



**NATURAL
CAPITAL**

**MANUFACTURED
CAPITAL**

Rise for Good

**HUMAN
CAPITAL**

**FINANCIAL
CAPITAL**

**INTELLECTUAL
CAPITAL**

**SOCIAL AND
RELATIONSHIP CAPITAL**

EXECUTIVE MESSAGES

Message from the Chairman Emeritus	01
Message from the Chairman	02
Message from the Managing Director	03
Message from the Chairman, Group Sustainability Council	05
Message from the Group CFO	07

HOW TO READ OUR REPORT

Scope of the Report	08
Report Scope Limitations	08
Contact Information	08
Independent Assurance Statement	09

HOW WE CREATE VALUE

Mahindra Group	11
M&M Limited	11
Business Model & Vision	12
Highlights	15
Automotive Division	17
Farm Division	19
Awards	20

HOW WE SUSTAIN VALUE

Corporate Governance	21
Sustainability & Us	22
Materiality	23
Sustainability Roadmaps 2019	26
Risk Management	31

HOW WE DELIVERED VALUE

Financial Capital	33
Manufactured Capital	39
Intellectual Capital	49
Human Capital	51
Natural Capital	60
Social & Relationship Capital	72

HOW WE PLAN TO ENHANCE VALUE

Strategy & Resource Allocation	88
Opportunities & Outlook	90

ANNEXURES

How We Contribute To The SDGs	91
Performance Tables (Natural and Human Capital)	92
GRI G4 Content Index	98
Acronyms	101
Glossary	105

What does it take to make a business sustainable?
For one you need to think beyond the today and sow the seeds of the future at a time when no one else is considering it. It requires you to think of optimisation of the resources that you utilise. It requires you to challenge the everyday and change the narrative as one sees it. Right from the very beginning of the Mahindra Journey we have been taking up these challenges. From bringing the iconic Willy's Jeep to India, to now offering customers an entire range of electric vehicles, we have always dared to spark change in the world.

When we create value in a product or service, we are very cognizant of the resources that go into creating it. The Integrated Report brings together six capitals; Financial, Manufacturing, Intellectual, Human, Natural, and Social & Relationship. We ensure that while we are consuming these resources, we also continuously replenish and rejuvenate them; a philosophy that the Mahindra Group has applied for many decades.



By making every aspect of our business sustainable, we re-affirm our commitment to a better world. From our employees to the communities which we are a part of, we want to conduct our business conscientiously and responsibly to address the issues of **People, Planet and Profit**.

At the heart of this philosophy is Rise for Good. It's an ambition and an attitude that drives our day-to-day functioning. We take these thoughts from our own legacy; a company made up of a history of passionate advocates, ambitious entrepreneurs, relentless innovators and agents for positive change. It is their belief of building businesses sustainably and responsibly that weaves into the DNA of all aspects of Mahindra. It is the wings on which our businesses take flight.

It is why we can say with conviction.
That in everything we do we **Rise for Good**.

MESSAGE FROM THE CHAIRMAN EMERITUS



I am happy to note that Mahindra & Mahindra is launching its first Integrated Report this year. I consider this as

an important milestone in our continuous endeavour to be in communication with our stakeholders.

As global markets become more interdependent on each other, corporate citizenship and responsibility becomes that much more challenging.

There is therefore a need for coordinated thinking followed by action in an integrated manner.

Integrated approach to business practices lead to more focused activities and better accountability in economic performance embracing almost all disciplines which govern the conduct of our businesses, be it Financial, Manufacturing, Intellectual, Environment, Human, Natural and Social capital. In its attempt to present the First Integrated Report to you, we believe that this will lead to better and more transparent communication with all our stakeholders.

I urge you to go through this First Report.

A handwritten signature in blue ink, consisting of a stylized 'K.' followed by a long, sweeping horizontal line.

Keshub Mahindra
Chairman Emeritus, Mahindra Group

MESSAGE FROM THE CHAIRMAN



In today's world, all things are connected. Businesses have to operate in an interdependent landscape made up of distinct yet related environmental, social, economic, technical, political, and cultural systems. Global megatrends including changing demographic patterns, economic power shifts, material scarcity, climate change, accelerating rates of urbanisation and exponential technological changes are creating new risks and offering fresh opportunities. This impacts the potential and ability of businesses to create value.

We have so far been publishing a comprehensive sustainability report on the Group's performance on prime pillars such as people, planet, products and profit. From this year onwards, we are publishing an integrated report, which will comprehensively communicate how Mahindra achieves long-term value creation, within the challenging and complex contemporary world. This report not only pulls together information that sits in separate reporting strands (e.g. Corporate Governance Statement, Operating and Financial Review, Financial Statements and Sustainability Reporting) but also adds new strands such as Intellectual Capital, to comprehensively explain how Mahindra creates value and plans to continue to deliver value in the future.



**For us
sustainability is both
an idealistic quest and
a competitive advantage.**

**We are clear that businesses
today cannot pursue financial growth
that comes at a cost of environmental
and social capital. For us, sustainability
is not just good corporate citizenship**

it is the only viable long-term business strategy.

So, while we are India's #1 UV maker, we also are the first Indian company to announce its internal carbon price- US\$10 per ton of carbon emitted. While we are the world's largest tractor brand by volume, we are also fast-tracking implementation of our Farming 3.0 mission that envisages technology outreach for farmers at the base of agri-prosperity pyramid without a need for them to own the asset.

Our efforts have been recognised by Transparency International, which has ranked the Mahindra Group among the top three on business transparency, from among the top 100 fastest-growing companies in 15 emerging market countries. We have also chalked up awards for our Sustainability Framework and won the Innovator of The Year Award at Time India Awards 2017. We see these as stepping stones towards our goal of being among the top 50 most admired brands in the world.

This report shares comprehensive details on our performance across six capitals, plus our goals, strategy, and future readiness. I hope you enjoy reading it.



**Green products are the defining drivers
of our portfolio. In 2016-17, the Group
generated \$422 million revenue from
its climate-friendly portfolio.**

Anand G. Mahindra
Chairman, Mahindra Group

MESSAGE FROM THE MANAGING DIRECTOR

The Mahindra Group is a collective of the prime movers, the early birds, the trend spotters, the positive disruptors, the knowledge anchors and the responsible rebels. It is due to this accept-no-limits attitude of Mahindrites that we Rise to overcome challenges, translate possibilities to realities and innovate to power the future. At Mahindra, we have a word for this approach. We call it

Futurise



DiGi SENSE

At M&M Ltd, we remain committed to investing in technology, growing our global presence and maintaining our leadership position. We aim to provide accessible technology to our customers whether it is through providing safety features even for an entry level variant, or the fuel smart technology in Blazo. Our recently launched DiGiSENSE platform, creates a connected platform across our wide range of vehicles and tractors. In the tractor business, our products Yuvo and Arjun Novo continuously strengthen our technology leadership.



SMART SHIFT



By leveraging our expertise in the automotive and tractor verticals, we created disruptive business models by incubating digital startups like TRRINGO and SmartShift. With TRRINGO, we provide accessible mechanization for our small and marginal farmers. With SmartShift, we provide a convenient platform for cargo mobility to small business owners and logistics providers. Both start-ups have successfully completed their first year of operation and continue to touch more lives and make a greater impact.



This year has also seen a paradigm shift in strategic interventions which will go a long way in creating shared value for our investors, customers and the community.

Farming 3.0

Only when we sow seeds for an equitable future, can we reap prosperity for all. Our vision is to bring the best of the agri technologies and solutions to the Indian farming community. Moving forward, we are focusing on catalysing the change in Indian farming practices, to take it to the next level, we call 'Farming 3.0'. This includes taking a more holistic perspective that combines knowhow and technology.

Leveraging our past experiences, we aim to enhance a comprehensive ecosystem with offerings across the farming value chain. It comprises access to smart machinery, precision farming practices, digital platforms and ecosystem connect, all dovetailed with the aim to elevate India's farming potential to the next level to increase rural prosperity.



Our desire to dream bigger than our size has been synonymous with our Rise philosophy and that is what drives us.

Mobility Play

In line with our credo of Rise, we aspire to redefine mobility in India by creating an ecosystem around passenger and small commercial vehicles. With an aspiration to deliver clean and cost-effective mobility solutions to our customers, we have strengthened our EV portfolio to include personal as well as commercial vehicles.

We continue to push the boundaries of ingenuity and frugality to create a distinct 'Customer Value Proposition' (CVP), while developing mobility solutions for India and the overseas markets. For our Utility Vehicle customers, our CVP is to enable lifestyle enhancing experiences through our SUVs and other non-product experiences which are convenient and connected. In the commercial vehicle space, our products and the affiliated ecosystem offer our consumers greater earning potential, in line with our CVP of '**Taqdeer Badal De**'.



Globalisation

We constantly look for opportunities to expand our global footprint with strategic M&As and an enhanced R&D network.

Our strategy is to leverage our global partnerships with, Mitsubishi Mahindra Agricultural Machinery Co. Ltd. (MMAM), Sampo Rosenlew, Finland and Hisarlar Makina Sanayi ve Ticaret Anonim Sirketi (Hisarlar) in Turkey, to develop global Centres of Excellence (CoE) towards development and supply of farm machinery. We continue to strengthen our brand in the United States through Mahindra USA.

In the auto space, we continue to leverage our neural network of product development, with a design & development centre in USA, SsangYong in Korea and MRV in India.

This integrated report, details not only our past performance, but also our future intent. It pieces together all the six capitals that a business needs for sustainable growth and provides a holistic perspective of our Rise journey.

Regards,

Dr. Pawan Goenka
Managing Director, M&M Ltd.



MESSAGE FROM THE CHAIRMAN, GROUP SUSTAINABILITY COUNCIL

This year was a year of introspection, innovation and integration. We upgraded the Mahindra Sustainability Framework and rearticulated the end-goals of its three pillars- people, planet, profit, to reflect our shift from conservation to rejuvenation.

We granulated our roadmaps from division-level roadmaps to individual roadmaps for each material issue such as Employee and Community, Dealer Sustainability and Supplier Sustainability. This will help each function to track progress on material issues and help us to drive a larger impact.



To inform our stakeholders how sustainability is embedded into every aspect of our business, we have transitioned from the regular form of 'sustainability reporting' to the paradigm of 'integrated reporting'. This is a paradigm which brings out the interplay of business with the six types of capital employed by it -



Financial, Manufactured, Intellectual, Human, Natural and Social & Relationship.

Through all these changes, what has remained constant is the focus on nurturing our relationships with employees, communities and nature.

Natural Capital

Be it a wire or a tyre, a car or a tractor, a two-wheeler or a four-walled room- every product uses nature's raw materials which unfortunately are depleting at a worrying pace. Mahindra has adopted a systemic 'give back more than we take' approach to nurture the environment and protect precious natural capital.

In the reporting year, water continued to score big on our conservation agenda. 37% of the total water consumption was recycled and reused by Auto Division. Climate change was another focus area and we committed to reduce our GHG emissions by 25% by 2019. A significant contribution towards this goal was made by our Farm Division by reducing their specific energy consumption by 8.7%.





Social Capital

The talent that we nurture in our business comes from communities, who in turn grant us the societal license to operate. It is therefore our fundamental responsibility to enable the communities to Rise. One of our many projects that drive positive change is the Vijay Vidarbha project where Mahindra has partnered with Naandi Foundation to create a comprehensive agrarian solution for farming families.



The Nanhi Kali project has positively impacted the lives of 130,000 underprivileged girls this year. The volunteer hours invested by our employees went up by 4.5%.



Human Capital

People are the key drivers of organisational success. At Mahindra, we reward them by giving them increments, incentives, growth options, learning platforms and an empowering work environment.

Business Today's 'Best Companies to Work for Award' received by M&M in the Engineering & Automotive Sector in 2017 is testament to this commitment.

To promote gender diversity in the workforce, the Group recently launched its Women Leaders Program (WLP) with the objective of developing women managers in the middle management cadre and creating a pipeline of female leaders and change agents for the Mahindra Group.



Intellectual Capital

In a fast commoditising world, knowledge is the sharpest competitive edge an organisation can possess. At Mahindra, we are making sustained investments in this area. Our R&D investment in FY2016-17 has gone up to 4.2% of revenue, and in the last 11 years we have registered a 20x growth in number of patents applied.

Our IPR portfolio now holds a total of 948 patents, and 202 applications were filed this year alone.

At Mahindra Research Valley, 3,500 engineers create new products and improve existing technology, which in turn drives growth and helps sustain product leadership.

As we walk along the sustainability path, we would love to hear your thoughts on our journey that was, the roadmaps that are and the milestones that should be.

Regards,

Ulhas N. Yargop
Chairman, Group Sustainability Council,
Mahindra Group

MESSAGE FROM THE GROUP CFO

Welcome to the first Integrated Report being published by Mahindra & Mahindra Ltd.

Transparency resides at the heart of our engagement approach. 10 years ago, we started our sustainability reporting journey by publishing and making widely available, our annual performance on Environmental, Social and Governance parameters. In our bid to continuously raise our reporting standards, we enhanced the scope of our sustainability report, adopted new generation reporting frameworks, aligned disclosures with NVGs and SDGs and shifted from a Group report to sustainability reports for individual companies.



While we might be an early adopter of Integrated Reporting in India, for us at Mahindra it is but a natural progression in our journey to

empower our stakeholders with detailed knowledge about the organisation,

its holistic performance, its strategy and the preparedness for the future.

This report captures how we create, sustain and enhance value and quantifies how much value we delivered this year across financial, manufactured, intellectual, human, natural and social & relationship capitals.

With respect to our performance on Financial Capital, it is important to understand the business environment in FY 2016-17. The financial year witnessed significant disruptions on both global as well as domestic fronts. On the international front, Brexit and the US elections heralded a sea change, forebodingly laden with uncertainties for the global and even the Indian economy. On the domestic side, a constitutional amendment paved the way for the long-awaited and transformational Goods and Services Tax (GST) while demonetisation of large denomination currency notes entailed short-term costs in the form of economic dislocation.

The tractor market witnessed tailwinds. The commitment of the Government of India to double farmers' income by 2022, normal monsoon, progressive policies on irrigation, an infrastructure and rural-focused budget, and our enhanced product portfolio - all these factors combined, had a positive impact on tractor demand and sales.

As a result, FY 2016-17 was a mixed bag for M&M. While the automotive division grew by just 2.5%, farm division grew by 23% during the year. In fact, the company achieved its highest ever market share of 42.7% in the tractor segment. In this background, what we achieved as the top line growth of 8% and bottom line growth of 16% in FY2016-17 is really impressive. I am also happy to share that we have maintained very strict financial discipline - we are a zero net DE ratio company.

Our strong financial performance is complimented by a slew of awards like 'Overall Best Company in India for Corporate Governance' and 'Best for Shareholders' Rights and Equitable Treatment in India' by Hong Kong's 'Asia Money' which is a testament to our focus on all stakeholders.

For the past 70 years, we have consciously adhered to the highest standards of governance and continuously enhanced our accountability benchmarks to enable stakeholders to Rise.

I urge all investors and stakeholders to read the report and write back to us on what they would like to see more of in future integrated reports and what we could do away with. This would help us add more value and make the reports even more useful to stakeholders.

Regards,

V.S. Parthasarathy
Group CFO & Group CIO

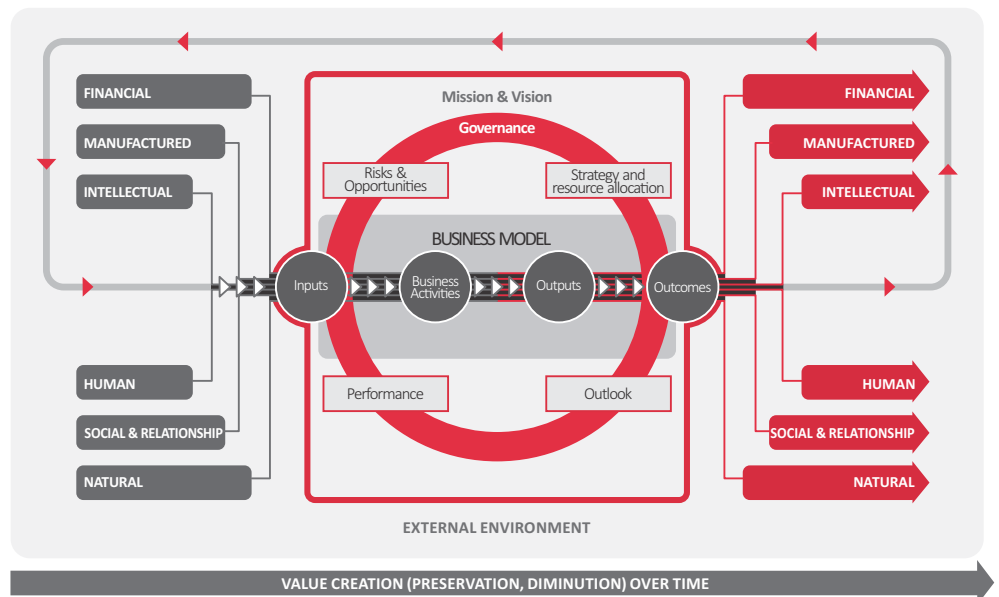
HOW TO READ OUR REPORT

ABOUT THE REPORT

Till date financial value creation has been by far the most dominant measure of an organisation's performance. While financial capital is necessary, it alone is not sufficient for an organisation to generate value. For a cohesive view about an organisation's performance and its ability to create value consistently, one needs to look at five other capitals along with financial capital- manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. Cognizant of these shifts, we have decided to publish an Integrated Report.

As a mature sustainability reporter, we have retained all the disclosures of a sustainability report and added-on disclosures prescribed in the integrated report framework like intellectual capital, manufactured capital, strategy, etc.

The objective of this report is to provide greater transparency, better disclosures and most important of all, elucidate the inter-relatedness between the six capitals- and thereby provide you a more complete picture of our past performance and future sustainability.



SCOPE OF THE REPORT

The reporting period of M&M Ltd for this Integrated Report is 1st April 2016 to 31st March 2017. It provides an overview of the operations and business development activities of Mahindra & Mahindra Ltd. While we have adopted the International Integrated Reporting Council's Framework for this report, GRI G4 core guidelines continue to guide us in communicating our sustainability performance. This Integrated Report is aligned with the nine principles of Ministry of Corporate Affairs' National Voluntary Guidelines (NVG) on social, environmental and economic responsibilities of business.

THE REPORT INCLUDES

- Mahindra & Mahindra Ltd. - Automotive Division (AD)
- Mahindra & Mahindra Ltd. - Farm Division (FD)
- Mahindra & Mahindra Ltd. - Swaraj Division (SD)
- Spares Business Unit (SBU)
- Mahindra Research Valley (MRV)
- Mahindra Vehicle Manufacturers Limited (MVML)*
- Corporate Centre - Mahindra Towers-Worli (CC)

* only for Financial Capital Section

REPORT SCOPE LIMITATIONS

This Report is India-centric and excludes

- International operations
- Businesses which were acquired or commenced operations in FY 2016-17
- Companies/plants/locations of manufacturing sectors

Mahindra Trucks and Buses Ltd. (MTBL)

Ssangyong Motor Company Ltd.

Swaraj Engine Ltd.

Mahindra Gujarat Tractor Ltd.

Mahindra (China) Tractor Co.

Mahindra USA INC

Mahindra Yueda (YANCHENG) Tractor Co.

Your valuable feedback and suggestions are solicited to sharpen our efforts and reports. Please spare a few minutes to share your insights. Please email your suggestions / views / opinions to: sustainability@mahindra.com

Location of the organisation's headquarters

MAHINDRA & MAHINDRA LIMITED

Gateway Building, Apollo Bunder, Mumbai 400 001

MAHINDRA FOR YOU
1800 425 1624
TEN SECTORS. MANY COMPANIES. ONE PURPOSE.

INDEPENDENT ASSURANCE STATEMENT

Scope and approach

Mahindra & Mahindra Limited ('M&M' or 'the Company') commissioned **DNV GL Business Assurance India Private Limited** ('DNV GL') to undertake independent assurance of sustainability disclosures in the Company's Integrated Report 2016-17 in its printed format (the 'Report'). Our responsibility in performing this work is regarding verification of sustainability performance disclosed in the Report, and in accordance with the agreed scope of work with the management of the Company. The intended users of this assurance statement are the management of the Company. Our assurance engagement was planned and carried out during December '2016 to July '2017.

Our scope of work was the verification of the qualitative and quantitative information on sustainability performance disclosed in the Report covering Economic, Environmental and Social performance of the activities undertaken by the Company over the Reporting period 1st April'2016 to 31st March'2017.

We performed our work using DNV GL's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements (ISAE) 3000 Revised*, along with GRI G4 Sustainability Reporting Guidelines.

We understand that the reported financial data and related information are based on disclosures from Mahindra & Mahindra Annual Report for year ending 31st March' 2017, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data in the Integrated Report and Annual Report 2016-17 as it was not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion related to non-financial sustainability disclosures in this Report. We are providing a 'limited level' of assurance and no external stakeholders were interviewed as part of this assurance engagement.

Responsibilities of the Management of Mahindra & Mahindra Limited and of the Assurance Providers

The Senior Management team of Mahindra & Mahindra Limited have sole responsibility for the preparation of the Report and are responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting the information presented in the Report. M&M has stated in this Report that this report based on the International Integrated Reporting Council (IIRC's) Integrated Reporting <IR> framework and has adopted performance indicators for disclosures related to identified material aspects from Global Reporting Initiative's Sustainability Reporting Guidelines (GRI G4).

In performing our assurance work, our responsibility is to the management of Mahindra & Mahindra Limited; however, our statement represents our independent opinion and is intended to inform outcome of our assurance to the stakeholders of the Company.

DNV GL provides a range of other services to Mahindra & Mahindra Limited, none of which constitute a conflict of Interest with this assurance work. This is the 1st year that we are providing assurance of the sustainability disclosures in this Report.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed assurance at the Corporate office and selected sites of Mahindra & Mahindra Limited. We undertook the following activities:

- Review of the non-financial sustainability disclosures disclosed in this Report;
- Review of approach to Materiality determination and Stakeholder engagement and its outputs, although we had no direct engagement with stakeholders;
- Review of information provided to us by the Company on its reporting and management processes related to the <IR> Framework and Global Reporting Initiative's Sustainability Reporting Guidelines (GRI G4);
- Interviews with selected members of leadership team, and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility for the programmes to deliver the targets for medium and long term Vision, Mission and milestones;
- Site visits were conducted in Mahindra & Mahindra Limited's Corporate Office at Mumbai, Automotive Division sites at Kandivali & Haridwar, Farm Division sites at Kandivali and Jaipur, and Swaraj Division - Plants 1 & 2 at Mohali to review the processes and systems for aggregation of site level sustainability data and implementation of management approach. The sites we visited were selected based on identified material aspects as well as geographical and divisional spread;
- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritised based on our risk based approach i.e. relevance of identified material aspect and sustainability context of the business;
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate level.

The reporting aspect boundary is based on the internal and external materiality assessment covering the operations of companies in India region i.e. the legal entities of the Mahindra & Mahindra Ltd. - Automotive Division (AD), Mahindra & Mahindra Ltd. - Farm Division (FD), Mahindra & Mahindra Ltd.- Swaraj Division (SD), Spares Business Unit (SBU), Mahindra Research Valley (MRV) and Corporate Centre- Mahindra Towers-Worli.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement; however, the Report excludes sustainability performance of International operations of Automotive business and businesses which were acquired or commenced operations in FY2016-17 as set out in the Report.

Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe the sustainability performance of identified material aspects as below:

Economic

- Economic Performance- G4-EC1;

Environmental

- Energy- G4-EN3, EN4 & EN6;
- Water- G4- EN8, EN9 & EN10;
- Emissions- G4-EN15, EN16, EN17, EN18;
- Effluents and Waste- G4- EN22, EN23, EN24, EN25 & EN26;

¹ The VeriSustain protocol is available on dnvgl.com.

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Social**Labour Practices and Decent Work**

- Occupational Health & Safety- G4-LA5, LA6, LA7 & LA8;

Society

- Local communities- G4-SO1, SO2;

Product Responsibility

- Customer Health and Safety- G4-PR1, PR2;

Observations

Without affecting our assurance opinion, we also provide the following observations. We have evaluated the Report's adherence to the following principles on a scale of **'Good'**, **'Acceptable'** and **'Needs Improvement'**:

Stakeholder Inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The stakeholder engagement process is fairly established to identify sustainability challenges and concerns of diverse stakeholder groups considering the M&M's operations of Automotive and Farm Equipment sector, however the Report does not explicitly bring about stakeholder concerns for key stakeholders as per GRI G4 disclosure requirements. In our opinion, the level at which the Report adheres to this principle is **'Acceptable'**.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

Mahindra & Mahindra has applied the materiality principles of GRI G4 to arrive at key material aspects for Automotive and Farm Equipment sector of the Company. The materiality determination process was revalidated based on inputs from key stakeholders and senior management of Company. In our opinion Report has not missed out key material issues related to its Automotive and Farm equipment sector operations in India. The management of the Company has established internal assessment process for monitoring and management of identified material aspects on a continual basis for their long term organizational sustainability. In our opinion, the level at which the Report adheres to this principle is **'Good'**.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report has brought out responses to the identified material aspects and fairly disclosed the strategies and management approach and challenges considering the overall sustainability context of the Automobiles and Farm Equipment sector, within the identified aspect boundary. The Report could bring out the long and medium term targets related to identified material aspects. In our opinion, the level at which the Report adheres to this principle is **'Acceptable'**.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The majority of data and information verified at the Corporate Office in Mumbai, and sampled sites at Kandivali, Jaipur, Swaraj- Plants 1 & 2 at Mohali, in India were found to be identifiable and traceable to the source and nothing came to our attention to suggest that reported data have not been properly collated and consolidated at corporate level, nor that the assumptions used were inappropriate. Some of the data

inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been communicated for correction. In our opinion, the level at which the Report adheres to this principle is **'Good'**.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported.


The Report has fairly attempted to disclose the sustainability disclosures for key material aspects including the disclosure on management approach and performance indicators within the identified reporting boundary i.e. Automotive and Farm equipment sector, and excludes other entities such as joint ventures and subsidiaries which are part of its consolidated financial statement as these entities are disclosing their sustainability performance through a separate report. In our opinion, the level at which the Report adheres to this principle is **'Good'**.

Neutrality

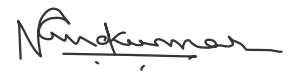
The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The disclosures related to sustainability issues and performances are reported generally in a neutral tone, in terms of content and presentation, however the Report could further bring out responses related to the challenges faced during the reporting period at various geographical locations. In our opinion, the level at which the Report adheres to this principle is **'Acceptable'**.

For and on behalf of **DNV GL Business Assurance India Private Limited.**



Ramesh Rajamani
Lead Verifier,
Project Manager -
Sustainability Services,
DNV GL - Business Assurance
India Private Limited.



Vadakepathth Nandkumar
Assurance Reviewer,
Regional Manager -
Sustainability & Supply
Chain Operations -
Region India & Middle East,
DNV GL - Business Assurance
India Private Limited.

Bengaluru, India, 31st July 2017

HOW WE CREATE VALUE

MAHINDRA GROUP

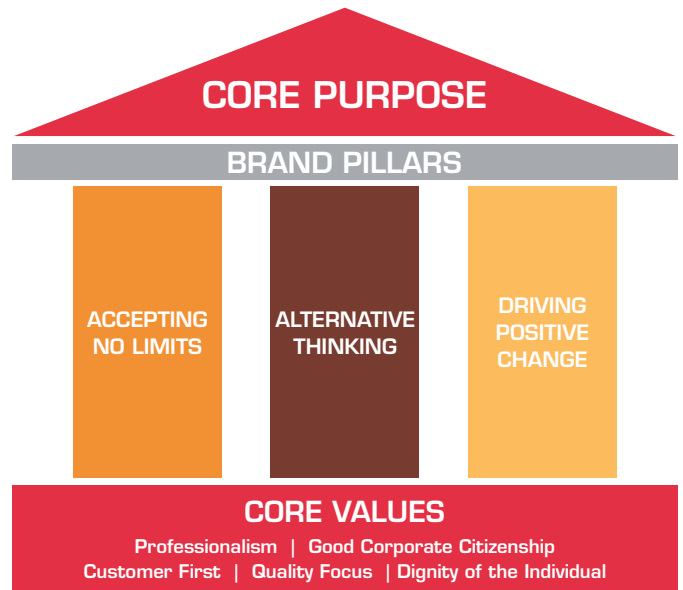
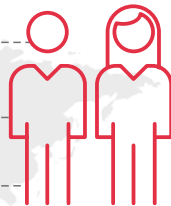
The Mahindra Group is a USD 19 billion federation of companies that has dynamically evolved its business model to leverage the emerging opportunities in the economy as well as evolving customer needs. Starting off as a steel trading company in 1945, the Group today is a well-balanced portfolio of businesses organised into 10 sectors.

The decentralised approach of management, akin to the federation approach, provides autonomy to each business leader to operate the company as per their vision under the supervision of their statutory boards. This releases the bandwidth of the Group Management from day-to-day responsibilities of the business and focus only on roles like preserving core values, brand custodianship and leveraging synergies across group businesses. It enables stakeholders to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities.

The Group has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, components, commercial vehicles, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers.

Headquartered in India, Mahindra employs over

200,000 people across
100 countries.



Guided by the three pillars- 'Accepting No Limits, Alternative Thinking and Driving Positive Change', we strive to build not just products and services, but new possibilities for a truly sustainable future.

Our aim is to make 'Mahindra' one of the 50 most admired global brands by 2021. A brand that empowers people to RISE to their dreams and achieve their full potential.

Learn more about Mahindra on www.mahindra.com / Twitter & Facebook @MahindraRise

M&M LIMITED

At Mahindra, we aim to make every aspect of our business sustainable to ensure a better world for future generations. From our employees to the communities which we are a part of, we see an incredible opportunity to drive positive change for all our stakeholders.

As a Company, we have identified four pervasive areas to create value for all the stakeholders:

Mobility | Urbanisation | FarmTech | Information Technology (IT)

These are not just our key businesses. They are industries that shape every modern economy, address the pressing social needs and are in the midst of an unprecedented global change.

We are creating value for our stakeholders through innovation in these areas.

To make electric vehicle technology more accessible and mainstream we have drawn up a comprehensive product roadmap - EV 2.0, leading to next generation of vehicles.



Taking the philosophy of planned and sustainable urbanisation ahead, this year Mahindra Towers Kandivali - a 25-year-old building, became the second existing building to be awarded certification under IGBC after Igatpuri Plant Admin Building.



Using technology as an enabler and an efficient social leveller, we have launched India's first tractor and farm equipment rental business, Trringo to make technology more accessible to every farmer.



We are empowering owners, fleet operators, drivers, dealers and service teams who can remotely access vital information about their vehicles in real time through our DiGiSense technology.

We are not only creating value through our products and services, but also through comprehensive, well-planned and long-term social interventions.

Our CSR efforts over the years have focused on education and skilling, health, rural development and the environment.

We are invested in the green economy through adoption of green processes and creation of green facilities through local sourcing, optimising logistics, water conservation, recycling and urbanscaping.

BUSINESS MODEL & VISION

At the heart of any organisation is its business model. This model delineates how an organisation draws on capitals as inputs and, through business activities, converts them to outputs. These activities and outputs lead to outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term.

Mahindra & Mahindra Ltd., Mahindra Group's parent company, is a dominant player in Tractor and Automobile industry. It is both an operating company (Automotive and Farm Equipment Sectors) and a holding company of all its investments in subsidiary and associate companies. Other businesses under the Operating Company includes the Powertrain & the Construction Equipment divisions.

Automotive Division

The Division maintained its position as the 3rd largest Passenger Vehicle Company, the 2nd largest Commercial Vehicle Company and the Largest Small Commercial Vehicle Company in India in 2016-17.

Its share of the total Indian Auto Industry stood at 11.0% in 2016-17.



Farm Division

The Division continued its focus on delivering 'Farm Tech Prosperity' to the Indian farmer, through development and launch of technologically advanced tractors, agri machinery and farm solutions.

M&M gained its highest ever market share of 42.7% in the domestic tractor market



It registered a growth of 26.3% in the export market in 2016-17. Mahindra is the largest selling tractor brand, by volume, in the world.

Allied Businesses

Amidst growing concerns on environmental sustainability, Mahindra Powerol expanded in the business in tele infra management and in the energy management solutions space by moving to greener solutions, 'Green Gensets' through battery based solutions.

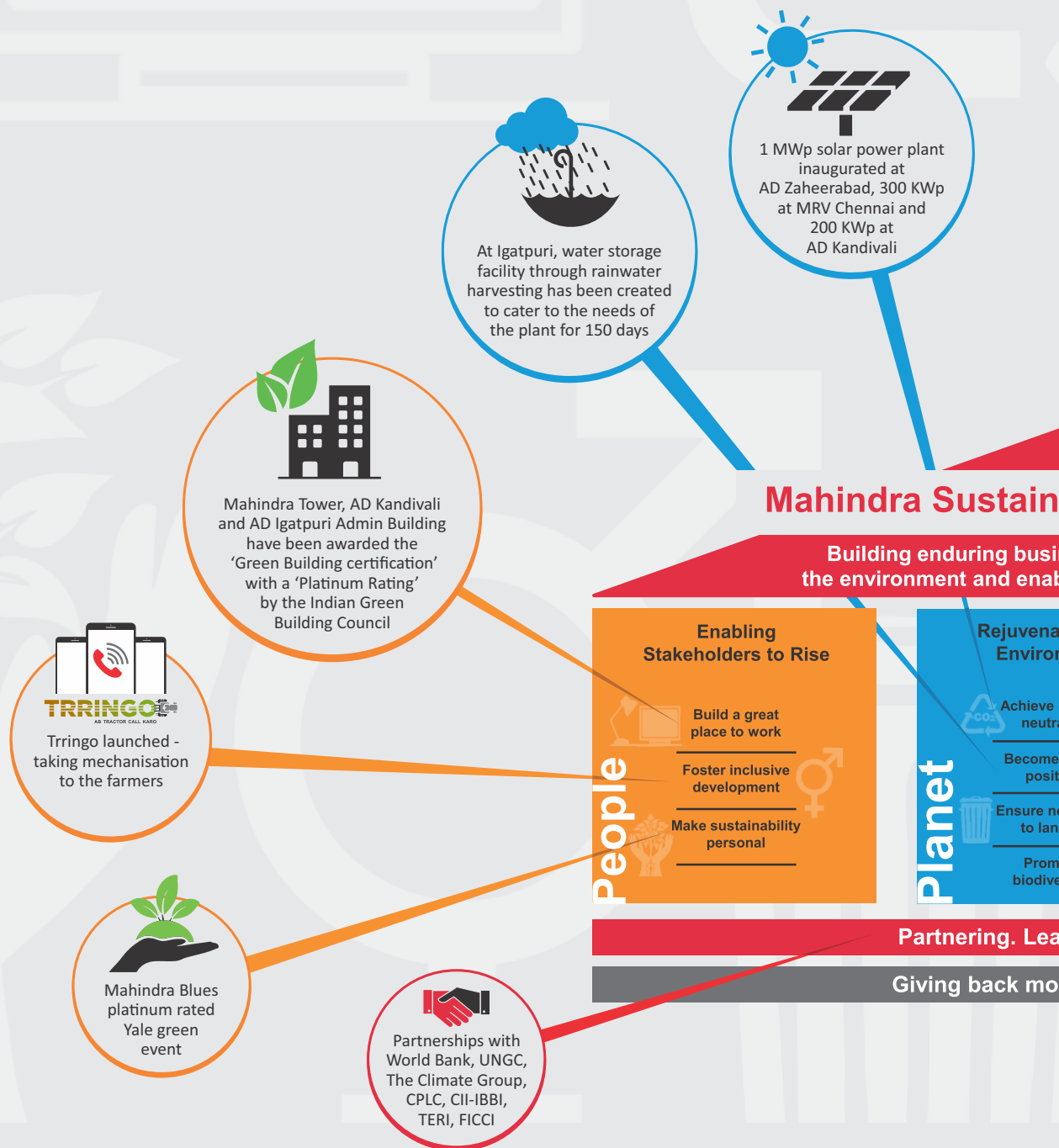
Mahindra EarthMaster sold 1,029 Backhoe Loaders (BHL), registering a growth of 57.3%. It is now the 4th largest BHL player in India.



