 other organisations. The award recognises the impact of our dynamic learning programme and is a testament to our undeterred focus on learning.

% *FTE covered in NextGen Leaders is 1.5%

% *FTE covered in Transcend Leaders Programme (TLP) is 0.5%

*including staff and permanent workers

EMPLOYEE ENGAGEMENT

We believe in fostering a work environment, where every individual feels valued and respected for their contributions at all levels. Enabling two-way communications, ensuring the well-being of individuals and their families, and market-based compensations are critical drivers for enhancing productivity and satisfaction among them.

Performance Appreciation and Competency Enhancement (PACE)

A fair, transparent, and unbiased performance review system is the foundation for an inclusive and equitable work environment. We aim to foster a high-performance culture that enables us to achieve short-term and long-term business growth targets.

We have a robust and agile performance review system called PACE to assess performance at the team and individual levels. It enables communication between managers and employees based on SMART – Specific, Measurable, Achievable, Relevant, and Time-bound goals in alignment with business needs. We review progress twice a year and facilitate it by sharing feedback and development plans for individuals.

11.09% of women promoted in total promotions

In alignment with our Company's core values and sustainability goals, every employee must set mandatory ethics, diversity, inclusion, and self-development goals in learning and training to enhance their competencies.

We have established mechanisms of regular audits and assessments for the performance review process to uphold integrity, transparency and continuously improve our performance on key indicators.

Key Indicators

- **Annual Appraisal** — Feedback, SAMVAAD and process closure
- **Goal Setting** — Setting of SMART goals
- **SAMVAAD** — Enabling two-way communication
- **Mid-Year Review** — Developmental in nature
- **Individual development plan (IDP)** — Facilitating IDP for employees
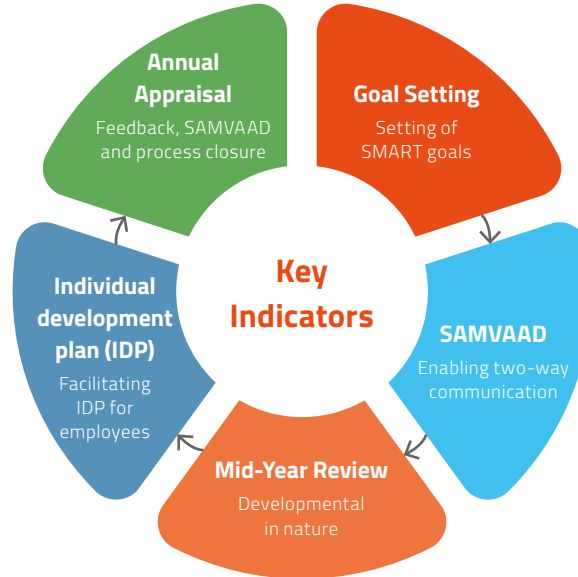
Compensation and Benefits

Our Company conducts annual compensation reviews that are fair, competitive and recognise employee contributions. We comply with statutory requirements, reward employees based on performance, and align with market trends. We also have detailed procedures for internal and external audits to ensure transparency, fairness, and ethical conduct throughout our remuneration processes.

Gender Pay Gap Ratio

Category-wise Ratio of Average Basic Salary of Male and Female Employees	Female/Male Ratio
Senior management	1.15
Middle management	0.99
Junior management	0.90
GETs / DET / PGETs / MTs	1.10

The basic salary of employee category Associate Vice President and above have not been considered for calculation of the ratios in the table above.

EMPLOYEE ENGAGEMENT

Employee Engagement Initiatives and Programmes

Rewards & Recognition Programme: We acknowledge and appreciate the contributions made by our employees by celebrating their accomplishments on our 'Thanks' platform. This approach generates employee satisfaction when we appreciate their efforts on a wider public platform.

Work-life Balance: We promote a healthy work-life balance by encouraging employees to schedule vacations and ensuring mandatory leave are availed. In addition, we provide flexible working hours and work from home (WFH) options, aligning with business requirements. Our internal policy also accommodates part-time work for employees. We have implemented a system that allows for maternal leave of 210 days and paternal leave of 8 days to further support work-life balance.

Employee Voice Survey: We always strive to enhance employee experiences and well-being by measuring employees' job satisfaction, purpose, happiness, and stress levels annually by mapping various indicators like employee commitment, work, leadership, employee wellness, relationship with reporting managers, workplace ecosystem and learning and growth opportunities. This method enables us to identify top-performing areas of the organisation and areas where we need to plan actions for further improvement. Action groups are formed at organisation and location levels to review action plans periodically. Our efforts have resulted in a 10% increase in employee satisfaction scores from last year.

10% Increase in employee satisfaction score from last year

Survey Details

Employees
4,165

Participation
3,301

Participation %
79.25

77%
Satisfaction Score
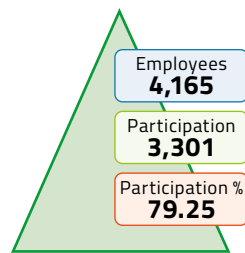
Dimension Scores

Dimension		
Employee Commitment	84%	16%
Work	84%	16%
Leadership	82%	18%
Reporting Manager	77%	23%
Workplace Ecosystem	73%	27%
Employee Wellness	70%	30%
Learning & Growth	70%	30%

Long Service Award: We celebrate our employees' long-term association with Hero MotoCorp and their valuable contributions to achieve the organisation's aspirational goals.

Better Works: This platform allows employees to anonymously express their opinions, experiences, and grievances. It also helps the organisation to assess critical areas for improvement and plan remediation, if necessary.

Excellerator Club: This exclusive club aims to recognise and engage our organisation's highest-rated employees. Club members are felicitated with badges and certificates for the full-day experiential learning session and have multiple opportunities throughout the year to connect with the leadership team and collaborate for synergies.

Family Day and Festival Celebrations: These programmes facilitate employees to involve their families in our Company's activities, strengthening bonds between colleagues and promoting a supportive work environment. These diverse engagement initiatives not only enhance employee satisfaction and morale but also contribute to increased productivity, teamwork, and retention rates within the organisation.

OCCUPATIONAL HEALTH AND SAFETY

Our OHS policy has established comprehensive occupational health and safety management principles to ensure a healthy and safe work environment. These principles protect the health and safety of all stakeholders, employees, and workers, including permanent and non-permanent. We have developed our programmes and initiatives, which comply to legal and statutory requirements, and international standards established by various bodies like ISO, ILO, WHO and help in promoting wellness and safety at workplace.

Our policies and programmes aim to prevent physical, mental, and psychosocial health issues to improve overall well-being of employees.

↗ Hero MotoCorp Occupational Health and Safety Policy (OHS)

Environment Health and Safety Department (EHS): We have set up an EHS department in all our facilities to ensure health and safety of the workforce in collaboration with joint committees.

Risk & Hazard Assessment: The EHS department conducts regular assessments at work to identify risks and hazards, including the Hazard and Operability Study (HAZOP), Job Safety Analysis (JSA), Quantitative Risk Assessment (QRA), and Hazard Identification and Risk Assessment (HIRA). These assessments help us to prioritise and integrate action plans to address identified issues promptly and effectively.

Audit Systems: Internal and external audits are carried out based on national and international standards (ISO 45001) periodically to ensure due diligence and the quality of health and safety services provided at the workplace.

Training and Awareness: We impart trainings to our workforce, supply chain partners and communities to create awareness on various safety aspects like emergency preparedness, safety guidelines, etc.

100% of our facilities are ISO 45001 certified

OHS Programme

We have developed a comprehensive occupational health and safety (OHS) programme that focuses on establishing the highest standards of occupational health and safety. We have established an OHS management system that aims to evaluate, monitor, and continuously improve health and safety practices.

We have established:

Joint Committees: We have constituted joint committees across organisation with the due participation of all stakeholders, employees, workers, including permanent and non-permanent, to ensure the effective functioning of programmes and services aimed to promote health and safety, also evaluating them on a regular basis in order to plan future improvements.

Zero-incident Safety Culture

We have established targets to achieve zero-incident culture, which includes zero fatalities, zero Lost Time Injury frequency rate (LTIFR) and Lost Time Injury Rate (LTIR) rates. We are constantly striving to improve our OHS management system through risk and hazard assessments, audits (internal and external), and imparting awareness via training programmes.

Sr. No.	Particulars	Unit	Permanent Employees	Contractual Employees
1	Recordable work-related injuries	No. of employees	3	14
2	Fatalities	No. of employees	0	0
3	High-consequence work related injuries	No. of employees	0	0
4	Rate of recordable work-related injuries (considering million hours worked) - LTIFR	Rate	0.24	0.35
5	LTIR of recordable work-related injuries (considering 2,00,000 hours worked)	Rate	0.05	0.07

OCCUPATIONAL HEALTH AND SAFETY

Initiatives to Promote Occupational Health and Safety

- HIRA (Hazard Identification and Risk Assessment) mapping and CIRA (Context, Issues Identification, Risk and Opportunity Analysis) of hazardous job processes and the employees involved; periodic occupational health checkups are planned and implemented as per the HIRA and CIRA as a part of statutory health check-ups.

- The guiding document for occupational health checks is our organisation's occupational health services management system (OH Manual), which was designed according to the requirements of the Indian Factories Act 1948, OHSAS 18001, ISO 45001, and FSSAI.

- We conduct periodic occupational health surveillance and audits of workplaces, work environments, ergonomics, and industrial hygiene by location medical teams.

- We conduct pre-employment medical check ups as per statutory and non-statutory requirements aligned with the requirements for the job.

- We conduct periodic medical checkups in-house with specific tests identified as per risk assessment of employees working in different departments exposed to various occupational health hazards. We carry out most of these tests with in-house equipment, such as a spirometer, audiometer, vision tester, and peak flow meter. Health assessment on return to work is done prior to re-joining. The medical fitness certificate is verified and validated and maintained as a record.

- We provide ergonomic workstations for preventing musculoskeletal problems by designing better workstations through ergonomic surveys and improvements and strengthening workplace monitoring (lux, noise, dust, VOC, and CO), etc.

- We conduct general health examinations and advise follow-up checks for those with adverse medical reports on occupational health checkups. We ensure workers'

accessibility to occupational health services by facilitating the relieve of workers from job stations to attend occupational health centres and communicating follow-up information to the department. Occupational health services are highlighted in OSH PRC (Occupational Safety and Health Performance Review Committee) meetings and HR monthly review meetings.

- The scope of improvement in occupational health services is through periodic internal and external IMS audits.

- Effective management of occupational injuries and correction of impairment through best possible medical back-up services. Provision of ambulance services for referral cases.

- Drinking water and air quality checks at the workplace are conducted to ensure safe water and air as part of environmental initiative in health promotion. We conduct bacteriological swab cultures, canteen hygiene tests, food calorie and culture tests per FSSAI guidelines.

- We immunise specific categories of employees as per job requirements for specific protection under primary prevention protocol. As per the statutory requirements, we manage biomedical waste generated as a part of occupational health services. We give specific protection devices for identified occupational hazards (e.g. ear plugs for workers employed in high-noise areas even after engineering control methods).

- We conduct statutory training, including first aid and CPR for our employees.

- We have formulated emergency evacuation action plans by providing training and conducting mock drills with employees to respond to emergencies.

BEST CANTEEN Gurugram plant was honoured with the award by the Haryana State Labour Department

OCCUPATIONAL HEALTH AND SAFETY

Risk and Hazard Assessment

We have implemented a set of strategies to conduct risk and hazard assessments in the workplace. This process enables us to identify occupational health and safety (OHS) risks and hazards, investigate their root causes, prioritise the risks, and outline action plans to mitigate them. This ensures the health and safety of all stakeholders at our workplace.

Hazard and Operability Study (HAZOP)

This is a systematic approach to proactively identify potential hazards and risks that can occur in the workplace. It also prepares management to take preventive measures to avoid any harm or risk at the workplace. We conducted HAZOP study for various processes like heat treatment, painting processes, bulk storage of petroleum, etc.

Job Safety Analysis (JSA)

This involves a detailed study to identify all possible hazards and potential risks by breaking down the job into a series of steps and accordingly plan actions to mitigate potential OHS hazards and risks. It is an integral part of our management of change process and non-routine activities.

Quantitative Risk Assessment (QRA)

QRA enables to estimate the likelihood and consequences of hazardous events and depicting the results quantitatively as risk to people, environment or business. It helps in decision making by highlighting the incident scenarios, consequence analysis and prioritise risks to plan actions accordingly. We conducted QRA for bulk storage of propane gas and petroleum products, etc.

Hazard Identification and Risk Assessment (HIRA)

We have implemented a set of strategies to establish a zero-incident culture at our workplace. We are following a set of approaches and procedures that establish a stringent system to identify risk, plan mitigation to ensure safety and health, and, in a larger perspective, human rights for all stakeholders.

Identification of OHS Risks and Hazards

The main element of HIRA is to identify all materials, agents, conditions or activities with the potential to cause injury, harm or illness, or damage to the business and its property. We regularly evaluate our processes and job work by assessing the associated risks and hazards. We have also established a hazard reporting mechanism and encourage all employees to report any incident or hazard to immediate supervisors and departmental committees. A hazard could be defined as a source, situation, or act that can potentially harm and result in injury, illness, or a combination of both. We categorise OHS risks into physical, mechanical, electrical, chemical, biological and others, and these are prioritised based on their probability, frequency of occurrence, and severity by evaluating adverse impacts, including possible losses and injuries.

Procedure to Investigate Injuries, Hazards and Incidents

We have established procedures for investigating workplace injuries. Initially, we train supervisors and managers on the techniques and procedures used during the investigation.

During the investigation, supervisors and managers identify all the equipment and materials involved and analyse all the information to determine the incident's root cause. This investigation includes details on whether the incident occurred due to system failure or failure caused by other reasons. Subsequently, the team will prepare an action plan to prevent such incidents from occurring in the future.

Impact Assessment and Prioritisation of Action Plan

Workers and department-level committees identify all the hazards, identify the root cause, and plan mitigation accordingly. Another way to map hazards is by providing numeric scores regarding potential risks and impacts on three characteristics (potential consequences, likelihood, and detection). A combination of all three will generate an overall risk priority number (RPN) and enable management to prioritise and integrate an action plan (hazard control mechanisms) with quantified targets (achieve zero fatalities at the workplace) to mitigate the high-priority risks in a time-bound manner.

Action plan will be based on the following methodology (Hazard control mechanisms) to control OHS risks and Hazard at workplace:

Elimination	→ Physically remove the hazard
Substitution	→ Replace the hazard
Engineering Controls	→ Isolate people from the hazard
Administrative Controls	→ Change the way people work
PPE	→ Protect the worker with Personal Protective Equipment
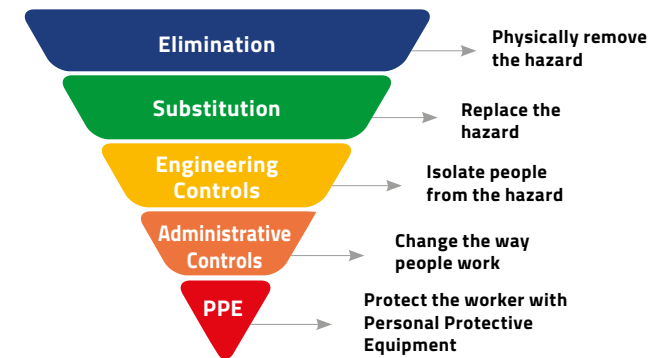
- **Eliminate** the hazard.
- **Substitute** materials, agents, conditions or activities with the potential to cause harm, wherever feasible.
- **Use all feasible engineering measures** to control the risks where the potential for harm cannot be eliminated or substituted.
- **Establish administrative and other control measures** to minimise any remaining risk.
- **Use of personal protective equipment (PPE)** – the last priority in the hierarchy of control.