Sustainability Pro

At Mahindra, we view sustainability as a vital business strategy. For us, sustainability is to enable enduring business by rejuvenating the environment and enabling stakeholders to Rise. This award-winning Sustainability Framework is action-oriented and lays out the objectives for business and beyond in three domains - people, planet and profit. It includes making our workplaces great places to work, fostering

inclusive development and making sustainability personal for our colleagues and their families on the People front. Through the planet pillar, we address carbon neutrality, water positive and making waste a resource and not just mere refuse while protecting biodiversity. In the profit pillar, we aim to develop products and services which generate an evergreen stream of green revenue, mitigate risks for our



Progress Dashboard

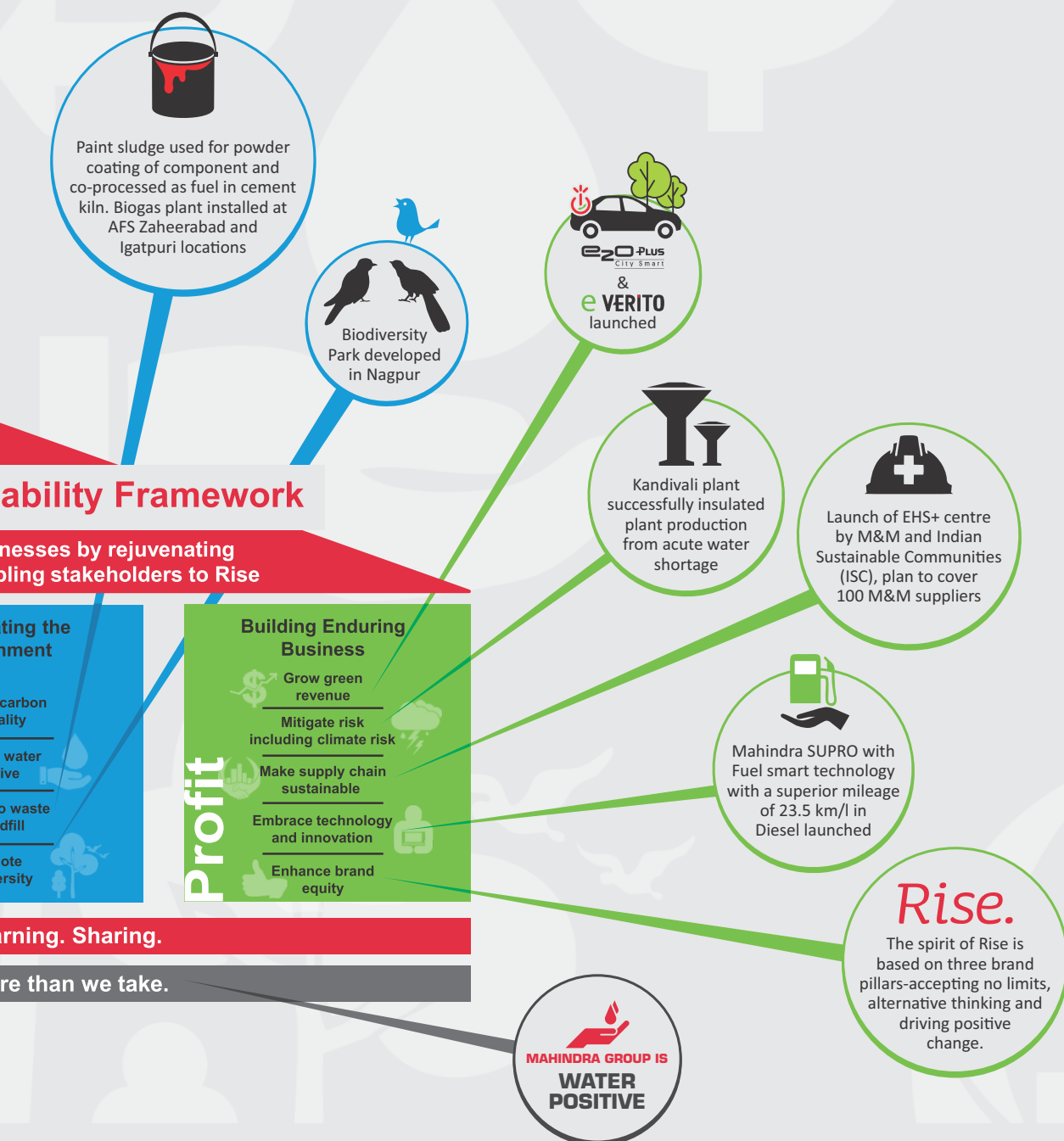
business including climate risk, evangelise sustainability through the supply chain for greater impact, recognise that the role of technology and innovation in shaping progress on sustainable development will remain paramount, and ensure that we enhance brand equity through sustainable work.

The base for all this would be the work we do on sustainability through

sharing and learning of best practices and in the process we aim to give back to the earth, more than we take.




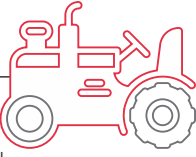

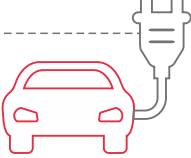

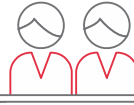
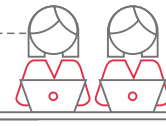
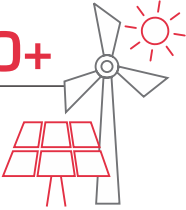
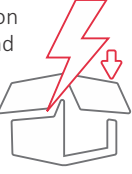






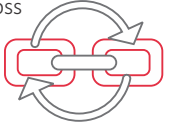
During the reporting period, we achieved impressive traction across all facets of the framework.

Given below is a progress dashboard featuring selected highlights in each pillar.



HIGHLIGHTS OF THE YEAR ACROSS CAPITALS

At M&M, value for stakeholders is increasingly shaped by factors others than financial performance. Five additional capitals that guides us in our decision-making and long-term success are: manufactured, human, intellectual, social and relationship capitals. Here are the key outcomes in terms of capitals in FY2016-17.

Financial	Manufactured	Human
<p>Mahindra Adds Value to Every Share</p>  <p>EPS (Basic) grew by 14.5% to INR 63 in FY17 (M&M+MVML)</p> <hr/> <p>Continuing focus on innovation and efficiencies</p>  <p>8% increase in our top-line & a 16% surge in PAT (M&M+MVML)</p> <hr/> <p>Pricing carbon to understand the true cost of climate change</p>  <p>Mahindra & Mahindra is the first Indian company to announce its internal Carbon Price of US\$10 per ton of carbon emitted</p>	<p>4 Tractor Launches</p>  <p>Mahindra Yuvo, Swaraj 742 FE, Mahindra 585 DI and Mahindra Arjun Novo 49.9</p> <hr/> <p>4 Auto Launches</p>  <p>Nuvosport, Big Bolero Pickup, Bolero Power + and Supro Range 26 HP</p> <hr/> <p>3 Electric Vehicle Launches</p>  <p>e-Verito, e20+ and e-Supro (Passenger Van & Cargo Van)</p>	<p>Mahindra Leadership University</p>  <p>10 Academies. Partnership with IMD, Yale SOM, Harvard Business School, University of Michigan</p> <hr/> <p>Young CEO programme</p>  <p>Young leaders elevated to CEO level and given autonomy over entire projects</p> <hr/> <p>Women Leaders programme</p>  <p>Training women middle managers for future leadership roles</p>
Natural	Intellectual	Social & Relationship
<p>100,000+</p>  <p>GJ energy saved through sustained energy saving initiatives</p> <hr/> <p>Specific energy consumption at New Product Division and Farm Division reduced by 24% & 10% respectively</p>  <hr/> <p>400,000+</p>  <p>m³ of water recycled and reused across businesses; 37% of the total water consumption was recycled and reused by AD</p>	<p>More We Invest in R&D, More We Reap in Patents</p>  <p>We filed 202 patent applications during the year</p> <hr/> <p>Mahindra wins Innovator of the Year Award at Time India Awards 2017</p>  <p>Won the award for constantly innovating products and processes</p> <hr/> <p>We have invested over INR 1,000 crore in establishing the Mahindra Research Valley</p>  <p>A robust R&D network 32 operational labs and 3,500 engineers under one roof</p>	<p>Employee Social Options*</p>  <p>54,000+ employee volunteers contributed 350,000+ person-hours to various services in FY 2017</p> <hr/> <p>Nanhi Kali</p>  <p>60,000+ girls educated across 12 states in India</p> <hr/> <p>Environmental sustainability initiatives rolled out across 400 suppliers</p> 

*Group figures

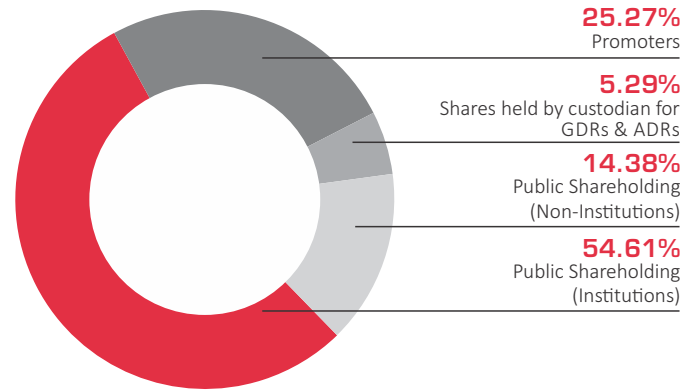
All our businesses continue their focus on achieving cost leadership through focused cost optimisation, productivity improvements, value engineering, supply chain management and exploiting synergies between its sectors, creating long-term value for us and for our stakeholders.

We have been consistently following these tenets of value creation:

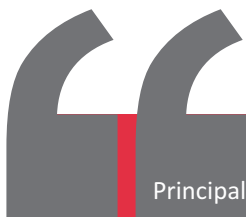
- **Disciplined approach to capital allocation**
- **True federation approach to managing businesses**
- **Value discovery by listing new businesses**
- **Encashing value at the right time**
- **Highest standards of corporate governance**
- **Investing in building brand Mahindra**

Shareholding Pattern

As an Indian multinational with global ambitions, we have a diversified shareholding pattern



For a detailed shareholding pattern, please refer to page 69 of our Annual Report 2017.



Principal Counsellor CII-ITC Centre of Excellence for Sustainable Development

Sachin Joshi



CII congratulates Mahindra for receiving Sustainable Plus Platinum for FY16, India's only and first corporate sustainability label. This conveys that Mahindra has strong foundations, though there's always scope for improvement.



AUTOMOTIVE DIVISION

In 1947, we introduced the Utility Vehicle (UV) to India. Nearly seven decades later, we remain India's No.1 UV manufacturer with a range of category-defining vehicles that are tough, reliable, refined and built to thrill. Today, we offer a complete portfolio – from electric vehicles to SUVs; from passenger cars to heavy commercial- our vehicles ply the roads in more than 70 countries globally.



We are creating world-class R&D facilities in India and the US, and along with our Group Company, SsangYong Motors of South Korea, we aim to create a top global mobility brand.

Businesses

<http://www.mahindra.com/business/automotive>

Mahindra Graphic Research Design*

Mahindra Vehicle Manufacturers Limited

Spares Business Unit (SBU)

Mahindra Navistar Automotive*

Ssangyong Motor Company*

Mahindra Electric (formerly, Mahindra REVA)

* Mahindra Graphic Research Design, Mahindra Navistar Automotive, Ssangyong Motor Company are not in the scope of this report.

- Mahindra & Mahindra, Igatpuri Plant received the prestigious Global Sustainability Award 2016 - Platinum Rating & Best Sustainability Initiative Pavilion at the 7th World Renewable Energy Congress organised by the Energy & Environment foundation supported by the Ministry of New & Renewable Energy, Government of India

- AD Nashik Plant won the National Award for Excellence in Water Management by the Confederation of Indian Industry

- The e2oPlus was honoured as the Electric Mobility Solutions of the Year at the NDTV Car and Bike Awards 2017

New Launches



Scorpio with Intelli-Hybrid Technology



e-Verito, India's first electric sedan



Electric City Smart Car, the 'e2oPlus'



New limited edition 'Scorpio Adventure'



New Age XUV500 Down Under



More Powerful TUV300



More stylish avatar of the KUV100



Eco-friendly Jeeto CNG



Fuel-efficient Blazo Truck



New Bolero with mHAWKD70 engine



The Big Bolero Pik-up



Supro Minivan and Minitruck



eSupro - India's first electric cargo and passenger van

For complete details on how our products create value for our customers and the environment, please refer to the manufactured capital section of the report

FARM DIVISION

We are the world's number one tractor company with annual sales of over **230,000** units and over **2.3** million tractors sold till date.

With the mission of driving farm prosperity globally, we have expanded into farm-support services like end-to-end mechanisation solutions under Mahindra AppliTrac, and agri-inputs, advisory and post-harvest services through the Samridhi Initiative.

In India, our market share is 42.7% and with over 50 years of insights, we have set up India's most advanced tractor R&D facility in Chennai.

The only tractor Company to win the prestigious Japan Quality Medal and Deming Application prize, our products are supporting farmers in more than 40 countries across six continents.

Businesses in the Division

<http://www.mahindra.com/business/farm-equipment>

Mahindra (China) Tractor Co.*

Mahindra Yueda (Yancheng) Tractor Co.*

Micro-irrigation Business EPC Industrie Ltd.

Mahindra USA Inc.*

Mahindra Samridhi

Mahindra Powerol

* Mahindra (China) Tractor Co., Mahindra USA Inc. and Mahindra Yueda (Yancheng) Tractor Co. are not in the scope of this report.

- Launched Farming 3.0, a comprehensive ecosystem with offerings across the value chain for the farmer. It entails access to smart machinery, precision farming practices, digital platforms and ecosystem connect with the aim to improve crop yields and double farm income.
- FD was awarded the TPM Special Award for FY16 from Japan Institute of Plant Maintenance (JIPM). This is an integrated award where all three FD plants i.e. Mumbai, Nagpur & Rudrapur, were assessed.
- FD, Nagpur won the National Level Award for 'Energy Efficient Unit' in the Automobile & Engineering category by CII.

New Launches



5 Agri-Specialist Tractors Mahindra YUVO



New Mahindra 6560 in Bangladesh



JVO - A New Small Tractor Platform



Swaraj 742 FE

For complete details on how our products create value, please refer to the manufactured capital section of the report

AWARDS



Dr. Pawan Goenka receiving the 2016 FISITA Medal

For M&M, awards are not just the pat on the back, it is another way to create value. It enhances the reputation of the company, help employees take pride in their work, and instil confidence among our customers about our quality and professionalism.

These awards and recognitions encourage us to continue on the path we have chosen to accomplish our objectives. Below given are some of the significant honours received during the year.

Leadership (Individual)

- Anand Mahindra was appointed Chevalier de l'Ordre national la Légion d'Honneur (Knight in the National Order of the Legion of Honour) by the President of the French Republic.
- Dr. Pawan Goenka became the first Indian to be awarded the highly acclaimed 2016 FISITA Medal in recognition of 'particularly distinguished achievement and leadership in the global automotive industry.'
- Mr. V. S. Parthasarathy, Group CFO & CIO, received the 'BFSI Technology Leadership Award' during BFSI CTO Summit in June 2016.
- Mr. Anirban Ghosh was awarded Distinguished Chief Sustainability Officer for greening the Mahindra portfolio at the 2016 Parivartan Sustainability Leadership Awards.

People

- M&M emerged as the winner in the 'Engineering & Automotive Sector' category at the annual Business Today's Best Companies to Work for Awards 2017. The Survey was conducted in partnership with PeopleStrong

Environment

- AD Nashik Plant won the prestigious Vasundhara Award 2016 and a cash reward of INR 3 lac for the second time based on the last three year's environmental performance. The plant has taken up initiatives including energy management, water management, waste management, nature conservation and stakeholder engagement programmes.
- AD Igatpuri plant won the 2nd prize in the CII Green Conclave 2016 for presenting case study on "Heat Recovery System" in the competition. The plant has been working towards building a sustainable organisation by taking up various initiatives including solar power plant, green building, biodiversity, windmill, biogas & energy efficient projects.



India's first food-waste free city- MWC, Chennai

Mahindra won awards in different categories at The Golden Globe Tigers Awards. This included:

- Integrated Watershed Management Programme in Damoh in the Category - Best Corporate Social Responsibility Practices
- Igatpuri Plant - Dust Control case study in the Best Workplace practices category
- India's first food-waste free city: Mahindra World City - Chennai in the Best Environment Friendly Project category

The Golden Globe Tigers Awards presented by the Asian Confederation of Businesses were announced in Kuala Lumpur, Malaysia. The awards recognise best practices in the sustainability space.



AD Nashik Plant wins the prestigious Vasundhara Award 2016

CSR

- The Automotive & Farm Equipment Sector won the coveted Commendation for Significant Achievement in Corporate Social Responsibility at the CII-ITC Sustainability Awards 2016.

Sustainability

- M&M won 'Golden Peacock Award for Sustainability' for the year 2016 by Institute of Directors at the UK during the "16th London Global Convention on Corporate Governance & Sustainability"
- M&M was honoured with the 'Conglomerate of the Year' Award for the third year in a row at the CNBC TV18 India Risk Management Awards for 2017
- M&M was ranked 3rd Amongst Top 100 Emerging Market MNCs for Business Transparency and was featured in Transparency International's list of top 10 most transparent companies from emerging markets
- M&M retained the status of getting listed on the Dow Jones Sustainability Index - 2016 under the 'Emerging Market Index' for the consecutive third year with improvement in percentile scores

HOW WE SUSTAIN VALUE

CORPORATE GOVERNANCE

The difference between a successful and a not-so-successful organisation lies not just in how efficiently the value is created, but also in how effectively it is sustained over a longer term. For an organisation to sustain value, it is imperative to engage with a wide spectrum of stakeholders, understand their expectations and act decisively to meet their expectations on a continual basis.

At Mahindra, we have always practiced Corporate Governance of the highest standards and foster a culture that is built on core values and professionalism. We place great emphasis on empowerment, integrity and safety of our employees, maintaining a diverse and vibrant work environment, and upholding transparency in all our dealings.

We have a firm conviction that good Corporate Governance practices are powerful enablers, that infuse trust and confidence, attract and retain financial and human capital, and maintain the social & relationship capital.

Shareholder Value

At M&M, we empower shareholders with the knowledge of how we create, sustain and enhance financial, social and environmental values by utilising various capitals: financial, manufactured, intellectual, human, social, and natural. To have a continuous and consistent exchange of perceptions and to enhance value creation, we have interactive platforms in place where we share the performance and progress, while soliciting pointers and perspectives. These lead to possibilities and plans that results in increased shareholder value as well as trust.

 For more information on interactive platforms for our shareholders, please refer to page 26 of our Annual Report FY 2016-17.

Governance Framework

The governance framework at M&M brings all our businesses, subsidiaries, associates and joint ventures under its ambit and firmly instils the Group's objectives in everyday operations. It includes comprehensive monitoring of the progress and spearheading operational excellence across those verticals.

Mahindra & Mahindra (M&M) Ltd, the flagship Company of the Mahindra Group directly runs two businesses: Automotive Division and the Farm Division; and is the chief shareholder in all the other entities. We are a federation of organisations, where Group Companies have their own independent Boards of Directors, governance structure and policies which align with those of M&M. Companies who have not formulated their individual policies also follow M&M policies.

■ BOARD OF DIRECTORS

The composition of the Board of Mahindra & Mahindra Ltd. is in conformity with Regulation 17 of the Listing Regulations. The Executive Chairman of Mahindra & Mahindra Ltd., though a Professional Director in his individual capacity, is a Promoter and the number of Non-Executive and Independent Directors is more than one half of the total number of Directors.

Mr. Anand G. Mahindra, Executive Chairman and Dr. Pawan Goenka, Managing Director are the Whole-time Directors of Mahindra & Mahindra Ltd. The remaining Non-Executive Directors, comprising eight Independent Directors including a Woman Director and one Non-Independent Director are highly renowned professionals drawn from diverse fields, possess the requisite qualifications and experience which enable them to contribute to our growth and enhance the quality of Board's decision-making process.

■ BOARD COMMITTEES

Board Committees are formed to plan and oversee key initiatives on vital operations of M&M. These committees ensure implementation, streamlining and monitoring, giving appropriate direction to the day-to-day working of the companies. Currently, the Board has the following Committees:

- Audit Committee
- Governance Remuneration and Nomination Committee
- Share Transfer and Shareholders / Investors Grievance Committee
- Research & Development Committee (a voluntary initiative of the Company)
- Strategic Investment Committee (a voluntary initiative of the Company)
- Loans & Investment Committee (a voluntary initiative of the Company)
- Corporate Social Responsibility (CSR) Committee

 For more information on each committee, roles and responsibilities of the directors and the members, please refer page no. 121 of our Annual Report FY 2016-17.

Purpose & Values

■ CORE PURPOSE



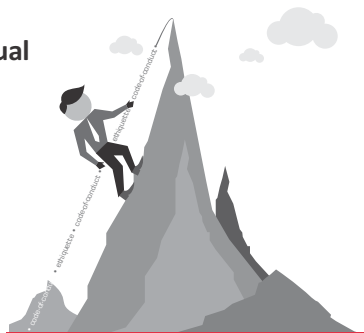
■ CORE VALUES

Our Core Values inspire us to enable the world to Rise and lead by sustainability- social, economic and environmental. They are an amalgamation of what we have been, what we are and what we continue to be:

- Good Corporate Citizenship
- Professionalism
- Customer First
- Quality Focus
- Dignity of the Individual




Code of Conduct



Our Code of Conduct- Ethiquette, is our central policy document which is benchmarked with the best in business. It outlines the principles that every single person working for and with the Company, must comply with regardless of location. In addition, individual business units issue policies that provide more specific guidance about certain business practices.

The CoC enables effective stakeholder engagement, faster & fairer decisions, transparent & unambiguous processes, and a professional & ethical conduct. It underlines our responsibilities to our people, partners and shareholders as well as mandates us to:

- Behave in an ethical manner, take pride in our actions and decisions
- Comply with the principles and rules in our Code, and fulfil our legal and regulatory obligations
- Seek guidance wherever required if we feel a working practice is not ethical or safe
- Report non-compliance or breach of our Code immediately

 For more information on implementation of the Code of Conduct, please refer to page 26 of our Annual Report FY 2016-17.

Policies

Our policies are outcomes of our commitment to our core values and guide us in our day-to-day operations and help in governance. They continuously evolve with prevailing regulations and by interactions with stakeholders. A snapshot of our policies:

Corporate Communications | Disaster Management | Employee Relations | Environment and Pollution | Capital Budgeting | Corporate Finance | Quality | Corporate Representation in Trade & Industry Forums | Dealing with Dealers and Customers | E-business Security | Insider Trading | Intranet Usage | Investor Grievances | Investor Relations | Safety & Occupational Health | Human Resources | Sexual Harassment | Trade Marks | Suppliers and Vendors of Services & Products | Green IT Guidelines | Green Supply Chain Management

■ BUSINESS RESPONSIBILITY POLICY

We abide by an all-embracing Business Responsibility policy incorporating economic, social and environmental accountabilities of business as approved by our CSR Committee Board. It is formulated in alignment with the nine principles of Business Responsibility, required by SEBI as per clause 55 of the Listing Agreement. (For more information on what this policy covers, refer to our Annual report)

■ ANTI-CORRUPTION POLICIES AND PROCEDURES

At M&M, any act of corruption is non-negotiable and strict action is taken against anyone found indulging in such unprincipled act. Corporate Governance & Business Ethics are an essential part of our induction process and an integral part of our Code of Conduct. All employees are expected to exhibit the highest level of integrity in every sphere of activity.

Compliance

As we keep raising our bar on corporate governance, compliance is a non-negotiable must. Our compliance committee ensures that all regulations are respected in letter and spirit. Being a global Company, we abide by all international and national laws, and uphold the standards of transparency and accountability. During the last nine years, there was no instances of non-compliance by the Group. We incurred no fines from any regulatory authority for non-compliance of laws and regulations in the reporting period.

■ REGULATORY COMPLIANCE

We are 100% compliant to regulatory laws, guidelines and specifications relevant to our business. Our audit committee ensures strict adherence and regulatory compliance, round-the-year. In case any related observations are made, they are immediately brought to the notice of the site senior management and necessary corrective actions are executed. Regulatory compliance is periodically reviewed by the Group Executive Board (GEB).

Public Policy Advocacy

As one of the biggest automotive manufacturer in India, Mahindra & Mahindra serves as a unified voice for the industry to help the government shape better policies. We are part of various international and national industry bodies and have a constant dialogue with the policy makers and influencers to provide our industry stakeholders with specialised information and knowledge.

Anand Mahindra

Executive Chairman - Mahindra & Mahindra Ltd.

Pawan Goenka

Managing Director - Mahindra & Mahindra Ltd.

Ulhas Yargop

Group President (IT Sector)
Group CTO & Member, Group Executive Board

V. S. Parthasarathy

Group CIO (M&M Ltd.) and Group CIO, Mahindra Group

For more information about the memberships of our executive members in various organisations and institutions, please refer to the Annexure section.

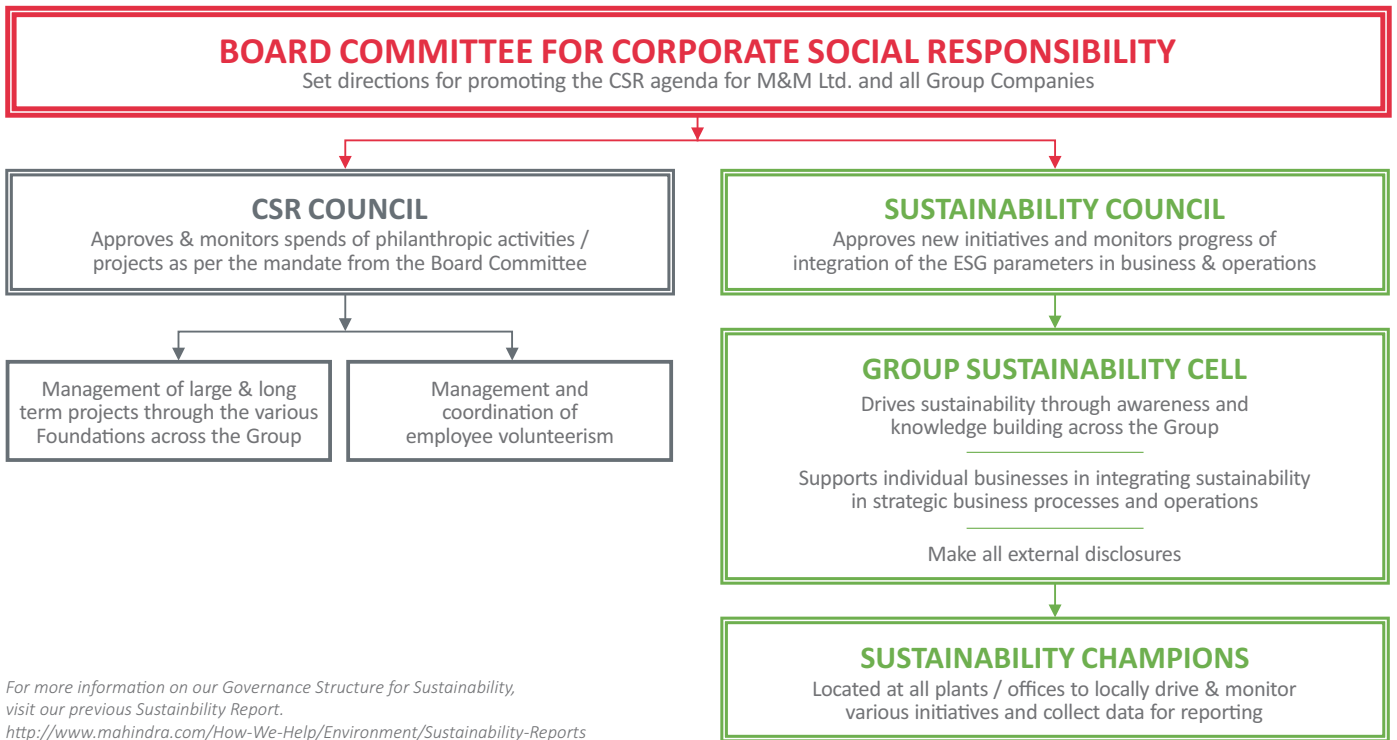
SUSTAINABILITY & US

At Mahindra, we understood the interconnectedness of sustainability and business almost a decade back. Since then, the pursuit of sustainability has been on the dashboard of all our business decisions. Last year, having embedded the basics of conservation across operations, we embarked on a journey of rejuvenation.

This year, we are taking that journey forward by bringing out our first integrated report. It dovetails our sustainability performance of the year gone by, with the outlook and strategy for the years ahead.

Sustainability Structure

Sustainability at Mahindra is governed by a top-down approach enabling strategic vision and action plan to not just steer grassroots interventions, but also monitor its effectiveness and disclose it transparently.



Sustainability Journey

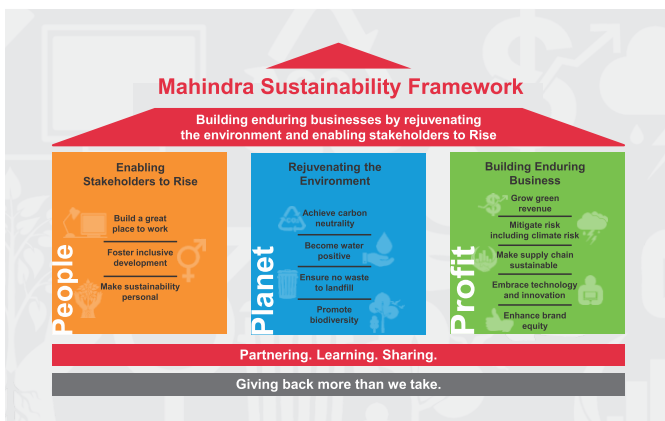
For us, sustainability is about building enduring business while rejuvenating the environment and enabling communities to Rise. In a world where the future is uncertain, Mahindra disrupted the narrative of sustainability last year by changing gears from conservation to rejuvenation.

This year, we are proactively bringing out our first Integrated Report, despite it not being a statutory requirement. We believe that this Integrated Report will help us enhance our disclosures and highlight how the six capitals impact our business and how we are adding value to them. Most importantly, this report will help our stakeholders see the full picture of our business.

The New Sustainability Framework

Our new award-winning Sustainability Framework articulates Mahindra's strategic commitment to sustainable development. The framework is action-oriented and lays out the objectives for business and beyond. It is aligned with the core purpose of our Group:

We will do more with less | Do it together | Do it for all



The three pillars of the framework remain the triple bottom-line of People, Planet and Profit.

- 1 The People pillar talks about making our workplaces 'great places to work', fostering inclusive development and making sustainability personal for our colleagues and their families.**
- 2 Through the Planet pillar, we address carbon neutrality, water positive and making waste a resource and not just mere refuse while protecting biodiversity.**
- 3 In the Profit pillar, we aim to develop products and services which generate an evergreen stream of green revenue, mitigate risks for our business including climate risk, evangelise sustainability through the supply chain for greater impact, recognise that the role of technology and innovation in shaping progress on sustainable development will remain paramount, and ensure that we enhance brand equity through sustainable work.**

The base for all this would be the work we do on sustainability through sharing and learning of best practices and in the process, we aim to give back to the earth more than we take.

MATERIALITY

Material issues for Mahindra & Mahindra are those that impact directly or indirectly our economic, social or environmental sustainability and the value created or delivered to the stakeholders in short, medium or long-term. It's a compass that provides direction to our sustainability journey and also helps us to prioritise our itinerary.

We periodically evaluate our material issues to introspect as well as shape future course of action across the triple bottom line. We have also continually enhanced the breadth and depth of our analysis to sharpen our materiality identification process.

The first step in determining material issues is stakeholder identification, followed by engagement mechanism in order to communicate them on regular basis. The responses which we received from our stakeholders

during the engagement are filtered on the basis of their needs, demands and expectations. These issues are further rated by the level of importance by us and our stakeholders. Accordingly, we arrived at our materiality for Automotive and Farm Divisions:

Over and above engaging to define materiality, we continue to interact with our stakeholders around the year, through a host of channels.

AUTOMOTIVE DIVISION



BUSINESS



ENVIRONMENT



SOCIAL

PARAMETERS OF HIGH IMPORTANCE (TOP QUARTILE)

- 1 Cost control and Profit Margin
- 2 R&D impetus
- 3 Fuel Efficiency
- 5 Risk Assessment and Compliance
- 7 Market/Product competition
- 10 Sustainable Mobility: Electric/Hybrid/H₂ Vehicle
- 11 Product Quality
- 18 Supply chain Optimisation
- 19 Logistics Optimisation and Sustainable Logistic
- 20 Emerging Markets Needs

- 9 End of Life Management
- 21 Water Intensity
- 22 Energy Efficiency
- 23 Recyclable/Recycled Material
- 24 Waste Generation
- 25 Climate Change and GHG Emissions
- 26 Tail pipe emissions reduction
- 28 Life Cycle Management

- 32 Customer Satisfaction
- 33 CSR Management
- 34 Employee Productivity
- 35 Health and Safety
- 36 Product Safety
- 44 Training and Education
- 48 Gender Diversity
- 55 Grievance Mechanisms

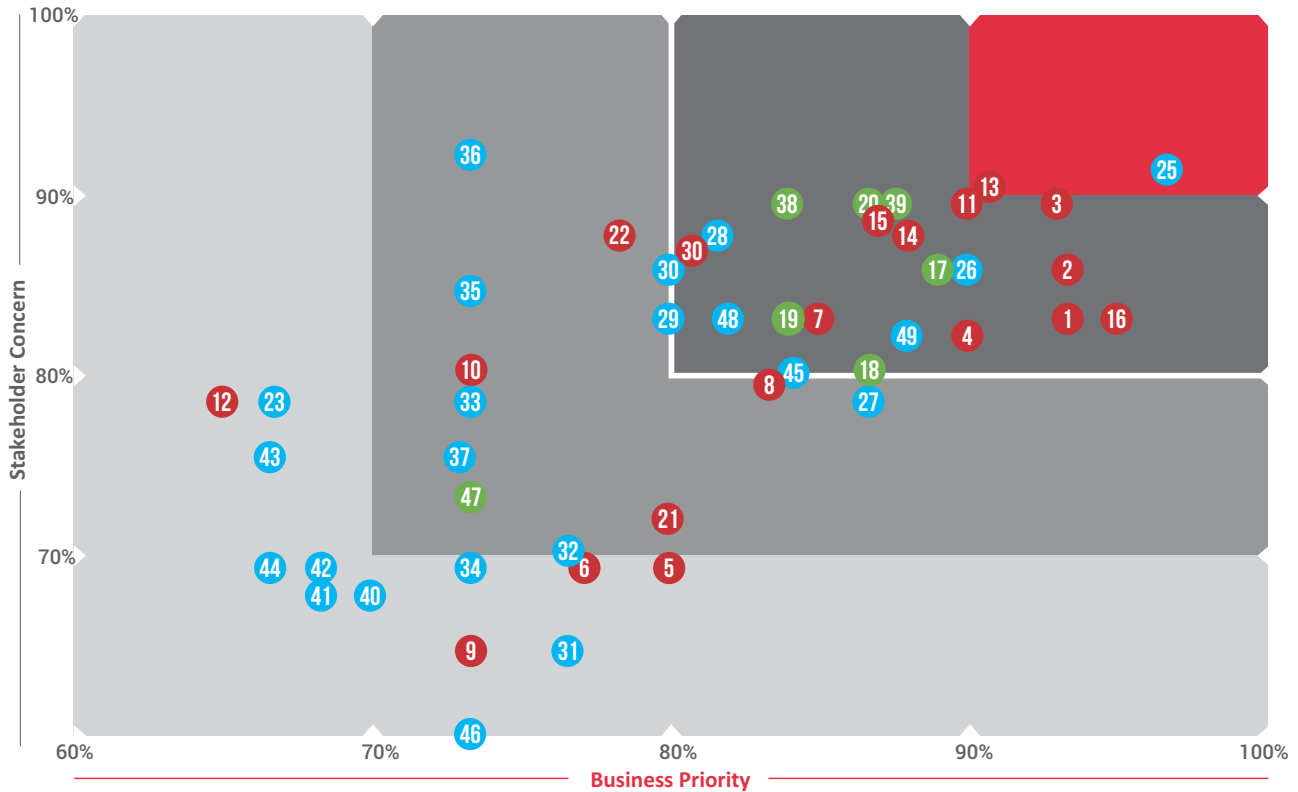
PARAMETERS OF LOW IMPORTANCE

- 6 Solution Selling beyond Products
- 8 Integrated Sourcing
- 12 Light Weighting
- 13 Green Dealers
- 14 Modularity in design
- 15 Dealer Profitability
- 16 Sustainability IT Tool
- 17 Product Obsolesce and Phasing Out

- 4 Renewable Energy
- 29 Packaging
- 30 VOC Emissions in Paint Shop

- 27 Attrition
- 31 Employee Capability (Agility)
- 37 Succession Planning
- 38 Supplier Education
- 39 Customer Education
- 40 Traffic Safety
- 41 Appeal to Customers
- 42 Talent Retention
- 43 Dealer consistency (talent retention)
- 45 Customers satisfaction with service
- 46 Urbanisation and Labour Scarcity
- 47 Average age of plants
- 49 Brand Image of Mahindra
- 50 Social Media
- 51 Shared Value
- 52 Supplier Satisfaction (Forecast Accuracy)
- 53 Strong visionary goals on sustainability/strategic consideration
- 54 Employer Attraction
- 56 Average age of plants

FARM DIVISION



PARAMETERS OF HIGH IMPORTANCE (TOP QUARTILE)

- | | | |
|---|-------------------------------------|---|
| 1 Cost control and Profit Margin | 17 Water Intensity | 25 Customer Satisfaction |
| 2 R&D impetus | 18 Energy Efficiency | 26 CSR Management |
| 3 Fuel Efficiency | 19 Recyclable/Recycled Material | 27 Employee Productivity |
| 4 Farm Tech Prosperity (Farmer Prosperity) | 20 Waste Generation | 28 Health and Safety |
| 7 Risk Assessment and Compliance | 38 Climate Change and GHG Emissions | 29 Grievance Mechanisms |
| 8 Solution Selling Beyond Products | 39 Water Availability | 30 Supplier Satisfaction/Relationship |
| 11 Product Quality | | 45 Training and Education |
| 13 Soil Health | | 48 Gender Diversity |
| 14 Supply chain Optimisation | | 49 Talent Retention and Succession Planning |
| 15 Logistics Optimisation & Sustainable Logistics | | |
| 16 Dealer Management | | |
| 24 Market/Product competition | | |

PARAMETERS OF LOW IMPORTANCE

- | | | |
|---|--------------|--|
| 5 Integrated Sourcing | 47 Packaging | 23 Brand Image of Mahindra |
| 6 Dealer Profitability | | 31 Employee Capability (Agility) |
| 9 Product Obsolescence and Phasing Out | | 32 Attrition |
| 10 Sustainable Mobility: Electric/Hybrid/H2 Vehicle | | 33 Appeal to Customers |
| 12 Government Approvals | | 34 Dealer consistency (talent retention) |
| 21 Light Weighting | | 35 Talent Retention |
| 22 Modularity in design | | 36 Supplier Education |
| | | 37 Customer Education |
| | | 40 Average age of plants |
| | | 41 Product Safety |
| | | 42 Customers satisfaction with service |
| | | 43 Average age of plants |
| | | 44 Urbanisation and Labour Scarcity |
| | | 46 Traffic Safety |

Key Materiality Issues

Sustainable Supply Chain	Health & Safety	Product Stewardship	Carbon Emission	Water Security	Waste to Wealth	CSR Management

SUSTAINABILITY ROADMAPS 2019

At Mahindra, past achievements fuel future ambitions. Last year, on successful completion of our previous roadmap, we conducted a workshop where M&M Sustainability Champions deliberated and developed new roadmaps. The Sustainability Roadmaps 2019 have more granularized targets with an aim to embed sustainability even deeper into our business. These new set of roadmaps, also enhance the breadth of our sustainability footprint by cascading sustainability across our suppliers as well.