OCCUPATIONAL HEALTH AND SAFETY

Action Plans to Respond Emergency Situations

Our organisation has listed potential hazards that could result in emergencies and major accidents, including process hazards (chemical, temperature, cryogenic, and electric hazards), natural calamities, and any environmental failures that lead to land, water, and air pollution. This approach involves:

- Quantitative risk assessment and consequence analysis to estimate the physical effects of accidents.
- Development of onsite action plans which list procedures and actions to be taken during an emergency. Formation of an emergency response team, which will be the first point of contact within the organisation in the event of accidents and emergencies.
- Communication and training of connected persons, mock drills with employees to define escape routes, and sharing information for assembly points.

These comprehensive strategies and action plans help us respond to emergencies.

Evaluation of OHS Performance, Progress against Targets

At HMCL, we have established robust review mechanisms through various committees that evaluate OHS performance to reduce and prevent injuries against set targets.

Management Review Committee: It comprises members from top management and functional heads. They review the progress made at the HMCL level every six months.

Plant-level Committees: This committee works at the plant level to evaluate the progress made on OHS indicators monthly.

Department-level Committees: This committee comprises worker and management representatives, and it meets quarterly. It manages all matters concerning health and safety at the bottom level.
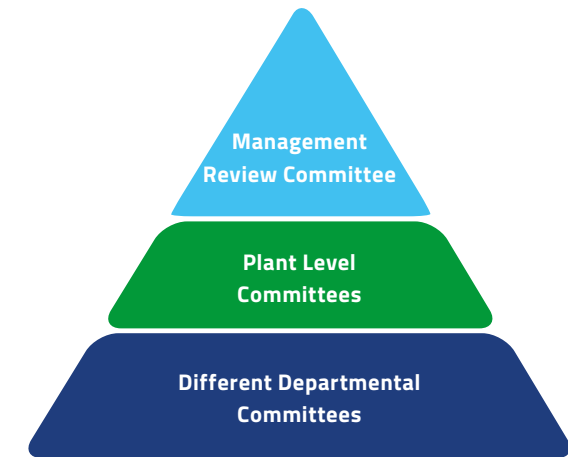
Safety Hierarchy

In addition to the above, the EHS department, at all locations, monitors the record of all injuries, performance, and actions taken to prevent injuries in the future. It also conducts regular reviews and works with department-level committees.

OCCUPATIONAL HEALTH AND SAFETY

Training and Awareness

It is important to inform all employees, workers, and contractors about workplace hazards, controls, established Standard Operating Procedures (SOPs), and reporting mechanisms to ensure safe working conditions, and enable them to work productively.

We are incorporating digitalisation and emerging technologies in our safety programmes. We are utilising virtual reality in our training programmes by developing a near-reality computer-generated environment, simulating an unsafe scenario and visualising consequences for non-adherence to safety guidelines. This methodology helps us to foster a positive attitude towards established safety SOPs and practices.

We have set up 'safety gyms' at all locations, where employees can experience live accident scenarios using fear simulation devices.

We have defined our training modules to address the training needs of our stakeholders, few of these are:

- Control of hazardous substances
- Safety leadership programme
- Induction and orientation training
- Emergency planning and preparedness
- Industry-specific awareness
- General safety - construction sites
- HIRA - aspect training
- Behavioural safety
- Legal compliance training
- Chemical handling
- Machine handling training
- Electrical safety
- Fire prevention and protection
- General safety awareness
- Mock drills with the National Disaster Response Force (NDRF)

Safety with Value Chain Partners

We believe in fostering a safety culture in our entire ecosystem beyond the boundaries of our establishments. We have shared our clear aim and vision through sustainable procurement guidelines to uphold human rights, health, and safety values with our value chain partners. In line with our commitments, we have organised various capacity-building sessions with our value chain partners to share best health and safety practices and encourage them to implement them in various places.

Engagement with Communities

We are engaging with communities to provide awareness for comprehensive fire safety. These sessions offer insights into emergency preparedness, procedures, and fire safety training.

EMPLOYEE HEALTH & WELLNESS MANAGEMENT

Employees are our organisation's biggest asset, hence, protecting and promoting their health and wellness has always been our foremost priority. We aim to foster a 'culture of well-being' and to ensure work-life balance by identifying the needs of diverse segments of our workforce (gender and specially-abled employees) working in different occupations and services. We have extended our healthcare assistance to employee dependents and are working towards community development to make a healthy and fit society.

We have categorised the health and wellness programmes into physical, mental, and psychosocial health and wellness management. All manufacturing locations have occupational health and wellness centres, which comply with all legal requirements of the Factories Act 1948 and international Standards, including ISO 45001 and the WHO Healthy Workplace Model.

Key Highlights of Wellness Initiatives

Lifestyle Disease Prevention Programme

We raise employees' awareness on the importance of fitness and how to take preventive measures for diseases caused by their lifestyle. We organise programmes for diabetes, blood pressure, cardiac problems, health talks by specialists, and awareness and prevention through newsletters and campaigns.

We encourage our employees to participate in different sports activities and have an internal policy to promote sports. We organise multiple sports and game events as a part of our engagement activities.

Employee Care and Family Welfare Programmes

We regularly organise medical consultations, health screening camps, and sessions with specialist doctors. We also have in-house facilities for free medical consultations for all employees regarding their routine and minor health issues. We provide 24x7 free online teleconsultation services with specialist doctors for employees and their family members.

Employee Assistance Programme (EAP)

This programme is a confidential individual assistance and counselling support service designed along with specialised external agencies to help employees cope with personal problems and stress management that can adversely affect their quality of life, behaviour, or performance. We have organised regular stress management classes, health talks, counselling sessions, sessions for awareness on mental health by external specialists, yoga and meditation programmes for employees and their family members.

Social Security Benefits

Medical Insurance Cover

We provide medical insurance coverage for hospitalisation treatment facilities for employees and dependants.
We offer ESI benefits for contractual employees and their family members and insurance coverage for our permanent employees.

Life Cover

We support the employee's family and dependents in case of an associate's unfortunate demise by providing them with a life cover amount.

Notice Period

As per the compliance requirement of the Industrial Disputes Act, 1947, we provide a minimum notice period of 21 days regarding operational changes that may take place; thus, we are compliant with the same.

CUSTOMER SATISFACTION AND ENGAGEMENT

We always strive to exceed our customers' expectations by offering best in class products and services to satisfy their needs and demands. As the foundation of our quality performance to uphold customers' faith in the Hero MotoCorp brand, all our facilities have implemented a resilient quality management system.

We organise various development programmes in which we engage with the workforce at different dealerships and service centres, aiming to enrich the experience of our diverse customer segments.

iCare: This programme focuses on enhancing customer interaction skills, enabling our customer care executives to better understand customers requirements and collect feedback for resolutions.

Udaan: This initiative enhances our front-line supervisors' interactions at service workshops, helping them to understand exact customer requirements related to product, prepare job cards, and assure timely resolution.

We also map the customer experience index by collecting feedback from all dealers, customers and locations based on various attributes so that we can plan corrective actions and strategies to achieve 100% customer satisfaction.

Parameter	Details
Understanding Customer Needs	Happiness index customer survey Total 4,09,802 feedback calls
Customer Database Security	Hero Connect application – data access through individual logins for all users
Customer Satisfaction Surveys	Feedback taken on: 1. Rating of supervisor's explanation of problem cause and solution 2. Rating on resolution (first time) 3. Rating on vehicle cleanliness Happiness index customer survey results: Customer experience index: 90.4
Customer Issues (Received Versus Solved)	Received: 23,015 Resolved: 22,732 98.77% satisfaction 7% reduction in complaints from FY 2022-23 Robust mechanism for classifying complaints and tracking progress of on-time reprisal of concerns regularly.
Customer Feedback Mechanism	1. Telephonic mode through call centres 2. Post-service feedback process at dealerships 3. Website / Social media 4. WhatsApp 5. E-mail
Enhancing Customer Experience	Total 28,396 candidates were trained in 2,499 batches in FY 2023-24 to enhance customer experience.
Digital Platforms (App) for Customer Interaction	Our new app launched in January 2023 received 32,87,305 user interactions. (service: 28,54,305 and sales: 4,33,000).

CUSTOMER SATISFACTION AND ENGAGEMENT

Hero GoodLife Programme

To strengthen the customer relationship and enhance their experience by making it more exciting, joyful, and rewarding, Hero MotoCorp has developed the GoodLife programme. We are running the world's largest relationship, rewards, and loyalty programme in the automotive sector.

We engage with GoodLife members through their active involvement and providing them with exciting offerings.

Over our 23-year journey, we have maintained a steadfast commitment to sustainability, considering it a core principle guiding all our endeavours. In recent years, we have actively involved our stakeholders, including customers, dealers, and employees, to translate our purpose into tangible actions. This year, we launched several campaigns to propel eco-friendly practices and enhance digitalisation, along with the ongoing 'sustainability momentum'.

Celebrate Engagements and Win Rewards

Predict & Win	**World Environment Day**
World Yoga Day	**Kargil Vijay Diwas**
Hero Day Campaign	**Independence Day Campaign**
Spin & Win Every Day	**Republic Day Campaign**

Product-led Digital Engagements

Super Splendor XTEC	**Hero Scooter Promotion on Raksha Bandhan**
Glamour, Simply Magnetic	**Hero Xpulse Promotion**

OUR BRAND VALUES

We are grateful for the trust shown by the 116 million+ customers towards the products and services offered under the 'Hero MotoCorp' brand. Assessing customer needs and emerging market requirements, and as part of our long-term business strategy, we have launched multiple new models in premium segments: the Xtreme 125R, Xtreme 200S, Xtreme 160R 4V, Harley-Davidson X440, Karizma XMR, and the Maverick 440. We are incredibly thankful for consumers' fantastic response to our newly launched products.

Furthermore, establishing a robust and sustainable brand reputation among customers is an integral part of brand strategy and has been identified as a strategically important material issue. This approach has been visible through our commitment to policies and surveys conducted for customer experience on our various sustainability indicators and programmes.

Ethical Marketing and Advertising Policy

We are committed to upholding ethical, fair, and transparent practices in all spheres, including marketing and advertising. We advertise all our product features and offers accurately and transparently to customers. Our Company has framed a comprehensive employee training and awareness programme to uphold the principles enshrined in our ethical marketing policy.

↪ Hero MotoCorp Ethical Marketing and Advertising Policy

116 Million+ Customer Base

The conviction of over 116 million+ customers confirms our dedicated focus on product quality, customer experience, and brand management, which has enabled Hero MotoCorp to maintain our position as the leading two-wheeler manufacturer in the world for the past 23 years.

Strengthening Product Portfolios

In line with our vision, 'Be the Future of Mobility,' of delivering world-class experiences and products to its customers worldwide, our Company presented three concepts and three production-ready models. We also announced the roadmap for entering the European market, specifically in Spain, France, and the UK.

- These dynamic EV concepts - Lynx and Acro – which presented a completely new take on urban mobility and were developed at Hero Tech Center Germany.
- Hero MotoCorp took the spotlight by unveiling the Hero VIDA V1 Pro, an electric scooter designed to turn heads and spark excitement. This scooter is unique due to its creative design, which includes a direct-drive motor installed on the swing arm, and two detachable batteries, which increase convenience for riders who wish to continue travelling.

- We expanded the presence of VIDA to over 100 cities.
- We unveiled the world's first segment-adapting vehicle - Surge S32.
- We unveiled all new additions to the Xoom lineup: Xoom 125R and Xoom 160. Packed with industry-first features, these scooters are poised to redefine the riding experience and will be available in all regions soon.
- To build a comprehensive portfolio of premium motorcycles, we unveiled the Concept 2.5R XTunt, another new category for our Company.
- We introduced the Hero Xtreme 125R, which perfectly captures the aspirational mobility needs of gen-next customers. It's here to 'Challenge the Extreme' and is a leap ahead in terms of performance, styling, riding dynamics, and safety.
- We expanded our dealership network via 75 Premia outlets and over 400 Hero 2.0 stores.
- In a historic achievement for Indian manufacturing and sports, Hero MotoSports Team Rally, the rally-racing team of Hero MotoCorp, clinched the second position at the famed Dakar Rally 2024, the first time an Indian team has made it to the podium at Dakar.

#SheRides

We promote diversity, equity, and inclusion in providing mobility to the masses. The #SheRides programme focuses on breaking barriers and eliminating stereotypes associated with gender. In this programme, we offer heroic females the essentials for riding safely and confidently on different motorcycles. So far, five batches of female riders have been trained across Delhi and Jaipur.

OUR BRAND VALUES

Integrating 'Sustainability' into our Brand

We strive to integrate best sustainable practices in every aspect of business and customer services through digitalisation, live status tracking for services, and transformation of existing processes to minimise environmental impact and promote responsible consumption.

Hero Green Dealership Programme

This flagship programme is part of our long-term sustainable brand strategy. We aim to have 100% green dealerships by 2030. We have conducted multiple brand perception surveys with customers to capture their feedback on sustainability indicators. Survey outputs have indicated that our sustainable initiatives have resulted in better customer satisfaction.

Sustainability Brand Perception Survey Metric

S. No.	Survey Parameter	Customers Who Responded Positively to Sustainability Initiatives
1	Overall commitment to environmental sustainability initiatives	64%
2	Commitment to corporate social responsibility	64%
3	Concerned about future sustainability	65%

All these survey parameters cumulatively hold 50% weightage.

In FY 2023-24, we have taken the target to achieve 60% positive responses from customers on above indicators.

Customer Centric Sustainable Initiatives

E-Card and Kit

- We have significantly reduced the amount of paper and cardboard used to create our GoodLife membership cards by issuing e-cards rather than physical cards. E-cards reduce the need of physical transit and packaging, lowering carbon emissions associated with production, shipping and handling.
- Over 60% of Hero GoodLife membership was issued through e-cards (13.69 lakh+ cards).

Green Reward Bonus Points

- To promote environmental awareness and responsible vehicle ownership, we reward members with extra points for submitting valid pollution under control (PUC) certificates. Valid PUC certificates demonstrate compliance with emissions norms, leading to better air quality and lower pollution levels.
- Points awarded – 4,67,275

E-Redemptions

- E-redemption offers convenience and flexibility for members while reducing the carbon footprint associated with physical transportation and handling of paper-based vouchers & physical gifts. This initiative minimises paper usage, waste generation, and the environmental impact of printing and distributing paper-based rewards and physical gifts.
- 93% redemptions (14.79 lakh) were made through electronic mode (e-commerce, e-service, and e-sales vouchers).

Paperless Referrals

- Hero GoodLife Members can seamlessly refer friends and family using our fully digital two-wheeler referral system, which eliminates the need for paper and saves time.
- This eco-friendly initiative helps us to reduce waste and supports a more sustainable way of connecting.

These initiatives demonstrate our commitment towards sustainability by lowering paper and plastic usage, waste generation, and energy consumption associated with traditional paper-based processes.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

For Hero MotoCorp, corporate social responsibility (CSR) is a commitment to this precious planet and its people. We have integrated the core values of this commitment into our way of doing business. The organisation abides by the core principles of environment conservation, shared social values, and ethical business conduct.

Under the Hero We Care umbrella, we have initiated and scaled up focused social and environmental programmes that align with our Company's CSR vision to contribute towards building a greener, safer, and equitable world.

> **CSR Vision: To Help Build a Greener, Safer and Equitable World.**

CSR Programmes

GREENER

We have undertaken these programmes focusing on environmental protection and sustainability to create a cleaner and greener world. These programmes address climate change, pollution, deforestation, and other environmental concerns to mitigate their impacts and promote sustainable development.

25,29,608 Trees planted till date

260 MILLION LITRES Groundwater saved

Hero Green Drive

We continued to nurture the saplings planted in the previous years to ensure self-sufficiency and survival. We planted 52,371 trees in FY 2023-24, bringing the cumulative number of planted trees to 25,29,608.

Water Conservation

This year, Hero MotoCorp has primarily focused on conserving water resources in waterstress rural areas. Through the 'Farm Pond on Every Farm' project, 5% of the farmland is used to build a pond that collects rainwater that can be utilised for irrigation purposes. Through this intervention, we have build **62 farm ponds, saving and repurposing approximately 40 million litres of water** for irrigation.

Projects	Beneficiaries in FY 2023-24	Total Beneficiaries till FY 2023-24	Amount Spent in Cr.
Preventive healthcare	1,02,380 individuals	11,97,900 individuals	2.42
Education	8,220 students	4,52,451 students	27.06
Road safety	5,96,300 participants	21,74,000 participants	9.05
Diversity and inclusion	1,210 individuals	62,599 individuals	9.49
Biodiversity protection	Developed and maintained the Aravali Biodiversity Park and planted 52,371 trees	Planted 25,29,608 trees and established a biodiversity park	12.45
Water conservation	40 million litres of water saved	260 million litres of water saved	1.20

CORPORATE SOCIAL RESPONSIBILITY (CSR)

SAFER

We aspire to scale our road safety initiatives further. According to the recent Ministry of Road Transport and Highways of India report, 4,61,312 road accidents occurred in India during 2022, making it one of the most accident-prone countries in the world. Our Company is working to promote safer riding practices in the community through our various flagship programmes.

Hero We Care Two-Wheeler Riding Training School (HTRTS)

The primary focus of Hero MotoCorp's road safety awareness programme is to raise awareness, foster responsibility, and instil behavioural change to follow the rules among road users. The Ride Safe Programme (RSP), Ride Safe Awareness Programme (RSAP), and Learn to Ride (LTR) are currently being conducted at our Two-Wheeler Riding Training Centres (HTRTS) in various locations, including Delhi, Gurugram, Begumpet, Rachakonda, Rourkela, Lucknow, and Nagpur.

50,000 Children's helmets distributed nationwide

13,41,418 Participants were involved in road safety trainings till FY 2023-24

Ride Safe Awareness Programme (RSAP)

RSAP emphasises the need to inculcate self-discipline among road users through regular reminders, road safety training, awareness-generation sessions about traffic rules and safe driving habits, and mass awareness campaigns.

Ride Safe Programme (RSP)

RSP comprises practical and theoretical sessions. In the practical sessions, trainees learn about riding posture, balancing on narrow roads, figure-8 riding, slalom riding, and more. Similarly, the theoretical sessions focus on the importance of road safety, the responsibilities of riders in an accident, the fundamentals of road signals, and other topics.

Learn to Ride Programme (LTR)

This programme provides an avenue for eligible trainees who wish to learn to ride a bike. It spans for five days and incorporates sessions and evaluations for theoretical and practical aspects.

Road Safety Awareness Programme

Hero MotoCorp partners with various organisations to conduct extensive awareness programmes for road safety. This year, our efforts have reached around 1,20,000 children and parents, and we have distributed 50,000 children's helmets nationwide as part of our safety awareness efforts.

Be a Road Hero

#BeARoadHero is one such campaign that has optimally used mass media, social media, and below-the-line activities, including, workshops, contests, road shows, and rallies to reiterate the road safety message and help bring about attitude change amongst road users. It encourages riders to 'be a road hero' by always wearing a helmet while riding a two-wheeler and a seatbelt while driving a car, helping accident victims, and following traffic rules. 4,94,181 pledges were made in FY 2023-24 totalling 8,74,287 pledges.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

EQUITABLE

Diversity and Inclusion (D&I)

Hero MotoCorp envisions a community that embraces social inclusion and helps to build an equitable world. The primary purpose is to create avenues that promote equal opportunity for all sections of society without any bias or discrimination based on race, caste, colour, gender, sexual orientation, religion, ethnicity, or physical or mental disability and to build resilience among them to ensure inclusion and equitable participation in mainstream society.

4,000 Women trained under Project SAKSHAM

Be a Sporting Hero

Hero MotoCorp has collaborated with and supported the Indian Deaf Cricket Association, the Paralympic Committee of India, and the Mary Kom Regional Boxing Foundation. These collaborations promote sports at the grassroots for the holistic development of personality and health and make it accessible to all citizens of India, including women, children, and persons with special abilities.

Project SAKSHAM

Project SAKSHAM is a unique initiative that seeks to increase employability for women in the two-wheeler value chain industry. This initiative aims to provide hands-on training and experience to women in ICE and EV vehicles by providing industry-specific skills for becoming two-wheeler technicians, supervisors, and sales experts. In FY 2023-24, 4,000 women started training in various courses as per their interests.

Education and Skill Development

Education is one of the most potent instruments in developing individuals' skills, abilities, and knowledge, as well as alleviating poverty and unemployment. In the last couple of decades, the Indian Government has initiated various reforms and programmes to realise the goal of quality education across the country and to make such education accessible to all. Against this backdrop, Hero MotoCorp has demarcated education as one of the thematic areas of intervention under its CSR mandate. Our Company has been making concerted efforts to improve facilities as per the needs of schools, as recommended by the National Policy on Education (NPE), 2020, and the Right to Education (RTE) Act, 2009. The components of the education programme include:

- **Providing Infrastructure and Essential Resources**

  This project covers constructing or refurbishing school buildings, renovating classrooms and playgrounds, erecting boundary walls, installing solar power systems, and providing necessary furniture and essential resources like school bags, stationery, and books. Our Company also supports infrastructure development in select colleges and universities that offer deserving students professional degrees. During FY 2023-24, we renovated three schools in Varanasi, Kannur and Leh, benefitting 1,445 students by providing a better learning environment.

- **Remedial Classes to Improve Learning Outcomes**

  Going beyond infrastructural development, we have partnered with professional non-profit entities to engage meaningfully with school students and help them resolve issues that could be hindering their overall growth. In FY 2023-24, 6,916 students got benefitted across four locations – Dharuhera, Neemrana, Jaipur and Haridwar.

- **Scholarships**

  We award scholarships to deserving students based on recommendations from schools, colleges, and universities, ensuring that financial or other limitations do not hinder talented individuals from pursuing their potential. As a part of our collaboration with the Indian Navy, we have provided scholarship support to 250 children. These are children of Navy personnel martyred in the line of action, as well as orphans and the specially-abled.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

EQUITABLE

Chief Minister's Good Governance Associates (CMGGA)

The CMGGA programme is a strategic collaboration between the Government of Haryana and Ashoka University, which aims to improve governance in the state and give participants a platform to impact the masses on a larger scale. Since 2018, the programme has provided a platform for 43 young individuals each year to work closely with the Chief Minister's Office to bring transparency, accountability, and efficiency to public service delivery in the state. The associates are trained and oriented about government functioning and structure through a 15-day boot camp at Ashoka University. They are then posted across 22 districts to work with the district administration for one year.

Hero Salutes Heroes of the Nation – Standing by Indian Soldiers

Our flagship project, Hero Salutes Heroes of the Nation, we partnered with the Directorate of Indian Army Veterans (DIAV), the Central Reserve Police Force (CRPF) and the Border Security Force (BSF) and continue to explore areas wherein we can support the veterans and the next-of-kin of the martyrs.

- **Veerangana Sewa Kendras (VSK)**

  Our partnership with the Directorate of Indian Army Veterans (DIAV) has extended financial assistance for the marriage of daughters of ex-servicemen and the remarriage of spouses who have lost their husbands in the line of duty. Hero MotoCorp has facilitated the setting up of Veerangana Sewa Kendras (VSK), a unique single-window facility meant for the welfare of widows and the next of kin of Indian Army soldiers. These Kendras also serve as a grievance redressal system.

- **CHETNA (Comprehensive Health Early Evaluation Timely Action Nurturing Assistance) Centres**

  Hero MotoCorp has set up an Early Intervention Centre (EIC) in collaboration with the Navy Welfare and Wellness Association (NWWA) for children with neurodevelopmental disorder. Currently supporting 98 children, the CHETNA centre provides all services required by infants and toddlers at risk of developmental disabilities or having developmental disabilities under one roof, including occupational therapy, speech and language therapy, assessment and counselling by psychologists and clinical consultation by paediatricians.

- **Supporting Individuals with Disabilities, including Injured Indian Army Veterans**

  Hero MotoCorp invests in supporting specially-abled individuals by providing them with retro-fitted scooters. The Company has partnered with the Directorate of Indian Army Veterans (DIAV) to support specially-abled soldiers with customised scooters for a safe and convenient riding experience.

  We are committed to continuous improvement and scaling up our CSR programmes to have a positive impact on society and the environment.

GOVERNANCE

Hero MotoCorp is committed to highest level of corporate governance, adhering to the ethical standards and legal compliances. We prioritise excellence across our operations through a robust quality philosophy and proactive risk management, ensuring to navigate emerging risks effectively. Our commitment to ethical conduct extends to responsible taxation and stringent data protection measures. Additionally, we emphasise sustainable practices within our extensive value chain network, which are integral to our long-term sustainability goals. Our approach ensures that we meet regulatory requirements while fostering a culture of integrity and responsibility.

Focus Areas

- Business Ethics and Board Structure
- Responsible Business
- Risk Management
- Tax Strategy
- Information Security and Data Protection
- Value Chain Management

UN SDGs Mapping

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Highlights

100%
Facilities assessed for risks related to corruption

17%
Green dealerships achieved by FY 2023-24

100%
Facilities certified with ISO 9001

200+
Patents granted in FY 2023-24

BUSINESS ETHICS

Upholding ethics and integrity is paramount in cultivating a responsible business. It encompasses our unwavering commitment to transparently and ethically achieving success. We adhere to the highest standards of business conduct and ethical behaviour as per the applicable laws and regulations. All our policies are publicly available on company website: https://www.heromotocorp.com/en-in/company/reports-and-policies/key-policies.html

- Committed to anti-bribery and anti-corruption
- Avoiding conflict of interest
- Ensuring fair business practices
- Promoting transparency and equal opportunities
- Fostering a diverse and inclusive culture
- Promoting a fair and ethical work environment

Code of Conduct

We have embedded business integrity and compliance into our day-to-day business practices by sincerely adhering to our Code of Conduct (CoC). The Code of Conduct, applicable to all the Directorsand employees, helps to maintain the highest levels of professional conduct by defining the expected standards of behaviour.

The Code of Conduct empowers us to maintain business conduct standards and is instrumental in embedding efficiency, responsiveness, and consistency in our behaviour and decision-making. We have clearly defined responsibilities, accountabilities, and reporting lines in all divisions, ensuring that we work together effectively to achieve our shared goals. Our CoC is in line with HMCL's ethos, vision and values, and we implement appropriate governance practices to ensure uniformity and promote a culture of information sharing.

Every employee has to attend mandatory Code of Conduct training, agree to abide by the Code, complete the certification process, and demonstrate acceptable behaviour. In FY 2023-24, 100% of the employees have completed the CoC training and annual sign-off.

The Eight Principles of our CoC

- Fiduciary Principle
- Property Principle
- Reliability Principle
- Transparency Principle
- Dignity Principle
- Fairness Principle
- Citizenship Principle
- Responsiveness Principle

↗ **Hero MotoCorp Code of Conduct**

Anti-bribery and anti-corruption are crucial pillars of the Code of Conduct, including the mandatory Code of Conduct training module for all employees. At Hero MotoCorp, we have performed an organisation-wide anti-bribery and anti-corruption (ABAC) risk assessment through an independent third-party service provider covering all our operations. The key objectives of the review were the identification of our government touchpoints / government-facing functions and processes, benchmarking our processes in line with the Foreign Corrupt Practices Act (FCPA), UK Bribery Act (UKBA) and Organisation for Economic Co-operation and Development (OECD) guidelines and identifying improvement opportunities, i.e. policy creation and / or enhancements, process changes, and stakeholder propagation.

Based on the assessment, we have set up an anti-bribery and anti-corruption (ABAC) framework that encompasses management oversight, updated internal policies, released an anti-bribery and anti-corruption policy, and created a supplier code of conduct for our supply chain partners that upholds and communicates the critical pillars of our ABAC framework. We have developed mechanism for periodic monitoring of our ABAC framework.

↗ **Hero MotoCorp Anti-Bribery and Anti-Corruption (ABAC) Policy**

Policy Influence

HMCL actively engages with government bodies and industry associations to promote favourable policies and represent the Company's interests. Our primary areas of concern encompass climate-related issues, sustainability, digitisation, evolving sector dynamics, and innovative technologies. We strive to commence strategic initiatives, engage with regulatory bodies, advocate for policy reforms, and create conducive business environment.

We maintain complete transparency in our spending, which is thoroughly disclosed in our Annual Report. We disclose our public shareholding and do not issue golden shares with discriminatory voting rights. It is ensured that our Company, Directors and employees do not get involved in political activities and campaigns.

BUSINESS ETHICS

As we strive to uphold the interests of all stakeholders, any employee, Director, vendor, supplier, or dealer can report violations of CoC through various reporting channels, including a toll-free number, e-mail, and a web hotline service. We have implemented measures to safeguard the confidentiality of whistleblowers and their related information and prevent retaliation against them.

In FY 2023-24, we received 20 complaints through various reporting channels and carried forward one complaint from the previous year. Of these, we have investigated 20 complaints and the remaining one complaint is under investigation.

Instances of Breaches	FY 2023-24
Corruption and bribery	0
Conflict of interest	1
Money laundering	0
Insider trading	3

↗ **Hero MotoCorp Conflict of Interest Policy**

Centralised Compliance Management

HMCL aims to effectively manage regulatory and statutory compliances by establishing standards and implementing procedures. We have deployed an automated compliance framework that regularly monitors and updates all applicable laws and compliance obligations. Automated alerts are sent to compliance owners to ensure that they comply with regulations within the set timeframe. This proactive measure helps to keep everyone on track and avoid penalties or other legal issues arising from non-compliances.

In strict adherence to the provisions of the Companies Act, 2013 and SEBI Regulations, HMCL has its compliances audited by an independent secretarial auditor. The report of this audit confirms our compliance with the Companies Act, 2013 and SEBI Regulations, which is a crucial part of the Board report and is made publicly available. This report plays a significant role in our decision-making process, as it provides an independent assessment of our compliance efforts and helps us to identify areas for improvement.

Vigil Mechanism

In compliance with the Companies Act, 2013 and SEBI Regulations, 2015, we constantly aim to stay at par with our ethical standards through a robust vigilance mechanism. Accordingly, our whistleblower policy allows Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our Company's code of conduct or ethics policy.

↗ **Hero MotoCorp Whistle Blower Policy/Vigil Mechanism**

We have established an Ethics Committee to manage the Vigil Mechanism. Whistleblowers may raise their concerns to the Ethics Committee/Chairperson of the Audit Committee through a third-party managed Ethics Helpline established by the Company or by making Protected Disclosures. We update the Audit Committee on the functioning of the whistleblower mechanism and the complaints dealt with by the Ethics Committee.

BOARD STRUCTURE

Our Board of Directors are at the heart of the well-governed structure of a successful organisation. Corporate governance is a crucial process where Board ensure employee behaviour aligns with the organisation's purpose and principles, transforming corporate goals and values into actions. Effective corporate governance requires a comprehensive understanding of the duties of the Board, Committees, and Senior Management Team. The Company conducts its business and fulfils its obligations to its stakeholders in a dignified, distinctive, and responsible manner through well defined policies and procedures. Corporate governance is crucial for business growth, profitability, stability, and sustainability of the Company.