Planet

AUTOMOTIVE DIVISION

Continuing its momentum based on years of manufacturing best practices, **AD achieved a 20% reduction in carbon footprint against a target of 17%**. Overall it was a mixed bag, with over performance in 4 parameters and shortfalls in 4 parameters. Curative measure are underway to ensure that targets for reduction in specific thermal energy consumption, increase of renewable energy in the energy mix and paper consumption are met in the coming years.

	2016-17	STATUS F17	2017-18	2018-19
EMISSION MANAGEMENT				
Carbon Footprint Reduction* MTCO ₂	17%	20%	18%	19%
ENERGY MANAGEMENT				
Reduction in Specific Electrical Energy Consumption KWh/Eq. Vehicles	3% < FY16	11% < FY16	6% < FY16	9% < FY16
Reduction in Specific Thermal Energy Consumption MKcal/Eq. Vehicles	3% < FY16	1% > FY16	6% < FY16	9% < FY16
Renewable (Wind/Solar/Biogas) % Co ₂ Mitigation	5.5%	5.3%	6.5%	7.5%
WATER MANAGEMENT				
Specific Water Consumption Reduction* KL/Eq. Vehicles	9% < FY16	17% < FY16	18% < FY16	25% < FY16
WASTE MANAGEMENT				
Specific Hazardous Waste - Reduce / Recycle % reduction	Devising Strategy	Zero waste and circular economy strategy formulated. Hazardous waste co-processing at cement industries & recycler in process at identified plants.	30% < FY16	50% < FY16
Absolute Non-Hazardous Waste - Reduce / Recycle (Carbon Strategy) % Co ₂ Mitigation	8%	20% < FY16	8%	8%
Specific Non-Hazardous Waste - Reduce / Reuse / Recycle %<FY16	Devising Strategy	20% < FY16	10% < FY16	30% < FY16
Paper consumption reduction kg	30% < FY16	29% < FY16	50% < FY16	60% < FY16
SAFETY MANAGEMENT				
No. of injuries % Reduction	20% < FY16	46% < FY16	30% < FY16	50% < FY16

FARM DIVISION

Continuing its track record of exceeding targets, **FD reduced its carbon footprint, this year, by 11% compared to the target of 10%**. It also overachieved its targets in 5 parameters across energy and water consumption. While hazardous waste management, powered by a newly formulated Zero Waste and Circular Economy strategy, is on-track, the reduction in paper consumption and injury need to be bolstered.

	2016-17	STATUS F17	2017-18	2018-19
EMISSION MANAGEMENT				
Carbon Footprint Reduction* MTCO ₂	10%	11%	13%	14%
ENERGY MANAGEMENT				
Reduction in Specific Electrical Energy Consumption KWh/Eq. Tractor	5% < FY16	8.24% < FY16	10% < FY16	15% < FY16
Reduction in Specific Thermal Energy consumption Mkcal/Eq. Tractor	3% < FY16	12% < FY16	6% < FY16	9% < FY16
% Renewable (Wind/Solar) % Renewable	5%	5%	6%	10%
WATER MANAGEMENT				
Specific Water Consumption Reduction* KL/Eq Tractor	8% < FY16	22% < FY16	21% < FY16	25% < FY16
WASTE MANAGEMENT				
Hazardous Waste disposal to Landfill % Reduction	Devising Strategy	Zero waste and circular economy strategy formulated. Hazardous waste co-processing at cement industries & recycler in process at identified plants.	25% < FY16	50% < FY16
Non-Hazardous Waste - Reduce & Recycle Kg/Eq. Tractor	3% < FY16	10% < FY16	6% < FY16	9% < FY16
Paper consumption reduction Kgs	20% < FY16	8.5% < FY16	35% < FY16	50% < FY16
SAFETY MANAGEMENT				
Injury reduction % Reduction	30% YOY	16% < FY16	30% YOY	30% YOY

SWARAJ DIVISION

Swaraj Division achieved a 14% reduction in carbon footprint against a target of 8%. In addition, it surpassed the year's target in 5 parameters- specific electrical energy consumption, water consumption, paper consumption, hazardous waste management and injury reduction. There was a shortfall as compared to the targeted reduction in specific thermal energy reduction and measures are being taken to address the same.

	2016-17	STATUS F17	2017-18	2018-19
EMISSION MANAGEMENT				
Carbon Footprint Reduction* MTCO ₂ /Tractor	8% < FY16	14%	16% < FY16	25% < FY16
ENERGY MANAGEMENT				
Reduction in Specific Electrical Energy Consumption KWh/Tractor	8% < FY16	12% < FY16	16% < FY16	25% < FY16
Reduction in Specific Thermal Energy consumption MKcal/Tractor	3% < FY16	1% > FY16	6% < FY16	9% < FY16
% Renewable (Wind/Solar) Cumulative %	0%	0	1.2%	2.3%
WATER MANAGEMENT				
Specific Water Consumption Reduction* KL/Tractor	8% < FY16	30% < FY16	16% < FY16	25% < FY16
WASTE MANAGEMENT				
Hazardous Waste to Landfill % reduction	Devising Strategy	Zero waste and circular economy strategy formulated. Hazardous waste co-processing at cement industries & recycler in process at identified plants.	25% < FY16	50% < FY16
Non-Hazardous Waste - Reduce & Recycle Kg/Eq. Tractor	3% < FY16	26% < FY16	6% < FY16	9% < FY16
Specific paper consumption reduction Kg/Eq. Tractor	15% < FY16	27% < FY16	30% < FY16	50% < FY16
SAFETY MANAGEMENT				
Injury Reduction % reduction	30% YOY	49% < FY16	30% YOY	30% YOY

People

AUTOMOTIVE & FARM EQUIPMENT SECTOR

The AFS continued to cascade sustainability across the organisation and covered 60% of employees through refresher courses and Human Rights training modules. In addition, effective strategies were devised to make sustainability personal-a core pillar of Mahindra's new sustainability framework. The year also saw a steady improvement in the employee health index. **All this resulted in AFS scoring 4.29 on the MCARES employee engagement survey, against a target of 4.26 for the year.** On the community front, tree plantation drives as well as rural electrification using renewable energy are going ahead as planned.

	2016-17	STATUS F17	2017-18	2018-19
ENGAGING STAKEHOLDERS IN SUSTAINABILITY DRIVE				
Leadership in Sustainability - MCARES Score % of improvement	4.26	4.29	4.28	4.30
Sustainability Refresher & Human Rights Training to Associates %	50% coverage (0.5 man-days/person/year)	60% coverage	100% coverage (Cumulative)	Refresher training
Making Sustainability Personal No. of stakeholders	Devising Strategy & Action plan for initiatives	Strategy Devised <ul style="list-style-type: none"> • Tie up with EESL for Ujala scheme • Kitchen Garden workshop • Residential Electricity Saving competition • 2nd Oct Sustainability Engagement competition 	0.5 Lacs	0.75 Lac
EMPLOYEE WELLNESS				
Improvement in Health Index of employee % of improvement	10% above 45 years age employees	54% improvement above 45 years age employees	10% above 30 years age employees	10% of employees in age group, above 45 & below 30 years employees
Green Building Certification Nos.	Conversion of existing AD building @ Igatpuri, Kandivli,	Igatpuri & Kandivali has been certified as Platinum rated Green Building.	AD Zaheerabad & FD Nagpur, MVML Green co	Swaraj Plant 1 - Green Building, FD Zaheerabad Green co
ENGAGING COMMUNITY IN SUSTAINABILITY DRIVE				
Tree Plantation No. of Trees	0.5 Lacs	0.56 Lac	1.3 Lacs	1.5 Lacs
Renewable (Solar/Wind) Village Electrification (Cum.) MW	15 KW	15 KW	30 KW	60 KW

Suppliers

AUTOMOTIVE & FARM EQUIPMENT SECTOR

Taking sustainability beyond factory gates, AFS conducted e-learning sessions, introduced an e-assessment module, helped establish a state-of-the-art EHS+ Centre and reduced packaging waste. **The businesses achieved or over-achieved the supply chain sustainability targets across all parameters.**

	2016-17	STATUS F17	2017-18	2018-19
CASCADING SUSTAINABILITY ACROSS SUPPLY CHAIN				
Sustainability Awareness for AFS Suppliers Nos.	125 Tier I Suppliers MTWL, SD, MTBD, Construction Equipment	Two e-learning sessions organised, covering 145 suppliers.	250 Tier I Suppliers MTWL, SD, MTBD, Construction Equipment	375 Tier I Suppliers MTWL, SD, MTBD, Construction Equipment
Sustainability Assessment & Improvement for AFS Suppliers a) Self-Assessment (IT Enabled) %	100%	Launch of e Assessment module on MSETU 44 assessments completed New GSCM Policy launched.	100%	100%
b) On site assessment Nos.	AD 25 FD 10		AD 50 FD 20	AD 75 FD 30
Reduction in packaging waste a) Corrugated Box Waste kg/eq. vehicles	AD 5% FD 8%	AD 22% < FY16 FD 26% < FY16	AD 10% FD 16%	AD 15% FD 24%
b) Wood Waste kg/eq. vehicles	AD 5% FD 13%	AD 10% < FY16 FD 13% < FY16	AD 26% FD 75%	AD 100% FD 100%
Sustainability Balance Score Card (BSC) Nos.	No. of suppliers AD 30 FD 20	Sustainability BSC Monitoring of 50 Suppliers. 3 batches of training conducted by EHS+ Centre (ISC) 64 participants, 16 suppliers.	No. of suppliers AD 40 FD 30	No. of suppliers AD 50 FD 40

RISK MANAGEMENT

Effective risk management is vital for long-term financial planning and organisational flexibility. Companies need to implement internal control processes to comply with existing regulations and proactively develop the control mechanism.

Company-wide Risk Assessment

We have a well-defined risk management framework (RMF) and processes in place at various levels across enterprise, which is guided by Board Approved Risk management policy. Our risk management function is structurally independent of the business line. The Chief Risk Officer (CRO), part of the Group Strategy Office, is responsible for identifying & assessing corporate & asset level risks.

Every quarter, the Corporate Risk Management team prioritises reported risks based on structured policies & RMF and presents the findings to the Risk Management Committee of Board which monitors, reviews and makes main decisions for the adoption and mitigation strategy and directs its implementation via robust Risk management process. On an asset level, identified risks in plants and central departments are monitored continually.

This year again, we conducted an extensive exercise for identifying climate change risks and opportunities. The Chief Risk Officer and the Chief Sustainability Officer are engaged through a structured process to deliberate on possible risks and opportunities from Technology-Economic-Media-Political-Legal-Environmental-Social (TEMPLES) framework.

Supply Chain Risk Assessment

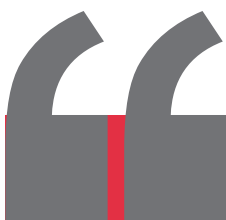
We have a comprehensive framework for assessing business supply chain risks and developing joint Risk Mitigation plans for our critical suppliers. This initiative is led by Strategic Sourcing Unit (SSU) of M&M and helps in improving risk predictive efficiency in the areas of 'Geo-political', 'Catastrophe', 'Market', 'Strategic', 'Financial' and 'Operational' risks. Risk mitigation is done through proactive capacity planning, vulnerability tracking for identified suppliers and using Differentiated Sourcing Strategy for identifying structural risks.

Brand Risk

The Mahindra Group has a detailed policy in place that accounts for risk to its reputation, which includes events that have an adverse impact on the brand. To mitigate this risk, the group has a three-pronged approach, which includes tightening the restrictions defined in the brand guidelines, strengthening its monitoring mechanisms, creating a crisis management/communications policy along with stress test.



for more information on risk management structure, see our annual report



Nasir Deshmukh

General Manager (Manufacturing Operations), Igatpuri



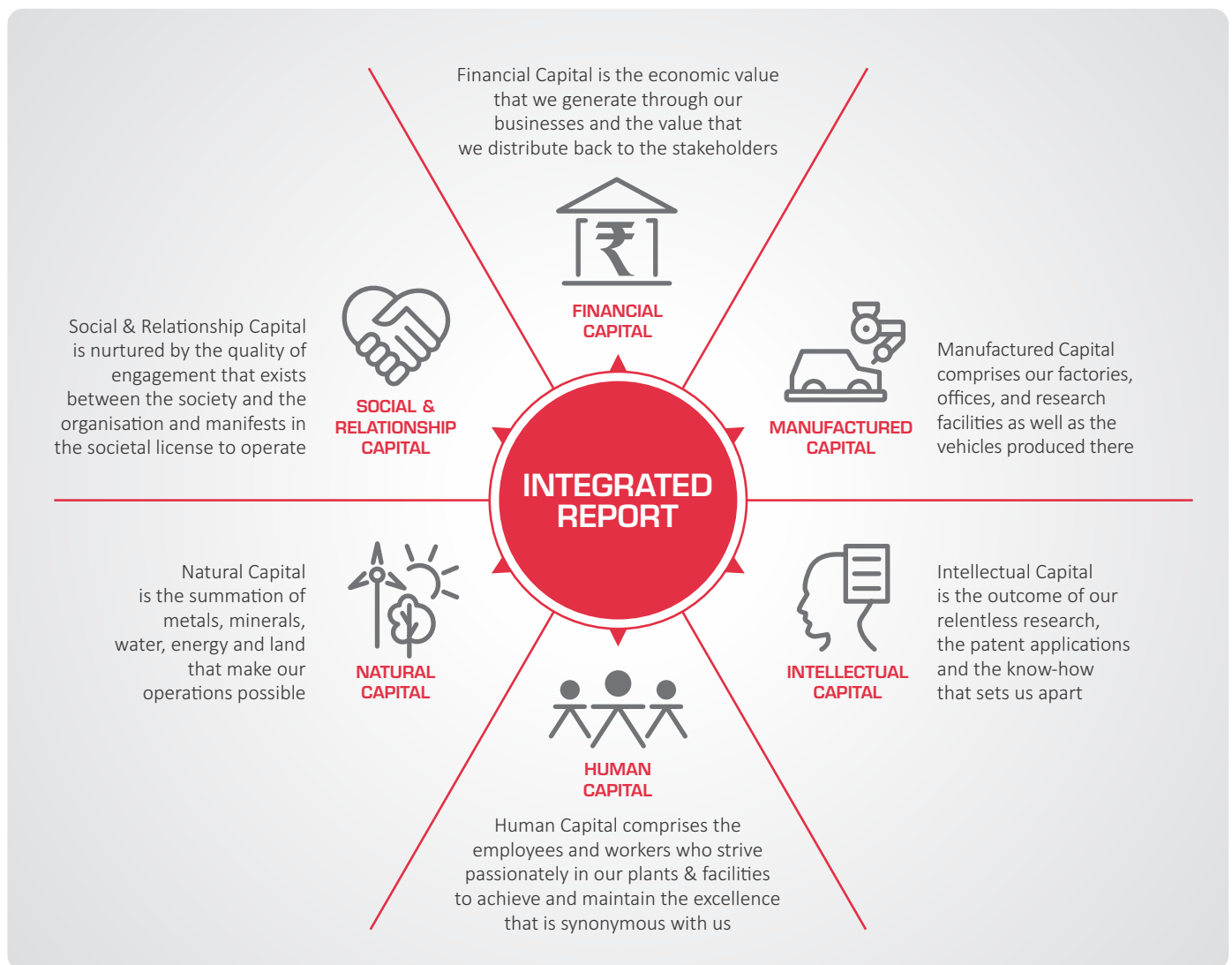
I am excited about the first Integrated Report of Mahindra which shows our new approach to business strategy incorporating integrated thinking, materiality and business model. This holistic approach helps us reflect on our strategy, while the integrated thinking makes it easier to stay focussed on value creation and make our business more sustainable.



HOW WE DELIVERED VALUE

The real value of an organisation can only be ascertained by the value it delivers to its entire stakeholder spectrum. From quite some time, organisations too are looked as citizens and society pegs on them multi-dimensional responsibilities. These responsibilities can effectively be captured as the summation of six capitals - financial, manufactured, intellectual, human, natural, and social & relationship.

This section details our performance on the above six capitals during the reporting year. It also sheds light on how these capitals are interconnected in our business domain, what are the trade-offs and where all do they synergise. The below chart shares in a nutshell what is encompassed in each capital.



Each of these 6 capitals is central and integral to our long-term stability and sustainability. We continuously monitor them, formulate goals, strategise means to achieve those goals and implement these strategies on ground, keeping in mind the relationships between these resources.

Our overarching objective is to be a deserving first-in-line when these capitals are being allocated, by being the most efficient and prolific transformers of these capitals and enabling all stakeholders to Rise.



FINANCIAL CAPITAL

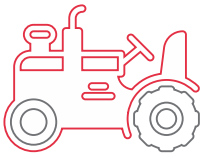
Since the dawn of business, organisations have been judged, celebrated or written off based on the financial numbers. Basically, how they generate revenue and more importantly, how they utilise it to create more wealth. For over 70 years now, Mahindra has consistently created, channelised and enhanced the wealth for all stakeholders. We understand that financial capital is important because it gives us the wherewithal to add more value across all other capitals.

The Farm Equipment Sector registered an excellent performance with a growth of 23% in tractor volumes, outpacing the industry growth rate of 18%. We achieved the highest ever market share of 42.7%.

THE YEAR UNDER REVIEW

FY 2017 was a year of consolidation as improvement in overall economic sentiment, a normal monsoon after two years of deficit rainfall, and Government's focus on development of agriculture and infrastructure sectors, helped drive the demand for the automotive as well as the tractor industry. It was a red-letter year as we achieved several milestones in the Farm and Auto businesses, and made progress towards our roadmap of being a future-ready company.

We continued our focus to deliver 'Farm Tech Prosperity' to the Indian farmer, through development and launch of technologically advanced tractors, agri-machinery and farm solutions.



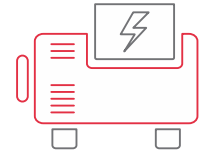
We continued our focus to deliver 'Farm Tech Prosperity' to the Indian farmer



We continued to maintain our leadership position in the domestic UV segment with a market share of 29.2%



We also maintained our leadership position in the LCV category with a market share of 51.3%



Mahindra Powerol continued to be amongst industry leaders, with a revenue growth of 8.6%

The year saw the completion of 34 years of M&M leadership in the domestic tractor market.

Our market share of

42.7%,

a gain of 1.8% over the previous year, is the highest ever achieved by us till date.



In the auto sector, we retained the No. 1 position in the LCV category with a market share of

51.3%.



This is the second consecutive year when our market share in this segment is greater than 50%.

We also continued to maintain our leadership position in the domestic UV segment with a market share of 29.2%. In the power solutions space, Mahindra Powerol continued to be amongst industry leaders and posted a revenue growth of 8.6% in 2016-17.

During the reporting period, we maintained our position as the 3rd largest Passenger Vehicle Company, the 2nd largest Commercial Vehicle Company and the Largest Small Commercial Vehicle Company in India.

M&M + MVML recorded an increase of 7.73% in net income at **INR 418.95** billion in the year under review as against **INR 388.88** billion in the previous year.

Migration from BS-III to BS-IV

As an organisation that takes pride in looking beyond the bend and taking proactive actions, we were well prepared to absorb the change from BS III to BS IV standards. As early as April 2016, we had launched the Big Bolero Pik-up with a BS-IV compliant version, while in July 2016, we launched the new-generation Scorpio with a mild hybrid technology and BS-IV compliant engine. Our early start helped us adapt to the changed norms much faster.

This is testament to the inter-connected nature of capitals - natural capital with financial and manufactured capital - of businesses.

Mahindra continues to focus on innovation and efficiencies

8% increase in our top-line

16% surge in PAT



In comparison to FY16 (M&M+MVML)

With greater sensitivity to maintaining air quality and the need to reduce dependence on fossil fuels, the Indian government is actively pursuing a programme for having an all-electric fleet by 2030. Being pioneers of Electric Vehicles (EV) in India, we are focussing on the development of EV market and upgrading EV technology capabilities. Thus, the evolving focus of the government not only augurs well for the natural capital, but also for our financial capital.

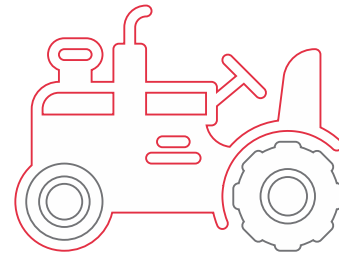
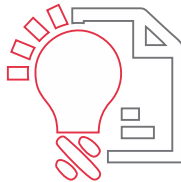
HIGHLIGHTS

We were ranked third on business transparency among the top 100 fastest-growing companies based in 15 emerging market countries, and operating in 185 countries around the world, by Transparency International. The report assessed the public disclosure practices of these companies on key elements including anti-corruption programmes, company structures & holdings, and key financial information disclosed for each country. Some of the other highlights of this year included:

8%
growth in top
line and
16%
growth in
bottom line



4.2%
was invested in
R&D and product
development as a
percentage of
revenue for FY 2016-17 to improve
the product portfolio

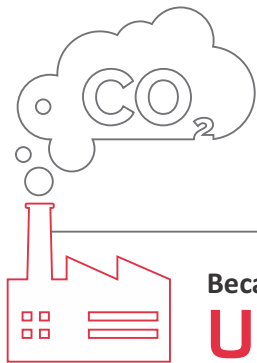


Highest ever market share of
42.7%
in tractors helped us to improve
our farm sector margins

Highest ever export
volumes crossing the
50,000
mark and consistently
maintaining a 15%
CAGR for 7
consecutive years



Robust balance sheet
with zero net D/E ratio



Became the first Indian company to announce its internal carbon price of
US\$10 per ton of carbon emitted

Some of the products that stood out this year

Automotive Division

Launched a game-changing
connected vehicles
technology platform - DiGiSENSE



Smart application to
empower Mahindra
customers to digitally build
knowledge 24x7 about the
performance and location
of their mobility products and tractors

First of its kind technology
platform which is
multi-application and
multi-product enabled

Farm Division

Introduced a new range of agri-specialist tractors
Mahindra YUVO, with advanced technology in the
30-45 HP range and it was a runaway success



We are the first Indian OEM to leverage one
integrated technology platform for vehicle
connectivity across a wide range of mobility
products, tractors and businesses.

Launched JIVO, a small tractor for the farmers.
With its narrow compact design and high power,
JIVO is an ideal choice for the growing segment
of horticulture and row crop farming.

Beyond Financials

Taking Electric Mobility to the Next Level

With an eye on the future, we rebranded our electric mobility portfolio as Mahindra Electric. Under this umbrella brand, the company will manufacture electric cars, license out its electric vehicle technologies, electrify its new and existing platforms, and help deliver integrated zero emission mobility solutions. A perfect example of how intellectual capital can raise the manufactured capital and in turn, the financial capital

We are also planning to power some of our new and existing vehicles with the latest electric drivetrain technology from Mahindra Electric. It is a clear embodiment of Mahindra's vision of the 'Future of Mobility' which includes the framework of green, connected, convenient and cost-effective vehicle technology.

Some of the launches this year

The e2oPlus- the next generation electric car from Mahindra Electric. Apart from the standard electric car benefits like zero emission, low running cost, ease of driving and home charging, the e2oPlus features superior styling, an increased range and fast charging capability.

We continued our electric ambitions with the launch of the innovative eVerito, India's first zero-emission, all-electric sedan and also showcased the soon to be launched e-Supro, an electric version of the Supro passenger van. With this, our product mix has electric vehicles across different product categories.

We have laid out a clear roadmap for the electrification of our range of vehicles to reduce emission and build an eco-system for electric mobility in India.



This year has been a momentous one for us - we launched four electric vehicles across different segments, launched a pioneering electric fleet initiative in Nagpur jointly with the government and Ola, and explored unique partnership models to bring EVs to self-drive and shared mobility systems. The entire ecosystem is evolving around electric mobility and the Indian government has come out full throttle in favour of EVs with its 2032 vision. All these are just signs of the exciting and fast paced journey that Mahindra Electric has committed to undertake with the EV 2.0 strategy, to lead the EV revolution from the front.



Mahesh Babu
CEO, Mahindra Electric



MANAGEMENT APPROACH

At Mahindra, we firmly believe that sustainability challenges lead to future opportunities.

Alternate Thinking ingrained in our DNA over the years ensures that we increase our financial capital at the intersection of growing natural, social and relationship capital. Whether it is creating a product mix rich in electric vehicles or building a green and inclusive portfolio, we are focussed on disrupting existing norms to give rise to newer business models with 'Futurise'.

All of this is possible due to our continuing R&D endeavours, which allows us to unravel cutting-edge products and services that are sustainable and disruptive. This year too, our R&D initiatives and investments added value across all capitals. We will continue our efforts in unveiling new products with the hope of defining the future of mobility and offering enablers of inclusive development, empowering India to Rise.

#FUTURise

We are upping the ante on technology and innovation through advanced robotics, futuristic design, electric racing, connected vehicles and smart technology.

FINANCIAL PERFORMANCE

M&M+MVML

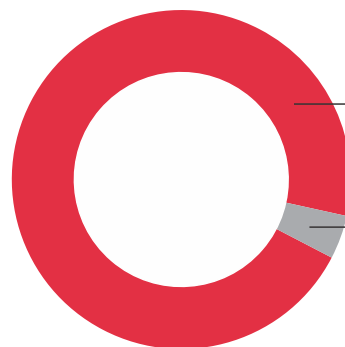
INR million

Net Revenue
418,953.8

7.7% ↑

Profit After Tax
38,888.9

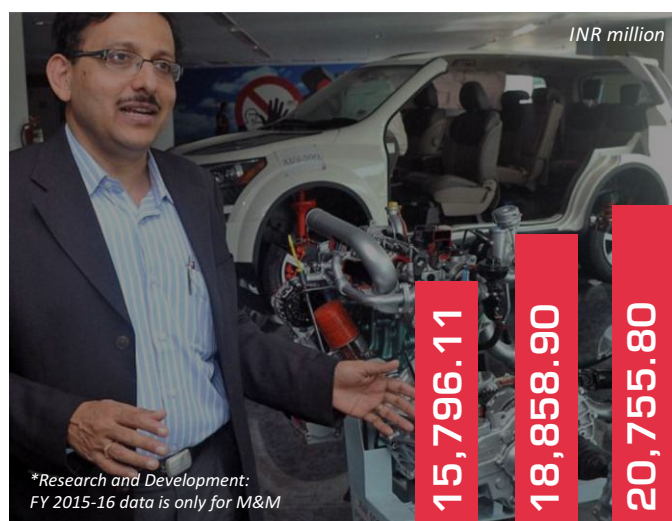
16.3% ↑

Economic Value Distributed
453,245.80Economic Value Retained
17,714.60Total Economic Value Generated
470,960.40

Over the last 10 years, we have maintained a CAGR of

15.4%
in revenue**16.2%**
in EBITDA

Research & Development

*Research and Development:
FY 2015-16 data is only for M&M

FY 2014-15 FY 2015-16 FY 2016-17

While our R&D investment has doubled in the last 5 years, the number of patents have gone up from 47 in FY 13 to 2012 in FY 17.

Economic Value Generated and Distributed (FY 2016-17)

Economic Value Generated	Net Income	470,960.40*
Economic Value Distributed	Total expenses	437,994.90
	Exceptional items	(5,484.60)
	Net current taxes	9,982.60
	Deferred taxes	2,335.90
	Proposed dividend	9,276.20
	Income tax on proposed dividend	1,202.00
Total Economic Value Distributed		453,245.80
Economic Value Retained		17,714.60

*Economic value generated includes other operating revenue. The revenue earned from sales of products & services is INR 464,271.3 million

In FY 17, Earnings Per Share (Basic) grew by **14.5%** to **INR 63**

LOCAL SUPPLY

While we expand our global footprint, our commitment to local operations and sourcing continues.

Although as a corporate citizen of India, our scope of local sourcing covers the entire country; some businesses have their own definition and boundary of what constitutes as local.

This hinges on many factors, such as- the nature of operation, tax and duty regimes, supply of skilled manpower, access to technology and know-how, industry requirements etc.

Whatever the case may be, we do not compromise on quality standards. Some of the aspects which enable us to identify and empanel our suppliers include:

Performance and on-time delivery | Compliance on Environment, Health and Safety guidelines

Commitment to reduce the carbon footprint

Statutory requirements | Costs | Corporate policy

An analysis of the top 10 suppliers as per monetary value for each business shows that on an aggregate basis, 100% of our requirement was sourced locally.

Business	Total Purchases INR million	Purchases from Top 10 Suppliers INR million	Purchases from Local Suppliers (within top 10) INR million	Percentage of Local Suppliers (within top 10)
Auto Division	119,405.80	18,899	18,899	100%
Swaraj	22,201	9,998	9,998	100%
Farm Division	51,426	14,237	14,237	100%

FINANCIAL IMPLICATIONS OF CLIMATE CHANGE

When the manufactured and financial capital increase at the cost of natural capital, the consequences can adversely impact all other capitals and life as we know it.

Being in the manufacturing and agricultural sectors, our operations are highly vulnerable to climate change and unpredictable weather. The implications- dependence on monsoon, rising energy costs, restricted access to raw materials like water and changing consumer preferences etc.- pose serious threats to the sustainability of our business. But alternatively, these factors though alarming to the manufacturing and financial capital, gives an opportunity to innovate and excel leading to a competitive advantage.

Over the years, we have honed our Alternate Thinking to convert challenges into prospects. Starting with energy saving initiatives and emission reducing processes, our sustainability journey has evolved from 'conservation' to 'rejuvenation' leading to investing in clean and renewable energy, and recharging of resources. Following are some of the ways in which we kept emphasis on addressing climate change:

Participate in diverse national and international climate change think-tanks

Carbon Pricing is an internationally recognised business tool that enables companies to create resources which are invested in low carbon technologies, which help reduce future emissions and lower operating costs.

Mahindra & Mahindra became the first Indian company to announce its internal carbon price of US\$10 per ton of carbon emitted. The carbon price is aligned with our business commitment to reduce the GHG emissions by 25% over the next three years.

The partnership with World Bank and IFC led Carbon Pricing Leadership Consortium along with the World Resources Institute and The Energy and Resource Institute (TERI), enhanced our understanding of the carbon price mechanism.

Continual Energy Efficiency through Process Efficiency

We started reporting our emissions from FY 2008 and since then, we have reduced our carbon emissions by 47% and energy use by 32%. Along with developing India's first and only electric car, the e2o, we also took other initiatives such as the use of magnetic induction, LED lighting technology and waste heat recovery systems at our plants.

Systemic Intervention to Embed Sustainability in Supply Chain

Mahindra & Mahindra actively supported the formation of the EHS+ Centre- an Environment, Health and Safety training centre under the aegis of The Institute for Sustainable Communities and in partnership with Symbiosis Institute of International Business with support from US Agency for International Development (USAID), the Walt Disney Co., General Electric Foundation and MacArthur Foundation.

Located in Pune, the EHS+ Centre will provide affordable, high-quality training to factory managers on industrial energy efficiency, carbon management, resource efficiency, improving health and safety conditions for workers, and reducing adverse environmental impacts on surrounding communities.

Investment in Clean Power

Green energy is clean energy. Alternative energy sources like solar, wind and thermal also offer an additional input to our power needs. As of now, more than 7% of our power mix consists of renewables and we are constantly looking to increase it.





At Mahindra, our manufacturing competence follows the 'Futurise' philosophy where we are not only equipped for the present, but also ready for the future.

MANUFACTURED CAPITAL

Manufactured capital is built through financial capital (Capex and Opex), by human capital (workers and employees) leveraging intellectual capital (patents, processes and know-how) and on natural capital (land). And all this requires a license to operate that is obtained and maintained through social & relationship capital. In return, our plants, factories and R&D facilities help us produce innovative and sustainable products that add back value to all the capitals.

MANAGEMENT APPROACH

We are what we make. Our ability to manufacture, impact our capabilities towards adding value to all other capitals. Manufactured capital is the production capability of an organisation. It is the sum total of all the physical objects that are available to the organisation for use in the production of goods and provision of service. This includes plants, buildings, equipment, technology and infrastructure such as roads, ports, bridges and waste and water treatment plants.

Our world-class infrastructure rubs shoulder with cutting-edge technology to surge ahead with future-ready products like connected vehicles and electric automobiles.

Manufactured capital is important to us as it reduces the use of resources and increases the usage of human creativity. This enhances efficiency and innovation, leading to a sustainable growth. An effective utilisation of manufactured capital enables us to be adaptable, receptive to market and social needs, inventive, and quick in getting our products and services to the market.

FACILITY OVERVIEW

The footprint of M&M is spawned over **6 million** sq.m. across India at multiple locations.

All our Plants have been recertified under the standard ISO 14001: 2004 and OHSAS 18001: 2007. Further, all Plants are in the process of adopting the revised environmental standard ISO 14001: 2015.

As at 31st March 2017, our property, plant and equipment and other intangible assets stood at INR 96.73 billion.



During the year, M&M Ltd. incurred capital expenditure of **INR 22.02 billion**, where a major focus was on new product development and capacity enhancement

ENABLING INFRASTRUCTURE

At Mahindra, we aim to catalyse a symbiotic relationship through our passenger vehicles and farm equipment. But in addition to comfort, safety, affordability and quality, we also keep sustainability at the heart of every product innovation. This manifests in our gamut of products and services that resonates with our three core standpoints- profitability, environmental responsibility and social responsibility.

Our diverse business portfolio, coupled with a desire to democratise innovation, has helped us penetrate every economic stratum. Our ever-expanding range of sustainable products emanates from our firm commitment to:

Explore

Alternative Fuel Technologies

Enable

Farm-tech Prosperity

Promote

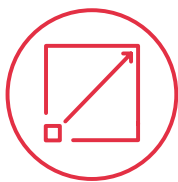
Sustainable Economies & Farming Practices

We have world-class facilities to enable achieving production targets that also helps us in being flexible to make products that the market demands.



We are also determined to convert the vision of 'Make in India' into reality with ingenious research and indigenous suppliers. With Futurise, we are upping the ante on technology and innovation to compete with the best in the world.

Our transformation into a global innovation powerhouse is rooted in three guiding principles:



**Do more
with less**



**Do it
together**



**Do it
for all**

This 3D-framework empowers us with purpose and direction. It guides all our business investment actions and embodies our commitment to our people and the planet.

PRODUCT RESPONSIBILITY

The diversity of India in terms of religion, language and culture etc. is vast - making customer segmentation that much more tedious. But, if one were to segregate it into two distinct identities, the rural-urban is one of the most visible; and most important. The village economy is primarily based on agriculture, while the cities run on manufacturing and services sector- and both depend on each other for sustenance. The common thread is the requirement of products that help them go further with less funds and do more with less effort.

In the fast-depleting natural capital scenario, the products should not only increase the convenience of the customers, rural or urban, but also utilise less resources in its making and use. With years of Alternate Thinking at Mahindra, we build products that add comfort, safety, affordability and quality as well as keep sustainability at the heart of every product innovation.

So, whether it is passenger vehicles for the urban consumer or farm equipment for the rural, our products and services enhances all three capitals - financial, natural & social.

469,384 | 248,594
vehicles | tractors

were manufactured in our world-class facilities and sold in the domestic market

Environmental Impacts

Spearheading Sustainable Mobility

We are India's premier utility vehicle company committed to offering a wide range of sustainable mobility products and solutions ranging from SUVs, electric vehicles, pickups, commercial vehicles, tractors and farm equipment that are tough, rugged, reliable, environment-friendly and fuel-efficient. Our commitment is reflected in our stringent 5C test through which every product, existing or new, must pass through: **Clean, Convenient, Connected, Clever and Cost-effective.**

At Mahindra, we push the limits of technology and innovation and redefine mobility at every step. We have a desire to transform; to provide mobility which is more sustainable and more dependable.

Under the umbrella brand Mahindra Electric, rebranded from Mahindra's electric mobility portfolio, we will manufacture electric cars, license out our electric vehicle technologies, electrify our new and existing platforms and help deliver integrated zero emissions mobility solutions.

Life Cycle Assessment Approach

At every stage of our products' life cycle, we look for ways to reduce the environmental footprint while improving the performance and durability of our product.

We use Life Cycle Assessment (LCA) as a tool to assess the environmental impact associated with all the stages of a product's life from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, and disposal or recycling.

This helps us in compiling an inventory of relevant energy and material inputs, and environmental releases as well as evaluating the potential impact associated with identified inputs and releases.

The results assist us to make a more informed decision about our products and their environmental impact.



New Developments

Auto Division | Passenger Cars

■ NUVOSPORT

Automated Manual Transmission (AMT) has some inherent advantages - They are easy to learn, comfortable to manoeuvre, and better at managing power and handling gear ratios. So, we introduced our new SUV Nuvosport with AMT.

It is a feature-rich sporty SUV with bold styling built on the same new generation platform as the Scorpio. One of the few SUVs to offer AMT, it comes with Comfort Suspension and Anti-Roll Technologies that enable an excellent drive.

The fuel-efficient 1.5L mHawk100 diesel engine delivers 74.6 kW (100bhp) power and best-in-class torque of 240 Nm, ensuring a thrilling performance. Along with premium interiors, the NuvoSport comes with ABS with EBD and dual airbags right from the base variant as optional, side intrusion beams, front fog lamps and a digital engine immobiliser for uncompromised safety.

■ NEW AGE XUV500 DOWN UNDER

At Mahindra, it is our constant endeavour to offer advanced and accessible technologies to all customers across the world. So, we launched the all-new automatic transmission version of the New Age XUV500 in Australia.

It features the 2nd generation 6-speed Automatic Transmission, All Wheel Drive (AWD) option and several hi-tech features. A world-class family SUV with an excellent fuel economy, the new age XUV500 takes the driving experience to the next level with easy cruising on city roads as well as on challenging terrains.

XUV500 with many technology firsts to its credit and a winning combination of aspirational styling, advanced technology, safety features, comfort and convenience, is one of the fastest selling SUVs to reach the 150,000-vehicle sales milestone in just 4 years.

■ MORE POWERFUL TUV300

We are always receptive to consumer insights and feedback, based on which we introduced the more powerful avatar of the TUV300. With a new mHAWK100 engine to deliver power of 73.5 kW (100 Bhp) and best-in-class torque of 240 Nm (from 230 Nm earlier), the TUV300 is India's 1st SUV to offer autoSHIFT Automated Manual Transmission Technology (AMT).

It is now further refined for smoother automatic gear shifts and a fatigue-free driving experience, and comes with ISOFIX Child Seat Mounts on the 2nd row seat to ensure safety of the child.

■ SCORPIO WITH INTELLI-HYBRID TECHNOLOGY

As an organisation that places keen emphasis on sustainability and eco-friendly practices, across every process and product, we introduced a mild hybrid technology on the Scorpio. By reducing fuel consumption, Intelli-Hybrid helps Scorpio owners contribute towards a cleaner and greener tomorrow.

With Intelli-Hybrid technology, Scorpio is India's first mild hybrid SUV that reduces fuel consumption using Motor Assist, Electronic Start Stop and Brake Energy Regeneration

Intelli-Hybrid reduces fuel consumption by up to 7% by assisting the engine with electric power during acceleration, automatically switching the engine off while the vehicle is stationary (start-stop) and re-using brake energy, which would otherwise be wasted, to charge the battery.



We launched the new limited edition 'Scorpio Adventure' with a production run of only 1,000 vehicles that offer exciting features in addition to the ones offered in the top-end S10 model of the new generation Scorpio.



CASE STUDY

The future of mobility all-electric sedan eVerito

The launch of the eVerito is a defining moment in our electric mobility journey as it marks our foray into the electric sedan category. With issues like environmental degradation, pollution-related challenges, climate change and energy security, there has never been a better time to switch to electric vehicles.

It is India's first zero-emission sedan, built with Green, Connected, Convenient and Cost-effective vehicle technology.



ZERO
tail Pipe
emission



TELEMATICS
captures 190+ vehicle
performance parameters



HOME CHARGING
0-100% charge
in just 8 hours 45 min

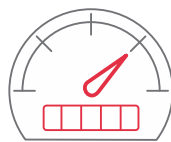


INR 1.15/km
running cost
(considering electricity
cost INR7/unit)



REVIVE®

a first-in-the-world feature by Mahindra Electric. On the rare occasion that the car runs low on energy, Revive® can be activated to gain an extra 8 km of range, to help the user reach home or the nearest charging station.



110 km
range per every
full charge



LOW MAINTENANCE
due to fewer number
moving parts



LITHIUM ION
long-life
maintenance-free
batteries



The eVerito is an embodiment of

Mahindra's vision of the 'Future of Mobility'

■ **ELECTRIC CITY SMART CAR, THE 'E2OPLUS'**

As the pioneer of electric vehicles and integrated mobility solutions in India, it has always been our endeavour to make electric vehicles more accessible. The launch of the e2oPlus marks our foray into the mass market electric city car segment.

The e2oPlus aptly represents our 'Rise' philosophy in action, as our development team delivered a smart city car that is poised to nurture a sustainable ecosystem and redefine the 'Future of Mobility'.

The e2oPlus shares quite a few features with the eVerito like Revive®, Regenerative Braking, Easy Home Charging, Hill Assist, Telematics, extremely low running cost of just 70 paise/km, and low maintenance. In addition, it includes features and customer-benefits like:

Hassle-free Drive

Instant Torque
Small Turning Radius
Reverse Camera

Ease of Ownership

Depreciation Benefits
Government Incentives

Strong Connectivity

Regular Progress Reports
Charging Ports Information

Smart Phone App Connectivity



e2o-PLUS
City Smart

Designed and developed in-house, it is primarily different from the e2o, having 4-doors instead of the 2-doors in e2o. Other differentiators include extra wheelbase, design traits from Mahindra's MPV/SUV line-up, more space, boot space, 3-year/60,000 km warranty, infotainment system that pairs with your smartphone and four different models to choose from.

Auto Division | Light Commercial Vehicles

■ **THE SUPREME WORKHORSE, BIG BOLERO PIK-UP**

Being the leader in the pick-up segment for over a decade, we have made robust systems and processes to understand and address the evolving needs of our customers. The launch of the Big Bolero Pik-up with superior value proposition is a genuine step in that direction. The big cargo box and high payload capacity, combined with the fuel efficient high-performance engine will enable the customers to earn more, while the spacious and comfortable cabin will offer a fatigue-free drive. With this launch, we have further upgraded our pick-up range to offer best-in-class value and efficiency to the customers.

Mahindra rolled out Supro Minivan and Minitruck, launching four new products in the passenger category and three new products in the cargo category on the Supro platform which now boasts of India's widest range of passenger and cargo vehicles with 11 product offerings.



■ **NEW BOLERO WITH mHAWKD70 ENGINE**

We introduced the new Bolero Power+ with the reliable mHawkD70 engine that delivers 13% more power than the original model, ensuring a peppier drive with 52.5 kW (70 bhp) power and 195 Nm torque. It has better manoeuvrability and is also more fuel efficient with 5% more mileage, than the existing Bolero.

The Bolero has been India's No.1 SUV for more than 10 years in a row and the new Bolero Power+ is an evolution of this powerful brand with enhanced product value proposition.



■ **ECO-FRIENDLY JEETO CNG**

Mahindra has always proactively introduced several sustainable business solutions in the market. With best in the class payload, higher mileage (33.2 km per kg), longer deck size and low maintenance, Jeeto CNG offers an excellent value proposition for its customers and is a perfect CNG mini truck for their business needs.

With the launch of Jeeto CNG, Mahindra has taken yet another step towards promoting sustainable mobility solutions.

■ **FUEL-EFFICIENT BLAZO TRUCK**

We have continuously leveraged technology and innovation to bring better value for the customers. India's first smart truck Blazo is a testament of our endeavour in the same direction.

Introducing a new technology to the Indian market called FuelSmart, presented in the form of three switches, it gives an unbeatable mileage without compromising on the power.

Our confidence in the new range is demonstrated by our guarantee (an industry first) - that the Mahindra Blazo will give the customer more mileage than your existing truck, or the customer can actually return the truck.



Farm Division | Tractors

■ AGRI-SPECIALIST TRACTORS - MAHINDRA YUVO

We launched the new range of 5 Agri-Specialist Tractors- Mahindra YUVO with advanced technology in the 30-45 HP range. It caters to the evolving needs of the progressive farmer. Developed in-house at our R & D facility, Mahindra Research Valley at Chennai, it has set a new benchmark in pioneering technology. Yuvo demonstrates the commitment of Mahindra to enable farmers to improve their yield and productivity, and Rise in life.

Built on a completely new platform with a unique and industry-first 12F+3R full constant-mesh gearbox in the category, Mahindra YUVO is extremely versatile and can be used across more than 30 different farming applications. The advanced technology of the Yuvo range helps serve the diverse needs of farmers- from land preparation to harvesting as well as post-harvesting requirements; helping them do more, faster and better.



The JIVO is a compact 24 HP 4WD tractor offering best-in-class PTO HP and fuel efficiency. It will help in small farm mechanisation like row crop and horticulture farming with its multi-application suitability including crop care, land preparation, inter culture & vineyard spraying. Equipped with Automatic Depth & Draft Control (ADDC), a feature not available in other brands in this HP range, it also has Mahindra DiGiSENSE technology which will enable farmers to get updates on their tractors' performance as well as alerts on a real-time basis.



We also launched Swaraj 742 FE, which is a 42 HP tractor. Fitted with powerful & fuel efficient 3-cylinder engine, it inherits the Swaraj DNA and offers the highest engine CC and torque in its category. It is equipped with advanced innovative features like multi speed reverse & forward PTO, power steering, single & dual clutch, better braking efficiency and boasts of having less maintenance costs.

This tractor is suitable for puddling operation, implements like rotavator and cultivator, and also haulage and other agricultural operations.

Mahindra is the global leader in tractors, in terms of volumes. With the launch of the new Mahindra 6560 in Bangladesh, we have deployed technology innovation to set new benchmarks, thereby reinventing ourselves to stay ahead.

The Mahindra 6560 will pioneer the current tractor market, with its superior fuel efficiency, advanced synchromesh transmission, 18 speed options, precision hydraulics with highest pump flow for quick lowering, unmatched-in-class lift capacity of 2,200 kg, highest torque of 236.9 Nm and a backup torque of 33% that will deliver uniform and consistent power with minimum RPM drop in all application and soil conditions.

■ JIVO - A NEW SMALL TRACTOR PLATFORM

With innovation and technology as the bedrock, we are working to redefine the face of farming in the future. We have embarked on various initiatives towards this end and our recently launched Farming 3.0 platform will help in taking farm mechanisation to the small farms. The launch of the JIVO platform is another significant step in that direction.

Farm Division | Agri Products

■ NUPRO BRANDED PULSES

We expanded our portfolio of NuPro brand pulses by introducing four new varieties- Chana Dal, Moong Dal, Masoor Dal and Urad Dal. With their introduction, we can now boast of a complete portfolio of branded pulses with the proposition of healthy, pure and quality products.

A 100% vegetarian unpolished variety, NuPro branded pulses have minimum moisture content and are prepared by splitting through natural sun drying. As a result, NuPro pulses take up to 50% lesser cooking time compared to the average dal in the market. NuPro pulses are free from any chemical ingredient, ensuring consumers of the purest form of pulses. These pulses retain natural nutrients and are high on protein and vitamin which complement a healthy lifestyle.



MAHINDRA TRRINGO

Mahindra TRRINGO was launched in Maharashtra, starting with two hubs located at Koregaon and Karad talukas of district Satara. It is a unique, first-of-its-kind physical digital model which allows farmers to rent tractors and other mechanised farm equipment for completing their farming requirements, without actually having to invest in a tractor.

The villages of Karad and Koregaon talukas have high density of small and marginal farmers, resulting in low mechanisation and poor farm productivity. The launch of TRRINGO in this region will help address these challenges.



TRRINGO will play a pivotal role in driving rural prosperity by empowering farmers with advanced farm equipment, thereby improving productivity and reducing cost. Further, it will generate rural employment and help bridge the gap between requirement and availability, offering farmers easy access to a wide variety of tractors.

Health & Safety Impacts

As one of the leaders in the automotive sector, we understand the role safety of a vehicle plays in the life of a customer. Hence, the importance of health and safety in the products and services we offer, is second to none. We incorporate EHS (Environment, Health and Safety) factors at the design stage of the product itself.

After the design, the prototypes undergo a series of gruelling tests carried out under all conditions possible. All the possible EHS concerns are weeded out before the go-ahead for the final product is given. Moreover, periodic testing and customer feedback mechanisms are in place to measure, monitor and manage health and safety norms conformation across the lifecycle of the product.

Safety initiatives undertaken by our sectors during the reporting year include:

Auto Division

- Our vehicles are currently meeting BS-IV emission norms in 24 cities where these norms are implemented. In rest of the places, we are meeting BS-III norms.
- We have the current European Emission norms of Euro- Vb with On

board diagnostic (OBD) system on all our export models of Scorpio SC/DC, Scorpio SUV and XUV500 (AWD, TWD), Quanto, Genio and Xylo. We have also certified our Scorpio SUV for L6 emission norms for Brazil.

- OBD II is implemented in all domestic models from April 2013
- All the export vehicles are complying with applicable OECD & country specific regulations including those for noise and safety. 50% of our vehicles meant for export market are designed in accordance with European, Australian, South African & South American motor vehicle safety standards and regulations like front, offset, side and rear impact with dummy injury criteria.

Being Future Ready Provisions for End-of-Life Vehicles

End-of-Life Vehicles (ELVs) have the potential to release harmful substances to environment, if they are not stored, treated & disposed properly. We are committed to minimising the environmental impact of our vehicles and adhere to best practices like:

- None of our major models have any hazardous materials like Lead, Cadmium or Mercury etc.
- We have instituted special processes to ensure compliance to EEC directive 2005/64/EC for ELV regulation
- European Exports: In line with the EC directive on Recycle, Recovery & Reuse (RRR), here are the recyclability rates of some of our best-selling passenger vehicles
Quanto: 95.1% | Genio: 96.5% | Scorpio: 94.5%
Scorpio pick up: 95.3% | XUV500: 93.9%
- Dismantling manuals has been developed for the first time for Mahindra vehicles

Farm Division

One of our endeavours while designing for a product for the farmers is to keep them safe and comfortable. Before introducing new products, they are tested on all parameters of safety and comfort.

- More than 7000 inputs went into developing YUVO which was then put through 140,000 hours of lab and field testing across 12 states covering relevant applications.

Social Impacts

Economy powers social progress and the growth in social equity feeds the economy. This is a cycle well embraced by us at Mahindra. We design products that not only uplift the economy but make the people RISE as well. Whether it is the urban consumer, who wants to travel far with less or the rural consumer that wants to do more with less, we bring to our customers the latest in technology and innovation to achieve that.

Auto Division

- We are focussing on increasing the fuel-efficiency of our vehicles, both in the passenger segment as well as commercial, and introducing best-in-class mileage products across categories. This directly affects the social reach of the customers, whether they are using the vehicle for business or personal use.

• The world and society is moving towards a less-carbon economy. There is a strategic emphasis on electric vehicles, that is the technology for the future. With the launch of e2O, eVerito and a host of products in the pipeline, we are moving towards creating a range of product in all categories.

INITIATIVE

Driving Entrepreneurship and Smart Mobility across India

Taking cognizance of the increasing demand for shared mobility solutions amongst young consumers, Mahindra & Mahindra Ltd. entered into a strategic alliance with Ola, the country's largest shared transportation platform In September 2016.

Through this strategic alliance, we seek to empower 40,000 driver partners across India by 2018.



Mahindra+
Rise. **OLA**

The alliance has two core purposes:

■ Encouraging Micro-Entrepreneurship Amongst Drivers

Ola's driver partners will be able to avail an integrated and attractive 'Mahindra-Ola' package. This will include Mahindra cars at special prices, attractive financing with zero down payment, and the best NBFC interest rates, etc. The Mahindra-Ola package makes it easier for driver partners who otherwise may not be able to invest in a car, to purchase one at a highly affordable price, and at up to zero down payment.

■ Driving Next Generation Mobility

Mahindra and Ola will also explore other areas of collaboration to build the next generation of mobility solutions including those for unique transportation use cases.

This alliance aligns with Mahindra's Rise philosophy of empowering people with the right products and services to enhance the quality of their lives

Farm Division

- **Mahindra AppliTrac** Agri-mechanisation products that makes the work of the farmers less strenuous and more productive
- **Samridhi** It is a comprehensive set of services that plays a pivotal role in strengthening the farmers capability including market linkages, distribution, agri-support information ranging from water-management to crop solutions, and counselling

• **Mahindra EPC** We strive to provide solutions to farmers in modern scientific water management through customised micro-irrigation systems and agronomical support in order to achieve superior product quality and higher crop yields.

INITIATIVE

Connecting Vehicles Towards a Connected Future



Digitisation is fast emerging as a key differentiator for business transformation; and connected vehicle technology is one such manifestation. Technology has become an integral part of our lives and the need to stay connected is a basic necessity for fleet owners to improve productivity and individual owners for personal needs.

In line with one of our core purpose of challenging conventional thinking, is the DiGiSENSE 1.0 - a revolutionary technology solution that connects Mahindra vehicles, tractors, trucks and construction equipment to the cloud, opening up a whole new dimension to the experience of vehicle ownership.

DiGiSENSE makes Mahindra the First Indian OEM to leverage one integrated technology platform for vehicle connectivity across a wide range of mobility products, tractors and businesses



Major features and advantages of the platform

- It empowers owners, fleet operators, drivers, dealers and service teams to access vital information about their vehicles, trucks, tractors or construction equipment on a real-time basis from the driver's seat and afar.
- It is a modular, scalable, flexible and robust connected vehicle platform that has been conceived and brought to life by bringing together an entire ecosystem of stakeholders. The platform has several built-in features with provision to further integrate other features in the future versions.

Initially available in the Jeeto and Imperio in the small commercial vehicles space; the Arjun Novo in the tractor space; the Mahindra Blazo in the heavy commercial vehicles space; and the Earthmaster in the construction equipment space, DiGiSENSE will eventually be available across the breadth of our mobility.

COMPLIANCE

In a fast-emerging world, Governments across the world are also evolving the regulatory framework rapidly. But, as a company we have always set benchmarks beyond the regulations to always be ahead of the curve.

Transparent and accountable systems are in place in every unit, location and business to ensure compliance with the law of the land relevant to the products and services. The last financial year was no different and we continued to comply with all applicable statutes and no non-compliance incidences related to product or service were reported.

Health & Safety Regulations

Safety is the topmost priority for us and all our products are designed as per the regulations and codes pertaining to health and safety. We continue to achieve 100% compliance on that front.

Product & Service Information

We believe that the product and service information adds value to a product increasing their life and usage for the customer. Our product brochures and other branding collaterals enumerate the optimum usage methodology, potential risks and the means to avoid them.

The basic tenets of our communication include customer centricity, information security and delivery of high quality & timely information. Regulatory and mandatory requirements pertaining to labelling, brand promotions, sponsorships and advertising are well adhered to as we provide accurate and relevant information to our consumers.

MARKETING & COMMUNICATIONS

Every product or service is finally meant to be used by the consumers. Whether it is their need, want, fear or aspiration it serves, the product evolves with them. As a leading automobile company, we leave no stone unturned to listen to them and their feelings. We have a system in place to receive the feedback from the consumers and incorporate it in the design phase itself. We also continuously communicate about our activities to keep them updated.

We take care that our communication is not only consistent, but effective. For that our communication is:

- is transparent, fair and timely
- is in step with the marketing plans and vice-versa
- is in full compliance to all the statutory laws and standards related to marketing communication, advertising, promotion and sponsorship

Our communication is geared to reach the maximum audience, so that they understand the benefits and impact of our products and services. Multiple communication channels including traditional media like television and print as well as social media like Facebook and Twitter, are used to display and promote our products, and build brand awareness. All our campaigns on these media adhere to the code of conduct defined by the Advertising Standards Council of India.

Our Online Presence



Mahindra Xylo, Mahindra Scorpio, Mahindra Bolero, Mahindra XUV500, Mahindra Quanto, Mahindra Thar, Mahindra KUV100, Mahindra TUV300, Mahindra Verito, Mahindra Verito Vibe, Mahindra Imperio



Mahindra Rise, Auto Division, Mahindra Electric, Mahindra KUV100, Mahindra TUV300, Mahindra Verito, Mahindra Verito Vibe

Blog Spark the Rise



Websites

We regularly update our corporate (www.mahindra.com) company website in order to make it more engaging, endearing and user-friendly.



Our extensive presence on social media stems from the top with Mr. Anand Mahindra, the Chairman of Mahindra Group sharing his views as well as organisation's news on Twitter



At Mahindra, we invest financial capital and leverage human capital to enhance intellectual capital.

INTELLECTUAL CAPITAL

Intellectual capital is the knowledge that helps create value for the organisation and its stakeholders. It comprises knowledge of the employees to drive innovation; knowledge of the company in producing goods and services; and the processes, systems and other information that gives the organisation, a competitive advantage. Mahindra & Mahindra has integrated these three components of the intellectual capital to drive performance and create value for its stakeholders.

EMPLOYEE DRIVEN INNOVATION

We have invested over INR 1,000 crore in establishing the Mahindra Research Valley (MRV), a robust R&D network with 32 operational labs, including 5 NABL accredited labs. MRV houses 2,700 engineers under one roof.

These engineers are our intellectual capital, who help us create new products, improve existing technology and bring out innovation that deliver value for our stakeholders. The focus area of the research work at MRV includes frontline technology, cost competitiveness, fuel efficiency, green mobility, infotainment and segment buster products.

We collaborate with engineers, researchers and innovators around the world. We have partnered with a global giant to develop a blockchain technology solution to reinvent supply chain finance across India. We are also developing a driverless car for Indian roads through the country's biggest innovation challenge- Spark the Rise, inviting ideas from across the nation.

Going forward, we will continue to seek synergies and foster powerful partnerships to multiply the power of ideas.

COMPANY'S INTELLECTUAL PROPERTY

An idea alone, no matter how great, is meaningless unless put into action.

Mahindra & Mahindra has been making sustained investment in technology development and patent acquisitions to help these ideas culminate into products and services which create value for stakeholders.

We have always inculcated an innovation driven culture within the organisation. In FY 2016-17, we continued to work on technology upgradation and capability development in the critical areas of powertrain, gasoline engines, transmission, alternate fuels, automotive electronics and connected vehicles, etc.

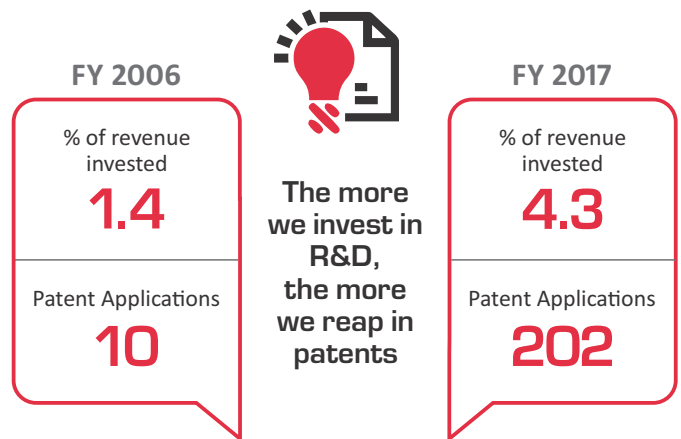


In the tractor business, our efforts focused on the development of electronic systems with smart implements, precision farming and features to provide enhanced productivity and comfort to the farmers. These technology focus areas are important to stay competitive in the market today and continue to retain leadership in the times to come.

Mahindra won Innovator of The Year Award at TIME India Awards 2017

Chosen from 15,000 manufacturing companies across the world, Mahindra won the award for its unrivalled ability to constantly innovate in both - products and processes.

In 2016-17, we filed a total of 202 patents. In the last 11 years, we have registered 20 times growth in the number of patents applied. We have also strengthened our IPR portfolio and now hold a cumulative of 948 patents.



Our efforts were also acknowledged by the Indian Patent Office (IPO). Mahindra received three prestigious National IP awards on World Intellectual Property Day in April 2016 from CII and the IPO. Mahindra & Mahindra Ltd. was conferred the honours in three different categories, namely, Best commercialisation of patents based products / processes in India, Top organisation in trademarks and WIPO users trophy.



TMW The Mahindra Way

An integrated approach to promote excellence in everything we do, through robust systems and processes, and a set of

Group-wide Common Policies and Practices (GCPPs). Through the GCPPs, TMW provides a comprehensive framework that sets out the way the Group expects its diverse businesses to function in the quest for consistent world-class standards.

TMW Maturity Index defines the maturity level of Companies in implementation of business excellence-related processes. M&M's TMW Maturity Index improved from 2.94 in Cycle 1 (2009) to 4.47 in Cycle 8 (2016), a (+) 50% forward movement.



HUMAN CAPITAL

An organisation is only as good as its people and human capital is a measure of the financial value the employees bring in, through their competencies, capabilities, and experience. The essence of human capital lies in the understanding that every employee is unique and that there is constant scope for maximising their strengths and developing their potentials through continual investments in them.

Human capital and business share a bond of co-creation - we enable them to rise to their best and they help us drive excellence. Augmenting the quality of human capital not only motivates the employees but also fosters innovation, thereby increasing the competitive advantage of a company. When the workforce of a company thrives, business flourishes, and the economic value thus generated can then be transferred back to the employees.

MANAGEMENT APPROACH

At Mahindra, we do not transform people; they transform themselves as a result of the empowering work culture that we robustly nurture across sectors and units. Our Employee Value Proposition of **CAPable People, REAL Experience** pursues effective human capital strategies that accelerate inclusive growth and grant momentum to collaborative success.

The Mahindra Employee Value Proposition

ENABLING TRANSFORMATION



Challenge Conventions

Growth at Mahindra has been a function of challenging the norms and finding opportunities in obstacles. We motivate our people to question the status quo and see positives in the negatives.



Bring Alternative Thinking to the Workplace

Ability to think out of the box and see beyond what is visible enables innovations and helps problem solving. Alternative thinking is embedded in our DNA and catalyses our breakthroughs.



Drive Positive Change in the Lives of Our Customers & Communities

Fostering inclusive development is at the heart of everything we do at Mahindra. While we ensure that our people progress with us, we also expect our employees to contribute in creating meaningful impacts in the communities we serve.

OUR HUMAN CAPITAL YIELDED

29% HIGHER RETURN

THIS YEAR AS COMPARED TO FY 2014-15



ENSURING GROWTH



Recognition for Outperformance

Appreciation is the best form of motivation. So, when our employees deliver their best, we recognise and reward their path-breaking performances and exceptional endeavours. This not only fosters healthy competition but also ensures a culture of excellence.



Empowering Environment

At Mahindra, we stimulate commitment and ownership by encouraging people to make their own decisions. This nurtures a proactive working ethos which enables employees to take charge.



Abundant Learning Opportunities

Constant learning is the key to growth and development. At Mahindra, we continually provide ample learning opportunities at every level across our workforce, to enrich our Human Capital.

The two-tier HR management approach- one at the Group level and other at the Business level- at Mahindra Group has helped pioneer thought leadership, facilitate alignment of Business level HR policies with Group level HR goals, and adopt bespoke employee engagement initiatives at the units. Mahindra & Mahindra Ltd. is one such business unit of the Group.

Labour Practices

Mahindra does not encourage or tolerate any kind of discrimination. We are an equal opportunity employer and are steadfast in conforming to the labour standards and ensuring the health and safety of our workforce. Consequently, all units of the Automotive Division (AD) have been certified with OHSAS.

As the first Indian company to sign the United Nations Global Compact (UNGC) in 2001, we are committed to function in accordance with its principles on labour standards.

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4 The elimination of all forms of forced & compulsory labour

Principle 5 The effective abolition of child labour

Principle 6 The elimination of discrimination in respect of employment & occupation

The Mahindra 'Corporate HR Cell' keeps a keen eye on the policy trends, aligns our initiatives to industry best practices, and trains our human capital to adopt the current best practice benchmarks. We have incorporated the following International Labour Organisation's labour conventions into our policies since 2009:

- Freedom of association and the right to collective bargaining
- Right to organise and collective bargaining convention
- Forced labour convention • Abolition of forced labour convention
- Minimum age convention • Worst forms of child labour convention
- Discrimination (Employment and Occupation) convention
- Equal remuneration convention

M&M Ltd. won Business Today's Best Companies to Work for Awards 2017, in the Engineering & Automotive Sector.

Permanent employees covered under the collective bargaining agreements for FY 2016-17



Unionised
82.42%



Non-Unionised
17.58%

For the detailed breakup please refer to the Annexure section.

M&M Ltd. continues to adhere to the Industrial Disputes Act, 1947, which provides for a three-week notice period for all operational changes along with consultation and negotiation opportunities for this duration. The agreement can be finalised with the changes only after consent is received.

Please refer to our Sustainability Report 2009-10 for a detailed discussion on the Act and its various facets.

Human Rights

Violation of human rights is unacceptable at Mahindra. We strictly adhere to our values of equality and dignity for all and strongly condemn any act of discrimination, forced and compulsory labour and child labour within and beyond our walls. All forms of corruption, including bribery or other negative practices are prohibited. We observe the following UNGC principles on human rights:

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2 Ensure that businesses are not complicit in human rights abuses

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery

Our ongoing training module on Human Rights provides information and creates awareness on how human rights issues can arise or be relevant to business across a diversity of operating environments.

At AD, 45% of the security personnel received formal training in aspects of human rights

Diversity & Inclusion

Mahindra has in place group and sector level Diversity Councils to advocate the relevance of Diversity and Inclusion (D&I) and inculcate an inclusive working environment. These councils proactively develop D&I strategies which aim to negate the differences based on gender, physical abilities, religion, race, etc.

Mahindra World of Women (MWoW), launched in 2015-16, is a peer-learning platform, to solve work-life challenges and derive inspiration from role models internally and externally.



Group-level Initiative

■ BUILDING LEADERS TODAY, FOR TOMORROW

At Mahindra, driving positive change begins within us, amongst our workforce. Ensuring an inclusive working environment, governed only by merits and performance is the core objective of all our Diversity & Inclusion programmes. The Group Diversity Council launched its first Women Leaders Programme (WLP) in September 2016 to develop women managers and create a repository of future women leaders and change agents for the Group.

An 18-month professional development module, WLP consists of classroom learning in collaboration between Academy of Leadership Development under the aegis of Mahindra Leadership University and a leading B-school. It will give women in mid-management access to mentors and coaches for personalised guidance and development, instructor-led training, webinars and e-learning modules as interventions to supplement classroom learning, etc.

The Programme is designed to maximise relevant competencies essential for leadership positions enabling women to progress and attain top roles in Mahindra.



POLICIES

Good policies institute best practices. HR policies in Mahindra are designed to facilitate and sustain practices that safeguard rights, ensure harmony, address grievances, and foster growth. Policies are implemented across our business through a structured framework and a central HR council, which includes business sector HR heads who address all matters related to labour practices. Here is a snapshot of some of the employee-related policies that we remain focused on:

Human Resource Policy

Our HR policy aims to ensure equal dignity and equal opportunities for all employees through:

- Resource planning by mapping skills and opportunities of our employees leading to enhanced job satisfaction
- Setting high standards of employee behaviour and ensuring dignity of each employee irrelevant of seniority or hierarchy
- Garnering valuable employee feedback through robust employee relations initiatives and periodic employee surveys

INITIATIVE

Best of Both Worlds

We, at Mahindra, respect the fact that every employee plays multiple social roles along with their work. We understand that by facilitating a work culture that helps balance career and domestic responsibilities, we help create happy employees, who can concentrate on their work and perform better.

Flexi-time policy was rolled out at our corporate centre which reduced the core working hours to six hours, subject to discretion of the functional heads. The policy is open for all employees and has been instrumental in increasing their efficiency and harmonising work and personal life.

Employee Relations Policy

All our employee relations policies aim to fulfil the following objectives:

- Achieve organisational goals with active involvement of employees
- Focus on attracting, retaining, and nurturing people with relevant skill-sets and competencies
- Create a mutually beneficial and productive industrial climate
- Manage employees fairly and transparently

TALENT MANAGEMENT

Every employee comes with a distinct set of competencies and expertise. Our talent management process helps our people leverage their strengths, identify their potentials, streamline their capabilities, and accelerate their growth.



What we aspire

By 2021, Mahindra aspires to be among the 50 MOST ADMIRABLE GLOBAL BRANDS, by enabling people everywhere to Rise.

How we plan to achieve it

We understand that becoming a globally admired brand also means that our people, as effective contributors to our success, are the most content and are thriving. We channelise all our current and ongoing talent management initiatives in this direction. We pride ourselves in the fact that our workforce comprises some of the finest talents, whom we successfully acquire, nurture, strengthen, and retain through continual engagements.

Please refer to the Mahindra Group Sustainability Report 2009-10 for an in-depth view of our strategic implementation structure.

Integrated Development Strategy

At Mahindra, we devise effective growth paths and unique platforms of engagements which not only help raise productivity, but also inspire passion. We engage with our employees at regular intervals with a host of interventions which enable them to rise through access to the right tools of learning, skill enhancement, and creative stimulus.

- Leadership Development • Shadow Boards • Development Centres
- 360° Feedback • Rotation • Fireside Chats • E-learning • Coaching
- Individual Development Action Plans

Key Learning & Development Programmes

Our approach to talent management is simple - We Care. And so, our programmes are adept at nurturing every employee, across hierarchies. Our initiatives are essentially based on the 3E Framework - Education, Exposure and Experience.

Some of the talent acquisition and talent management initiatives are Company-led while some are Group-led. Here is a snapshot of initiatives & programmes undertaken in the reporting period:

Company-led Initiatives & Programmes

■ NURTURING THE LEADERS OF TOMORROW

We are creating Mahindra leaders who will lead us towards the goal of being a globally admired brand through a culture of outperformance, collaboration, and partnership.

The Mahindra Leadership Development Framework, with a three-tier approach, encompasses the entry, middle and senior management levels, and has been integrated with all HR functions to help enable the cause.