We have constituted our Company's governance philosophy through a three-tier structure involving the Board of Directors, Committees of Directors, and Executive Management, having clear roles and responsibilities. Details related to Board and its committees are publicly disclosed on the Company website: https://www.heromotocorp.com/en-in/company/investors/investor-relations/board-information.html

Selection and Appointment of New Directors

Our Company has a duly constituted Nomination and Remuneration Committee, which inter alia identifies and recommends eligible candidates to the Board. The Board then examines and approves the appointment of Directors, subject to the shareholders' approval.

Board Composition

The composition of the Board of HMCL conforms to the requirements of the SEBI Listing Obligations and Disclosure Requirements-LODR Regulations, 2015 ('Listing Regulations'). As on March 31, 2024, our Company's Board is an optimum combination of ten Directors, with two Executive Directors, one of them being the Executive Chairman, three Non- Executive Directors, five Non-Executive and Independent Directors.

Our Board Diversity policy aims to promote diversity in gender, age, culture, education, geography, ethnicity, professional experience, skills, and knowledge. The list of the Board of Directors detailing the skills/expertise along with committee memberships can be referred to in the Hero MotoCorp Annual Report FY 2023-24. There were six Board meetings conducted in FY 2023-24. As per the provisions of the Companies Act, 2013, every Director is required to attend at least one Board meeting held during the period of twelve months with or without seeking a leave of absence.

Board Gender Diversity

(%)

● Male	70
● Female	30
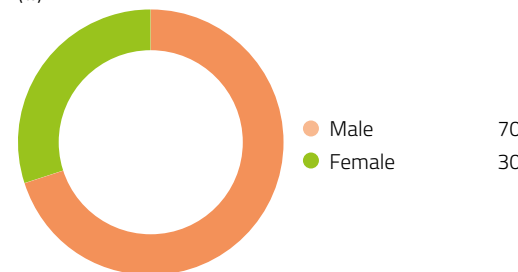
Board Directors' Age Profile

● <30 years	0
● 30-50 years	2
● >50 years	8
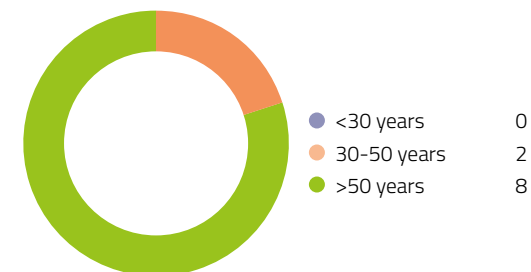
BOARD STRUCTURE

Average Tenure

In accordance with the Companies Act, 2013 and the SEBI LODR, Executive Directors and Independent Directors are appointed for a maximum term of 5 years. The Non-Executive Directors including an Executive Director are liable to retire by rotation which results in annual retirement of one such Director who has been longest in office from last date of appointment. All the appointments of the Directors are made only after the approval of the shareholders.

The Directors are appointed individually. They are appointed based on the criteria formulated by the Board's Nomination and Remuneration Committee (NRC), which include qualifications, positive attributes, and independence of Directors. Such appointments are approved by the NRC and the Board and subsequently by the shareholders through a resolution. In FY 2023-24, average tenure of Board members is 10.2 years.

Board Independence

Independent Directors are individuals with an upright professional standing who contribute effectively to a company's business and policy decisions, acting as trustees of shareholders, actively participating in Board/Committee meetings, and suggesting necessary changes. The Nomination and Remuneration Committee (NRC) selects Independent Directors based on metrics and processes, with the Board considering the NRC's recommendations. Declarations from all the Independent Directors have been received confirming that they meet the criteria of independence prescribed in the Companies Act and the Listing Regulations. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, minimum target share of 50% is maintained for independent directors on the Board. We have defined duties of independent directors and same is available on our website as well on https://www.heromotocorp.com/en-in/company/investors/investor-relations/duties-of-independent-directors.html.

To meet the requirements of corporate governance norms, our Company familiarised the Independent Directors through various programmes about their roles, rights and responsibilities, the nature of industry in which the Company operates, and its business model. Details of the Familiarisation Programme attended by Independent Directors in FY 2023- 24 can be found at: https://www.heromotocorp.com/en-in/company/investors/investor-relations/familiarisation-of-independent-directors.html.

Board Compensation

The compensation structure for Directors and senior management at HMCL is governed by a well-defined Remuneration Policy outlining our Company's remuneration approach. The Nomination and Remuneration Committee (NRC) reviews and recommends annual salaries for Executive Directors. The Board approves these salaries, subject to the consent of shareholders and other relevant authorities. The NRC considers best practices in the industry to determine appropriate remuneration packages.

HMCL is committed to maintaining a fair and competitive remuneration structure for our Executive Chairman, CEO, and other senior management members. The Executive Chairman's remuneration comprises basic salary, perquisites, allowances, contribution to provident fund and other funds, and incentive based on organisational performance parameters. The Board of Directors and/or the NRC determine these parameters and metrics from time to time. The remuneration is determined by considering various factors, such as performance, qualifications, experience, expertise, prevailing industry standards. The NRC periodically decides the CEO's compensation, which comprised of fixed pay, variable pay and long-term incentives.

Leadership compensation is linked to performance measures, such as market share, revenue growth, profitability, sustainability commitments and total shareholder returns, that are updated periodically. The compensation package for

key managerial personnel and senior management includes basic salaries, allowances, perquisites, loans, and advances as per relevant HR policies, retirement benefits, performance-based payouts, and benefits under welfare schemes. Our Company also offers long-term incentives, such as Employee Stock Option Plans (ESOPs), Restricted Stock Units (RSUs), Performance Restricted Stock Units (PRSUs), or other means as determined by the NRC.

↗ **Hero MotoCorp Remuneration and Board Diversity Policy**

Board Evaluation

In terms of the Companies Act, 2013 provisions, the NRC annually conducts a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors using structured questionnaires. The evaluation process is conducted and has been reviewed by an independent external expert that covers various aspects such as the composition of the Board, conduct aligned with our Company's values, contribution to strategy development, risk management, receipt of regular inputs, governance codes and policies, Board committee structures, skill sets, Directors' knowledge and expertise contribution to the Board meetings, and leadership. Other details of evaluation process can be found in our Annual Report.

Capacity-building of Board of Directors

Our Company offers a comprehensive orientation and business overview to the Directors through detailed presentations at Board meetings and interactive programmes. These meetings cover our Company's culture, values, business model, domestic and global business, and roles and responsibilities of Directors and senior executives. Directors are regularly updated on new projects, R&D initiatives, regulatory changes, and strategic direction. Board members are provided with relevant documents, reports, and internal policies to familiarise them with our Company's procedures and practices.

LEADERSHIP TEAM

Mr. Niranjan Gupta
Chief Executive Officer

Mr. Vikram S. Kasbekar
Chief Technology Officer
Head – Global Product Planning

Mr. Vivek Anand
Chief Financial Officer

Mr. Ram Kuppuswamy
Chief Procurement Officer

Mr. Sanjay Bhan
Chief Business Officer –
Global Business Unit

Ms. Rachna Kumar
Chief Human Resources Officer

Mr. Mike Clarke
Chief Operating Officer

Mr. Ranjivjit Singh
Chief Business Officer –
India Business Unit

Ms. Reema Jain
Chief Information & Digital Officer

Mr. Swadesh Srivastava
Chief Business Officer – Emerging
Mobility Business Unit

Mr. Bharatendu Kabi
Head – Corporate
Communication and CSR

Mr. Rakesh Vasisht
Head – Corporate Services
Executive Sponsor – Scooter Business

RESPONSIBLE BUSINESS

Enterprise-wide Quality

Quality is an inherent component of our organisational DNA, and we successfully integrate it into all aspects of our lives. Our robust quality management systems relentlessly pursue continuous improvement, ensuring quality is incorporated across all our products, processes, systems, and services. We benchmark ourselves to globally recognised quality standards and regulations, and all our plants are compliant to those standards.

100% of our facilities are ISO 9001 certified

Our Company is committed to delivering excellence in all aspects of our business, and our quality philosophy is designed to support this commitment. We ensure robust quality management practices across our entire value chain through rigorous design verification, validation, and meticulous product development practices. Our world-class manufacturing infrastructure, processes, and systems across our suppliers and manufacturing locations further support this. Our state-of-the-art testing infrastructure and NABL-accredited quality labs prove our high testing and validation standards. Additionally, we are committed to digital transformation projects, leveraging technologies such as Internet of Things (IoT) and Artificial Intelligence (AI) to empower our teams and promote transparency, rapid decision-making, and faster response time.

↗ Hero MotoCorp Quality Policy

Fostering a Culture of Quality: Hero QUEST – Quality Month Celebrations

We complement our objective to foster a culture of quality across the value chain by engaging all stakeholders in our pursuit of excellence. The global theme for the 2024 celebrations, 'Realising Your Competitive Potential,' encapsulated the very spirit of our endeavours. We purposefully designed our activities throughout the month. Drawing inspiration from our leadership, which set the tone for our quest of quality, and knowledge enriching sessions with our valued suppliers, every interaction has been a building stone in our path to excellence.

Quality Sensitisation and Awareness

Our efforts include ongoing training and awareness sessions, dedicated sensitisation drives, and monthly quality town halls ('Q Colloquium') that cover critical topics. These initiative focus on developing the right mindset among all stakeholders, while providing opportunities for young talent to showcase innovative ideas and critical thinking to a wider organisational audience. By building on last year's momentum with these initiatives and practices, we aim to promote awareness and sensitisation across all levels.

Quality Awareness at Dealerships

We rolled out strategically designed competitions for our channel partners to improve our people, products, processes, and systems. Quality Circle Competition 3.0, Sales Pitch Competitions, and Quality Idea Contest 2.0 captured exciting ideas to drive sustainable business solutions in line with our strategic objectives.

RESPONSIBLE BUSINESS

Supply Chain Excellence

We consistently assist our supply chain partners in improving their quality processes by sharing our technical expertise. Our Supply Chain Partner Quality Manual lays down guidelines for effective functioning and establishes stringent checkpoints along product development and mass production stages. Our vendor quality rating (VQR) framework is a comprehensive metric that encapsulates all the critical to quality parameters of our supply chain partners. This metric helps us critically monitor and analyse their performance on quality parameters, thereby serving as the source of various strategic initiatives for supply chain excellence, ensuring zero defects, turn around time, and rejections.

Carrying forward the legacy, our teams have further strengthened the quality management systems of our supply chain partners. We have taken various initiatives, including sustenance audits for process improvements, digitisation for automated monitoring of critical-to-quality parameters, 4M (Men, Machine, Method & Material) restoration projects, traceability to reduce risks associated with product recalls, and sensitisation workshops for our Tier 2 supply chain partners in collaboration with our Tier 1 suppliers. These efforts have helped us to enhance our supply chain management and ensure better quality products for our valued customers.

Quality Awareness at Supply Chain

Various measures have been taken, including a 21-day learning challenge, Q Nuggets, Know Thy Product, Black Museum, Quality Snakes and Ladders, and Focused Improvement Drives at Supply Chain Partners. We also conducted training and sensitisation initiatives on the shop floor, held a poster & slogan competition and organised a quality-themed skit. These initiatives and practices are engaging and impactful, imparting learning and promoting awareness.

We conducted dedicated product training and quality manual awareness sessions for engineers/shop floor employees across supply chain locations to improve shop floor competencies. Best practices were benchmarked and horizontally deployed across suppliers, along with the implementation of poka-yoke-based process controls to increase the efficiency and sustainability of quality parameters across our supply chain, standardise processes, and drive continuous improvement.

Vehicle Recall Policy and Traceability

Following the roll-out of the Vehicle Recall Policy by the Government of India in 2021, Hero MotoCorp swiftly developed a framework to manage and execute a mandatory vehicle recall as prescribed. A cross functional team is in place to handle every exigency that may arise in the unforeseen circumstance of initiating a mandatory recall.

As a proactive risk mitigating measure, we have completed the traceability of all the critical safety and emission parts covered under the scope of the recall policy (whether manufactured in-house or at supplier facilities). This mechanism helps us to detect any defect/concern well before they reach to our channel partner/customer.

ZERO Product recall in FY24

We regularly monitor customer feedback and concerns, collated from multiple sources to capture the customers' voices. A team of internal subject matter experts critically evaluates each feedback/concern, and a swift response is delivered to the customer to ensure the highest level of satisfaction. Our internal databases also capture these inputs for consideration during new product and process development

RISK MANAGEMENT

We at Hero MotoCorp have integrated risk management into our business strategy. We recognise that ongoing paradigm shifts demand a calibrated response to the changing internal and external landscape. This complexity arises due to the amplified risks associated with ESG factors and their management, in addition to the evolving automotive mega-trends such as electrification, flex and alternative fuels. The new paradigm presents an opportunity for Hero MotoCorp to take our rightful place as a global leader while preparing for relevant risks due to the prevailing uncertainty.

Risk Governance Framework

For proactive risk management, we have a robust enterprise risk management framework that includes a comprehensive enterprise-wide risk management (ERM) policy. Our risk management system provides appropriate processes and systems to identify, monitor, and evaluate risks associated with the business and subsequently implement mitigation plans.

Our Enterprise Risk Management (ERM) framework seeks risk identification, analysis, mitigation, and monitoring which is undertaken periodically by the relevant management teams and overseen by the RMC.

↗ **Hero MotoCorp Risk Management Policy**

Enterprise Risk Framework

Board

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Risk Management Committee (RMC)

- A board level committee which constitutes Independent and Non-Executive Board member
- RMC assists the Board in its oversight of the Company's management of key risks, as well as the guidelines, policies and procedures, monitoring and integrating such risks within overall business risk management

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Risk Steering Committee (Risk Steer Co)

- Risk SteerCo consisting of senior leaders and the Chief Risk Officer (CRO) provides inputs to the RMC

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Chief Risk Officer (CRO)

- CRO oversees a company's risk management efforts, including risk identification and mitigation
- Responsible for setting control standards and ensuring compliance with them
- Collaborates with cross-functional teams

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Risk Officer – Functional Team

- Front-line managers are designated as single points of contact (SPOCs) for managing department level operational risks and conducting in-depth analyses of identified risks.

RISK MANAGEMENT

Risk Management Process

The risk register lays out Hero MotoCorp's critical risks. These have been identified through a structural bottom-up exercise with the functions and a top-down exercise with our leadership and in discussions with the RMC, as well as benchmarking through external inputs.

Each identified risk has a mitigation plan, implemented by the owner functions and updated by SPOCs. Hero MotoCorp can operate smoothly and sustainably by proactively mitigating risks and delivering high-quality products and services. Our commitment to risk management highlights our dedication to excellence and navigating upcoming challenges.

Risk Identification

Strategic Integration with Business Plan

Risk Management Process

Risk Assessment and Measurement

Risk Reporting and Disclosures

Risk Mitigation and Monitoring

Risk Review

We perform risk reviews to improve the effectiveness of risk management and its processes. Such reviews include stress testing to identify and address potential gaps in the risk register, their sensitivity, process risks, and overall business resilience. The risk review process is carried out both annually and event-based, with risks classified based on risk exposure.