In order to increase effectiveness, leadership competencies are prioritised band-wise, post which, they are developed with focussed interventions and soft-touch programmes based on their importance. Few of our major interventions are as under:

1 First-time Manager Programme

These are a set of development programmes in the areas of 'driving results' and 'empowering talent' which help individual contributors transition to first-time people managers.

2 First-time Leader Programme

Employees transitioning from a managerial role to a departmental head role require training in the areas of strategic business orientation and ways of developing passion and energy at work. The first-time leader programme is devised to help our managers develop their potentials and gear up for the role change.

3 Emerging Leader's Programme

This programme is tailor-made to help young leaders gain an insight into leadership qualities and skills with an emphasis on influencing, prioritisation and problem solving, team building and execution excellence. This intervention is tightly aligned to our Employee Value Proposition and enables our employees to shape their own career paths. At the end of this programme, the participants will be able to:

- Enhance self-awareness & understanding of personal models of leadership

- Gain insights on leadership development

- Enhance skills on giving and receiving feedback as developmental tool

- Enhance skills on influencing, decision making, and working in teams

30% of FTEs participated in this programme this year. 300 out of the total 3,000 managerial band employees, were identified as high potential candidates out of which 30% have been selected for the final programme.

4 Senior Leader Programme

The senior leader programme serves two objectives:

- To equip senior leaders with the essentials of building a team

- To provide frameworks on leader development with examples on leading change, leading high-performance teams, and using coaching as a leadership style

The programme equips them with diverse perspectives to meet the challenges of global business through imparting knowledge on business strategy, organisational transformation, building lasting customer relationships, building globally sustainable competitive advantage, etc.



■ QUALITY PROGRAMMES AT MIQ

Established in 2006, the Mahindra Institute of Quality aims to develop high-potential managers by facilitating access to best-in-class knowledge and skills. As part of the M&M Ltd.'s corporate centre, the MIQ offers training programmes of the highest standards in Quality Management and Business Excellence with project based teaching as one of the unique features.

The institute aims to create change agents who drive organisational excellence and builds a community of proactive problem solvers who challenge conventional thinking and pursue outperformance.

Following are some of its highlights from this reporting period:

3,400
participants
attended
168 training
programmes

20,000
participants
trained at MIQ
till date

2,800 improvement projects completed
Total cumulative savings till date
INR 4,500 million

- One-fourth of the participants were from outside Mahindra Group
- Vast array of specially designed programmes for manufacturing and service sector companies
- Programmes focussed on Business Excellence, Quality Planning, Quality Control, Quality Improvement, Lean Management, Innovation, Project Delivery and Sustainability.
- MIQ conducted the 4th batch of '**Energy Management**' training programme with an objective to enhance energy conservation awareness resulting in effective asset selection, resource utilisation, process optimisation, operational efficiency. The focus area of the course was Electrical and Thermal energy usage and it attracted enthusiastic response from 46 participants across M&M, Mahindra Group and several suppliers.



■ MAHINDRA SKILL EXCELLENCE

Launched with the objective of raising the standards of manufacturing skills at Mahindra to an international level, the Mahindra Skill Excellence programme aims to position India as the pioneer of Global Automotive Skills. After placing all divisions of Auto and Farm Sectors- Auto, FD, Swaraj, and Two Wheelers- on a common platform of skill standards, we zeroed in on five core manufacturing skills: (i) **Painting** (ii) **Welding** (iii) **CNC Machining** (iv) **Assembly** (v) **Engine Diagnostics**.



Our team worked parallel with experts under each skill set to create effective up-skilling modules which attracted enthusiastic participation from over **2,400 workers** across auto and farm sectors. The initiative has won several laurels and awards in India Skill competition, CII regional work skill competition and National level Indian Institute of Welding competition. The associates got selected for the second time for the Beijing Arc Cup Competition.

This reporting period, the shop floor associates generated about 19 ideas per person resulting into benefits in Quality, Productivity, Safety and Cost of our Human Capital.

Under NSDC, Mahindra partnered with CII for hosting competitions at National level to identify the best candidate for World Skills Competition to be held at Abu Dhabi in August 2017.

Group-led Initiatives & Programmes

The Mahindra Group is a federation of organisations. This structure enables the group to attract talent from diverse backgrounds - talent that can then be deployed to individual companies, as per need and requirement.

■ MAHINDRA LEADERSHIP UNIVERSITY

The Mahindra Group has envisioned Mahindra Leadership University as an institution that will develop leaders who will build companies of the future. The various academies under this unique learning platform, work in collaboration with the businesses to create and execute a futuristic learning agenda.

MLU builds competencies in leadership and domain capabilities in consultation with business and functional leaders from Mahindra and external experts from academia and industry. It synergises the learning and development efforts across the Mahindra Group, thereby facilitating collaborative learning opportunities.

The key highlights for this year are listed below:

- Conceptualised, designed and delivered 172 workshops (including 77 new offerings) through its academies
- Launched the Service Excellence Academy to cater to the specific requirements of the service businesses of Mahindra Group
- Marked the shift towards employee-driven learning with 94 new in-house faculties and 21 employee initiated programmes
- Future Leadership Programme (FLP) was rolled out through a 3-way collaboration with IMD, Lausanne, Yale School of Management and MLU. FLP is an 18-month module in leadership development and talent management.



GROUP MANAGEMENT CADRE (GMC) PROGRAMME



The GMC programme is Mahindra Group's esteemed strategic leadership development programme for campus recruits from top B-schools in India. The programme aims to build leadership capabilities in the new recruits for the diversified businesses of Mahindra Group. A GMC Council, comprising senior leaders from the Group, has been formed to provide a strategic direction to the programme.

The GMC Summer Internship In FY 2016-17, a total of 53 aspirants were recruited through this programme, which provides the interns with mentoring and opportunities to learn on-the-job skills. A personal interaction with Mr. Anand Mahindra is the highlight of the internship. Every year, approximately 70% of GMCs are hired based on their performance during the summer internship.

GMC Induction Experience 2017 A total of 33 GMCs joined the Mahindra Group across multiple functions in different sectors in FY 2016-17. These GMCs underwent a comprehensive and immersive one-month induction programme, replete with addresses by business leaders on economic and strategic aspects of business, core values of the company, visits to Mahindra plants and resorts, and visits to villages, to help them understand the situations and hardships of rural India.

MAHINDRA WAR ROOM

The ninth edition of The Mahindra War Room was held between September and November 2016. This annual event connects Mahindra to some of the brightest talents across the top B-schools of the country. Real situations and challenges faced by top managers are developed into business caselets and are presented to the young minds, who respond with innovative solutions to the respective business heads.

This year, the grand finale of the event was conducted on 7th November 2016 and was judged by the group executive board members (including Mr. Anand Mahindra).

The highlight of this year's Mahindra War Room was the fact that for the first time, an international campus (Fudan University - China) was awarded joint runners-up with one of the premier Indian B-School.



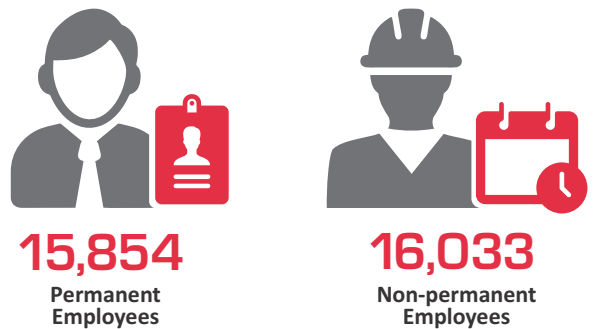
WORKFORCE SNAPSHOT

Employee Distribution

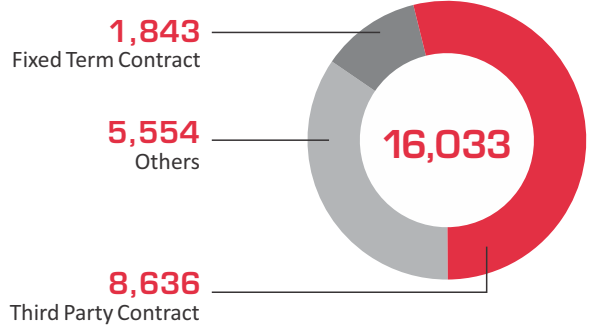
Mahindra & Mahindra Ltd. has a workforce of more than 30,000 permanent & non-permanent employees.

46% of the new joinees were less than 30 years of age

Employee Composition



Non-permanent Employee Breakup



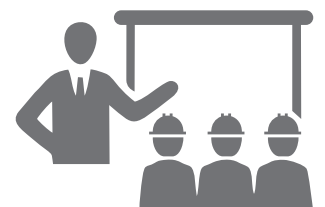
Note: This includes AD, FD+SD and MRV
For the detailed workforce dashboard, please refer to the Annexure section.

Training Highlights

12,666 human-hours of training provided to workmen

6,225 human-hours of training provided to third party contract workers

685 human-hours of training provided to 63 employees from junior, middle and senior management



EMPLOYEE ENGAGEMENT

At Mahindra, we go the extra mile to ensure that our employees excel both at work and in life. We strive to build a great place to work through meaningful engagements that encourage involvement and inspire wellness. The Mahindra Rise Awards and Mahindra Safety Awards stand for our culture, which identifies and synergises individual and organisational goals.

INITIATIVES



A groupwide social media collaboration platform, Rise@Work was launched with 18,500+ users across the group.

Enabling Work-life Wellness

At Mahindra, we are concerned with the holistic well-being of our people. While we ensure highest standards of employee health, we also enhance the wellness quotient of our workforce. Mahindra's Way to Wellness is an ongoing initiative specifically designed to achieve this objective. The programme is based on three pillars -

1 Health Awareness

Being aware is the first step towards prevention or cure. Several health awareness interventions like periodic health check-ups, proactive post check-up follow ups, W2W mailers to educate, lectures on life-style diseases (by internal & external faculty), webcasts etc.

We have been consistent in upholding our 100% health check-up compliance and have followed up on critical cases.

2 Food & Nutrition

Healthy food habits go a long way in ensuring a fit body and mind. At Mahindra, we encourage this practice through healthy food counters at all AFS locations, individual consultations with nutritionist, calorie charts, training programmes for our cooks in healthier cooking, hygiene & sanitation, diet exhibitions, healthy food festivals etc.

3 Health Promotional Activities



At Mahindra, we not only create a culture of health but also sustain it through various health promotional activities. We conduct in-house health screening camps; undertake measures to improve physical activity levels of our employees like Stepathlon, Zumba, Yoga; observe major health days like World Diabetes day, World Cancer day, World Heart day, etc.

Health of our employees is also connected to their safety. Our comprehensive safety programmes are aligned to our healthy workplace goals and cover all aspects, such as functional training, behavioural training, office ergonomics, safety equipment training, and fitness activities.

360-degree Engagement

Our people are our strength and we continually connect with them, helping them transform, grow, and achieve success. AD engages with its employees through a comprehensive strategy which comprises business integrated initiatives like i4, Jagruti, Mahindra skill excellence; rewards and recognitions; training initiatives like union leadership development programmes and relationship building workshops; health and wellness interventions; and enhancing fun at workplace through family picnics, sports, and cultural activities.



Augmenting Capacities

At Mahindra, we understand that capacity building leads to enhanced confidence and increased productivities. Our training programmes are specifically designed to empower our employees. Here are some major training initiatives undertaken this year:

- Training for Top Management and First Line Managers
- Sustainability Summit • Auto and Farm Sectors Sustainability
- Group Level Conference • GRI G4 Training across all plants
- Human Rights Training across all plants

Building Bridges through Communication

In line with our commitment to open and transparent communication, every year we organise Khula Manch - our open communication forum at FD, Kandivali. This year the senior management shared their views on the plant's performance and stressed on fuelling innovation to make the plant more cost-efficient. They motivated the workforce to build a mindset of zero defect to enable the company to grow from 'Good2Great'.

HEALTH & SAFETY

Being safe is being sure. A healthy and safe working environment is the right of every employee, and at Mahindra, we are committed to this cause. Every year, we upgrade, fortify, and rigorously implement our safety standards across the organisation. Embedding safety best practices into our workforce is an integral aspect of our journey towards the zero-accident goal, and every intervention we undertake is a cog in the wheel that is driving us towards this objective.



Our persistent and stringent efforts towards a safe workplace has ensured ZERO FATALITY in M&M across all sectors, this reporting period.

The following key safety tools and practices at Mahindra are directed at elimination of unsafe incidents and occupational hazards:

- Installing the latest fire-fighting system at our plants
- Conducting safety awareness and training for all employees
- Instituting safety mechanisms based on the recognised Kaizen and Poka-Yoke concepts



Central Safety Council

The Central Safety Council is the heart of our unified approach to safety. The council comprises of representatives from all sectors and aims to maximise the safety levels across Mahindra. Our safety interventions are regularly monitored and upgraded with impactful initiatives, which effectively increase our security standards.

The broad objectives of the council are:

- Improving safety awareness
- Sharing best practices for ensuring safety
- Promoting proactive measures to prevent accidents and occupational hazards
- Rewarding and recognising commendable achievements
- Regularly briefing the Group Executive Board on safety performance

DEXTERITY TRAINING FOR CONTRACTOR SAFETY AD, NASHIK PLANT

At Mahindra, we are concerned with the safety of every employee - permanent and contractual. Our Nashik plant organised a dexterity training to enhance and ensure the safety of the contract workforce.

The dexterity training comprised the following benches:

Name of the Bench	Application
Fragile Roof	To improve the basic skill for working on fragile roof, use of roof ladders, etc.
Scaffolding	To improve the basic skill for working on height, correct use of full body harness, anchorage and connectors.
Welding	To improve the knowledge of welding and gas cutting
Confined Space	To improve the knowledge about confined space, dos and don'ts while working in confined space.

Participants were provided classroom training on the basic knowledge of work permits, dos and don'ts, corrective and preventive modes/ actions, etc. Practical training was imparted through four benches with 'I DO, WE DO & YOU DO' methodology as per the SOS.

A detailed evaluation was carried out post training to ascertain the impact, in which the participants were awarded with the grades L1-L4 based on their performance. The trainees who secured L2 grade qualified.

PARTICIPATION IN INDUSTRIAL SAFETY RALLY | MVML

Around 650 employees from MVML participated in the Industrial Safety Rally organised by the office of the Director of Industrial Safety & Health (DISH) in Chakan industrial area.

MVML was felicitated by DISH for its valuable contribution to this event, which earned a place in the India Book of Records.

Safety Dashboard

**Businesses with 'Zero Accidents' reported in 'Permanent Workforce':
FD, MRV**

**Businesses with 'Zero Accidents' reported in 'Contract Workforce':
AD, FD, MRV**



AD, SBU & MRV recorded zero Lost Time Injury Rate and zero Lost Day Rate for permanent & contract employees this reporting period.

For the detailed safety dashboard, please refer to the Annexure section.

CASE STUDY

Driving Safety Excellence AD, Haridwar

The AD, Haridwar Plant has been consistent in raising safety performance standards, reducing injuries by 97.5% from 2012. As part of the safety evaluation, unauthorised driver access was identified as the reason for unfortunate accidents within the plant.

Problem

- a) Forklift could be started and driven by any person using the key in the absence of its driver and the store supervisor.
- b) No system to lock the ignition to prevent unauthorised driving.
- c) Caused unsafe working conditions and increased risk of mishaps and fatalities.

Solution

To solve this problem, a fingerprint sensor was installed in the forklifts to sense the fingerprint of the driver and match it with the updated driver data in the forklift.

This punching-machine system ensured that the vehicle starts only when the driver's fingerprints match.



Benefits

TANGIBLE

- a) Reduces collisions
- b) Reduces vehicle abuse
- c) Augments the organisation's safety performance

INTANGIBLE

- a) Helps maintain good driving habits
- b) Reduces vehicle breakdowns and increases its life
- c) Instills a sense of ownership and responsibility in the drivers



Mahindra is the first Indian company to announce its internal Carbon Price - US\$10 per tonne of carbon emitted. Pricing carbon helps understand the true cost of climate change.

NATURAL CAPITAL

Environment and economy are two sides of the same coin. Natural Capital refers to the economic value attributed to the earth's stock of physical and biological, renewable and non-renewable resources which include air, water, minerals, fossil fuels, soil, biodiversity and so on. All these elements together enable symbiotic ecosystem services which provide innumerable benefits to organisations, societies and the planet as a whole.

Natural resources are the measure of the earth's wellness and the basis of all economic activity. Every business depends on natural capital and hence impacts it to some degree. In the wake of the global concern over rapidly depleting environmental resources, it is imperative to ascribe a value to foster supervision, control, conservation and rejuvenation.

Quantifying natural capital helps businesses identify the environmental risks and opportunities, manage them proactively and create a sustainable future for all. Poor management of natural capital results in an ecological, social and economic liability. Due to the scale and scope of impact natural capital has, it becomes one of the most vital enablers of sustainability.

MANAGEMENT APPROACH

At Mahindra, we know that every step taken today for rejuvenation is a cog in the wheel driving towards a healthy planet for tomorrow. And so, our environment management approach is governed by the

3Cs - CONSERVATION, CONTINUOUS IMPROVEMENT & COMPREHENSIVE DISCLOSURES

A cohesive framework, well-structured processes and focused interventions are the foundation of Mahindra's resource management strategy. Robust initiatives in Energy, Waste, Water and Biodiversity management coupled with proactive pursuit by all our teams across Mahindra ensures an efficient system to safeguard natural capital.

While we are enthusiastic about conservation, we are also conscious about the need for continuous improvement in our efforts to enrich natural capital. In line with this, our monitoring practices not only help us outperform our targets, but also encourage us to stay ahead of the industry curve on environment KPIs.

This year, we have shifted to Integrated Reporting which empowers all our stakeholders, both internal and external, with knowledge which can help them make informed decisions for the future - theirs and ours. Disclosures, thus become an important aspect of our approach to environment management. They trigger meaningful discussions which aid in performance analysis and realignment of our environment goals.

All our interventions are directed towards the KPIs, material to our business:

Carbon Neutrality

through valuation and efficient energy conservation and restructuring of the energy mix

Water Positivity and Water Security

reduction in usage, recycling and harvesting of water

Zero Waste & Circular Economy

zero waste systems and rigorous resource efficiency

Promote Biodiversity

conservation of flora & fauna

Environmental Policies

At M&M, the environmental policies share the same weightage as a mission statement. These policies continuously guide us to advance the resource efficiency of our products, processes and premises. The end objective is to:

- **Minimise impact on the environment and make efforts to restore the environment**
- **Contribute towards long-term sustainability throughout the life cycle of products and services**
- **Find opportunities to improve the local environment in the communities in which we operate**

Every employee adheres to the environment policy and its implementation is overseen by plant managers of respective facilities.

All manufacturing plants of M&M are certified with ISO-14001-2004 Environment Management System.

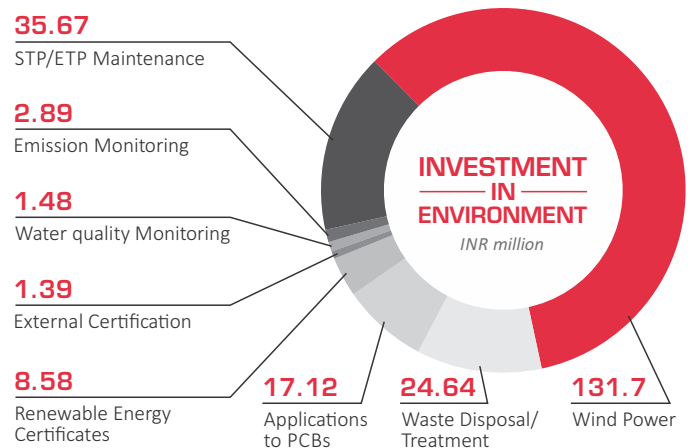
Sustainable Supply Chain Management

For any manufacturing company like ours, the supply chain is an integral part of business and contributes a major part of the footprint. At M&M, driving sustainability across the supply chain thus becomes a crucial generator of business value. We undertake proactive engagements with our suppliers and vendors to encourage environment-friendly practices beyond our factory gates and motivate them to adopt green initiatives.

This reporting period, sustainability initiatives were rolled out across our supply chain which helped them align their businesses towards enhancing the green cover, saving precious resources through rainwater harvesting and leveraging operational efficiency to conserve electricity.

ENVIRONMENTAL MANAGEMENT

INR 223.48 million was invested by M&M this year, towards protection of natural resources which includes renewable energy sources, waste management, and treatment of chemical waste and controlling of air pollution.



INR 422 million revenue generated from Green Products across the Mahindra Group

AIR QUALITY

Pure and clean air to breathe is the necessity and right of every living being on this planet. While industry and power upgrade the quality of life we lead, they also affect the environment and in turn health of individuals and the planet in general. We, at Mahindra, are aware of these impacts and believe in taking responsibility and ownership of our actions. We are steadfast in adhering to all statutory norms and regulations and employ meticulous monitoring systems to keep track of various pollutants.

In accordance with the revised National Ambient Air Quality Standards (NAAQS 2009), the Particulate Matter PM10 (size less than 10 µm) & PM2.5 (size less than 2.5 µm), Sulphur Oxides (SOx) and Nitrogen Oxides (NOx) are regularly monitored across our manufacturing & service locations. Some manufacturing plants also monitor more specific pollutants applicable to their processes like Respirable Suspended Particulate Matter (RSPM), Carbon Monoxide (CO), Methane (CH₄), Ozone (O₃), Lead (Pb) among others.

The SOx and NOx emission count of all our businesses, is well below the permissible limit. Even the particulate matter emission is below the limit, except for the Nashik plant division 2 which has devised an action plan to reduce the same by installing scrubbers, filters etc.

Ozone Depleting Substances

We are persistently conscious about the discharge of Ozone Depleting Substances (ODS) which can adversely affect the nature's balance. Our processes are continuously monitored and improved to reduce consumption of resources and emission of ODS like Hydrofluorocarbons (HFCs), halons and Hydro Chlorofluorocarbons (HCFCs).

Greenhouse Gases

Greenhouse gases pose a threat to the environment and have the potential to affect business operations across the world. At Mahindra, we constantly strive to reduce this risk through constructive contribution based on efficient measurement, control and mitigation of GHG emissions.



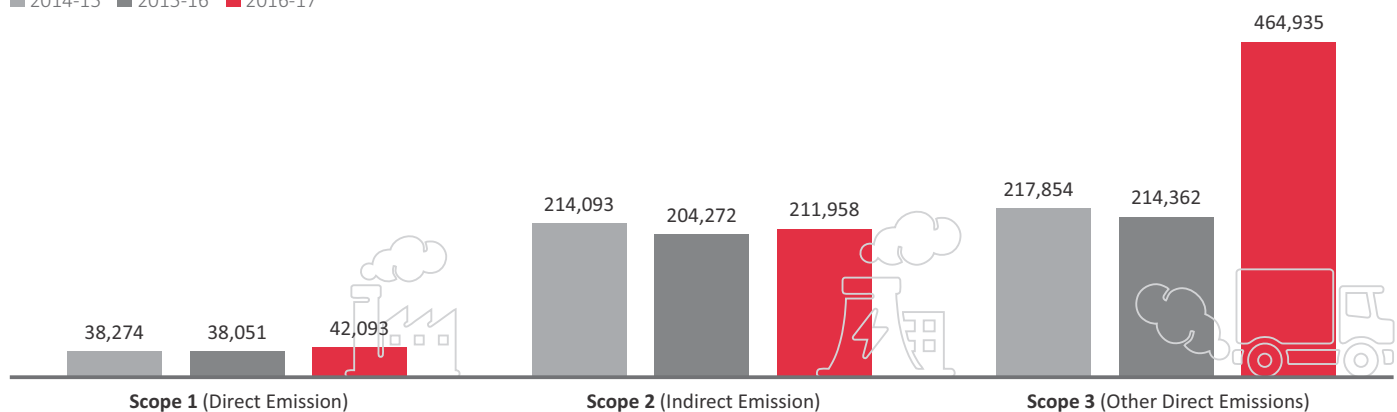
This year, our businesses together mitigated **14,800+ tCO₂** of GHG emissions.

Despite increased production activity across a number of businesses within M&M, we have managed to keep the Scope 1+2 emissions in check. We remain committed to reduce our GHG emissions by 25% by 2019.

Total Absolute GHG Emissions

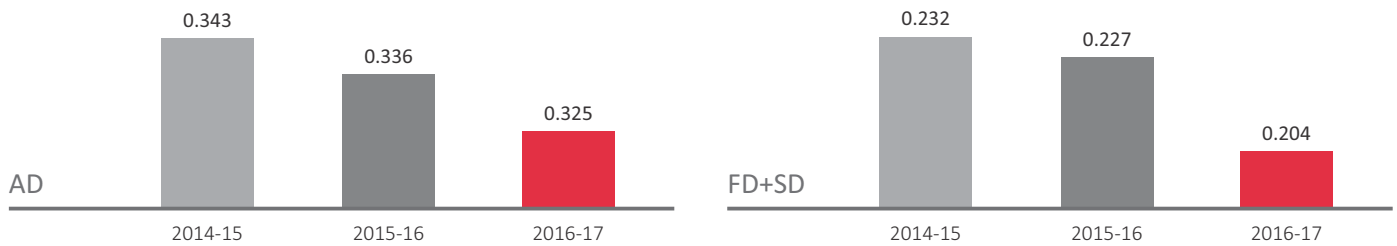
tCO₂

■ 2014-15 ■ 2015-16 ■ 2016-17



Note: Last year, our businesses were not reporting on all the routes of Inbound and Outbound logistics. In the current year, they have covered all routes; resulting in an increase in Scope 3 figures.

Total Specific Emissions (Scope 1+2)

tCO₂

Note: For more information about the specific emission of other businesses within M&M Ltd. Please refer to the Annexure section of this report.

CASE STUDY

Facilitating convergence Fostering collaboration | MVarta

Challenge

Be it exchange of ideas or seamless engagements, technical learning modules or exciting product launches, board meetings or dealer trainings, at M&M we aim to make it better, each time. Although team meetings, seminars, training programmes, feedback interactions etc. fuel a collaborative effort, they also have a sizable environmental footprint and an economic cost. Also, because they are time consuming and difficult to replicate at multiple locations, quite often such meetings get restricted to a limited number of people.

Outcomes

- Reduced environmental footprint due to decrease in travel
- Enhanced productivity due to elimination/reduction of travel time, logistics and lesser costs
- 85 key and special events serviced and supported, connecting more than 4950+ locations and 15,000+ participants
- 47 board meetings supported
- Virtual learning sessions conducted for 150+ dealers
- Real-time monitoring and update of events

Action

Project MVarta was launched to provide video conferencing platform across all our AFS locations. The project facilitates webinars, webcasts, web meetings, launch events etc. to enable a smooth, interruption-free, face-to-face communication experience with our employees, suppliers and customers.

The web meeting services are also accessible from home internet connection.



BIODIVERSITY

Biodiversity is the basis of existence of all living beings and is the planet's life support system. The variety and strength of the ecological networks and functions on earth, provide a vast number of thriving ecosystems like forests, flora and fauna and the water bodies, which nurture human life, hedge against climate change and boost economic activity.

Biodiversity has been a key focus area of environmental management at M&M. The signing of the India Business & Biodiversity Initiative (IBBI) in 2014 has provided an impetus to our efforts in raising awareness and preserving the natural habitats.

Our focus on ascertaining a value for natural capital has further strengthened the credibility of our impact and dependency assessments. Consequentially, the strategies devised are better aligned to fill the lacunae and enrich the natural ecosystem.

The Mahindra Group has been learning through partnerships with the World Leaders like IBBI, Terracon and IUCN. IBBI helped us align with their 10-step best practices programme in Biodiversity rejuvenation by corporations. This has resulted in transforming workspaces at our locations of Igatpuri & Kandivali.

CASE STUDY

Enhancing Biodiversity at AD Igatpuri

Challenge

The M&M Igatpuri plant was facing problems of water scarcity, dust pollution, temperature irregularities, deforestation and unaccounted species degradation of flora and fauna, affecting the biological diversity and richness of the region.

Action

Large open spaces in the assembly unit were identified as the cause of increased dust pollution. A plan was created to cover these open areas through plantation of trees, shrubs, lawns along with some engineering measures. The strategic framework of initiatives to achieve this objective included the below mentioned focus areas:




- Implementation of biodiversity zone in plant
- Balance the ecosystem services

Implementation of biodiversity zone in plant

The land was divided into three zones to leverage the diverse features of the ecosystem. Plantation was based on scientific analysis of the regional floral and faunal diversity and local and native species.

25 ha out of **40 ha** of land was converted into green cover



Zone 1	Zone 2	Zone 3
Planted species such as Cherry, Mulberry, Spathodia, Umbar, Pimpal, Akash Nim to attract birds	Set up a butterfly garden with plants such as Hibiscus, Kanher, Shankasur, Tecoma, Kanchan	Developed a fruit orchard with trees such as Mango, Coconut, Chikoo, Guava, Cashewnut, Jackfruit, Aonla & Jamun.
		

Balance in Ecosystem services

The plant took focussed efforts to increase green cover in the premises



- Plantation of shrub species like Tecoma stans, Hibiscus rosa-sinensis, Nerium indicum, etc, along the road side and near the buildings
- Use of plants for fencing rather than the steel wires or constructing walls
- Plantation of local trees in open spaces to control soil erosion due to water and wind
- Covering of open areas with grass and flowering shrubs
- Placing of plant pots on concrete areas
- Control of invasive plant species
- Use of recycled water for irrigation

Outcomes

Igatpuri plant is currently a thriving biodiversity spot with more than

220 species of plants and **75** species of fauna (birds, reptiles and mammals).

All these measures substantially helped in reducing dust levels

73% reduction in 69 lacs particle 3 count/m ³ for 0.5 micron	76% reduction in 33 lacs particle 3 count/m ³ for 1.0 micron	21% reduction in 2 lacs particle 3 count/m ³ for 5.0 micron.
---	---	---

Other Benefits

- 59% Improvement in engine assembly cleanliness with respect to dust levels
- 76% Improvement in field complaints which comprises 80% reduction in vehicle immobilisation
- Controls dust at source thus ensuring better work environment for employees
- Meets customer expectations by ensuring a quality product

ENERGY

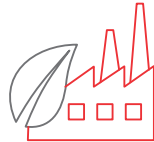
The sustainability of a business is directly dependent on energy. We, at Mahindra are aware and sensitive towards our dependency on conventional energy sources and constantly endeavour to reduce our footprint. Increased inclusion of alternative energy sources is the need of the hour, even though their adoption is slow due to the costs involved and the conduciveness of the location of the businesses.

As the first Indian Company to sign up for the 'EP100', a global energy productivity campaign, we are committed to doubling our energy productivity by 2030

Maximising the economic output from each watt of energy consumed has been our endeavour at Mahindra and we have been proactive in including alternative energy to our supply side.

Specific energy consumption at Nashik Plant Dies and Farm Division reduced by 27.8% and 8.7% respectively

Energy management at Mahindra, has a two-pronged approach:



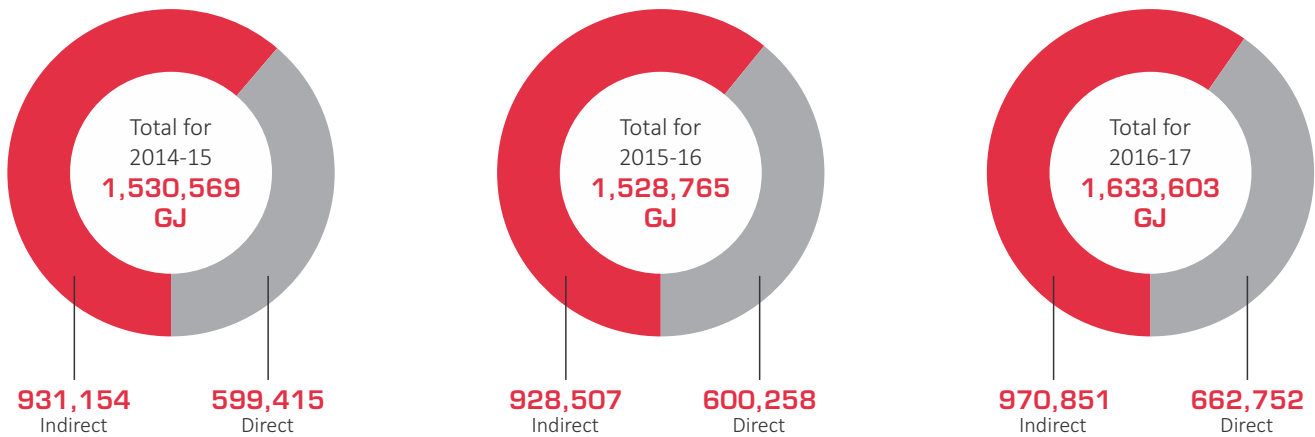
Increasing the energy productivity through process efficiency




Increasing the share of alternative energy in our energy mix


Absolute Energy Consumption

(in GJ)



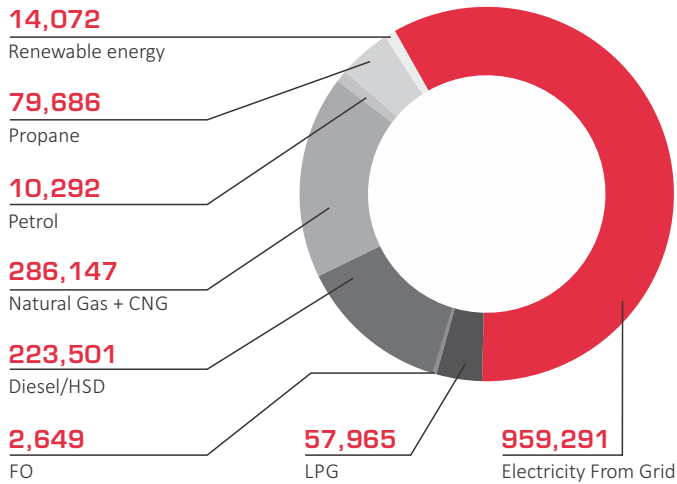
We are restructuring our energy mix with renewables for a brighter future

Wind 
4.2 MW

Solar 
2.5 MWp

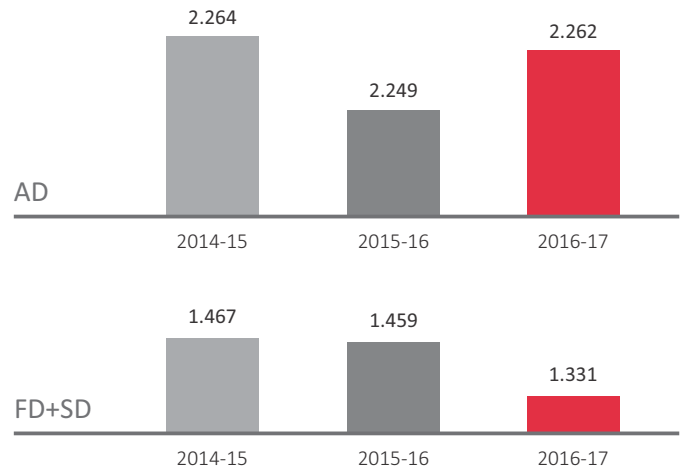
Total Energy Consumption by Source

(in GJ)



Specific Energy Consumption

(in GJ)



Note: For more information about the specific energy consumption of other businesses within M&M Ltd. Please refer to the Annexure section of this report.

Energy Saving Initiatives

A watt saved is a watt earned

A watt saved is a watt earned. And so, at Mahindra we go that extra mile to ensure that even the smallest of energy saving opportunities are identified and harnessed across all our businesses. Through a slew of initiatives ranging from installation of solar PV cells, energy-efficient compressors and pumps, and LED lights, to power optimisation and process improvements – our businesses made every watt count.

For detailed information about various energy saving initiatives, please refer to the Annexure section.

Together, our businesses saved **100,000+ GJ** energy through sustained energy saving initiatives in 2016-17



CASE STUDY

Green Building Certification Igatpuri Plant



Challenge

Igatpuri plant is situated in the biodiversity zone of the Western Ghats, and is home to a rich natural ecosystem. Our sustainability team observed that the plant and the region was facing problems such as water scarcity, temperature irregularities, deforestation and unaccounted species degradation of flora and fauna, excess use of conventional energy sources etc.