Our Company prioritises risk management in non-financial and financial categories, including strategy, operations, finance, regulations, and reputation. We also consider the risk appetite and conduct sensitivity analyses to assess the impact of these risks. For specific risks that could have a more significant effect, we perform stress tests to evaluate their impact on our Company. The Risk Steering Committee meets monthly to discuss various risks, updates, and developments that could

impact business. We strongly emphasise developing mitigation action plans for key risks to avoid constraints on business activities and financial losses. Our Company emphasises prompt responses to critical risks and takes proactive measures to prevent and mitigate them. A Business Continuity Plan (BCP) has been developed to manage unforeseen and anticipated scenarios.

The BCP is essential to build the organisational resilience to respond to various scenarios impacting our operations. These could range from social to technical to regulatory to people-related challenges. Hero MotoCorp carried out multiple BCP scenarios with an independent consultant to better prepare for such possibilities across various locations. Learnings from these BCP actions have helped the core team and been shared with relevant stakeholders in order to prepare for such scenarios.

RISK MANAGEMENT

Risk Register

Hero MotoCorp's risk register has been developed and reviewed at the bottom-up and top-down levels for completeness and buy-in from the respective stakeholders. It covers two scales: impact on the organisation and probability of occurrence, which are both measured on a 'low-medium-high' scale. The 20 or so organisation-level risks have been identified as key enterprise-level risks when the functions carried out their own exercise to create functional risk registers. The risk register is updated annually and need basis.

Risks are categorised as strategic (evolution of alternate energy, disruptions in business models, geo-political and climate risks), operational (supply chain, spurious parts, customer, and people expectations and that of labour and community), technology (cybersecurity and communications), and regulatory form part of the risk register.

Organisational Risks

Identified Risks	Potential Impact	Probability	Impact	Opportunities	Mitigation Measures
Strategic					
Climate Change: Rising Pollution Levels	Public transport and shared mobility solutions could take over private modes of transportation, impacting sales volume	Low	Low	Shared mobility opens new revenue streams by encouraging OEMs to develop targeted products and innovate business models	Explore and develop new business models to create value for the customers and the organisation
Climate Change: Depleting Air Quality	Prolonged exposure to poor quality air can lead to ailments – like accelerated ageing of the lungs, bronchitis, and asthma	Low	Low	Various measures including planting more trees, adoption of solar etc.	Happy Earth Initiative – Over 25.29 lakh saplings planted till FY 2023-24 Worked with external consultant to identify opportunities
Climate Change: Operation in Water-stressed Regions	Impact on production capability and location-related challenges	Low	Low	Utilise technology and undertake low water consumption initiatives	Enhanced efficiency of existing recycling facilities, increased reuse and recharging of groundwater through rainwater harvesting Achieved 455% water positive facilities against a target of 500% by 2025
Geopolitical Tensions	Decline in sales, impact on earnings before interest, taxes, depreciation and amortisation (EBITDA) margins	High	Medium	Concerted localisation efforts and creation of value chains	Building a self-sufficient supply chains for critical raw materials and a strong local base of vendors and sourcing resources. Intelligence on local developments and an agile global business team.
Managing the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs)	EV sales to the extent they come at the cost of traditional ICE products	High	High	Explore new business models – like battery as a service and vehicle as a service and charging infrastructure	Launched VIDA powered by Hero MotoCorp. HMCL's premium, differentiated EV product, with multiple industry-firsts, including removable battery to its name Invested in Ather Energy + partnership with HPCL and BPCL to create an ecosystem. Collaborated with Zero Motorcycle to accelerate the transition of electric mobility in India and across our global markets.

RISK MANAGEMENT

Identified Risks	Potential Impact	Probability	Impact	Opportunities	Mitigation Measures
Operational					
Semiconductor Shortage	Semiconductor shortage continues to affect OEMs, increasing lead times and leading to pending orders.	Medium	High	Securing an adequate inventory for strategic materials and components and expanding its direct purchasing of strategic materials.	Identified alternative sources for critical components and tracked inventories at a child part level. With respect to the EV segment, shortage of semiconductors could pose a threat, for which we are developing plans
Labour & Community: Employee Health and Safety	Over an extended period, may directly impact planned production	Low	High	Development of preventive and well-being measures that raise the overall health quotient of the organisation	Proactive and scheduled health checkups Enhanced medical assistance and strict work protocols
Regulatory					
Regulatory Risks	Non-compliance to the applicable laws may result in liabilities and may affect the company reputation	High	High	Keep pace with evolving regulatory norms and stay ahead while bringing high-technology products	Launched On-board diagnostics- OBD2 Phase A models, and also those that are E-20 (Ethanol) compliant, just as we offered BSIV and BSVI models ahead of their respective timelines. Proper systems in place to prevent non-compliance of applicable laws of the land
Technology					
Potential Cyber attacks and Data Leakage	Cyber attacks can lead to loss of valuable information, unauthorised access to data systems and other events of intrusion	High	Medium	Strengthen IT infrastructure by scaling system security across locations	Deployment of measures including next-gen security operations centre, vulnerability management programme, data governance, cloud access security, and enhanced endpoint security, and renewal of cyber insurance

Note: Risks are identified as per the priorities

Audit of Risk Management

The third line of defence, the audit and assurance function, ensures that our internal controls framework is robust by performing internal audit annually and reassures the Board about the adequacy and efficacy of internal controls and risk management process based upon an agreed audit plan. The audit team also works closely with the risk function as members within the Risk Steering Committee to review the risk landscape and help anticipate and mitigate emerging and evolving risks.

RISK MANAGEMENT

HMCL's Risk Appetite Approach

We have implemented a framework to assess the risk appetite of our organisational risks in order to determine the level of risk that the company is willing to tolerate. This framework considers the potential impact and likelihood of risks when determining the organisation's tolerance level. Immediate and sustained impact risks are considered to have a low tolerance level, whereas risks critical to the organisation's long-term success are assigned a medium-high tolerance level.

The Risk Appetite Framework offers a structured approach to risk management, allowing for better informed decision-making. It makes it easier to prioritise risks and align risk management strategies with the organisation's strategic goals, thereby improving overall risk management effectiveness.

Approach to Risk	Low	Medium	High	Level of Risk Appetite
Operational				Can significantly impact our workforce or revenues
Regulatory				Statutory requirements and compliance
Technology				Innovative technology solutions to meet market demands in a rapidly- changing environment while managing cyber risks
Strategic				Opportunities could impact long-term growth potential

Note: There is no one-size-fits-all approach to risk appetite. The best approach will depend on business-specific circumstances.

Risk Culture at HMCL

Building a strong risk culture is crucial for our Company's resilience. To increase awareness and fortify our growth, we undertake various measures, such as training programmes, financial incentives, and risk communication strategies. To keep senior management and the RMC informed, we send regular risk updates.

Regular risk management workshops to all Board members (executive and Non-Executive)

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Employee training by the risk team to create awareness on risk management principles and help employees identify and report risks

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Risk criteria integrated in the product through PDx (product development execution) approach that covers risk aspects such as technology, market, finance and operation

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Financial incentives are incorporated into risk management metrics for senior executives

RISK MANAGEMENT

Managing Emerging Risk

A diligent review of emerging risks is conducted throughout the year and updated annually that may have a long term impact on our operations over the period of three to five years.

Emerging Risks Landscape

Identified Risks	Description	Impact	Mitigation Actions
Technological			
Artificial Intelligence in cyber security and Adoption of AI in our technologically enabled products especially EVs	Increased AI-powered cyber attacks such as AI-generated phishing attacks, automated vulnerability exploitation, and AI-driven malware EVs have greater security and privacy risk of AI adoption due to their intricate data collection to improve efficiency and safety	▪ Increased vulnerability to data breaches, intellectual property theft, and operational disruptions ▪ Financial losses due to fraud and the cost of remediation efforts ▪ Operational disruption impacting productivity and profitability	Invest in AI-powered cybersecurity solutions for real-time threat detection and response Educate employees on cybersecurity best practices, including recognising and reporting phishing attempts and other cyber threats Testing of AI threats to minimise privacy risks, transparent privacy policies, secure data storage practices, and stringent encryption protocols
EV charging infrastructure scalability	Insufficient charging stations for electric vehicles	▪ Poor infrastructure can lead to customer dissatisfaction and reduced EV adoption	Invest in EV charging infrastructure Partner with other stakeholders to develop a comprehensive network Strategic location placement for charging stations
Economic			
Recurrence of pandemic and extreme weather conditions	Disruption of business operations due to natural calamities, pandemic, etc.	▪ Supply chain disruptions delaying production and delivery schedules. ▪ Market fluctuations and sales decline ▪ Operational challenges reducing workforce availability and affecting productivity	Support the global business with additional markets beyond the existing ones Invest in disaster preparedness and response plans Diversify supply chain network

TAX STRATEGY

Our Company seeks to uphold our commitment to being responsible taxpayers and conducting ourselves ethically and sustainably in all tax matters. Our tax strategy and policies align with our Code of Conduct and values.

Our tax policy sets our commitment to complying with tax laws and regulations and working closely and continuously with experts, auditors, and tax authorities to ensure that we pay and report our taxes on time, abide by local and international tax regulations, and are open to constructive conversations with all stakeholders, including the government and tax authorities.

↱ **Hero MotoCorp Tax Policy**

Tax Transparency

Our Company discloses financial and tax data for each tax jurisdiction across geographies under the applicable local securities and tax regulations. We do not engage in inappropriate tax planning strategies, such as shifting profits from one country to another or using tax havens to minimise tax payments. The activities of our affiliates are in line with our Company's operations and the 'arms-length principle'.

Paying taxes enables governments to fund and carry out national development objectives for the benefit of the larger community, promoting sustainable economic growth, full and productive employment, and reducing poverty and inequality within and across countries.

Tax Risk Management

Hero MotoCorp manages tax risks in all business areas, including product trade and new business entry, using a robust risk management framework. We maintain accurate tax accounting arrangements, claim legitimate tax incentives and exemptions, and are resilient to tax risks, ensuring compliance with law and regulatory requirements.

Tax Risk Governance Framework

Our tax team ensures uniformity in tax processes and compliance with legal obligations while exploring opportunities for legitimate value creation. Our internal audit team evaluates the effectiveness of internal control systems, accounting procedures, and policies. The Chief Financial Officer is responsible for taxes at the Board level, with support from our qualified and professional corporate tax team. We ensure that the departments involved in the tax processes have the necessary skill sets and are supported by other departments when required.

INFORMATION SECURITY AND DATA PROTECTION

Our organisation emphasises information security and data protection. We have implemented an Information Security Policy, internally available to all employees, which focuses on people, processes, technology and provides a framework for the procedures and systems to safeguard confidential data and assets. By incorporating a robust cybersecurity and data protection framework, we protect business data, trade secrets, intellectual property and copyrights from theft, loss, unauthorised disclosure, unlawful access, and misuse.

Governance Mechanism

Our Chief Information and Digital Officer (CIDO) drives the organisation's initiatives, focusing on strategic planning and aligning digital strategies, including the usage of new-age technologies. Our dedicated Chief Information Security Officer (CISO) ensures information security, data privacy, network security, disaster recovery and business continuity. The CISO oversees the information security programme, guiding senior executives in managing technology risks, implementing policies, conducting annual review meetings for information security, and providing regular updates to the leadership team.

Information Security Organisational Structure

CIDO

- Provide overall information security programme insight
- Chair management review meetings with respect to information security once a year
- Present information security update to the leadership team regularly

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CISO

- Develop programmes and review policies and procedures regularly
- Finalise procedures and practices for deploying and monitoring policies effectively
- Presenting information security updates to the CIDO regularly

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Information Security Manager

- Coordinate with the digital and IT teams regarding incident response, compliance, auditing, and training and communication activities
- Provide security training and awareness to users at all levels

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| Network Security | Operational Technology and Connected Devices | Governance, Risk and Compliance (GRC) |

INFORMATION SECURITY AND DATA PROTECTION

Information Security Measures

HMCL follows a prevent, detect, and respond framework for cybersecurity. These control measures comply with the ISO/IEC 27001 standard, national & industry-specific regulations and regulatory requirements. Approx. 90% of our facilities are ISO 27001 certified for IT infrastructure and enterprise systems[1].

HMCL has a 24x7 security operations centre that detects and responds to cyber-security alerts round the clock.

Our Company has a cross-functional team of experts committed to ensuring our corporate systems' cybersecurity, personal information protection and processes through initiatives like threat monitoring, design improvements, and vulnerability management.

HMCL has implemented security measures, including access management, backup and restoration, change management, and incident response and recovery procedures.

[1] Tirupati Plant, a newer facility, is undergoing the certification process.

Incident Management

Our incident management policy aims to minimise the damage from security incidents and data breaches. Security control measures are in place to prevent, detect and respond to incident breaches, including data leakage detection.

Our dedicated security operations centre (SOC) team monitors, detects and reports security incidents. The security incidents are logged and tracked to closure.

In case of any operational incidents, users can contact the service desk for reporting. We analyse the incidents and take preventive/corrective actions to minimise their recurrence.

Vulnerability Management Programme

We recognise the threats or vulnerability in computer systems, networks, and software and the inherent risks they induce. To mitigate such risks, we have established standard operating procedures (SOPs) for vulnerability management of servers, workstations, and applications.

Identify Asset	Execute	Report	Remediate	Verify
Discover and Prioritise Assets	Periodical scanning	Scan result interpretation	Initiate corrective measures	Track corrective measures

A third party performs the vulnerability analysis scan of our IT infrastructure, vulnerability assessment and penetration testing (VAPT) of the application on a defined frequency. Furthermore, we also conduct a real-time exercise in which we simulate cyber-attacks to evaluate the effectiveness of our organisation's cybersecurity controls.

All employees must follow defined information security policies and adhere to the IT code of conduct, and in case of any violations, they will face disciplinary action which may negatively impact performance evaluation.

Furthermore, we have established a clear escalation mechanism for all locations, which our employees can refer to for incident management reporting. A service desk is available for assistance in case of security incidents. We reported zero breaches related to cyber-security or information security during FY 2023-24.

INFORMATION SECURITY AND DATA PROTECTION

Business Continuity

We have outlined an IT business continuity plan (BCP) to ensure the reduced impact of incidents on business processes and further determined the BCP roles to establish, implement, operate, and maintain IT BCP.

HMCL's management is determined to maintain and improve the effectiveness of the IT BCP by taking corrective and preventive actions based on the review, audit, and maintenance mechanisms as applicable. We also test our business continuity and incident response management systems annually. We plan improvement actions against the observations during audits, actions taken during and after incidents, post-IT BCP testing exercises, self-assessments, internal and external audits, and management reviews. Furthermore, we have developed an IT disaster recovery strategy and plan to provide business continuity where each critical, essential, and desirable application has disaster recovery sites.

Privacy Management System

We have implemented a comprehensive privacy policy to ensure the systematic protection of personal information applicable across the organisation, including the value chain. We have defined this policy as per the regulatory requirement to safeguard any personal or sensitive information received from our valued clients, partners, and employees. In the unlikely event of any privacy breaches, a dedicated grievance officer is responsible for handling the matter, and their contact details are available on our website. The grievance officer expeditiously redresses the grievances within a reasonable time as may be provided under applicable laws.

We understand the critical importance of protecting customers' personal information. Our privacy policy extends various data privacy rights to customers, including transparency, consent, access and correction, erasure, data portability, and objection. We do not use or disclose personal information for purposes other than as mentioned in this policy, except with the consent of the user providing such information or as required by law. We contacted ~10% of customers for the upselling of products, for which we took due consent from customers. We take responsibility for our customers' data privacy and strive to maintain the highest protection standards.

Our security controls and internal audit programme aim to protect customer data and ensure compliance with privacy and regulatory requirements. Security controls include encryption, access controls, logging and monitoring, and incident response. By integrating privacy protection into our operational risk management structures, we aim to build and maintain a resilient and trustworthy organisation that respects the individuals' privacy rights and ensures the secure handling of personal data.