Action

We undertook a comprehensive strategy to convert the plant into a Green building which not only conserves valuable resources but also rejuvenates them. Several initiatives were designed and implemented to improve site & facility management, water efficiency, energy efficiency, health & comfort of the employees and the design aspects. Some of these interventions are as under:

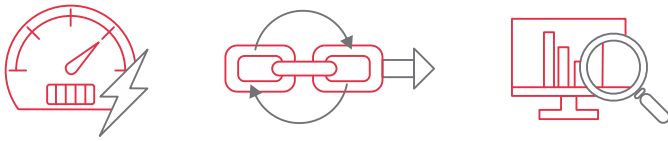
- 100% eco-friendly lighting fixtures
- Waste to wealth recovery projects
- 100% green energy for the building
- Rainwater harvesting
- Efficient water fixtures
- Biodiversity park
- Waste disposal system
- Zero plastic bottle zone
- Recreational facilities and meditation room for employees



Outcome

The AD Igatpuri building has been awarded the 'Green Building Certification' with a Platinum Rating by the Indian Green Building Council under the existing building. This project has benefitted both the plant and the region around it and has resulted in a healthy working and natural environment.

Monitoring Energy Efficiency of Major Suppliers



Greening our supply chain has always been an important sustainability goal at Mahindra. This reporting period also, we worked towards this objective through several awareness programmes, data monitoring and capacity building interventions.

Environmental sustainability initiatives were rolled out across **400 suppliers**

We are also monitoring the energy performance of our major suppliers and helping them find means to optimise consumption.



WATER

In a water-intensive operation, like automobile manufacturing, all major processes like surface treatment and coating, spray painting, washing and rinsing, to hosing, cooling, air-conditioning and boiler operations, require huge quantities of water. While the demand of water keeps growing due to increased scale and scope of businesses, the supply of water remains a serious concern.

At Mahindra, we have always been steadfast in our efforts of conserving and replenishing water.

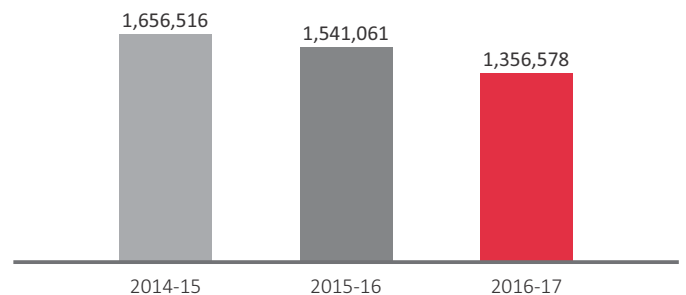
Through our comprehensive 360° water management programme – H2Infinity, the Mahindra Group successfully achieved a water positive status way back in FY 2013-14.

This, however, has not diminished our passion and rigour for water management. This year, we continued to pioneer numerous water saving initiatives through dedicated cross-functional teams. The performance of these teams is closely monitored and linked to their KPIs so as to foster ownership and a water-sensible culture.

Over the last two years, our total water consumption has come down by almost **300,000 m³**

Total Water Consumption

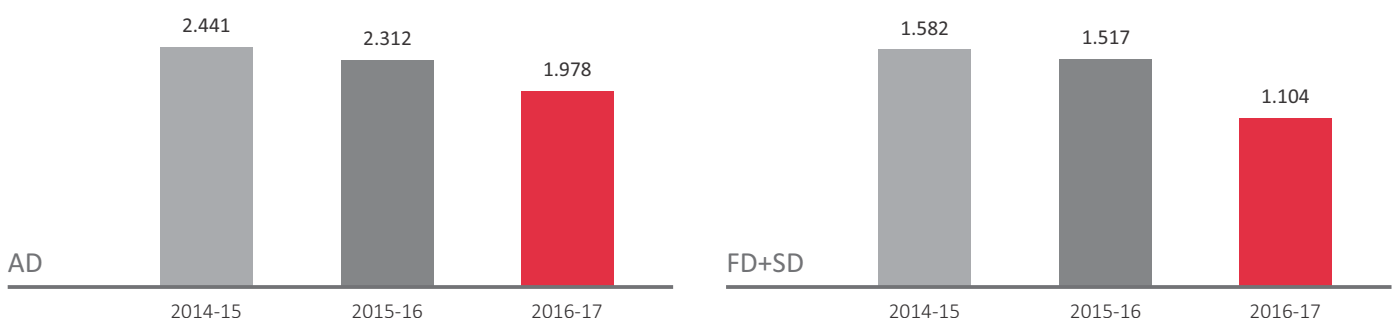
in m³



Note: For business-wise total water consumption trend, please refer to the Annexure section of this report.

Specific Water Consumption

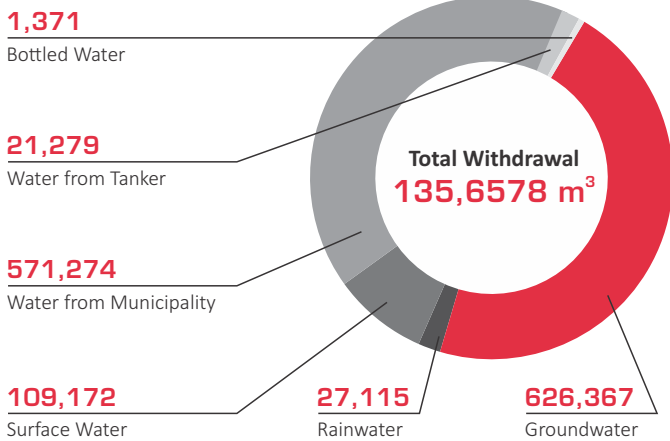
m³ per unit of measure



Note: For business-wise specific water consumption trends, please refer to the Annexure section of this report.

This year, although production at FD+SD increased by 27% YOY, the specific water consumption decreased by 27.21%.

Total Withdrawal By Source

in m³

400,000+ m³
of water recycled and reused
across businesses

AD and FD+SD recycled and reused 37% and 26% of the total water consumed

INITIATIVE

Reuse to Reduce FD, Nagpur

Recycling and reusing water is an efficient way to reduce the consumption of fresh water. The Farm Division Nagpur plant established a new RO plant as part of the waste water RE-USE project. The RO plant treats the ETP outlet water to produce 200 KL of RO permeate water daily which is then supplied to the paint shop. The fully automatic process will reduce the intake of industrial raw water from the Municipal Corporation, consequentially reducing the acute water shortage crisis present across MIDC, Nagpur area.



Discharged Water Quality

We continually monitor the quality of our wastewater discharge through internal and external agencies to ensure that it is free from pollutants. Due to such conscious efforts, we have never exceeded the limits permitted by the State Pollution Control Boards and local regulatory authorities.

MATERIALS

Materials form a major part of our operations. They come in solid and liquid form, and may fall under the semi-manufactured materials, associated materials, packaging materials and raw material category. Like many of our inputs, materials also our sourced from nature and so run the risk of becoming scarce if not consumed judiciously.

This year, due to decreased production at AD, the material consumption of semi-manufactured material (hard) came down by 1.74% and of semi-manufactured material (liquid) decreased by 1.45%. On the other hand, because of higher production by FD+SD, the corresponding material consumption too increased.

For more details about business-wise material consumption, please refer to the Annexure section.

Sustainable value is the key material selection criterion at Mahindra. These materials impart more durability to our products and yield a better quality of experience to our customers. We constantly look for newer, more incremental manufacturing processes and innovative technology to reduce our material consumption.

INITIATIVE

Taking innovation to the global stage M&M

At M&M, we constantly endeavour to be ahead of the industry curve in our processes and products. We pursue alternative thinking to come up with innovative solutions which enhance the productivity and sustainability across our business value chain. In line with this approach, M&M developed the world's first ever TMCD based solid mono-coat paint which is highly cost-effective when compared to the clear-coat system being used currently.



The TMCD solid mono-coat will also reduce the carbon footprint and offer a lower cost impact of INR 70 as against INR 1350 for a similar quality alternative.

The innovation has the following benefits as compared to the clear-coat system:

- **Twice the weather resistance (up to 2500 hours)**
- **2.2 times (55%) better mar/ scratch resistance**
- **Improved CPQ & retained newness – due to better paint finish durability**
- **Increased resale value**

The innovation was well received by over 200 participants from various global auto giants like BMW, Toyota, Daimler, Volvo, Jaguar, Land Rover and the likes.

PACKAGING

Sustainable packaging is a challenge that we strive to overcome at Mahindra. We take extra care to ensure that our packaging materials are environment-friendly and have progressively reduced the quantity of non-recyclable materials in them. Cost-effective, convenient and eco-friendly packaging of our products helps us facilitate the preservation of natural capital and enhance the productivity of resources by diverting them to other areas.

INITIATIVE

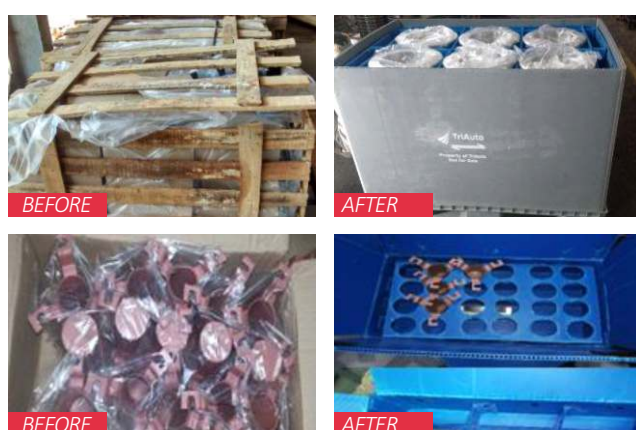
Sustainable Packaging at FD

The cumulative wood consumption of our FD plants was 105.4 Tonnes per month. As an ongoing endeavour to ensure green packaging and a green supply chain, we identified top 16 suppliers and motivated them to eliminate wooden packaging, which will result in an 80% reduction in wood consumption.

Supplier visits were conducted to develop confidence in sustainable packaging implementation. Major packaging improvements were undertaken across these identified suppliers in replacing the wooden and corrugated boxes into returnable PP Boxes which led to reduction in damages during handling, reduced rejection percentage, cost savings, lesser man-power, greater productivity and safer handling. Due to the above intervention, the following benefits were realised:

Tangible

- 275,000 litres of savings on diesel consumption
- Reduction in CO₂ emissions of 727 MT per annum
- Cost savings of INR 800,000 in logistics
- Reduction in paper corrugated packaging material consumption by 250 Tonnes
- Cost savings on packaging material as on date - INR 6 million
- Manpower saving through elimination of rework - 600 man-days



Intangible

- New methods are explored to ensure a green supply chain
- Reduction in regulatory risk / DOL scores improved
- Improved operational agility & response / No rework inside the plant / Saving of storage space
- Improved flexibility to deal with schedule variations
- Skill development of workforce through knowledge on new and sustainable methods of packaging

SPILLS

The environment management system at Mahindra is designed to ensure complete safety of our operations and the environment and so it also includes spill management. As in all cases, prevention is better than handling a spill after it has occurred. We are proactive in our preparedness to handle spills and undertake continuous improvements in our business operations to prevent it. No significant spill incidents were recorded during the reporting period.

COMPLIANCE

At Mahindra, compliance is top business priority. Compliance aspects are closely monitored and upgraded continuously through internal audits. We adhere to environmental compliances and abide by all the applicable laws of the land for all our projects. During the reporting period, we were not fined for any non-compliance.

WASTE

At Mahindra, waste management is a comprehensive process that goes from the point of creation to its final disposal. It is a comprehensive process which is conducted in a socially responsible and environmentally sound manner. All waste generated by us is disposed responsibly in compliance with the rules and regulations applicable to it.

Hazardous and non-hazardous wastes are segregated and handed over to authorised hazardous waste collection vendors and contractors respectively who then dispose, recycle or reuse it as applicable. While responsible waste disposal involves increased amounts of energy, manpower and costs, its importance cannot be understated. To this end, we endeavour to eliminate waste from our manufacturing processes and the lifecycles of our products and components to ensure a sustainable future. The practice of using waste as a valuable resource will enable us to foster a circular economy which creates synergy between neighbouring industries, both within and outside the Group.

This year, due to increased production activity and enhanced data capturing mechanisms, there is a marked increase in the waste generated, especially for FD+SD. At the same time, as a result of continued waste management,



AD, FD+SD and MRV have decreased generation of Hazardous Liquid Waste.

For more details about business-wise waste generation, please refer to the Annexure section.

INITIATIVES



The world's biggest plastic bottle monster - 20.40 meter high was built after the collection of 100,300 waste plastic bottles as a symbolic demonstration of plastic pollution.

'Plastic Bottle-Free' Plant - Igatpuri

Waste management at M&M is not restricted only to its operational cycles. It extends to all areas of our units and even beyond our walls. Our Igatpuri plant successfully transformed into a 'plastic bottle-free' plant and took this initiative to the next level by taking it to the community.

The team raised awareness about the ill-effects of plastic on health and marine-life among the employees and in the neighbourhood. Waste plastic bottles were collected by the team from road sides, public & picnic spots, bus stands, railway stations, schools, hotels etc.

What started as an endeavour of 1,500+ employees, transformed into an environmental cause owned by over 100,000 citizens

Solvent Recovery Mechanism - FD, Zaheerabad

Flushing thinner is used to flush and clean the spray gun during colour change and the change of shifts in the paint shop. Huge amount of solvent was being wasted during and after this process.

Zaheerabad unit became the first plant in the FD to install a solvent recovery machine which processes this used thinner, collected in a drum post flushing and converts it into reusable material.

Through a simple distillation process, 80% of the waste solvent is recovered and is reused for flushing and cleaning of the spray gun.

The project has yielded savings of INR 3.5million per annum



Sustainable business development is in our DNA, and has led us to adopt the 4R concept with a crusade against the challenges. Carbon footprint reduction, upcycling, circular economy, water positive, zero waste to landfill, and energy security were the mantras for 2016-17, creating harmony in our triple bottom-line.



Norbert D'Souza

General Manager - SHE and CMD, Safety & Central Maintenance





To create meaningful outcomes, it becomes imperative to clearly identify and deeply understand the challenges that affect the entire value chain.

SOCIAL & RELATIONSHIP CAPITAL

Value is not always generated within or by an organisation alone. It is created and sustained through a cycle of interdependent activities among interconnected entities. Social and relationship capital is the connections and shared values that exist between people and the organisation that enables cooperation. It consists of intangibles (shared values, commitments, and knowledge) that form the basis of the reputation and trust that we have developed.

MANAGEMENT APPROACH

At Mahindra, we are intensifying our efforts to design a bright future not only for us, but also for the communities we operate in. As we rise on the global stage, we aspire to uplift all sections of the society through inclusive development. Through our new sustainability framework, we are geared up to create maximum impact where it matters the most.

Building strong relationships with all our stakeholders is crucial not only to instil trust but also to gain valuable insights into the opportunities and obstacles that exist with each of them. Working together with our stakeholders towards sustained value, creates a closely bound interconnected framework that not only acts as a hedge against future risks, but also functions as an accelerator to achieve equitable business development.

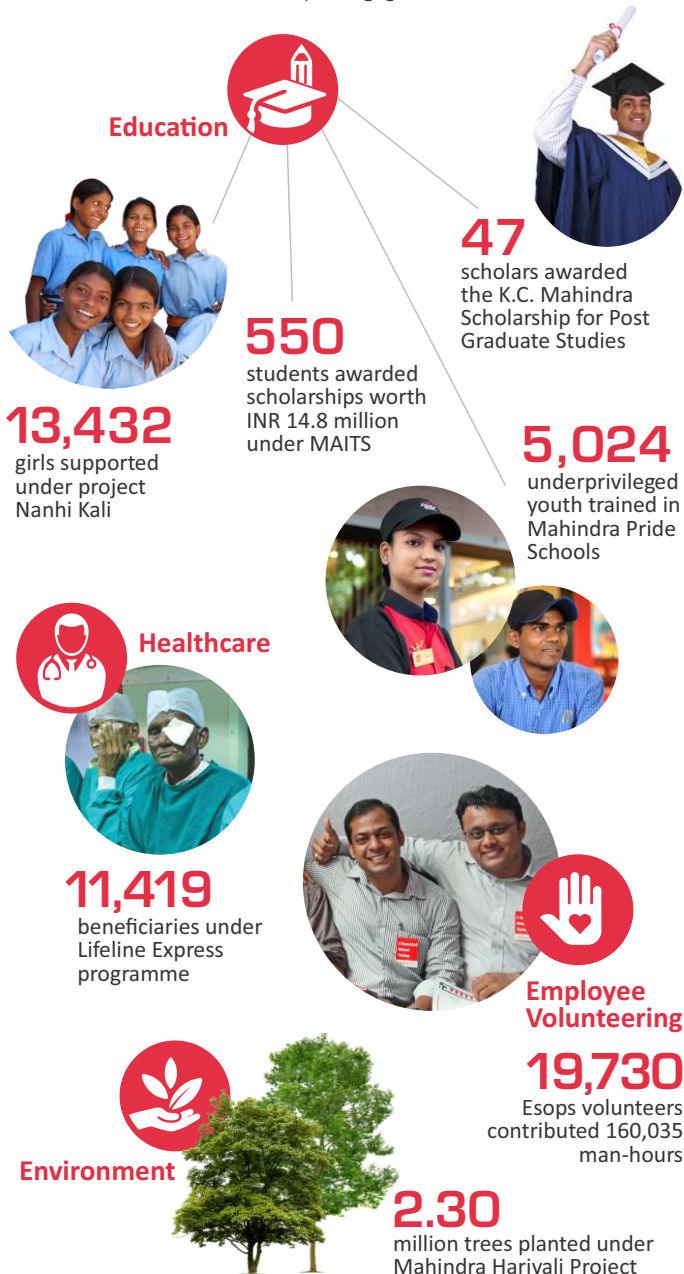
SOCIAL CAPITAL

Be it fostering reciprocity through inclusiveness or creating wider teams through engagements, be it leveraging synergies through unified goals or driving progress through collective ownership, social performance is the key enabler of our business success. We are conscious of what we can do for communities and how we can help them, thereby instilling a sense of pride and loyalty in them.

As a result, we initiate cause and effect chains leading to: **a) communities being advocates of the company, and b) increased ability of acquiring new customers, especially in emerging markets. Consequently, both societal development and business become easier.**

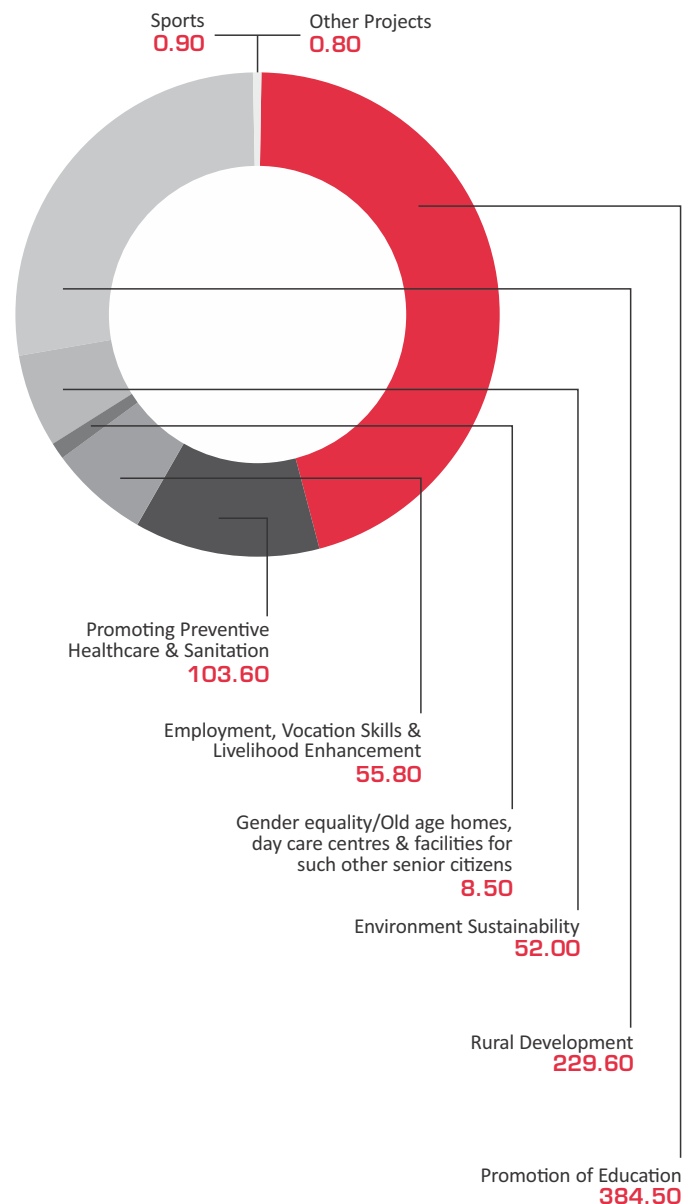
KEY HIGHLIGHTS*

Our innovative social interventions are designed through 'Alternative Thinking', derived out of need-based assessments aligned to our long-term business strategies. This structured approach enables us to draw insights and develop effective initiatives which drive positive change. This reporting period, through our CSR initiatives, we have reached out to wider communities with deeper engagements.



CSR INVESTMENT

A total of **INR 835.7 million** invested towards spearheading various social interventions in 2016-17



*All the figures are for M&M Ltd.

Recognition and Accolades

Mahindra AFS awarded the 2016 CII commendation for Significant Achievement in Corporate Social Responsibility.

Mahindra & Mahindra Ltd. was declared the winner of the Golden Peacock Award for Mahindra Pride Schools as the best entry in the Corporate Social Responsibility Awards for the year 2016.

SEED THE RISE campaign recognised as the 'best corporate campaign' - India awards 2016.

AD, Haridwar won the CSR Excellence Award 2016 in the environment category.



Mahindra, FD, Nagpur plant acknowledged by Maharashtra State Government for their support to water conservation efforts under Jalyukt Shivar programme.



CSR POLICY

The M&M CSR policy incorporates our approach and strategy towards our social interventions. The policy is applicable across all our businesses and employees, and concentrates on the following key action areas:

- Education • Healthcare & Sanitation • Environment
- Livelihood Enhancement • Women Empowerment
- Opportunities for Those at the Base of Pyramid
- Protection of Natural Heritage, Art, and Culture
- Aid for Armed Force Personnel's Families
- Encouragement for Sport Technology Incubation
- Rural Development • Slum Area Development
- Disaster Relief & Rehabilitation

CSR GOVERNANCE

At M&M, sustainability is embedded into our business and is an integral part of our business value system. Spearheaded by our top management, our CSR governance is cascaded down to every employee across the company.

Diligence, transparency, and ownership are top priorities for The Mahindra Group's CSR council.

A CSR committee has been constituted at M&M level, to monitor the implementation of this policy, approve CSR investments, and undertake periodical assessment of the activities. At a ground level, these initiatives are carried forward by unit and business-level CSR departments and Esops volunteers. Esops (Employee Social Options) is Mahindra's flagship employee volunteering programme. For execution of various programmes, we also forge alliances and partnerships with government, NGOs and other corporate entities.

For more information, please refer to the corporate governance section of this report.

Foundations and Trusts

It is not just about innovative boardroom plans, but it is also about implementing them on ground to make a difference. To facilitate effective execution of our CSR strategies, it is important to connect with the less privileged sections of the society, identify their issues, and develop concentrated interventions to ensure efficacy where it matters.

M&M works in tandem with several organisations, which help effectuate initiatives, monitor programmes, evaluate results, and keep the shareholders updated with the status. The focus areas of these institutions are specific to their scope of work and are as given below:

Women Empowerment | Education

Livelihoods | Relief & Rehabilitation

Skill Enhancement & Vocational Training

Empowering Differently-abled Individuals

■ K.C. MAHINDRA EDUCATION TRUST

K.C. Mahindra Education Trust (KCMET) was established in 1953 with a vision of making education accessible to economically-weak families. Under its three flagship endeavours, Nanhi Kali, Mahindra Pride School, and Scholarships & Grants, KCMET has triggered a social transformation in underprivileged communities.



■ MAHINDRA FOUNDATION

The Mahindra Foundation believes in creating lasting impacts and majorly focuses on three key areas:

- Disaster relief and rehabilitation through timely, effectual, and far-reaching interventions
- Affordable, accessible, and quality medical care to the marginalised sections of the society
- Encouragement and assistance to talented persons to pursue higher studies and sports

Mahindra Foundation mobilised INR 72.3 million in the form of grants and aids



Swachh Bharat
Swachh Vidhyalaya Campaign
INR 41.5 million
towards maintenance
of 4,340 toilet blocks

Medical Relief to Individuals
INR 345,000
to different individuals to
meet their surgical treatment
requirements

Promoting Preventive
Healthcare through KARO Trust
INR 20 million
for providing financial and
psychological support to patients
suffering from critical and
life-threatening illnesses

Promoting Palliative Care
through PALCARE
INR 2.5 million
to support people with chronic
illnesses such as cancer,
Alzheimer's, kidney failure,
lung conditions and stroke

Financial Literacy Programme
INR 5.53 million
towards specially designed
financial literacy education kits
distributed to 5,000 school
students across 5 states in India

Indian Blind Sports Association
INR 500,000
to support participation of
visually impaired participants
competing in various events at
the 20th National Sports Meet
for the blind

Youth for Governance
Provided grants to the Public
Concern for Governance Trust
for governance project that
encourages youth to fight
against corruption

Indian Cancer Society
Several aids were provided
to facilitate the treatment
of needy cancer patients

The Mahindra Foundation, USA (MFUSA) was set up in 2007, as a non-profit corporation with the vision 'to transform lives through education' and an objective of 'seeking global support for the education of under-privileged girls in India through Project Nanhi Kali'. The ten voluntary chapters across the US create awareness and mobilise funds for the project.

In FY 2016-17, the foundation raised
USD 288,787 for Nanhi Kali



■ MAHINDRA FOUNDATION, UK

The Mahindra Foundation, UK was established on the 1st May, 2013 with a similar focus to promote Project Nanhi Kali.

It raised
GBP 55,336
in FY 2016-17 towards Nanhi Kali donations.

ESOPS - EMPLOYEE SOCIAL OPTIONS

It is not about ideas, it is about working on them together and making them happen. A company's commitment to CSR is positively linked to the employee's commitment to the organisation. Esops is Mahindra Group's flagship Employee Volunteering Programme through which we support our employees in engaging in activities with a positive social impact.

Growth in no. of Esops Volunteers



from 18,876 in FY 2015-16 to
19,730 in FY 2016-17

Increase in Volunteering Hours



from 115,365 in FY 2015-16 to
160,035 in FY 2016-17

From Engagements to Outcomes

We constantly align the scope and scale of our Esops programmes to the identified community priorities. In FY 2016-17 many small and big initiatives were carried out in these focus areas, over and above our flagships endeavours.

448,607
lives benefitted
through various
initiatives under
Esops programmes



JEEVANDAAN

Objective Organise blood donation drives including those for thalassemic patients	Flagship Endeavour Thalassemia support programme
---	--

Impact **7,184 Beneficiaries**

Blood Donation Camp | AD, Zaheerabad and MRV, Chennai

Conducted a blood donation camp in association with the Himabindu Blood Bank, Hyderabad, in June 2016 as part of the World Blood Donor Day celebrations.

A total of 230 donors donated blood. Similarly, MRV too conducted a blood donation camp where 260 employees donated blood.



NAVDRUSHTI

Objective Conduct eye check-up, spectacles distribution, glaucoma and cataract operations	Flagship Endeavour Lifeline Express
---	---

Impact **9,029 Beneficiaries**

Eye Camp | FD, Zaheerabad

Conducted in association with Shankar Netralayam Hospitals, Hyderabad, in December 2016.

A total of 685 patients were examined, 536 spectacles were distributed, and 17 patients underwent surgery.



GREEN GUARDIANS

Objective Protect the environment and create environmental awareness	Flagship Endeavour Relief Programmes by Mahindra Foundation
--	---

Celebrate Green | AD, Nashik

To prevent the pollution of Godavari river caused by the immersion of POP idols during Ganesh Visarjan, awareness was created regarding the increase in the severity of water scarcity and the adverse effects of river pollution, using leaflets, banners, social media and WhatsApp. A team of 70 volunteers collected more than 15,500 idols from two locations and immersed them in an environmentally friendly manner.

Quenching the Thirst | FD, Nagpur

Through the Jaldoot programme, volunteers supplied drinking water to 6,500 people. 24 employees dedicated 88 man-hours towards the above projects driving positive change in the local communities.



SEHAT

Objective
Conduct generic and specialty medical camps, polio immunisation camps, health awareness rallies, campaigns, and distribution of information, education and communication (IEC) material.

Flagship Endeavours

Lifeline Express- A hospital-on-wheels that takes quality medical care to remote regions of India

Arogya Sarthi - Healthcare services for mother & child and promoting institutionalisation of deliveries

Project Prayaas - Rehabilitation and Awareness on HIV/AIDS with special emphasis on improving living conditions of People Living with HIV/AIDS (PLHA)

Impact **246,666 Beneficiaries**

Contributing towards a Polio-free Nation | MRV, Chennai

Close to 2,500 children were vaccinated through this initiative at Paranur-Pulippakkam Toll Plaza, Chengelpet on NH 45, Tamil Nadu.



Impacting Lives Where it Matters | FD, Zaheerabad

Conducted in association with OMNI Hospitals, Hyderabad, a total of 296 villagers benefitted from this camp at Khasimpur village. The orthopaedic surgeon examined 189 villagers, 253 villagers availed the services of the general physician, and 16 patients met the cardiologist for their health complaints.

Health on the Move | FD, Zaheerabad

A mobile dispensary, manned by a qualified medical officer and supported by paramedical staff, is operated to provide primary healthcare to five adopted villages.

Fostering Good Health | AD, Haridwar

A number of initiatives were undertaken to address various issues:

- **Project Roshni:** In this cataract operation camp 2,144 patients were screened, out of which 492 were operated
- **Project Bhawana:** 162 dental check-ups and health check-ups for girl children in orphanages

■ GYANDEEP

Objective

Support schools for infrastructure development, material distribution, and conducting extra-curricular activities.

Flagship Endeavour

Nanhi Kali - Supports the education of underprivileged girl children from marginalised communities

Social Ambassador Programme - An aptitude based career development initiative

Impact **16,936 Beneficiaries**

Project Sahyog | AD, Nashik

The initiative focusses on educating the underprivileged school children in non-academic areas like drama, music, drawing, etc. The plan is to cover **10,665 school students** of Standard VI to VIII in **105 schools** in the Nashik city area.



Better Infrastructure for Better Future | FD, Zaheerabad

To improve the classrooms and hygiene in the nearby schools with emphasis on improving the sanitary conditions for the girl students to decrease the dropout rates, following initiatives were carried out:

- Construction of 4 new toilets
- Renovation of boys' toilets
- Civil repairs, painting of school building and compound wall
- Provision for clean drinking water for the students

Social Ambassador Programme | Mahindra Towers, Worli

An ongoing initiative that continues to help students gain insights into their strengths and preferences, explore suitable career opportunities, and develop life skills. This year, a total of **440 students** were benefitted.



Building Dreams | MADPL, Nashik

With an aim of creating a friendlier and more conducive atmosphere for learning at the Zilla Parishad School, following developments benefitting **209 students** were undertaken by 11 Esopians expending 220 man-hours.

- Construction of a dining hall, compound wall, and toilets
- Repair of the drinking water tank and school roof

Small Steps, Big Smiles | Mahindra Truck & Bus Division (MTBD)

The employee volunteers distributed school kits comprising school bags, notebooks, pencil boxes, drawing books, and crayons. A total of **70 school kits** for small children and **80 kits** for children above 5 years of age were assembled and distributed this year.

■ STREET SMART

Objective

Promotion of road safety initiatives through awareness drives and distribution of aids to drivers like helmets, masks, and reflectors

Flagship Endeavour

Road Safety- Promoting road safety education amongst school-going children and drivers and creating Zero-Fatality Corridor

Impact **66,924 Beneficiaries**

Zero Fatality Corridor | M&M Ltd.

Launched last year in conjunction with SaveLIFE Foundation, and Maharashtra State Road Development Corporation Ltd., the corridor is a pioneering attempt to reduce road crash deaths on the Mumbai-Pune Expressway from an annual average of 140 to near zero by the year 2020. As part of this, **120 M&M employees** participated in the road safety awareness event at the Khalapur toll on MPEW. Volunteers formed a human chain, distributed pamphlets and key-chains with the message 'Drive Safe, Reach Safe' and held road safety messages.



#HaveASafeJourney | MTBD

With support from Natural Habitat Preservation Centre and Ministry of Road Transport & Highways, #HaveASafeJourney (#HASJ) on Independence Day 2017. The idea is to use literature as an effective medium to connect and engage with people for promoting awareness. Short stories of braveries and humanity were invited from the public to form world's first collection of short stories on road safety issues. The best short story will be awarded a cash prize of INR 50,000.

■ HUNNAR

Objective

Facilitate Skill Development

Flagship Endeavour

Mahindra Pride School

Impact **8,362 Beneficiaries**

Skilling for a secure future | FD, Kandivali

Live working models from written-off materials were donated to ITI, Chiplun to facilitate skill enhancement of the student there.

Shaping Lives | FD, Kandivali

Under the Sanskar youth development programme, youth were provided year-long inputs in areas like computers, life skills, English speaking etc. **140 students** of the 2015-16 batch appeared for MS-CIT (Maharashtra State Certificate in Information Technology) exams in August 2016.

■ SWACHCHMEVA JAYATE

Objective	Flagship Endeavour
Contribute to Cleanliness	Swachh Bharat. Swachh Vidyalaya - Construction of toilets primarily for girls in government schools

Impact **535 Toilets constructed**

Hamara Station, Hamari Shaan | AFS

In partnership with Mumbai First, an NGO, the Hamara Station Hamari Shaan (Our Station, Our Pride) project was launched at Bandra station in Mumbai in the presence of Hon. Minister of Railways, Shri Suresh Prabhu, Hon. Chief Minister of Maharashtra, Shri Devendra Fadnavis and other dignitaries. The colour fest was held across 36 Mumbai railway stations. AFS also adopted Kandivli station and 50 volunteers painted a part of the station on the selected theme of Health & Wellness, in line with our Western Express Highway rejuvenation project.

Fostering Health & Hygiene | AFS

The AFS Esops team facilitated the construction of toilets in **15 schools** of Sindhudurg district benefitting **3,500 girl students**.

We Find Glory in Cleanliness | Swaraj Division

SD supported the installation of public lavatories, dustbins, and Swachh Bharat signages across Mohali, in collaboration with the Mohali Municipal Corporation benefitting nearly **5,000 people**. Swaraj Division was recognised and appreciated by the Ministry of Urban Development, Government of India at the launch ceremony of Swachh Survekshan, 2017.

■ SURYODAYA

Objective	Flagship Endeavour
Propagating use of solar energy	Mpowered- Rural electrification through solar power

Impact **2,560 Beneficiaries**

Project Mpowered | M&M Ltd., Kushinagar

In 2014, we embarked on a journey of lighting up lives by harnessing the sun's energy and leveraging it to benefit communities. This year, we added another nine hamlets to this endeavour and made solar power available to them. The project has had a profound impact on these villages as given below:

- **1,500 beneficiaries** across 259 households.
- The solar powered e-hubs comprising an Android tablet, integrated with school curriculum from Standard I to Standard XII, an inbuilt LED based pico projector and internet connectivity provide easy access to education, entertainment and e-commerce to these remote, underprivileged communities.
- The battery-operated e-rickshaws ply on pre-defined routes and fixed charges.
- **30 women** have been provided livelihood training and skilling opportunities.
- Soil Health Cards are provided to enlighten farmers about the condition of the soil on their farms.



■ PROJECT HARIYALI

Objective	Flagship Endeavour
Expanding the green cover	Mahindra Hariyali- A programme with an aim to plant a million+ trees every year

Impact **2.3 million trees planted this year**

11.26 million trees planted by M&M Ltd. and 13.40 million planted by the Group since inception of Project Hariyali.

Araku Valley Project, Andhra Pradesh

1.91 million trees were planted in the region as part of the tree plantation drive at Araku valley in the reporting year. The project has led to the plantation of a total 8.34 million trees in the valley, since inception.

■ SAMANTAR

Objective	Flagship Endeavour
Touch lives of disadvantaged groups - differently abled, senior citizens, etc	Care for senior citizens through Adhata Trust

Impact **864 Beneficiaries**

Doubling Joys and Dividing Sorrows | AD, Nashik

An HIV prevention and rehabilitation programme, in association with the Yash Foundation, has been implemented in Nashik district. This year, the team of **400 volunteers** celebrated Friendship Day with the people and children living with HIV. The team put up a stall of friendship bands and arranged for the HIV positive children to visit a Mahindra vehicle manufacturing unit.



Mahindra Relief & Rehabilitation Initiative | M&M Ltd.

A relief & rehab committee has been formed comprising senior leaders across businesses to oversee the functioning of this initiative. 37 cities have been identified pan-India and clubbed into 5 zones. Simulation emergency exercises were conducted at each of the five zones.