Our internal audit programme regularly reviews security practices and procedures for continuous improvement. In FY 2023-24, we reported zero cases of unauthorised data usage and successfully implemented new security measures.

ZERO Cases of unauthorised data usage

We are committed to continuous improvement, reviewing our system to address evolving threats and investing in new technologies to enhance data security.

↗ Hero MotoCorp Privacy Policy

Developing the Security Culture

Our digital and IT department has implemented a security awareness and training programme to cultivate a strong security culture. This methodology ensures that all users, including top management, employees, and relevant third-party users, receive comprehensive details about cyber-security issues. Consequently, the organisation aims to mitigate risks and safeguard personally identifiable information (PII), intellectual property (IP), and brand reputation.

Employees undergo formal information security training during their induction, covering common cybersecurity mistakes related to e-mails, web usage, and physical security practices. Regular physical refresher training and multiple initiatives, such as monthly newsletters, e-mailers, and cyber-security quizzes are provided periodically to keep employees informed about the latest threats and best cybersecurity practices.

To enforce compliance with information security policies, employees must sign and adhere to the IT code of conduct, which outlines expectations and guidelines for password management, data classification, access control, and incident reporting.

Employees can access an IT handbook via the internal portal. The handbook offers detailed e-mail, web, mobile, and physical security guidance and is regularly updated to incorporate the latest information security trends and best practices.

VALUE CHAIN MANAGEMENT

With sustainable supply chains playing an integral part in long-term organisational sustainability goals, Hero MotoCorp has taken the proper steps to integrate sustainability in the value chain to deliver meaningful change and contribute towards a better future.

We have 273 Tier-1 suppliers and 958 dealers in our value chain ecosystem. The aim is to enhance business relationships, ensure the highest quality standards and create a sustainable supply chain.

Sustainable Partner Development Programme

The Sustainable Partner Development Programme (SPDP) is a collaborative ESG initiative with our supply chain partners to ensure the effective operationalisation of sustainability with clear responsibilities and processes. The programme aims to de-risk, re-calibrate business strategy, achieve resilience, adopt sustainable procurement guidelines, and drive performance by facilitating our Company's achievement of ESG goals through mutual buy-ins.

Coverage of SPDP	
Total Tier 1 suppliers	273
Total significant suppliers in Tier 1	128
Percentage of total expenditure on significant suppliers in Tier 1	90%
Total number of significant suppliers in non-Tier 1	0

Hero MotoCorp has 128 significant supply chain partners (SCPs) selected for the SPDP, constituting a high volume of business.

Sustainable Procurement Strategy

We designed a comprehensive strategy with a roadmap to develop future-fit and resilient supply chain ecosystem through sustainable procurement practices. It encompasses a series of short-, medium-, and long-term milestones to enhance sustainability across the supply chain.

Short-Term

Sensitisation

Baseline assessment and capacity building of selected suppliers and aligning them with HMCL's ESG goals

↓

Medium-Term

Transformation

Set near-term targets for suppliers to leverage and replicate best practices within the industry

↓

Long-Term

Resilience

Identify areas to engage with suppliers on mitigating ESG risks and improving sustainability performance

We continuously review the purchasing practices of suppliers to align with our sustainability priorities, and avoid conflicts.

We have released a Sustainable Procurement Guidelines to ensure supplier actions follow our objectives. 100% of our Tier 1 suppliers have consented to the guideline and agree for periodic reviews/audits. SCPs must ensure compliance with the ESG standards, and violations may result in immediate termination as a supplier if corrective actions are not taken in a timely manner.

In FY 2023-24, we released our Supplier Code of Conduct (SCOC) comprising all the ESG priority areas that suppliers must follow and implement through their processes and management systems. Thus, we take into account the increasing importance of robust and sustainably-designed supply chains for our Company.

In addition to SCoC and Sustainable Procurement Guidelines, our suppliers must adhere to the following policies in business dealings with HMCL:
– Human Rights Policy
– Occupational Health and Safety Policy
– Environmental Policy
– Conflict Minerals Policy
– Anti-bribery and Anti-corruption Policy
– Conflict of Interest Policy

↱ **Hero MotoCorp Supplier Code of Conduct**

Supply Chain Assessment

We employ a systematic supplier screening approach to ensure that our organisation works with reliable and high-quality suppliers. This approach helps us to identify significant suppliers who can meet our standards and obligations once contracted. The new supplier onboarding assessment checklist incorporates Environmental, Social, and Governance (ESG) and business relevance KPIs. Each KPI is assigned a weightage and a minimum score that the supplier must achieve to be awarded the contract.

VALUE CHAIN MANAGEMENT

Sustainability Aspects covered under New Supplier Onboarding Assessment Checklist

Environment

> **Material and Resource Conservation**

> **Environmental Conservation Initiatives (Energy, Water and Biodiversity)**

Social

> **Occupational Health & Safety**

Governance

> **Local Presence of Suppliers**

> **Regulatory Compliances**

> **Leadership Overview on ESG**

> **Technological Innovations to Meet Customer Expectations**

On-site Assessments

We perform an on-site audit through a third party as an essential part of evaluating existing suppliers. It involves examining the supplier's product, system, and process controls to assess their compliance with established standards and regulations. The risk identified during the audit of each supplier is categorised into low, medium and high, where all risks are duly closed by all the suppliers with a proper mitigation action plan. Subsequently, supplier performance ratings based on the QCDM approach (quality, cost, delivery, and management) are conducted regularly to eliminate low performing suppliers and replace with new ones.

Fire and Safety Audit

Approach

- **Select Critical Supplier**
- **Conduct site Safety Audit**
- **Present Final Audit Report to Top Management of Supplier**
- **Verification / Re-Audit after Improvement**
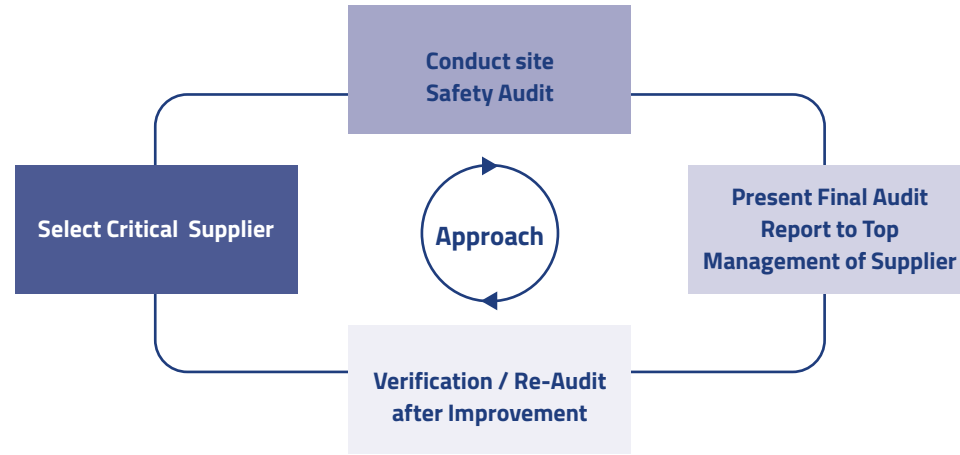
We meticulously conduct our suppliers' comprehensive fire and safety compliance audits at regular intervals. These audits encompass fire safety, occupational health and safety, and electrical safety. The findings derived from these audits are utilised to identify areas requiring improvement and foster ongoing adherence to applicable regulations and established standards.

VALUE CHAIN MANAGEMENT

Fire Safety	Occupational Health and Safety	Electrical Safety
Valid fire No objection certificate (NOC)	Health and safety policy	Electrical panel maintenance
Emergency plans, evacuation plans, and mock drills	Adequate first-aid setup	Safe electrical terminations
Proper storage of hazardous or explosive substances	HIRA implementation	Overload and overcurrent in electrical switchgears
Regular maintenance of fire equipment	Robust mechanism for incident reporting, investigation, and analysis	Double body earthing for all equipment, machines and structures, and lightning protection system
Adequate fire protection systems including fire hydrants, fire detection, fire suppression and fire extinguishing appliances	Third-party safety inspections	Periodic inspection of air-insulated substations and gas-insulated substations
	Proper usage of PPEs	
	Machine safety	
	Adequate machine/equipment guarding	
	Control of fall, trip/slip, and other hazards	
	Control of physical and chemical work environment	
	Effective ventilation and lighting systems	
	Safety training and raising awareness	

During the current fiscal year, we completed initial audits at 82% of total manufacturing supplier locations by annual purchase value. Subsequent to the initial audit, the verification/re-audit and risk management scoring for assurance are scheduled to take place every three years. Furthermore, we forged collaborative partnerships with other OEMs to proactively mitigate potential risks and enhance safety measures throughout the extended supply chain.

Deck Assessments

Our SPDP programme provides in-depth technical support to suppliers. It focuses on deck assessments and subsequently onsite assessments are carried out for verification of supplier responses by our internal team. The programme aimed to assess our significant suppliers and improve their sustainability performance. Our SPDP programme was executed by third party, which baselined the performance for all 128 significant suppliers on 76 different ESG parameters. These parameters were designed in line with country-specific methodology, BRSR reporting, as mandated by SEBI.

If any findings or gaps are discovered following the baselining and deck assessment, a recommendation plan of corrective action items will be developed for all relevant suppliers. Based on the SPDP recommendations, suppliers must address the findings / gaps to improve sustainability performance beyond environmental and social compliances.

Capacity building sessions will be organised for suppliers to assist in the closure of any findings / gaps. These sessions aim to provide suppliers with the knowledge and skills required to effectively address and resolve identified issues.

Supplier Performance Snapshot (%)

Sustainability Governance	67
ESG Commitments	62
Human rights awareness	66
Employee Training	86
Compliance to SUP	55
Waste Disposal	88
Rainwater Harvesting	70
Water Recycling	70
Renewable Energy	41

VALUE CHAIN MANAGEMENT

De-risking Strategy for Suppliers

Country-specific Risks
- Political and economic instability
- Regulatory norms

Sector-specific Risks
- Industry-specific regulations
- Competition intensity
- Technological change
- Environmental risks

Commodity-specific Risks
- Supply and demand dynamics
- Storage and transportation risks
- Quality risks
- Price volatility

Mitigation Measures

- Diversified and multi-sourcing supplier base to reduce the risk of supply chain disruptions
- Leverage geographic proximity through near, national, and local sourcing
- Geographic diversification to expand global sourcing

Managing Non-compliance

We ensure our suppliers comply with sustainability requirements. If any supplier does not meet the minimum score or is assigned the 'high-risk' category based on the risk assessment procedure conducted, the sourcing board conducts thorough due diligence and follows a robust approval mechanism before new supplier on-boarding or awarding further contracts. In FY 2023-24, we identified no suppliers with severe risk or potential environmental or social impact that may threaten HMCL's business. Hence, no supplier was terminated.

Supplier Training and Development

To successfully implement the SPDP, the procurement function received training and certification for sustainability assessment. We have third-party certified sustainability assessors in our procurement team. Subsequently, we conducted sustainability workshops for all 128 significant suppliers to support and educate them on best sustainability practices and align with our Company's expectations. The comprehensive in-depth training covered various crucial ESG topics spanning emission management, water conservation, waste minimisation, human rights, and relevant management systems to improve supplier practices and performance.

Through the SPDP, we aim to conduct open dialogues with suppliers to elaborate our ESG expectations. This programme also provides a platform to access and replicate the best ESG initiatives practised by peers.

Utilising Local Potential

Local procurement is one of the key components of our sourcing strategy. We procure materials from a wide range of local supply chain partners that meet our quality, delivery, technology, and engineering requirements. Our suppliers cover the spectrum of large and micro, small and medium enterprise (MSME) industries. Around 5% of our input materials were directly sourced from MSMEs in FY 2023-24.

Managing Conflict Minerals

We ensure we do not source or purchase parts or components from conflict-affected and high-risk areas. Our conflict minerals policy is a testament to our unwavering commitment to responsible sourcing and ethical supply chain practices. We take undertakings from all relevant Tier-1 suppliers to track and avoid conflict minerals throughout the supply chain in line with the Conflict Minerals Reporting Template by Responsible Minerals Initiative (RMI-CMRT). Consequently, our Company has implemented the International Material Database System (IMDS) as a screening tool for all parts and components. In FY 2023-24, none of our products contain minerals from conflict-affected and high-risk areas.

We communicate clearly with our suppliers by incorporating conflict minerals in supplier agreements. We plan to facilitate supply chain due diligence and improve supplier engagement to enable risk identification and assessment related to mineral extraction, and trade. A comprehensive strategy is being established to manage identified risks, including monitoring and mitigation measures.

➦ **Hero MotoCorp Conflict Minerals Policy**

VALUE CHAIN MANAGEMENT

Green Dealership

The dealerships represent the company by providing high-quality products and services to our esteemed customers. We aim to support our dealerships in becoming sustainable and eco-friendly to ensure long-term success and alignment with our corporate sustainability goals.
For more information please visit our green dealership page on our website: https://www.heromotocorp.com/en-in/company/sustainability/green-dealership.html

Green Dealership Activation

17% Green Dealerships in FY 2023-24

Total 3 MWp of solar installed at dealership facilities

16,000 sq ft of green wall installed

Recognising our Green Dealers

Recognition of green dealers reaffirms our commitment to fostering environmentally sustainable business practices across our dealership network. This year during our national dealership meet, we presented appreciation certificates to the first 22 green dealers. The goal was to facilitate the exchange of best practices and create learning opportunities for environmentally sustainable dealership operations. Furthermore, the event allowed dealers to make professional connections and learn about new products and services that help reduce environmental impact.

Value Chain Review Mechanism

The Sustainability and Corporate Social Responsibility (SCSR) Board Committee holds quarterly meetings to assess the implementation and progress of sustainability initiatives, including the Sustainable Partner Development Programme and Green Dealerships. Additionally, the Sustainability Steering Committee holds monthly meetings to review the status of value chain sustainability programmes.

ANNEXURE

ESG Data Book

Environment – Key Performance Indicators

This chapter provides an overview of HMCL performance over time. The reporting boundary of disclosures is given on page no 3.

Scope 1 & 2 Emissions

Indicator	FY 2023-24	FY 2022-23	FY 2021-22
CO$_2$ emissions in (tCO$_2$)			
Scope 1			
High-speed diesel (HSD)	939	984	2,107
Propane	1,062	1,206	1,384
Natural gas	18,170	16,314	23,054
LPG	183	183	-
CO$_2$ used in welding shops	174	198	-
Fugitive emissions	847	982	23,054
Total	**21,375**	**19,867**	**26,545**
Scope 2 (Market-based)			
Grid	82,224	82,484	84,115
Total Scope 1+2	**1,03,600**	**1,02,351**	**1,10,660**

*Scope 2 (Location-based) emission - 86,443 tCO$_2$

Scope 3 Emission

CO$_2$ Emissions in (tCO$_2$)		FY 2023-24
Category – 1	Purchased goods and services	4,77,613
Category – 4	Upstream transportation and distribution	94,982
Category – 6	Business travel	3,909
Category – 7	Employee commuting	7,927
Category – 11	Use of sold products	1,95,97,821
Total Scope 3		**2,01,82,252**

ANNEXURE

Air Emissions - NOx, SOx, and Other

Air Emissions	FY 2023-24	FY 2022-23	FY 2021-22
SO_x (Tonnes)	3.7	0.89	2.56
NO_x (Tonnes)	22.9	16.08	33.75
PM (Tonnes)	7.2	6.33	11.08

Ozone Depletion and Volatile Organic Compounds (VOCs)

ODS IN kg	FY 2023-24	FY 2022-23	FY 2021-22
R22 FREON GAS (In CFC-11 equivalent)	61	369	61
R22 MAFRON (In CFC-11 equivalent)	420	132	671
Total	**481**	**501**	**732**

Energy Consumption

Classifications		FY 2023-24	FY 2022-23	FY 2021-22
Non-renewable Energy Consumption – MWh	High-speed diesel (HSD)	3,551	3,690	7,923
	Propane	4,675	5,310	6,104
	LPG	807	805	–
	Natural gas	89,971	80,776	1,14,151
	Electricity (non-renewable)	1,14,839	1,16,175	1,06,475
Total Non-renewable Energy Consumption – MWh		2,31,812	2,06,755	2,34,653
Renewable Energy Consumption – MWh	Electricity (renewable)	19,859	13,616	10,667
Total Energy Consumption – MWh		2,33,671	2,20,371	2,45,320

ANNEXURE

Water and Effluents

Indicators	FY 2023-24	FY 2022-23	FY 2021-22
Total Water Withdrawal (KL) – Groundwater	**5,07,561**	**5,49,694**	**5,18,483**
Freshwater (<=1,000 mg/L total dissolved solids)	3,00,466	2,99,018	3,04,683
Freshwater (>1,000 mg/L total dissolved solids)	2,07,095	2,50,676	2,13,800
Third-party Water and Surface Water			
Total water withdrawal (KL)	2,49,617	2,97,408	3,05,529
Freshwater (<=1,000 mg/L total dissolved solids)	2,49,617	2,97,408	3,05,529
Other water (>1,000 mg/L total dissolved solids)	0	0	0
Total Water Withdrawal (KL)	**7,57,178**	**8,47,102**	**8,24,012**
Total Water Consumed in Domestic and Process (KL)	**7,57,178**	**8,47,102**	**8,24,012**
Wastewater Treatment and Reuse			
Wastewater treated (KL)	4,68,434	4,96,201	5,01,220
Water recycled (KL)	2,21,847	2,95,952	2,66,505
Water reused (KL)	2,46,587	2,00,249	2,34,715
Water discharge	0	0	0
% of total water recycled/reused (KL)	61.87%	58.58%	60.83%

ANNEXURE

Materials Consumed

Category of Materials	Units	FY 2023-24	FY 2022-23	FY 2021-22
Steel	Tonnes	4,57,832	4,40,988	3,92,869
Aluminium	Tonnes	1,21,304	1,15,819	1,04,084
Rubber	Tonnes	41,540	39,895	35,980
Plastic	Tonnes	43,104	39,455	35,082
Paints and thinners	KL	18,091	17,442	15,681
Acrylonitrile butadiene styrene polymer (ABS)	Tonnes	12,691	12,220	10,986
Engine and shock absorber oil	KL	7,580	7,299	8,058
Non-ferrous	Tonnes	16,672	17,529	12,782

Note: Material consumption is based on standard budget for each material for each actual unit produced

Recycled Input Materials	Units	FY 2023-24	FY 2022-23	FY 2021-22
Aluminium	Tonnes	73,353	70,723	63,593
Steel	Tonnes	58,250	49,486	24,695

ANNEXURE

Waste Generation & Disposal

Hazardous Waste	Unit	FY 2023-24	FY 2022-23	FY 2021-22	Waste Management Method
E-waste	Tonnes	6.4	15.1	5.4	Recycling
Biomedical waste	Tonnes	0.3	0.3	0.3	Incineration
Battery waste	Tonnes	101.1	71.3	127.0	Recycling
ETP sludge	Tonnes	445.2	529.6	451.1	Co-processing
Paint sludge	Tonnes	982.4	941.2	863.2	Co-processing
Grinding sludge	Tonnes	197.6	214.7	224.8	Co-processing
Phosphate sludge	Tonnes	32.2	27.1	26.5	Co-processing
Used oil	Tonnes	39.1	40.6	57.0	Co-processing
Other hazardous waste	Tonnes	39.6	10.5	29.4	Co-processing
Oily rags	Tonnes	50.1	37.8	–	Recycling
Total	**Tonnes**	**1,894.2**	**1,888.2**	**1,784.7**	

Non-hazardous Waste	Unit	FY 2023-24	FY 2022-23	FY 2021-22	Waste Management Method
Aluminium scrap	Tonnes	2,509.0	2,461.2	2,481.9	Recycling
Steel scrap	Tonnes	3,680.5	2,378.3	3,588.7	Recycling
Packaging Material (Corrugated box & waste paper)	Tonnes	1,416.1	1,165.0	1,045.6	Recycling
Plastic Waste	Tonnes	1,677.9	1,491.9	1,367.0	Recycling
Other Non-Hazardous Waste	Tonnes	3,253.1	269.0	813.8	Recycling/Reused
Construction waste	Tonnes	2,394.7	914.0	–	Reused
Total	**Tonnes**	**14,931.2**	**8,679.3**	**9,297.0**	

ANNEXURE

Social – Key Performance Indicators

Workforce Details

Designation and Grade	UNIT	Gender-wise breakup		Age-wise breakup			Total
		Female	Male	<30	30-50	>50	
AVP,VP,SVP and Leadership team	Nos	2	26	0	10	18	28
Senior management	Nos	18	270	0	185	103	288
Middle management	Nos	69	864	14	863	56	933
Junior management	Nos	247	1,924	767	1,336	68	2,171
GETs/DET/PGETs/MTs	Nos	52	159	209	2	0	211
Officers	Nos	113	587	355	326	19	700
Supervisor	Nos	3	162	3	149	13	165
Retainers	Nos	0	12	0	6	6	12
Permanent Workers	Nos	8	4,709	288	3,723	706	4,717
Contractual employees	Nos	3,983	20,758	18,520	5,743	478	24,741
Total Workforce	Nos						33,966

Diversity in Workforce

Particulars	%
Percentage of women in all management positions, including junior, middle and top management (% of total management positions)	9.8
Percentage of women in top management positions, i.e. maximum of two levels below from the CEO (% of total top management positions)	21.1
Percentage of women in middle management	7.4
Percentage of women in junior management	11.4
Percentage of women in non-managerial positions	12.6
Percentage of women in management positions in revenue-generating functions	8.7
Percentage of women in Science, Technology, Engineering and Mathematics (STEM)-related positions	4.5
Percentage of people with disabilities in workforce	0.27

Our target is to achieve 30% Gender diversity by 2030.

ANNEXURE

Expats

Nationality	Share in total workforce (% of total staff)	Share in total management positions
Colombian	0.27%	0.33%
British	0.07%	0.08%
Italian	0.09%	0.11%
Japanese	0.02%	0.03%
Nepalese	0.02%	0.00%
Spanish	0.07%	0.08%
American	0.02%	0.03%
Czech	0.04%	0.06%

Hiring and Turnover

Hiring Details

Designation and Grade	UNIT	Gender-wise breakup		Age-wise breakup			Total
		Female	Male	<30	30-50	>50	
AVP,VP,SVP and Leadership team	Nos	1	2	0	1	2	3
Senior management	Nos	3	12	0	15	0	15
Middle management	Nos	22	123	3	142	0	145
Junior management	Nos	77	513	329	260	1	590
GETs/DET/PGETs/MTs	Nos	52	160	210	2	0	212
Officers	Nos	20	105	95	29	1	125
Supervisor	Nos	0	0	0	0	0	0
Retainers	Nos	0	0	0	0	0	0
Permanent Workers	Nos	1	142	51	90	2	143
Total Hiring							**1,233**

ANNEXURE

Nationality wise Hiring

Nationality	Male	Female	Total
Colombian	3	1	4
British	0	0	0
Italian	0	0	0
Japanese	0	0	0
Nepalese	0	0	0
Spanish	0	0	0
American	0	0	0
Any other, please specify (Czech)	0	0	0
Indian	1,054	175	1,229

Hire Rate

Workforce categories	Male	Female	Total
Permanent Employees*	22.64%	37.12%	24.16%

* The hire rate is calculated by dividing hiring by the average workforce. (Previously, the workforce data for March 31st was used in place of the average workforce.)

* For staff only

The hiring Cost/FTE is ₹ 1,17,956

ANNEXURE

Turnover Details

Designation and Grade	UNIT	Gender-wise breakup		Age-wise breakup			Total
		Female	Male	<30	30-50	>50	
AVP, VP, SVP and Leadership team	Nos	0	7	0	0	7	7
Senior management	Nos	1	89	0	34	56	90
Middle management	Nos	15	206	2	175	44	221
Junior management	Nos	65	534	204	345	50	599
GETs/DET/PGETs/MTs	Nos	7	16	23	0	0	23
Officers	Nos	22	105	62	48	17	127
Supervisor	Nos	1	34	0	21	14	35
Retainers	Nos	0	2	0	0	2	2
Permanent Workers	Nos	0	108	3	14	91	108
Total Turnover							**1,212**

Voluntary turnover rate for Permanent staff workforce is 24.33%

Nationality wise Turnover

Nationality	Male	Female	Total
Colombian	2	0	2
British	0	0	0
Italian	0	0	0
Japanese	1	0	1
Nepalese	0	1	1
Spanish	0	0	0
American	0	0	0
Any other, please specify (Czech)	0	0	0
Indian	1,098	110	1,208

Turnover rate

Workforce categories	Male	Female	Total
Permanent Employees*	24.57	23.54	24.47

* The turnover rate is calculated by dividing turnover by the average workforce. (Previously, the workforce data for March 31st was used in place of the average workforce.)
 Percentage of female in total turnover is 9.16%

ANNEXURE

Parental Leave Data

Parental Leave Indicator*	Male	Female
No. of employees entitled to parental leave	5,054	512
No. of employees that took parental leave	281	26
No. of employees that returned to work in the reporting period after parental leave ended	281	26
Return to work rate	100%	100%
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	290	19
Retention rate of employees who returned to work after parental leave and are still employed after 12 months	83.82%	70.37%

* for total permanent workforce

Training Hours Details

S. no.	Designation and Grade	Training hours		
		Male	Female	Total training hours
1	AVP,VP,SVP and Leadership team	150	33	183
2	Senior management	7,870	259	8,129
3	Middle management	35,296	2,073	37,368
4	Junior management	76,891	10,896	87,787
5	GETs/DET/PGETs/MTs	40,443	12,805	53,248
6	Officers	21,683	7,129	28,812
7	Supervisor	4,571	50	4,621
8	Retainers	50	0	50
9	Permanent Workers	1,42,827	106	1,42,933
10	Contractual	6,41,204	1,14,171	7,55,375
	Total	**9,70,984**	**1,47,521**	**11,18,505**

ANNEXURE

Average Training Hours Details

S. No	Designation and Grade	Average training hours per employee (hours/employee)		
		Person hours/ Male employee	Person hours/ Female Employee	Avg. training hours
1	AVP, VP, SVP and Leadership team	6	17	6.5
2	Senior management	29	14	28.2
3	Middle management	41	30	40.1
4	Junior management	40	44	40.4
5	GETs/DET/PGETs/MTs	254	246	252.4
6	Officers	37	63	41.2
7	Supervisor	28	17	28.0
8	Retainers	4	0	4.2
9	Permanent Workers	30	13	30.3
10	Contractual	31	29	30.5
	Total	**33**	**33**	**32.93**

Nationality wise Training Details

Designation and Grade*	Unit	Male	Female	Total
Colombian	person hours	82	27	109
British	person hours	15	0	15
Italian	person hours	4	0	4
Japanese	person hours	10	0	10
Nepalese	person hours	0	0	0
Spanish	person hours	11	0	11
American	person hours	1	0	1
Any other, please specify (Czech)	person hours	19	0	19
Indian	person hours	1,86,811	33,217	2,20,028

* (staff only)

ANNEXURE

Training by Age Groups

Particulars	Age Group	Hours
Training hours by age group for staff employees	Under 30	1,01,378
	30-50	1,12,418
	50 & over	6,401

Gender Pay Gap Indicators

Particulars	%
Mean gender pay gap (Staff)*	22.72
Median gender pay gap (Staff)*	26.35
Mean bonus gap (Staff)	26.73
Median bonus gap (Staff)	28.90

* Defined on base pay

Performance Review Details

Designation and Grade	% of employees eligible who receive regular career performance and career development review		Remarks
	Male	Female	Total
AVP,VP,SVP and Leadership team	100%	100%	100%
Senior management (M5-M7)	100%	100%	100%
Middle management (M2-M4)	100%	100%	100%
Junior management (E4-M1)	100%	100%	100%
GETs/DET/PGETs/MTs	100%	100%	100%
Officers	100%	100%	100%
Supervisor	100%	100%	100%
Retainers	91.67%	*N/A	91.67%

* No female in retainer section

ANNEXURE

Assurance Statement – Materiality Assessment

Independent Limited Assurance Statement to Hero Moto Corp Limited on their Materiality Assessment FY2023-24

To the Management of Hero Moto Corp Limited, New Delhi

Introduction

Intertek India Private Limited ("Intertek") was engaged by Hero Moto Corp Limited ("HMCL") to provide an independent limited assurance on its Materiality Assessment carried out in FY 2023-2024. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this Limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the Materiality Assessment disclosed by HMCL in accordance with the Global Reporting Initiative (GRI) Standard, 2021 were not accurate, complete, consistent, transparent and free of error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be used for HMCL purposes and will be a part of the Annual Sustainability Reports for public disclosures.

Responsibilities

The management of HMCL is solely responsible for the development of Materiality Assessment and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Assessment so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of HMCL, is to provide assurance and express an opinion on the data and assertions in the Materiality Assessment based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for the Materiality Assessment, presented by HMCL in accordance with the Global Reporting Initiative (GRI) Standard, 2021. Our scope of assurance included verification of internal control systems, data and information on various methodologies and tools used for Materiality Assessment:
- Comprehensive Stakeholder Engagement
- SASB Indexing
- Peer Benchmarking
- Actual and Potential Impact Analysis
- Prioritization and management of material topics
- List of *GRI indicators* assured on limited basis
  - 2-29 Approach to stakeholder engagement.
  - 3-1   Process to determine material topics.
  - 3-2   List of material topics3-3   Management of material topics

Hero Moto Corp Ltd.| Materiality Assessment FY2023-24 | Limited Assurance Statement   Page 1 of 3

Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of 'Limited Assurance' procedures as per the following standard:
- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information.

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Methodology

Intertek performed assurance work using a risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a limited level of assurance.
The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2023-24.
Our assurance task was planned and carried out during April-June 2024. The assessment included the following:
- Review of the Report that was prepared in accordance with the GRI guidelines
- Review of Stakeholder Engagement processes
- Review of Peer Benchmarking processes
- Review of SASB Indexing Tool
- Review of Impact Analysis
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

Conclusion

Intertek reviewed Materiality Assessment Report provided by HMCL. Based on the procedures performed as above, evidence obtained, and the information and explanations given to us along with the representation provided by the management and subject to inherent limitations outlined elsewhere in this report, in our opinion, HMCL's data, The Materiality Assessment in all major respects covers the most significant issues.