Mr. Anand Mahindra also unveiled the relief and rehabilitation handbook, which has been prepared as a go-to manual in case of disasters. The handbook will serve as an exhaustive information source during an emergency and contains city-wise emergency contact information, the nearest emergency service contact for Mahindra locations within that city, and the risk ratings for city relevant risks. Leaders at city and zonal levels have been identified and nominated to be the Specific Points of Contacts (SPoCs) for relief and rehabilitation activities within their area of responsibility.

Augmenting Good Health | MRV, Chennai

Mahindra Research Valley has been extending nutritional support to HIV/AIDS affected women in Salem district in association with an NGO, Salem District People Service Society. A kit consisting of rice, toor dal, green moong, whole dal, green peas, and fried gram was distributed benefitting 450 HIV-positive women.

■ KRISHI MITR

Objective

Upliftment of farmer community, promoting agriculture

Flagship Endeavour

Seed The Rise, Integrated Watershed Management Programme, Shiv Jal Kranti, Wardha Farmer Family Project, Water Management, Vijay Vidharbha

Impact **15,655 Beneficiaries**

Wardha Family Farming Project | M&M Ltd.

Total Acreage: **1,003**

Farmer families benefitted: **751** (with annual churn rate of 2%)

No. of villages covered: **79**

Designed in partnership with the Naandi Foundation, the Wardha Family Farming Project is a transformational agrarian solution that will not only deliver sustainable local nutritional security but also assure prosperity of small and marginal farmers in the distressed Vidarbha region of Maharashtra. The project disrupted the culture within agriculture through 5 critical interventions:

- 1 Changing the annual mono-cropping culture to high value horticulture orchards. Premium value nutrition crops like pomegranates were introduced
- 2 Complete transition from chemical intensive farming to chemical free bio-dynamic farming that nurtures the soil and creates positive value for the environment and the farmer year on year
- 3 Introducing land preparation and drip irrigation methods to address the unpredictable weather, resulting in climate resilient agriculture
- 4 Bringing in biodiversity and farmer family nutrition benefits through border crops like Moringa and enabling additional incomes through intercropping regimes
- 5 Facilitating market stability by creating productised value rather than general commodity value by ensuring all farmers in the programme are organically certified



CASE STUDY

Trringo - Taking mechanisation to farmers

Problem

Mechanisation in agriculture leads to increased productivity and reduced costs, but farmers in India had little or no access to mechanisation. Investment in these assets and technology further led to heavy financial burden.

Solution

In FY 2015-16, FD launched Trringo - India's foremost organised farm equipment rental service. It operates as a franchisee based model which effectively brings in new-age digital technology to the tractor rental business. This has significantly increased the reach of farm mechanisation and enabled digital empowerment of farmers of India. It also helps farmers, who cannot afford their own tractor and equipment, to rent the same directly with ease.

The first Trringo custom hiring centre was started in Koppal, Karnataka. As part of an MoU signed with the Government of Karnataka, 101 custom hiring centres have been set up in the state.



Trringo operates on a dual business model.

- The first is a franchisee model where Trringo functions as an enabler platform and processes orders through the nearest franchisees through location mapping. This model supports easy accessibility and service through a dedicated app and toll-free number. The franchisees can also tie up with tractor owners to rent out their equipment to farmers on a commission basis.
- The second is a C2C model, which lets large farmers who own expensive, high-end equipment rent out their assets through Trringo. This has helped in optimising utilisation based on seasonality, cutting across geographies. The asset owner is connected to the user using the app and by virtue of national brand awareness.

Benefits

Trringo is a resounding success and has recorded 18,000 working hours on field. In its first year itself, the platform has impacted 12,000 farmers and continues to empower them by reducing financial burdens and increasing farm mechanisation in Indian agriculture.

■ GRAM VIKAS

Objective Village Development	Flagship Endeavour Integrated Rural Development Programme - Boosting livelihood opportunities and capacity building of the farmers and rural youth
----------------------------------	---

Impact **74,427 Beneficiaries**

Integrated Village Development Programme | Palghar, Thane

The IVDP has impacted the lives of 924 households and 4,620 beneficiaries by empowering the villagers, including women, in following ways:

- Regular tailoring and poultry classes; 72 sessions completed with 18 tailoring and 10 poultry students passing the test
- Digital learning facility at one school • Construction of 95 toilets
- 12 health camps and 5 eye camps • Cancer camps for 400 women
- Anaemia detection and treatment camps for 8,000 women
- Formation of 205 SHGs consisting of 572 women
- 36 participants for the farmer field visit
- 50 capacity building sessions for 79 farmers
- Planting of 16,770 trees



Conserve Today for Water Tomorrow | FD, Nagpur Plant

To tackle the acute water shortage issue in the Vidarbha region, FD Nagpur joined hands with the Dutta Meghe group of institutions to enhance the confluence of rivers Veena and Durga by silting and other activities. The team has planted more than **750,000 trees** in the last eight years in the Vidarbha region.

Transforming the nation, one village at a time | M&M Ltd.

We take pride in functioning as The Rural Development Fellows (RDFs), selected under the Maharashtra Village Social Transformation Foundation, which is a path-breaking public-private partnership between the Government of Maharashtra and India's leading corporates and philanthropic organisations.

It supports holistic progress of **1,000 villages** and aims to plug developmental gaps in rural Maharashtra, thus contributing to nation building. We participated in the inauguration ceremony of the Rural Development Fellowship at Pune, and pledged to undertake social transformation across villages in India.



■ HARNESSING RAINWATER - AD, NASHIK

The AD, Nashik was called upon by the district administration to support the Jalyukta Shivar drive at the Chandwad Taluka of Nashik district, to create adequate rainwater storage facilities in water starved areas before the onset of monsoons. The reaction time was short considering the monsoons were predicted to arrive in around one month's time. Our team at Nashik acted immediately and began widening and desilting of nullahs and streams across four locations of Chandwad Taluka. The project was monitored round the clock by our volunteers deployed on site and was successfully completed on time.

Impact **Capacity of 500,000 KL created**

Other Initiatives

Mahindra Saarthi Abhiyaan | MTBL

Mahindra Saarthi Abhiyaan was born in FY 2015 to address the issues of higher education of girls within the HCV driver community. This year, **1,000 scholarships of INR 10,000 each** were awarded to daughters of HCV truck drivers who have successfully completed education up to Standard 10th and are continuing with further studies.



EHS+ | M&M Ltd.

An EHS+ centre was established for training small and medium enterprises in the industrial sector, with an aim of promoting environmental sustainability. In FY 2017, **676 participants** were trained, raising the cumulative number of trained individuals to 1,555.



We Support the Army | M&M Ltd.

The existing buildings of the Army Institute of Management, Kolkata (AIMK) were old. There was a need to construct a hostel building at the existing location of AIMK to provide better living to the students (boys) residing in hostels, till the time the institute moved to the new campus.

■ **A sum of INR 2.5 million was donated by M&M Ltd. for the construction of the building.**



Participation in Esops Awards

The Esops awards are held every year to encourage competition in volunteering, motivate more employees to volunteer, and drive a positive change in society through the joy of giving.

This year the winner under the Factory Location category was AFS, Auto Division, Nashik for their Project Prayaas, which helped HIV-AIDS infected individuals.



The award in the Non-Factory Locations category was presented to Mahindra Agri Solutions Ltd. for conducting multiple eye-camps under project Navdrushti.

Nanhi Kali



In FY 2016-17,
the project supported the education of

130,751 girls

Of these, 13,432 girls were supported by M&M while Mahindra Group supported 60,420 girls. Other corporates & individuals supported the balance number of girls.

Key Highlights

- 10% increase in the learning outcomes of girls at Project Nanhi Kali.
- Dropout rate of girls for secondary school is over 60% at National level, which is reduced to less than 10% at Project Nanhi Kali.
- As of date, 14,663 Nanhi Kalis have successfully completed their education till grade 10.

EDUCATIONAL SUPPORT

Education is a single tool that empowers, drives positive change, and ensures a progressive society. Transforming lives through education ensures eradication of numerous social evils and augmentation of communities. At Mahindra, we are steadfast in our interventions in education and continuously strive to make quality education accessible in the marginalised sections of the society.

Through educational support we:

- Support girl children in achieving their dreams and living a life of dignity.
- Provide vocational and skill-based training and enhance employment opportunities.
- Provide scholarships and monetary assistance to deserving children from economically weaker sections.

Project Nanhi Kali

Our flagship girl education project, it was instituted by the K.C. Mahindra Education Trust, in partnership with the Naandi Foundation. It provides educational support to girls from the financially weak families, spans across 30 districts from 12 states, and actively works with 19 NGOs.

The selection of Nanhi Kalis is based on several aspects such as the family income, parents' educational portfolio, social background, and the child's aptitude.

The project has a sponsorship support programme with international arms in the US and UK to extend its reach and empower more girl children in India to realise their dream of an education.

Mahindra Pride School

The MPS aim to transform youth from marginalised communities through livelihood training programmes that enable them to find employment opportunities in high-growth service sectors.

5,024 students trained in FY 2017.
8 MPS have collectively trained a total of 20,351 students till date.

Additionally, 24,990 students were trained through the Mahindra Pride Employability Enhancement Module which was rolled out in 600 classrooms in Polytechnics and Arts & Science Colleges across 3 states- Tamil Nadu, Kerala & Maharashtra.



Placements

- 100% placements in every batch with reputed organisations is the key highlight of MPS. This year, we saw a host of new recruiters like K-Cube Comm., VIVO mobile etc, across our campuses.
- Average monthly starting salary per batch of MPS has increased to INR 12,636 per month
- Over 55% of the students found employment in the ITES, while 24% found meaningful employment in the hospitality sector



SUCCESS STORY

Inspiring to Aspire

Kanmani lost her father, an auto rickshaw driver, when she was just three years old, leaving her uneducated mother to fend for three young daughters. Her mother used to sell flowers on Marina beach in Chennai to feed her children. When Kanmani turned five, she was enrolled in a government school where she was guaranteed one meal a day.

From the age of 10 she started selling flowers after school to supplement her meagre family income. Since she got good grades in Class XII, her mother decided to put her through college. After completing her Bachelor's in Commerce from a government college, Kanmani commenced work at a small grocery store for INR 5,000 a month.

She fortuitously met a Mahindra Pride School alumnus, who inspired her to enrol as a student. Kanmani cleared the entrance test and interview, and pursued a 90-day free course, along with a daily nutritious lunch and a bus pass. The institute instilled both knowledge and skills, through a plethora of confidence boosting and self-esteem building measures.

Kanmani excelled at her very first job interview and was recruited by a leading BPO at a monthly salary of INR 17,000. Kanmani now earns INR 250,000 annually and has inspired over a dozen poor but aspirational youngsters like herself to enroll in Mahindra Pride School.

Kanmani excelled at her very first job interview and was recruited by a leading BPO at a monthly salary of INR 17,000. Kanmani now earns INR 250,000 annually and has inspired over a dozen poor but aspirational youngsters like herself to enroll in Mahindra Pride School.



Testimonials by Employers

“ I came here for an interview session and found that the students were very good and well groomed. They had excellent knowledge of their subject. All the best, team Mahindra, I will come again for more hiring.

Junaid Iqbal | The Khyber Himalayan Resort & Spa

“ It was a great association with Mahindra Pride Schools. Students who have passed out from MPS are very hard working and are value addition to any organisation. Thanks for supporting us for our manpower requirements. Best of luck and keep doing the good work for society and country.

Dilip Gautam | Reliance Retail

Mumbai Public Schools

Mahindra has been supporting the 'Mumbai Public Schools' programme, implemented by Naandi Foundation to provide quality English Medium education to underprivileged children, since FY 2013-14. The Foundation runs these Mumbai city corporation's English-medium schools.

16,188 students were provided quality English education through 28 schools.

19% increase in enrolment of students

96% retention rate of students

SCHOLARSHIPS AND GRANTS

K.C. Mahindra Scholarships for Postgraduate Studies Abroad

The K.C. Mahindra Scholarship for Postgraduate Studies Abroad (instituted in the year 1956) is an interest-free loan scholarship awarded to deserving graduates interested in pursuing their postgraduate studies overseas.

In the FY 2016-17, 47 students were awarded a scholarship of INR 400,000 each. In addition to this, the top three candidates (the K.C. Mahindra Fellows) were awarded scholarships of INR 800,000 each.

Total amount disbursed during FY 2016-17: **INR 21.2 million**

The total number of scholarships given till date: **1,251**



Mahindra All India Talent Scholarship (MAITS)

Instituted in 1995, Mahindra All India Talent Scholarships are awarded to students from economically backward sections to enable them to pursue a job oriented diploma course at a recognised Government Polytechnic Institute in India. 550 scholarships were awarded in FY 2016-17. Till date 8,553 students have been awarded MAITS.

Total amount disbursed during FY 2016-17 is **INR 14.8 million**

KC Mahindra UWC Scholarship

This scholarship enables deserving students to study at the United World Colleges, and in particular, the Mahindra United World College, Pune. During FY 2016-17, four students were awarded this scholarship amounting to a disbursement of INR 5.98 million.

Total amount disbursed during FY 2016-17 is **INR 103.35 million, benefiting 93 students**

Mahindra Search for Talent Scholarships

This scholarship which rewards excellence in academics has been set up in 38 institutions in India. In addition, students who receive the Mahindra Search for Talent Scholarship for two consecutive years also receive the Honours Scholarship Award comprising a cash prize of INR 5,000 and a citation from the Trust.

HEALTH SUPPORT

Access to quality medical care across the lesser privileged sections of the society is the pressing need of the hour. Absence of medical facilities coupled with poverty and other social evils is the main cause of misery and untimely deaths in these communities. By bringing basic healthcare to the remote and underprivileged areas, we strive to ensure good health and raise the standard of living.

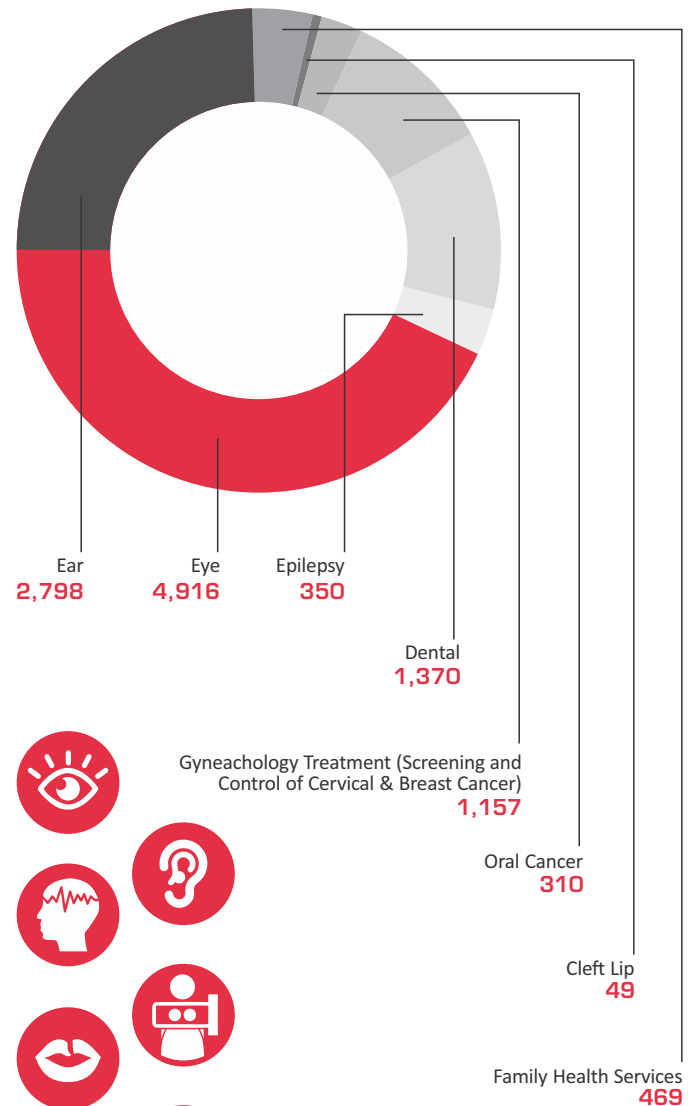
Lifeline Express

Lifeline Express - the world's first hospital on rails, is a wide-ranging healthcare project designed to provide free medical services to those belonging to economically weaker sections in geographically remote territories. M&M provides financial support to this initiative and constantly monitors its on-ground impact.

■ LIFELINE EXPRESS, SATNA

- Two new coaches were added this year making Mahindra Group the first corporate to sponsor a seven-coach Lifeline Express in India.
- Family planning and gynaecology were introduced for the first time.
- First cancer surgery on train was successfully conducted at Satna by Dr. Pankaj Chhaturvedi from Tata Memorial Hospital, Mumbai. The patient was admitted to Birla hospital, Satna, and the post operation treatment was borne by the state government.
- The project attracted immense support from the local administration and colleges.
- Throughout the project, five employees from the Mahindra AFS offices and Mahindra Finance enthusiastically participated in all phases of the project.
- Esops volunteers invested 30 man-hours in the project; right from the publicity of the project till the final project phase

No. of Patients Visiting OPD Lifeline Express



Total beneficiaries

11,419

the highest number for a Mahindra supported project till date



CULTURAL CONTRIBUTION

Cultural activities connect people from across the hierarchies of the society. A cultural celebration is thus, a melting pot of diversity- making them vital tools of communication, means for entertainment, and drivers of social change, simultaneously. At Mahindra, we take extreme pride in hosting such initiatives and adding value to the cultural richness of India.

Mahindra Excellence in Theatre (META)

META aims to connect with the communities through a week-long festival, specifically designed to showcase the best of theatre from across the country. It promotes all aspects of theatre such as playwriting, scenic designs, light and costume designs, direction, and performance.

The META awards celebrated its 12th edition in March 2017, and showcased 10 productions, which included plays like Mahabharata in English, Hindi, and Kannada, I Don't Like It As You Like It in English, Bhima in English and Malayalam, Awdydo Shesh Rajani in Bengali, Dhumrapaan in English and Hindi.



Mahindra Sanatkada Lucknow Festival

At Mahindra, we believe that our rich culture, arts, and history are crucial foundations of a progressive society. Our annual Mahindra Sanatkada Lucknow Festival focusses on conserving our heritage and celebrating the grandeur of our tradition.

Organised in association with Sanatkada, a not-for-profit crafts collective, the festival spans across four days and attracts connoisseurs of cuisines, poetry, music, dance, arts, literature, and traditional crafts. Visitors are treated to informative history tours, interesting literature and poetry sessions, and a scrumptious spread of cuisines every February. The festival is a platform for the artisans and master craftsmen from across the world to showcase their skills.



Mahindra Blues

The seventh edition of Mahindra Blues, Asia's largest blues festival, was a Yale University certified, Platinum Level green event this year. We undertook numerous initiatives this year to earn this certification. They are listed below:



- Transportation Cycle stands were provided at venue to encourage the audience to commute by bicycles
- Reduced stationary and handouts - electronic announcements, tickets through online platforms, no handouts at venue
- Catering - use of compostable cups and glasses, reduced use of plastic cutlery, donation of leftover food to NGOs, Signage at venue to boost use of bio-degradable cutlery.
- Waste management - Recycling bins used, donation of leftovers, proper waste disposal
- Created Awareness on the benefits of sustainability practices
- Clear instructions on waste segregation and quick facts on recycling were provided at the venue.
- People were educated with 10 smart things to do at home to be more sustainable



A world-class festival with a world-class line-up, this year the festival was a bigger and better experience for the fans with a star-studded line-up of artists including three-time Grammy nominee Shemekia Copeland, 'blues prodigy' Quinn Sullivan, Americana soul singer Janiva Magness, Mumbai-bred Blackstratblues, vocal-powerhouse Grainne Duffy, the Supersonic Blues Machine featuring Billy Gibbons of ZZ Top fame, and blues-rock guitarist Eric Gales.

Mahindra Kabira Festival

The Mahindra Kabira Festival, held in Varanasi, is the newest addition to our cultural contributions. The festival is an extension of our values of equality and dignity, and stands for the essential sense of inclusiveness, which the poet Saint Kabir preached in his poetry.










RELATIONSHIP CAPITAL

Relationships get enriched and strengthened through consistent engagement. At Mahindra & Mahindra, stakeholder engagement is not a tick-box exercise but a well-thought-out strategy to establish personal connection with the stakeholders and get real-time feedback about their legitimate expectations from us. As value creation becomes a more dynamic and collaborative exercise, maintaining open channels of communication helps shape our strategies, plans and performance accordingly.

We believe that each and every stakeholder's point of view is important, be it the supplier, customer, employee, investor, or community. Hence, to that end, we willingly listen and discuss issues of interest to our stakeholders.

STAKEHOLDER ENGAGEMENT MECHANISMS

We keep evolving our engagement modules to be in sync with the changing times and develop platforms best suited to the stakeholders.

STAKEHOLDER GROUP	ENGAGEMENT CHANNELS
 Government/ Regulatory Authorities	Environmental Compliance, Policy Intervention
 Employees	Conferences, workshops, publications, newsletters & reports, online portals, feedback surveys and one-to-one interactions, employee involvement in CSR activities
 Customers	Interviews, personal visits, publications, mass media & digital communications, feedback camps, plant visit and support programmes
 Suppliers & Dealers	Supplier & vendor meets, workshops & trainings, audits, policies, IT-enabled information sharing tools, and recognition platforms
 Investors/Shareholders	Annual report, sustainability report, press releases, investor presentations, corporate website, quarterly and annual results
 Local Communities	CSR activities
 Educational Institutes/ Universities	Technical Collaboration, Capacity Building, Research

Employees

Engaged employees form a positive connect with the organisation, which affects their attitudes towards their work and improves their productivity and customers satisfaction. At Mahindra, we consider our employees as partners in progress. A two-way interaction with our employees, hence, happens most naturally at our units. While we share the organisation's vision, mission, culture, and business roadmap with enthusiasm, we also listen to their expectations and personal objectives with open ears. Some of the key engagement initiatives in FY 2016-17 period include:

ANNUAL SUSTAINABILITY SUMMIT

The Annual AFS Sustainability Summit 'SUSTAIN 2016' was organised with the objective of sharing insights on integrating sustainability in business. 100+ champions from AFS & other group companies participated in this event. **Various sessions on 'Water Security', 'Waste Management - Circular Economy', 'Life Cycle Assessment', 'Sustainable Supply Chain' & 'Biodiversity' were also by the experts from TERI, TRINI, CII & Thinkstep.**

OPEN FORUM

An open communication forum, 'Khula Manch' was organised at FD Kandivali, where senior leadership team shared the plant's performance and way ahead.



DOCTORS' MEET

The 3rd AFS Doctor's meet was held at AFS Zaheerabad with **"Mental Health & Psychological Wellbeing"** as the theme. During the meet, key insights and anecdotes on the impact of lifestyle, technology and social media on mental health were shared with the employees.

Customers

Organisations are dependent on their customers. They are the resources on which the success of the business depends. We engage with our customers, listen to their point of view, and address their needs. Some of the key customer engagement initiatives in the reporting period include:

■ NEW DIGITAL ENGAGEMENT PLATFORM

As part of its comprehensive digital engagement strategy to take customer ownership experience to the next level, Mahindra & Mahindra launched two new age digital platforms - **SYOUV** and **With You Hamesha**. While SYOUV is one-stop solution to address customer needs in the pre-purchase phase, 'With You Hamesha' platform will ensure a superior vehicle service experience to its customers.



■ MYAGRIGURU APP

Mahindra Agri Solutions launched a new mobile app, MyAgriGuru to enable farmers to make informed decisions at every stage of the farming process. This will help them boost both agricultural productivity and farm incomes. The platform connects the farmers and agriculture experts across the country.



Local Communities

Proactive and sustained engagement helps us to strengthen our relations with the community and helps us contribute to their well-being. We follow a strategic approach to community engagement that aligns development priorities of local communities with the goals of the business, be it gaining a licence to operate, enhancing our reputation or improving productivity.

For details on social performance, please refer to the Social Capital Section.

Suppliers

We go beyond just a transactional relationship with our suppliers. They play a crucial role in accelerating our growth and in the overall business development. Hence, we engage with them in various capacities to ensure a good, long-standing relationship.

We have a detailed policy on conducting business with suppliers and vendors, and also a Sustainable Green Supply Chain Management and Procurement Policy- Both of which can be found on our internal supplier-centric portal: <https://supplier.mahindra.com>

Some of the key engagement initiatives taken up in FY 2016-17 are:

■ ANNUAL SUPPLIER CONFERENCE 2016

Automotive & Farm Sectors' Annual Supplier Conference 2016 was held in Barcelona, Spain with the theme 'Raise the Game'. The objective of the conference was to share the strategic plans with suppliers and aligning them with the goals of the business.



The speakers also unfolded strategy and shared the way forward for their respective businesses. **The conference was attended by the AFS dignitaries along with 262 delegates from supplier organisations across the globe.**



■ SUPPLIER E-LEARNING FOR AFS SUPPLIERS

The first-of-its-kind live online Sustainability Session was organised for M&M AFS Suppliers using MVARTA platform from Mahindra Towers, Kandivali. The aim of e-learning session was to enhance outreach to a wider supplier base. **A total 65 people from 49 AFS suppliers participated from their own facilities. Prior to this online session, 10 Sustainability Awareness Workshops were conducted onsite across different locations covering 466 suppliers.**

■ SUPPLIER MEET

FD SCPC organised Supplier Meet for Mumbai-based suppliers at Kandivali Plant where they were explained about the new supply chain management system of Hub Buying and the achievements of the Mumbai Hub in the last two years. The suppliers were also guided on the benefits of digitization (smart factory) and Industry 4.0 in the long-run.

Dealers

Our dealers are much more than a channel to our customers. They expedite response time, enhance company reach and help our customers derive more value of our products and services. It is critical to engage with them because they are the face of the company. Some of the key engagement initiatives taken up in the FY 2016-17 include:

■ ANNUAL DISTRIBUTORS' CONFERENCE

Spares Business Unit organised a three-day Annual Distributors' Conference in Macao to celebrate distributors' performance outdoing industry performance, discuss new business avenues and their development, and setting up aspirational target of INR 1,000 Cr to the distributors for the current financial year. The event witnessed overwhelming participation from all the distributors.



■ MAHINDRA STARS MEGA MEET

Mahindra Stars National Conference was held to felicitate outstanding performance of the dealers and contribution to the business. Dealers were also made aware about the Global Rise story of Mahindra Tractors and the Farm Division CVP (customer value proposition) through a talk. **The conference was attended by 2,000 of the best field force from FD dealerships, who converged at the venue.**



Online Footprint

In today's highly digitised world, it is imperative that brands sit up and take a serious note of their online presence. While brands make every possible effort to engage with their stakeholders in the real world, they need to put in equal, if not more, effort in building and sustaining the same healthy relationship in the digital space.

At Mahindra, we value our online presence and take steps to nurture a healthy and beneficial relationship with our online stakeholders. Following is a glimpse of the social media statistics for Mahindra Rise, our corporate brand handle.

Number of followers on:

f 875k

t 1.1 million

in 119k

We are the
10TH
largest Indian brand
(in terms of followers)
on Twitter and
5TH
fastest growing
Indian brand in June

We are the
2ND
largest automotive brand
(in terms of followers)
on LinkedIn

In the last 6 months,
our LinkedIn posts
have reached
**ONE MILLION
PEOPLE,**
and in the process garnered
17,000 LIKES

In the last 6 months, our
FB posts have reached
**8.1 MILLION
PEOPLE**
and in the process garnered
1.6 million reactions (likes,
loves), 9,000 comments,
and 91,000 shares

Our website Mahindra.com gets

Close to half a million
users and
1.5 MILLION
page views a quarter

10,000+
downloads every month

On an average people
spend more than two
minutes on the site

HOW WE PLAN TO ENHANCE VALUE

STRATEGY AND RESOURCE ALLOCATION

Amidst the crests and the troughs, business must go on as usual. As an organisation with a legacy stretching over 70 years, we have witnessed many micro and macro-economic shifts and have emerged stronger and wiser from each. More experience we accrue, the readier we are for the future.

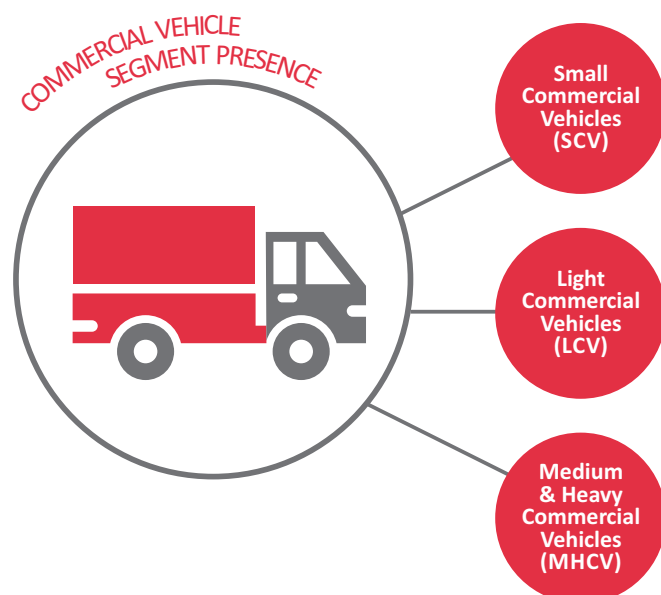
In today's fast-evolving world, risks and opportunities arrive simultaneously and one needs to respond to them concurrently. The core focus of our strategy is to leverage emerging opportunities and ensure that we cater to evolving customer needs. We also remain nimble so that we can respond in real-time to any unexpected developments.

On an individual division level, the AD and FD have strategies that are customised to the inherent nature of their specific industries and customers:

Automotive Division

We are present both in the personal vehicles and commercial vehicles segment.

In the personal vehicles category, we have focussed on Utility Vehicle, and we are the only Indian OEM to be present in every segment of the UV market.



The only gap in the portfolio is ICVs (Intermediate Commercial Vehicles), which will be addressed in the times to come.

Going forward, we aim to focus on

- **Untapped Customer Segments** • **Innovation & Digitisation**
- **New-age Business Models** • **Strategic Collaborations**

Untapped Customer Segments

Our latest launches - the TUV300 and KUV100 are in the compact UV (UV1) category, which expands our market to include first-time car buyers, who otherwise would not have bought a Mahindra vehicle.



Digitisation & Innovation

• This year, we introduced the one-of-its-kind connected platform-DiGiSENSE, offered Unique Value Propositions for our consumers like mileage guarantee on Blazo truck, and launched driver-friendly technologies like Smart Shift

• Over the past two years, we are working on de-risking our reliance on one fuel type by developing petrol engine options for all our products.



KUV100 became our first product to be launched with both diesel and gasoline option.

The gasoline engines are developed by the company in collaboration with our Korean subsidiary, Ssangyong Motors.

• Mahindra Research Valley, built with an investment of INR 10,000 Crore and powered by 2,700 engineers, is helping us deliver new products and technologies

Collaboration

• Creating global design and development capabilities via global centres of excellence

• We are also collaborating with Ssangyong to leverage synergies in the area of new product / platform development, procurement and accessing overseas market.

New-age Business Models

• Participating with rental car aggregator system like Ola etc.

• Focusing on global market and strengthening global footprint

Farm Division

We are not only the market leaders in domestic market, but also the world's largest tractor manufacturer (by volume). We have been proactively shaping the market by launching versatile and technologically sophisticated tractors and enhancing driver comforts.

Over the last three years, we have launched new products (Arjun Novo, Yuvo etc.) in the popular 30-50 HP segment.

This has resulted in our market share rising to 42.7% - the highest ever till date.



We plan to continue launching new products under both brands -Mahindra and Swaraj. The strategy of two brands and one organisation at the top level has helped us to benefit from both entrepreneurial drive at the field and synergy through common procurement and business processes.

In addition to maintaining our leadership in existing product markets and grow our market share in other markets, we aim to:

Build technologically sophisticated, versatile tractors

Expand the range like in the 24 HP JIVO tractors which cater to the growing segment of horticulture and row crop farming

Invest in new-age business models like Trringo - India's first tractor & farm equipment rental business

Cascade the DiGiSENSE platform in Tractors

Expand in newer markets like Mexico, Brazil, Turkey, Japan etc.

Pursue inorganic growth and enlarge the product domain with strategic stake like in MAM, Sampo Roselnew, Hisalrar etc.

Explore areas like precision farming

Innovate with driverless tractors and artificial intelligence



We are confident of maintaining our market leadership position in the domestic market and expanding our presence across international markets. With start-up initiatives and diversification into non-tractor farm machinery included, we are Future Ready.

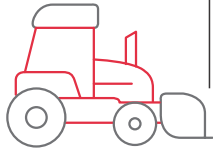

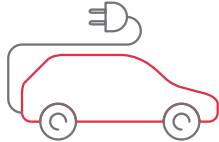
OPPORTUNITIES & OUTLOOK

The Automotive and Farm Equipment Sectors of M&M Ltd., continue to focus on creating products and technology led services, which enable customers and stakeholders to Rise. Through customer-centricity, frugal innovation and enhancing people capabilities, we are consolidating our leadership position in the domestic market while pursuing global expansion.

Mirroring the tumults and exultations of the global environment, FY2016-17 was a year of headwinds and tailwinds for the Indian economy as well as our business.

Headwinds	Tailwinds	What We Are Doing
Lower utilisation of industrial capacities	A buoyant farm sentiment due to an abundant monsoon after over two years of deficient rains, and an increase in Minimum Support Prices. Plus, the government's publicly stated goal to double farm income by 2022.	M&M is focussing on delivering 'Farm Tech Prosperity' to the Indian farmer, through development and launch of technologically advanced tractors, agri-machinery and holistic farm solutions. This is not only helping us strengthen our relationship with farmers but also enhancing the potential for revenue growth in the future.
Unprecedented competition in the UV segment from foreign as well as domestic players	The Passenger Vehicle segment, has demonstrated a clear shift towards preference for UVs, with UVs accounting for 25% of PV sales in Financial Year 2017. In the Commercial Vehicle (CV) space, India Origin OEMs continue to hold a large share of 97.1% of the domestic market.	We strengthened our UV portfolio with the launch of the Bolero Power+, 100HP variant of the TUV300 and Automatic variant of the XUV500. The launch of UVs with car-like comfort, fuel economy and competitive prices have led to increased preference for our UVs and is attracting prospective sedan buyers to consider UVs.
Demand slump due to demonetisation	The government's push on reforms continues and long-term positive impact of the demonetisation and introduction of GST will bear rich dividends	We continue to link our growth with the development of India, and support and spearhead the Indian Government's projects like Make In India as well as social interventions like Swachh Bharat Abhiyan.
Stressed balance sheet of banks	The Reserve Bank of India as well as the Indian Government have introduced a number of measures to support the banks in addressing their NPAs. In addition, the easing of monetary policy by RBI increased the affordability of finance.	M&M + MVML is a Zero Net DE ratio Company. We continue to manage and nurture our financial capital with a balance of cost optimisation and placing competitive but calculated bets on future growth.
Growing concerns over air pollution, road safety, sustainability and urban congestion, among consumers and society at large, are driving regulations and policies for motor vehicles and urban development.	With an objective of improving air quality and reducing the fuel import bill, the Government is very aggressively pursuing EVs. There is an ambitious target that by 2030, not a single petrol or diesel car should be sold in the country.	As a pioneering electric vehicle manufacturer in India, we are ideally placed to cater to the enhanced demand of the consumer as well as the government. We have already begun focusing on strengthening the EV portfolio, the infrastructure required to run it and enhancing the comfort, stability and safety of the vehicles. We are also forming strategic partnerships with cab aggregators to promote EVs.

Focus Areas

FARMING 3.0	GLOBALISATION	SUSTAINABLE MOBILITY
<p>Smart Farm Machinery Micro Irrigation Precision Farming Digital Platforms Partnering Stakeholders</p> 	<p>M&A Manufacturing Footprint R&D Network Brand & Sales Infrastructure</p> 	<p>Clean Convenient Connected Clever Cost Effective</p> 

#FUTURise

Futurise shapes our ambition to transform ourselves into a global innovation powerhouse driven by technology. Our approach to innovation is rooted in three guiding principles that bind us and form our core belief.

Do More with less. Do it together. Do it for all.

This 3D-framework empowers us with purpose and direction. It guides all our business investment actions and embodies our commitment to our people and the planet. This will equip us to compete with the best in the world and fulfil our aspiration to be one of the world's 50 most admired global brands by 2021.

ANNEXURES

HOW WE CONTRIBUTE TO THE SDGs

At Mahindra, we have always been enthusiastic and committed participants in addressing global sustainability issues. Mr. Anand Mahindra, as the representative of the corporate world at the Paris Climate Agreement, urged countries to move quickly and join the Agreement. In April 2016, we became the first Indian company to sign up for EP100, a global campaign, wherein we committed to double our energy productivity by 2030. As an organisation, we support the SDGs and a host of our programmes, initiatives along with some of our businesses are aligned to contribute towards the achievement of these goals.