Hero Moto Corp Ltd.| Materiality Assessment FY2023-24 | Limited Assurance Statement   Page 2 of 3

ANNEXURE

Assurance Statement – Materiality Assessment

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Toshi Satwaskar
Intertek Verifier

Shilpa Naryal
Head of Sustainability
Intertek South Asia & MENAP

SANDEEP VIG
Digitally signed by SANDEEP VIG
Date: 2024.07.10 16:53:06 +05'30'

Sandeep Vig
Director-Business Assurance
Intertek India & MENAP

09th July 2024   10th July 2024

No member of the verification team (stated above) has a business relationship with HMCL, stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

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Assurance Statement – Sustainability Report

Independent Assurance Statement

To

Hero MotoCorp Limited
The Grand Plaza, Plot No.2,
Nelson Mandela Road, Vasant Kunj - Phase -II,
New Delhi - 110070

Introduction and Objective of Work

BUREAU VERITAS has been engaged by **Hero MotoCorp Limited** (hereinafter abbreviated as "HMCL") to conduct an independent assurance of the identified sustainability indicators in its Sustainability Report ("SR") for the reporting period from 01.04.2023 to 31.03.2024. This assurance statement applies to the related information included within the scope of work described below.

The selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation and presentation of information for the Sustainability Reporting is the sole responsibility of the management of "HMCL". Bureau Veritas was not involved in the drafting or preparation of the back-up data of "HMCL" for the Sustainability Reporting. Our sole responsibility was to provide independent assurance on its content.

Intended User

The assurance statement is made solely for HMCL as per the governing law and contractual terms & conditions of the assurance engagement contract between HMCL and Bureau Veritas. To the extent that the law permits, we owe no responsibility and do not accept any liability to any other party other than HMCL for the work we have performed for this assurance report or for our conclusions stated in the paragraph below.

Scope of Work

- Checking that the data and information included in the SR for the reporting period from 01.04.2023 to 31.03.2024 was fairly presented without material misrepresentation.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse, and review the information reported.

Reporting criteria

In preparing the Sustainability Report FY2023-24, HMCL has reported in accordance with the Global Reporting Initiative (GRI) Standard, 2021 for Sustainability Report FY2023-24.

Reporting period: 01/04/2023 to 31/03/2024

Assurance standard used:

Bureau Veritas conducted reasonable and limited assurance in accordance with:

- Assurance requirements of International Federation of Accountants' (IFAC) 'International Standard on Assurance Engagement (ISAE) 3000 (revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information'.
  - Reasonable and limited level of assurance under ISAE 3000 requires us to plan and perform procedures to obtain sufficient appropriate evidence on conformity of sustainability performance disclosures as per GRI Standards, 2021.
  - Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) for the GHG emission data.
  - Under this standard, we have reviewed the information presented in the Report against the characteristics of relevance, completeness, materiality, reliability, neutrality and understandability.

Independent Assurance Statement

Level of assurance:

- Reasonable (the level of assurance obtained in a reasonable assurance engagement is higher than for a limited assurance engagement)and;
- Limited (the level of assurance obtained in a limited assurance engagement is lower than for a reasonable assurance engagement).

List of GRI disclosure assured at a reasonable level:

GRI Index-2021	Disclosure
302-1	Energy consumption within the organization
302-3	Energy Intensity
303-4	Water discharge
303-5	Water consumption
305-1	Energy direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-4	GHG emissions intensity
306-3	Waste Generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
403-9	Work-related injuries

List of GRI disclosure assured at a limited level:

GRI Index-2021	
3-1	Process to determine material topic
3-2	List of material topic
301-1	Materials used by weight or volume
301-2	Recycled input materials used
302-4	Reduction of energy consumption
303-3	Water withdrawal
305-6	Emissions of ozone-depleting substances (ODS)
305-7	NOx, SOx, and other significant air emissions
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
401-3	Parental leave
402-1	Minimum notice periods regarding operational changes
403-1	Workers' representation in formal joint management–worker health and safety committees
403-2	Hazard identifications, risk assessments and incident investigations
403-3	Occupational health services
403-5	Worker training on occupational health and safety
403-6	Promotion of worker health
403-8	Workers covered by an OHS management system
404-1	Average hours of training per year per employee
404-2	Programmes for upgrading employee skills and transition assistance programmes
404-3	Percentage of employees received regular performance and career development reviews
405-1	Diversity of governance bodies and employees
405-2	Ratio of basic salary and remuneration of women to men

ANNEXURE

Assurance Statement – Sustainability Report

Independent Assurance Statement

Methodology used to conduct the assurance

HMCL shared the data for the identified sustainability indicators for the Sustainability Report for the reporting period from 01st April, 2023 to 31st March, 2024 covering the sites that are within the reporting boundaries.

The reporting boundaries considered for this reporting period across multiple facilities of HMCL including Neemrana, Dharuhera, Gurugram, Tirupati, Haridwar, Jaipur and Halol.

The assessment was carried out of the submitted information, based on above indicated GRI attribute, to verify the data and computations that were prepared by HMCL. On-site visits to HMCL's manufacturing units were conducted to understand the data capture process and to test the reliability and accuracy of the information.

During these visits, direct observations of facilities, interactions with personnel and review of documentation were undertaken to ensure accuracy and reliability of the submitted information. Additionally, the assessment included an evaluation of the internal control system and other parameters relevant to reasonable and limited assurance, such as adherence to industry standards and regulatory requirements, to provide a comprehensive verification of the data and computations prepared by HMCL.

Bureau Veritas has validated the quantification methodology used by HMCL for the monitoring and calculations of the ESG attributes from its different sources and confirms the same to be in line with accepted practice of standard GHG computations. Nothing has come to our attention that cause not to believe; all identified sustainability indicators are fairly reported on all material aspects.

Our work was conducted against the requirements defined in the International Integrated Reporting Framework, and National Guidelines for Responsible Business Conduct (NGRBC), the requirements of ISAE 3000 Assurance standard, Bureau Veritas' standard procedures and guidelines for external assurance of sustainability information, based on current best practice in independent assurance. The Bureau Veritas assurance process has also involved an Independent Technical Review (ITR) to check for correctness and accuracy of the assurance conclusions as well as adherence to Bureau Veritas internal procedures and/or assurance standard requirements.

Conclusions

Based on the verification of the records, in our opinion the Sustainability Report for the FY 2023-24, containing reporting and declaration of the various KPIs under ESG attributes is reliable and accurate representation of HMCL's performance towards ESG attributes.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:
- Data related to the other subsidiaries / associates of HMCL;
- Activities outside the defined assurance period stated hereinabove;
- Positional statements, expressions of opinion, belief, aim or future intention by HMCL and statements of future commitment;
- Our assurance is limited to the activities and operations of HMCL. The assurance does not extend to the operations undertaken by any other entity outside the scope and boundaries of the HMCL's Sustainability Report; that may be associated with or have a business relationship with HMCL.

Uncertainty

The reliability of assurance is subject to uncertainty (ies) that are inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions or data conversion factors used or may be present in the estimation of data used to arrive at results. Our conclusions in respect of this assurance are naturally subject to any inherent uncertainty (ies) involved in the assurance process.

Independent Assurance Statement

Statement of independence, impartiality, and competence

Bureau Veritas is an independent professional services company that specializes in Quality, Health, and Safety, Social, and Environmental management with almost 190 years history in providing independent assurance services and has necessary expertise for undertaking sustainability assurance. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with HMCL, its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest. The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Report.

Bureau Veritas (India) Private Limited

72 Business Park, 9th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2, Andheri (East) Mumbai-400 093 India.

Amit Kumar
Lead Assurer

Kalyan Dey
Team Member

Technical Reviewer
Dr. Apurva Srivastava

Date: 29/06/2024
Place: Mumbai, India

ANNEXURE

GRI Content Index

Statement of Use	Hero MotoCorp Limited has reported in accordance with the GRI Standards for the period [April 1, 2023 – March 31, 2024].
GRI 1 used	GRI 1: Foundation 2021

Gri Standard/Other Source	Disclosure	Location	Page No.
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	Company profile	11
	2-2 Entities included in the organization's sustainability reporting	About the report – Scope and boundary	3
	2-3 Reporting period, frequency and contact point	About the report	3
	2-4 Restatements of information	Restatements are available in respective sections	Wherever applicable
	2-5 External assurance	About the report – Data compilation and methodology	3, 125
	2-6 Activities, value chain and other business relationships	Company profile, Global presence	11, 12
	2-7 Employees	Our people, ESG Data Book	66, 116, 117
	2-8 Workers who are not employees	ESG Data Book	66, 116
	2-9 Governance structure and composition	Board Structure	91
	2-10 Nomination and selection of the highest governance body	Board Structure	91
	2-11 Chair of the highest governance body	Board Structure	91
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance, Board Structure	23, 91
	2-13 Delegation of responsibility for managing impacts	ESG Governance, Leadership Team	23, 93
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance	23
	2-15 Conflicts of interest	Business Ethics	89
	2-16 Communication of critical concerns	Business Ethics	89
	2-17 Collective knowledge of the highest governance body	Capacity Building of Board of Directors	92

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Gri Standard/Other Source	Disclosure	Location	Page No.
	2-18 Evaluation of the performance of the highest governance body	Board Evaluation	92
	2-19 Remuneration policies	Board Compensation, Employee Engagement, Executive Compensation Linked to Material Issues, Remuneration and Board Diversity Policy in AR	40, 92
	2-20 Process to determine remuneration	Board Compensation, Employee Engagement, Executive Compensation Linked to Material Issues	40, 92
	2-21 Annual total compensation ratio	Remuneration	147 of Annual Report
	2-22 Statement on sustainable development strategy	Executive Chairman's Message, CEO's message	5, 8
	2-23 Policy commitments	Business Ethics	89
	2-24 Embedding policy commitments	Business Ethics	89
	2-25 Processes to remediate negative impacts	Business Ethics	90
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics	90
	2-27 Compliance with laws and regulations	Business Ethics	90
	2-28 Membership associations	Affiliations	22
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	24
	2-30 Collective bargaining agreements	Human Rights	67
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	26
	3-2 List of material topics	Materiality Assessment	26
	3-3 Management of material topics	Materiality Assessment	31-37
Economic performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Highlights	11
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Action: Our Response	46-47

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Gri Standard/Other Source	Disclosure	Location	Page No.
Indirect economic impacts			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Corporate Social Responsibility	84-87
	203-2 Significant indirect economic impacts	Corporate Social Responsibility, Materiality Assessment	26-40, 84-87
Procurement practices			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Value Chain Management	109
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics	89
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics	89
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics	89
Anti-competitive behaviour			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Business Ethics	90
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	Tax Strategy	102
	207-2 Tax governance, control, and risk management	Tax Strategy	102
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Strategy	102
Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESG Data Book	114
	301-2 Recycled input materials used	ESG Data Book	114
	301-3 Reclaimed products and their packaging materials	Waste Management	60

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Gri Standard/Other Source	Disclosure	Location	Page No.
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Data Book	112
	302-3 Energy intensity	ESG Track Record	18
	302-4 Reduction of energy consumption	Energy Management	54
Water and effluents			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management	57
	303-2 Management of water discharge-related impacts	Water Management, ESG Data Book	57, 113
	303-3 Water withdrawal	ESG Data Book	113
	303-4 Water discharge	ESG Data Book	113
	303-5 Water consumption	ESG Data Book	113
Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Data Book	111
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Data Book	111
	305-3 Other indirect (Scope 3) GHG emissions	ESG Data Book	111
	305-4 GHG emissions intensity	ESG Track Record	18
	305-5 Reduction of GHG emissions	Carbon-neutral Operations (Scope 1 and 2)	52
	305-6 Emissions of ozone-depleting substances (ODS)	ESG Data Book	112
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG Data Book	112
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, ESG Data Book	60, 115
	306-2 Management of significant waste-related impacts	Waste Management, ESG Data Book	60, 115
	306-3 Waste generated	ESG Data Book	115
	306-4 Waste diverted from disposal	ESG Data Book	115
	306-5 Waste directed to disposal	ESG Data Book	115

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Gri Standard/Other Source	Disclosure	Location	Page No.
Supplier environmental assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Value Chain Management	107-108
	308-2 Negative environmental impacts in the supply chain and actions taken	Value Chain Management	109
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Data Book	117-119
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Health and Wellness Management	79
	401-3 Parental leave	ESG Data Book	120
Labor/management relations			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Employee Health and Wellness Management	79
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	74-78
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	76
	403-3 Occupational health services	Occupational Health and Safety	74-78
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	74-78
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	78
	403-6 Promotion of worker health	Occupational Health and Safety	74-78
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Materiality Assessment, Occupational Health and Safety	33, 74-78
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	74
	403-9 Work-related injuries	Occupational Health and Safety	74

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Gri Standard/Other Source	Disclosure	Location	Page No.
Training and education			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Track Record, ESG Data Book	19, 121
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management	70-71
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Data Book	122
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Track Record, Board Structure, ESG Data Book	19, 91, 116
	405-2 Ratio of basic salary and remuneration of women to men	Employee Engagement	72
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights, Vigil Mechanism	67, 90
Freedom of association and collective bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights	67
Child labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights, Value Chain Management	67, 108
Forced or compulsory labor			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, Value Chain Management	67, 108
Local communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility	84-87
	413-2 Operations with significant actual and potential negative impacts on local communities	Materiality Assessment	26-40

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Gri Standard/Other Source	Disclosure	Location	Page No.
Supplier social assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Value Chain Management	107-108
	414-2 Negative social impacts in the supply chain and actions taken	Value Chain Management	109
Customer health and safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Vehicle Efficiency and Emissions	63
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Vehicle Efficiency and Emissions	63
Marketing and labeling			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Our Brand Values	82
	417-2 Incidents of non-compliance concerning product and service information and labeling	Vehicle Efficiency and Emissions, Our Brand Values	63, 82
	417-3 Incidents of non-compliance concerning marketing communications	Vehicle Efficiency and Emissions, Our Brand Values	63, 82
Customer privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Data Protection	104-105

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Business Responsibility and Sustainability Report Linkage

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6	Details of employees and workers (including differently abled)	66
7	Participation / inclusion / representation of women	116
8	Turnover rate for permanent employees	119
9	Holding / subsidiary / associate companies / joint ventures	56
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12	Overview of the entity's material responsible business conduct and sustainability issues	26-40
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14	Specific commitments, goals and targets set by the entity along with performance, if any	17
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16	Statement by Director responsible for the report to highlight ESG issues	5-7
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S. No.	Disclosure Description	Page No.
SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE		
PRINCIPLE 1 Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.		
19	Details of fines / penalties / punishment / awards / compounding fees / settlement amounts	42
20	Details of anti-corruption or anti-bribery policy	89
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PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.		
22	Sustainable sourcing	106-109
23	Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life	59
24	EPR plan	60
25	Life cycle assessment	61
26	Recycled or reused input material as a percentage of total input material	59 ,114
27	Reclaimed products and their packaging materials (as a percentage of products sold) for each product category	60
PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.		
28	Measures for the well-being of employees and workers	70-79
29	Spending on measures towards well-being of employees and workers	70, 74-79
30	Accessibility of workplaces	67
31	Equal Opportunity Policy	67
32	Return to work and retention rates of permanent employees / workers that took parental leave	120
33	Membership of employees and worker in association(s) or Unions recognised	67
34	Details of training imparted to employees and workers on health and safety measures and skill upgradation	70-71, 78
35	Details of performance and career development reviews imparted to employees	122
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39	Assessment of value chain partners on health & safety practices and working conditions	107-108
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PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders.		
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43	Using stakeholder consultation to support the identification and management of environmental and social topics	24-40
PRINCIPLE 5 Businesses should respect and promote human rights.		
44	Training on human rights issues and policies	67
45	Details of remuneration / salary / wages	72
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PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment.		
49	Details of total energy consumption and energy intensity	18, 112
50	Details of total water withdrawn, consumed and water intensity ratio	57, 113
51	Total water discharge	113
52	Zero Liquid Discharge mechanism	57
53	Disclosure of air emissions	111-112
54	Details of Scope 1 and Scope 2 GHG emissions and GHG intensity	18, 111
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