1 NO POVERTY 	Health Support and My Agri Guru App Page 83, 86	2 ZERO HUNGER 	Tractor & Agri Business Page 19, 45, 46	3 GOOD HEALTH AND WELL-BEING 	Lifeline Express Page 83
4 QUALITY EDUCATION 	Nanhi Kali Page 74, 75, 81, 82	5 GENDER EQUALITY 	Nanhi Kali Page 74, 75, 81, 82	6 CLEAN WATER AND SANITATION 	Swachh Bharat Initiatives Page 75, 78
7 AFFORDABLE AND CLEAN ENERGY 	Mahindra increasing its Renewable Energy Portfolio Page 26, 29, 38, 65	8 DECENT WORK AND ECONOMIC GROWTH 	Mahindra Pride Schools Page 73, 74	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Mahindra Research Valley Page 15, 88
10 REDUCED INEQUALITIES 	Watershed Development Programmes Page 79	11 SUSTAINABLE CITIES AND COMMUNITIES 	Mahindra Research Valley and Village Development Page 15, 80, 88	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Mahindra Electric Page 12, 18, 36
13 CLIMATE ACTION 	Declaration of Carbon Price Page 38, 60	14 LIFE BELOW WATER 	River Cleaning Projects Page 76, 80	15 LIFE ON LAND 	Biodiversity Initiatives Page 63, 64
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Integrated Watershed Programmes and Village Development Page 79, 80	17 PARTNERSHIPS FOR THE GOALS 	Partnerships Page 13		

Note: Not an exhaustive, but an indicative list of the programmes being run by Mahindra & Mahindra which are aligned to the SDGs.

NATURAL CAPITAL

Denominators for calculating the specifics

Business	Unit of Measure	Denominator			Change in 2016-17 over previous year
		2014-15	2015-16	2016-17	
Automotive Division (AD)	Equivalent number of vehicles Manufactured	335,055	341,387	330,710	3.13% ▼
Farm Division + Swaraj Division (FD+SD)	Equivalent number of Tractors Manufactured	345,318	332,577	423,592	27.37% ▲
Spares Business Unit (SBU)	Tonnes of Packaging Material	7,188	6,691	7,356	9.94% ▲
Mahindra Research Valley (MRV)	Full time Equivalent Employees	2,530	2,530	2,815	11.26% ▲
Swaraj Foundry Division (SFD)	Tonnes of Production	21,172	21,838	29,231	33.85% ▲
Nashik Plant Dies (NPD)	Equivalent dies	403	327	559	70.95% ▲
Corporate Centre (CC)	Area of facility in sq. m.	14,680	14,680	14,680	Un-changed

Note: Across the report, the abbreviation will be used to denote the respective businesses.

GHG

GHG Emissions Segmented by Source

Scope 1 (Direct Emission) Source	2014-15	2015-16	2016-17
Diesel/HSD	15,597	14,602	16,561
FO	506	338	205
LPG + (Bharat Metal Cutting Gas)	3,614	3,480	3,652
Natural Gas + CNG	15,183	15,914	16,053
Petrol	396	547	713
Propane	2,978	3,171	4,909
Grand Total	38,274	38,051	42,093

GHG Emissions segmented by Source

Scope 2 (Indirect Emission) Source	2014-15	2015-16	2016-17
Electricity Purchased	214,093	204,272	211,958

GHG Emissions segmented by Source

Scope 3 (Other Direct Emission) Source	2014-15	2015-16	2016-17
Inbound Logistics, Outbound Logistics, daily commutation, air travel, paper consumption	217,854	214,362	464,935

Note: Last year our businesses were not reporting on all the routes of Inbound and Outbound logistics. In the current year, they have covered all routes; resulting in an increase.

GHG Emissions Division-Wise Composition

Business	2014-15			2015-16			2016-17		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
AD	18,713	96,302	129,135	18,620	95,948	172,747	20,024	87,465	385,049
FD+SD	14,362	65,856	69,156	14,000	61,594	35,221	15,819	70,720	65,917
SBU	179	978	4,143	143	1116	4,963	77	1611	13223
SFD	952	19,312	806	873	20337	780	1,119	25,427	202
NPD	15	1,887	10	27	1929	9	27	2,432	5
MRV	4,051	19,677	14,603	4385	20819	642	5,026	21,844	539
CC	DNA	2,471	DNA	DNA	2,529	DNA	DNA	2,460	DNA

Note: DNA – Data Not Available

Air Quality

Ambient Air Quality 2016-17

Business	PM 10	PM 2.5	SO _x	NO _x
NAAQ LIMITS- 2009	100	60	80	80
AD	41.5	17.14	5.45	9.01
FD+SD	54.8	18.76	2.31	9.1
MRV	60.89	14.74	4.8	6.57
NPD	27.5	43.5	0.67	0.00
SFD	13.87	5.75	1.44	0.99

Air Emissions (Stacks) 2016-17

Business	TPM	SO _x	NO _x
AD	12.73	138.00	38.53
FD+SD	1.57	7.32	20.75
MRV	6.14	29.54	135.70
NPD	0.00	0.07	0.00
SFD	0.02	0.01	0.54

Total Specific Emissions (Scope 1+2) tCO₂

Business	2014-15	2015-16	2016-17	% Reduction in 2016-17 over previous year
AD	0.343	0.336	0.325	3.27%
FD+SD	0.232	0.227	0.204	10.00%
SBU	0.161	0.188	0.229	-22.07%
SFD	0.957	0.971	0.908	6.47%
NPD	4.718	6.000	4.398	26.70%
MRV	9.379	9.962	9.545	4.18%
CC	0.168	0.172	0.168	2.56%

Total Energy Consumption by Sector GJ

Sector	2014-15	2015-16	2016-17
AD	758,494	767,753	748,125
FD+ SD	506,721	484,969	563,991
SBU	6,712	5,636	8,116
SFD	976,33	101,201	126,875
NPD	8,482	8,837	11,039
MRV	141,647	148,053	164,655
CC	10,880	11,115	10,801

Energy

Absolute Energy Consumption GJ

Parameter	2014-15	2015-16	2016-17
Direct	599,415	600,258	662,752
Indirect	931,154	928,507	970,851
Total	1,530,569	1,528,765	1,633,603

Specific Energy Consumption GJ

Sector	2014-15	2015-16	2016-17	% Reduction in 2016-17 over previous year
AD	2.264	2.249	2.262	- 0.6%
FD+ SD	1.467	1.459	1.331	8.7%
SBU	0.934	1.022	1.103	-8%
SFD	4.611	4.635	4.340	6.4%
NPD	21.048	27.109	19.748	27.2%
MRV	55.987	58.52	58.492	0.05%
CC	0.741	0.758	0.736	3%

Total Energy Consumption by Source GJ

Source	Energy Consumed 2016-17
Electricity Purchased from Grid	959,291
LPG	57,965
FO	2,649
Diesel/HSD	223,501
Natural Gas + CNG	286,147
Petrol	10,292
Propane	79,686
Renewable energy source	14,072

Energy Savings GJ

Source	2016-17
AD	34,222
FD + SD	64,767
NPD	1,058
SFD	2,851

Energy Saving Initiatives across businesses

Sector	Location	Description	Energy Saved (kWh)	Emissions Saved in Tonnes
AD	Kandivli	Installation of solar PV cells capacity 33KW peak at CMD/PPS office	24,000	19.68
AD	Kandivli	Installation of solar PV cells capacity 22 KW peak at Mahindra Tower building	16,000	13.12
AD	Kandivli	Installation of timer to the air ventilator circuit	18,497.19	15.17
AD	Kandivli	Installation of energy efficient Grundfos pump Machine 7110	11,249	9.22
AD	Kandivli	Installation of 6 Watt LED handlamps, replacing 60 Watt incandescent lamp	9266.3	7.60
AD	Haridwar	Air compressor running combination redefined when both Pus are operating	37,440	30.70
AD	Haridwar	LED High bay lights (75 Watt) to be installed in place of Mag. Induction High bay lights (250 Watt) 48 Nos	31,450	25.79
AD	Nashik Plant 2	Installation of energy efficient compressor	118,080	96.83
AD	Nashik Plant 2	LED Lamp post	46.80	0.04
AD	Nashik Plant 2	Power optimisation on CNC Machine DS208, DS209	5,544	4.55
AD	Nashik Plant 2	Small compressor for pattern shop	18,000	14.76
FD	Nagpur	Elimination of oil skimmer motor from 392 M/C	1,828.47	1.50
FD	Nagpur	Elimination of oil skimmer motor from 393 M/C	1828.47	1.50
FD	Nagpur	Lapping M/C cycle reduced from 2 to 1	13,729	11.26
FD	Nagpur	Elimination of S.H Radiant Drill Operation	14,185	11.63
FD	Nagpur	Higher HP pump replaced by lower HP for recirculation pump to cooling tower	53479.73	43.85
FD	Zaheerabad	Avoiding separate trolley for Dhruv Small Parts painting by accommodating on tractor chassis (elimination of additional hours)	5,334	77.82
FD	Zaheerabad	Implementation of cogged V-belt in place of conventional belt of Top Coat Oven Hold-up Zone Blower	7,785	4.37
FD	Zaheerabad	Engine RFD Conveyors (LH & RH) running optimisation	1,397.1	6.38
FD	Zaheerabad	HS line hydraulic pressing M/C- 1 idle running elimination	4,755	3.90
FD	Rudrapur	High power consumption in RAC Washing Machine for maintaining solvent temperature in TM Line	21,667	17.77
FD	Rudrapur	Power consumption optimisation in C-conveyor and hydraulic press counter shaft	16,550	13.53

Energy Efficiency of Major Suppliers

GJ

Supplier	Total Energy Consumption
ACME Engineers Pvt. Ltd.	83,826
AERONA Industrial Springs	34
AISIN Automotive Karnataka Pvt. Ltd.	6,611
Animesh Packaging Industries	0.82
Bharaj Enterprises	19
Eaton Fluid Power Ltd.	15,195
Friends Auto Industries	627,474
Iac International Automotive	2,384,122
J M Industries	2508
Lear Automotive India Pvt. Ltd.	87,482
Mando Automotive India Ltd. Plant	12,517,376
Menon And Menon Ltd.	568,610
Mskh Seating Systems India Pvt. Ltd.	105,608
Polyplastics, Yamuna Nagar	8,530,893
Polyplastics Industries India	6,002,157
Quality Pattern Works Pvt. Ltd.	42,574
SKS Fasteners Ltd.	29,394
Supreme Engineering Works	78,726
Taysons Industries	26,437
Thacker Brothers	1,752
Ukay Metal Industries Pvt. Ltd.	256

Water Withdrawal by Source

Source	Total Withdrawal (in m ³)	As a % of Total withdrawal
Bottled Water	1,371	0.10
Groundwater	626,367	46.17
Rainwater	27,115	2.00
Surface Water	109,172	8.05
Water from Municipality	571,274	42.11
Water from Tanker	21,279	1.57
Water Reused	0	0.00
Grand Total	1,35,6578	100.00

Volume of Water Recycled & Reused

Sector	Volume of water recycled & reused (in m ³)	% of water recycled and reused out of total water consumption
AD	239,871	37
FD + SD	122,958	26
MRV	38,324	35

Materials

Material Consumption

AD

Material	Unit	2014-15	2015-16	2016-17
Semi-manufactured	Tonnes	780,708	808,808	794,717
Semi-manufactured	Kl	8,358	8,258.83	8,139

FD+SD

Material	Unit	2014-15	2015-16	2016-17
Semi-manufactured	Tonnes	418,848	349,925.75	494,570
Associated material		90	305.95	169
Raw material		20,458	31,345.82	28,625
Packaging material		1,413	1,737.54	1,264
Total		440,809	383,315.06	524,628
Semi-manufactured	Kl	7,791	8,037.43	1,593
Associated material		1,852	4,041.60	5,048
Total		9,643	12,079.03	6,641

Semi-manufactured	Nos.	160,112	585,466	968,247
Associated material		0	161,843	107,427
Raw material		35,683	38,396	51,648
Total		195,795	785,705	1,127,322

SBU

Material	Unit	2014-15	2015-16	2016-17
Packaging Material	Tonnes	7,188	6,691	7,356
Total		7,188	6,691	7,356

Water

Total Water Consumption

m³

Sector	2014-15	2015-16	2016-17
AD	817,858	789,572	654,303
FD+SD	584,020	504,612	467,752
SBU	11,369	11,392	27,280
SFD	49,084	47,348	49,439
NPD	11,405	9,198	8,166
MRV	133,690	138,271	109,309
CC	49,090	40,668	40,329
Total water Consumption	1,656,516	1,541,061	1,356,578

Specific Water Consumption

m³ per unit of measure

Sector	2014-15	2015-16	2016-17	% Reduction over previous year
AD	2.441	2.312	1.978	14.43
FD+SD	1.582	1.517	1.104	27.21
SBU	52.842	1.702	3.709	-117.89
SFD	3.344	2.168	1.691	21.99
NPD	28.300	28.145	14.608	48.10
MRV	2.318	54.652	38.381	28.95
CC	1.691	2.770	2.747	0.82

Waste

Waste Generated

AD

Material	Unit	2014-15	2015-16	2016-17
Hazardous Waste				
Solid	Tonnes	3,239	2,283	2,444
Solid	Nos.	139,220	106,055	116,574
Liquid	Kl	21,597	18,645	214
Non-Hazardous Waste				
Solid	Tonnes	45,072	40,895	39,984
Solid, Tyres, Drums etc.	Nos.	35,301	36,692	37,822

FD+SD

Material	Unit	2014-15	2015-16	2016-17
Hazardous Waste				
Solid	MT	21,406	858	980
Solid	Nos.	34,940	29,129	26,181
Liquid	Kl	126	160	103
Non-Hazardous Waste				
Solid	MT	12,157	8,120	46,659
Solid, Tyres, Drums etc.	Nos.	10,508	2,068	20,536

Note: The increase in non-hazardous waste in FD+SD sector is due to better quality of data captured this year

SBU

Material	Unit	2014-15	2015-16	2016-17
Non-Hazardous Waste				
Solid	MT	1,813	2,157	1,632

MRV

Material	Unit	2014-15	2015-16	2016-17
Hazardous Waste				
Solid	MT	9	15	25
Solid	Nos.	312	0	0
Liquid	Kl	213	116	48
Non-Hazardous Waste				
Solid	MT	458	695	744
Solid	Nos.	313	00	79

HUMAN CAPITAL

Workforce Dashboard

Breakup of Unionised Permanent Employees

Breakup of Unionised Permanent Employees	Number (Unionised)
Bharatiya Kamgar Sena	2,981
Punjab Tractor Worker Union + Swaraj Foundry Workers Union	457
M&M Employees Union	2,634
Mahindra & Mahindra Workers Union	1,484
Mahindra Real Worker's Union	482
Total	8,038

Employee Distribution

Business	Male	Female	Total
FD + SD	12,325	158	12,483
AD	16,237	395	16,632
MRV	2,650	122	2,772
Overall Result	31,212	675	31,887

Employment Grade & Type Gender Break-up Permanent Employees

Business	Junior Management			Middle Management			Senior Management		
	M	F	Total	M	F	Total	M	F	Total
FD + SD	581	40	621	336	11	347	23	0	23
AD	1,449	129	1,578	1,135	65	1,200	110	6	116
MRV	1,270	66	1,336	426	14	440	25	0	25
Total	3,300	235	3,535	1,897	90	1,987	158	6	164

Business	Workman			Total		
	M	F	Total	M	F	Total
FD + SD	3,789	27	3,816	4,729	78	4,807
AD	5,928	8	5,936	8,622	208	8,830
MRV	414	2	416	2,135	82	2,217
Total	10,131	37	10,168	15,486	368	15,854

Employment Grade & Type Gender Break-up Non-Permanent Employees

Business	Fixed Term Contract			Third Party Contract		
	M	F	Total	M	F	Total
FD + SD	759	8	767	3,590	34	3,624
AD	1,055	10	1,065	4,463	120	4,583
MRV	11	0	11	415	14	429
Total	1,825	18	1,843	8,468	168	8,636

Business	Others			Total		
	M	F	Total	M	F	Total
FD + SD	3,247	38	3,285	7,596	80	7,676
AD	2,097	57	2,154	7,615	187	7,802
MRV	89	26	115	515	40	555
Total	5,433	121	5,554	15,726	307	16,033

Gender Composition & Turnover and Rate of New Hires Entering & Leaving

Business	Head Count		Turnover		Rate of New Hires Joining		Rate of New Hires Leaving	
	M	F	M	F	M	F	M	F
FD + SD	12,325	158	22%	27%	21%	26%	3%	1%
AD	16,237	395	23%	14%	25%	30%	9%	1%
MRV	2,650	122	9%	23%	17%	47%	0%	1%
Total	31,212	675	18%	16%	22%	32%	6%	1%

Age Composition

Business	% Turnover <30 yrs	% Turnover between 30 - 50 yrs	% Turnover >50 yrs
FD + SD	20%	4%	8%
AD	50%	8%	8%
MRV	21%	5%	7%
Total	32%	6%	8%

Business	Rate of New Joinee <30	Rate of New Joinee 30 - 50 yrs	Rate of New Joinee >50yrs
FD + SD	34%	2%	0%
AD	9%	0%	1%
MRV	41%	7%	2%
Total	46%	6%	1%

Business	Rate of New Joinee Leaving <30yrs	Rate of New Joinee Leaving 30 - 50 yrs	Rate of New Joinee Leaving >50yrs
FD + SD	5%	0%	0%
AD	19%	5%	1%
MRV	0%	0%	0%
Total	11%	3%	1%

Training (Average man hours/Employee)

Junior Management *Average Training Hours*

Sector	Sum of Male	Sum of Female	Sum of Total
FD	9.21	6.22	7.715
SD	24.5	14.09	19.295
AD	16.26	11.34	13.8

Middle Management *Average Training Hours*

Sector	Sum of Male	Sum of Female	Sum of Total
FD	8.28	9.26	8.77
SD	18.03	3.4	10.715
AD	11.64	4.83	8.235

Senior Management *Average Training Hours*

Sector	Sum of Male	Sum of Female	Sum of Total
FD	28.81	9.67	19.24
SD	0	0	0
AD	5.9	2	3.95

Workmen *Average Training Hours*

Sector	Sum of Male	Sum of Female	Sum of Total
FD	35	0	17.5
SD	15.4	12.16	13.78
AD	25.27	3.5	14.385

Third Party Contract

Average Training Hours

Sector	Sum of Male	Sum of Female	Sum of Total
FD	4.52	1.4	2.96
SD	6.62	0	3.31
AD	7.88	2.4	5.14

Others

Average Training Hours

Sector	Sum of Male	Sum of Female	Sum of Total
FD	17.82	9	13.41
SD	26.52	24.27	25.395
AD	12.49	12.44	12.465

Human Hours Training (Man-Hours)

	No. of hours of training	% of employees trained
Junior Management	355	10
Middle Management	264	13
Senior Management	66	40
Workmen	12,666	50
Fixed Term Contract	1,521	81
Third Term Contract	6,225	27
Others	1,574	42

Human Rights Training (Man-Hours) Security Personnel

Sector	AD
Total number of security personnel (employed directly)	37
Total number of security personnel (employed directly) who received formal training in aspects of human rights	17
Total number of human rights training hours for security personnel (employed directly)	2
% of security personnel (employed directly) who received formal training in aspects of human rights	45%
Total number of security personnel (third party)	15
Total number of security personnel (third party) who received formal training in aspects of human rights	6
Total number of human rights training hours for security personnel (third party)	2
% of security personnel (third party) who received formal training	39%

Safety Dashboard

Permanent Employees

Business	Lost time Injury Rate			Lost Day Rate		
	Male	Female	Total	Male	Female	Total
AD	0.12	0.00	0.11	8.27	0.00	7.86
FD + SD	0.09	0.00	0.08	5.78	0.00	5.65

Contract + Other Employees

Business	Lost time Injury Rate			Lost Day Rate		
	Male	Female	Total	Male	Female	Total
FD	0.51	0.00	0.50	33.64	0.00	33.44

GRI-G4 CONTENT INDEX

General Standard Disclosures

Indicator	Description	Page Number/Explanation	External Assurance
STRATEGY AND ANALYSIS			
Organisational Profile			
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability and integration to the organisation and the organisation's strategy for addressing sustainability	01-07	Externally assured
G4-3	Name of the organization	08	Externally assured
G4-4	Primary brands, products, and services	11-20	Externally assured
G4-5	Location of the organisation's headquarters	08	Externally assured
G4-6	Number of countries where the organisation operates	11-13	Externally assured
G4-7	Nature of ownership and legal form	11-12	Externally assured
G4-8	Markets served	08, 11-12	Externally assured
G4-9	Scale of the organization	11-20	Externally assured
G4-10	Details on workforce broken down by gender, employment contract, employment type etc.	95-96	Externally assured
G4-11	Percentage of total employees covered by collective bargaining agreements	52	Externally assured
G4-12	Description of the organisation's supply chain	61	Externally assured
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	No significant changes	Externally assured
G4-14	How the precautionary approach or principle is addressed by the organisation	Carbon Emission being a key material issue, we have addressed the precautionary approach in Natural Capital & Manufactured Capital	Externally assured
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	73, 74, 78, 79, 90	Externally assured
G4-16	Memberships of associations and national/international advocacy organisations in which the organisation holds a position on the governance body and participates in projects or committees	19-22	Externally assured
G4-22	Explanation of the effect of any re-statement of information provided in the earlier Reports	No such explanations	Externally assured
G4-23	Significant changes from previous reporting periods in the Scope and aspect boundaries	Previous report included Mahindra & Mahindra Limited and it's subsidiaries. This report is only for Mahindra & Mahindra Limited.	Externally assured
G4-34	Governance	21	Externally assured
G4-56	Ethics and Integrity	22	Externally assured
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organisation's consolidated financial statements with indication of coverage in the report	22-26	Externally assured
G4-18	Process for defining the report content and the aspect boundaries	08	Externally assured
G4-19	Material aspects identified in the process for defining report content	23-25	Externally assured
G4-20	Description of aspect boundary within the organisation for each material aspect	23-25	Externally assured
G4-21	Description of aspect boundary outside the organisation for each material aspect	23-25	Externally assured

Indicator	Description	Page Number/Explanation	External Assurance
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organization	85-87	Externally assured
G4-25	Basis for identification and selection of stakeholders with whom to engage	85-87	Externally assured
G4-26	Organisation's approach to stakeholder engagement	85-87	Externally assured
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	85-87	Externally assured
Report Profile			
G4-28	Reporting Period	08	Externally assured
G4-29	Date of most recent previous Report	Sustainability Report FY 2015-16	Externally assured
G4-30	Reporting cycle	1st Reporting cycle for the Integrated Report	Externally assured
G4-31	Contact point for questions regarding the report or its contents	Back cover page	Externally assured
G4-32	GRI Content Index	In Annexure	Externally assured
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report; relationship with the assurance providers; the highest governance body's involvement in seeking assurance for the organisation's Sustainability Report	All our sustainability reports get assured externally. Current report is assured by M/s DNV-GL	Externally assured

CATEGORY: ENVIRONMENTAL

Material Aspect: Water

G4-EN 8	Total water withdrawal by source	68-69, 94	Externally assured
G4-EN9	Water sources significantly affected by withdrawal of water	68-69, 94	Externally assured
G4-EN 10	Percentage and total volume of water recycled and reused	68-69, 94	Externally assured

Material Aspect: Carbon Emission

G4- DMA	Disclosure on Management Approach (DMA)	61	Externally assured
G4-EN 15	Direct greenhouse gas (GHG) emissions (Scope 1)	62, 91	Externally assured
G4-EN 16	Energy indirect GHG emissions (Scope 2)	62, 91	Externally assured
G4-EN 17	Other indirect GHG emissions (Scope 3)	62, 91	Externally assured
G4-EN 18	GHG emissions intensity	62, 91	Externally assured

Material Aspect: Effluents and Waste

G4- DMA	Disclosure on Management Approach (DMA)	61	Externally assured
G4-EN 22	Total waste discharged by quality & destination	70-71, 95	Externally assured
G4-EN 23	Total weight of waste by type and disposal method	70-71, 95	Externally assured
G4-EN 24	Total number & volume of significant spills	70-71, 95	Externally assured
G4-EN 25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the based convention ² Annex I, II, III and VIII, and percentage of transported waste shipped.	We do not transport, import, export hazardous waste under the terms of the based convention ²	Externally assured
G4-EN 26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff	Our plants have Zero Discharge system and hence it is not applicable	Externally assured

CATEGORY: SOCIAL | SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Material Aspect: Occupational Health and Safety

G4- DMA	Disclosure on Management Approach (DMA)	71	Externally assured
G4-LA 5	Total number and rates of new employee hires and employee turnover by age group, gender, and region	71-74	Externally assured

Indicator	Description	Page Number/Explanation	External Assurance
G4-LA 6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total Number of work-related fatalities, by region and by gender	71-74	Externally assured
G4-LA 7	Workers with high incidence or high risk of diseases related to their occupation	71-87	Externally assured
G4-LA 8	Health and safety topics covered in formal agreements with trade unions	71-87	Externally assured
Material Aspect: Local Communities			
G4-DMA	Disclosure on Management Approach (DMA)	71	Externally assured
G4-SO1	Percentage of operations with implemented	71-74	Externally assured
G4-SO2	Community engagement, impact assessments, and development programmes Operations with significant actual and potential impacts on local communities	75-87	Externally assured
Material Aspect: Customer Health and Safety			
G4- DMA	Disclosure on Management Approach (DMA)	39	Externally assured
G4- PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	40-46	Externally assured
G4- PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health & safety impacts of products & services during their lifecycle, by type of outcome	47-48	Externally assured

ACRONYMS

ABCI	Association of Business Communicators of India	CGC	Corporate Governance Cell
ACE	Awards for Customer Excellence	CFC	Chlorofluorocarbon
ACETECH	Architecture, Construction, Engineering Technology	CFL	Compact Fluorescent Lamp
AD	Automotive Division	CFO	Chief Financial Officer
AGC	Avaya Global Connect	CFT	Cross Functional Team
AIDS	Acquired Immunodeficiency Syndrome	CGSF	Common Guaranteed Safety Programme
AIMA-IOCL	All India Management Association- Indian Oil Corporation Limited	CLHA	Children Living with HIV AIDS
ABS	Anti-lock Braking System	CII	Confederation of Indian Industry
ANM	Auxiliary Nurse Midwife	CIO	Chief Information Officer
AT&T	American Telephone & Telegraph	CITU	Centre of Indian Trade Unions
ASSOCHAM	Associated Chambers of Commerce and Industry of India	CMO	Chief Marketing Officer
BCL	Business Continuity Leader	CMTT	Club Mahindra Tusker Trail
BCMS	Business Continuity Management Systems	CMVR	Central Motor Vehicle Rules
BCP	Business Continuity Plan	CMAI	Communication Multimedia and Infrastructure
BIA	Business Impact Analysis	CNG	Compressed Natural Gas
BKS	Bharatiya Kamgar Sena	CO	Carbon Monoxide
BMW	Bavarian Motor Works	CRISIL	Credit Rating & Information Services of India Ltd.
BPO	Business Process Outsourcing	CRM	Customer Relationship Management
BPI	Business Psychologists International	CRO	Chief Risk Officer
BR	Business Responsibility	CSR	Corporate Social Responsibility
BS	British Standards	CTO	Chief Technical Officer
BSE	Bombay Stock Exchange	CV	Commercial Vehicles
BSS	Business Support Systems	CVP	Customer Value Proposition
BS-III	Bharat Stage- three	D&B	Dun & Bradstreet
BS-IV	Bharat Stage- four	DNA	Data Not Available
BT	British Telecommunications	DNA	Deoxyribonucleic acid
CAGR	Compound Annual Growth Rate	DSIR	Department of Science and Industrial Research
C2 CRDe	2-cylinder Common Rail Diesel Engine	EBD	Electronic Brakeforce Distribution
CO2	Carbon dioxide	ECM	Energy Conservation Measures
3R	Reduce/Recycle/Reuse	ECEM	Enterprise Carbon and Energy Management
CH4	Methane	EDGE	Enterprise Driving Growth & Excellence
CAE	Computer Aided Engineering	EDC	Engine Development Centre
CCI	Clinton Climate Initiative	EFI	Employers Federation of India
CDP	Carbon Disclosure Project	ELV	End of Life Vehicle
CED	Cathodic Electrodeposition	EDMC	East Delhi Municipal Corporation
CEO	Chief Executive Officer	EHS	Environment, Health and Safety
		EPA	Environmental Protection Agency (USA)

EPC	Engineering, Procurement, and Construction	H2O	Water
ESCo	Energy Services Company	HCFC	Hydrochlorofluorocarbon
ER	Employee Relation	HCNG	Hydrogen Compressed Natural Gas
ERP	Enterprise Resource Planning	HHD	Hand Held Device
ESI	Employment Status Indicator	HOC	Heat of Compression
ESP	Electronic Stability Program	HP	Horse Power
ESIC	Employee State Insurance Corporation	HPCL	Hindustan Petroleum Corporation Limited
Esops	Employee Social Option Scheme	HR	Human Resources
ETP	Effluent Treatment Plant	HRD	Human Resource Development
EU	European Union	IBA	International Bird Area
EURO IV	European emission standards- Four	ICAI	Institute of Chartered Accountants of India
EURO V	European emission standards- Five	ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
EV	Electric Vehicles	ICT	Information, Communication, and Technology
EVP	Executive Vice President	IDC	International Data Corporation
EVP	Employee Value Proposition	IGBC	Indian Green Building Council
FAPCCI	Federation of Andhra Pradesh Chambers of Commerce	IHECT	International Centre for Hydrogen Energy Technologies
FD	Farm Division	IIT	Indian Institute of Technology
FE-EVI	Financial Express- Emergent Ventures International	IIMM	Indian Institute of Materials Management
FICCI	Federation of Indian Chamber of Commerce and Industry	ILO	International Labour Organization
FIDC	Finance Industry Development Council	IMC	Indian Merchant Chamber
FIFA	Federal International Football Association	IMDS	International Material Data System
FMS	Feedback Management System	IMS	Integrated Management System
FTM	First Time Managers	INR	Indian Rupee
g/hph	Grams per horse power hours	IRADe	Integrated Research & Action for Development
GDP	Gross Domestic Product	ISO	International Organization for Standardisation
GDR	Global Depository Receipts	IT	Information Technology
GHG	Greenhouse Gas	ITDP	Integrated Talent Development Process
GJ	Giga Joules	ITES	Information Technology Enabled Service
GEB	Group Executive Board	JAU	Junagadh Agricultural University
GMC	Group Management Cadre	JCMM	Jagdish Chandra Mahindra Memorial
GoB	Government of Bihar	JNNSM	Jawaharlal Nehru National Solar Mission
GPS	Global Positioning System	KCMET	K.C. Mahindra Educational Trust
GPMD	Global Program for Management Development	KPO	Knowledge Process Outsourcing
GRI	Global Reporting Initiative	KL	Kilo Litres
GRIHA	Green Rating for Integrated Habitat Assessment	LBSIMT	Lal Bahadur Shastri Institute of Management and Technology
GSM	Global System for Mobile Communications		

LCV	Light Commercial Vehicle
LEED	Leadership in Energy & Environmental Design
LED	Light Emitting Diode
LDO	Light Diesel Oil
L&D	Learning and Development
LPG	Liquefied Petroleum Gas
LSPV	Load Sensing Proportioning Valve
LTL	Learning to Lead
MACE	Mahindra Consulting Engineers
MAITS	Mahindra All India Talent Scholarships
MBCSPL	Mahindra Business & Consulting Services Pvt. Ltd.
MCD	Municipal Corporation of Delhi
MCL	Mahindra Composites Ltd.
MD	Managing Director
META	Mahindra Excellence in Theatre Award
MFCSL	Mahindra First Choice Services Limited
MFCWL	Mahindra First Choice Wheels Limited
MFL	Mahindra Forgings Limited
MFUSA	Mahindra Foundation USA
MGD	Million Gallons Per Day
MGTL	Mahindra Gujarat Tractor Limited
MGTPL	Mahindra Gears & Transmissions Private Limited
MHIL	Mahindra Hinoday Industries Limited
MHRIL	Mahindra Holidays & Resorts India Limited
MIBL	Mahindra Insurance Brokers Ltd.
MIDC	Maharashtra Industrial Development Corporation
MIL	Mahindra Intertrade Limited
MILES	Mahindra Integrated Logistics Execution System
MIQ	Mahindra Institute of Quality
MLDL	Mahindra Lifespace Developers Limited
MLL	Mahindra Logistics Limited
MMDC	Mahindra Management Development Centre
MMFSL	Mahindra & Mahindra Financial Services Limited
MN 25	Mahindra Navistar 25000 kg
MNAL	Mahindra Navistar Automotives Limited
MNC	Multinational Company
MNEPL	Mahindra Navistar Engines Private Limited
MOU	Memorandum of Understanding

MPD	Magnetic Products Division
MPS	Mahindra Pride School
MPTS	Mahindra People Transport Solutions
MPUAT	Maharana Pratap University of Agriculture & Technology
MQS	Mahindra Quality System
MReva	Mahindra Reva Electric Vehicles Pvt. Ltd.
MRHFL	Mahindra Rural Housing Finance Ltd.
MRV	Mahindra Research Valley
MSat	Mahindra Satyam
MSB	Mahindra Spares Business
MSOLAR	Mahindra Solar One Pvt. Ltd.
MSP	Minimum Support Price
MSSSPL	Mahindra Sanyo Special Steel Pvt. Ltd.
MTWL	Mahindra Two Wheelers Limited
MUSCO	Mahindra Ugine Steel Company Limited
MVML	Mahindra Vehicle Manufacturers Limited
MWC	Mahindra World City
MWCDL	Mahindra World City Developers Limited
MWCJL	Mahindra World City Jaipur Limited
NAAQS	National Ambient Air Quality Standards
NAPCC	National Action Plan on Climate Change
NASSCOM	National Association of Software & Services Companies
NATRIP	National Automotive Testing & R&D Infrastructure Project
NBFC	Non-Banking Financial Companies
NBC	National Building Code
NDTV	New Delhi Television Limited
NGO	Non-Governmental Organisation
NHRDN	National Human Resource Development Network
NIS	Not in Scope
NITIE	National Institute of Industrial Engineering
NMACS	Networking, Mobility Analytics, Cloud & Security
NOx	Oxides of Nitrogen
NOA	National Outsourcing Association
NRI	Non-Residents of India
NSE	National Stock Exchange

NSDF	National Sports Development Fund
NVG-SEE	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
OECD	Organisation for Economic Cooperation & Development
OBD	On Board Diagnostic
OCB	Overseas Corporate Bodies
ODS	Ozone Depleting Substance
OEM	Original Equipment Manufacturer
OTM	Oracle Transport Management
OSS	Operations Support Systems
PAT	Profit After Tax
PAU	Punjab Agricultural University
Pb	Lead
PFOS	Perfluorooctane Sulfonates
PLHA	People Living with HIV/AIDS
POP	Plaster of Paris
PRCI	Public Relations Council of India
PWD	Persons with Disability
QCD	Quality Cost and Delivery
QCFI	Quality Circle Forum of India
RA	Risk Assessment
RCI	Resort Condominium International
RBI	Reserve Bank of India
RIICO	Rajasthan State Industrial Development & Investment Corporation Limited
RMC	Ready Mix Concrete
ROI	Return on Investment
ROHS	Restriction on Hazardous substances
RRR	Rate and Reusability Rate
RSPM	Respirable Suspended Particulate Matter
R&D	Research & Development
SAP	System Application Products and Data Base
SAM	Software Analysis and Management
SCM	Supply Chain Management
SEZ	Special Economic Zone
SEBI	Securities and Exchange Board of India
SIAM	Society of Indian Automobiles Manufacturers

SIBM	Symbiosis Institute of Business Management
SLP	Senior Leaders Program
SLT	Senior Leadership Team
SOx	Oxides of Sulphur
SO2	Sulphur Dioxide
SPM	Suspended Particulate Matter
SRI	Solar Reflectance Index
STAT	Statistic
STAMP	Structural Testing Analysis & Measurement of Projects
STP	Sewage Treatment Plant
SUV	Sports Utility Vehicle
SYMC	Ssangyong Motor Company Limited
SYSTECH	Systems & Technologies Sector
TCF	Trim Chassis Final
TechM	Tech Mahindra
TMF	Tech Mahindra Foundation
TIDCO	Tamil Nadu Industrial Development Corporation
TNAU	Tamil Nadu Agricultural University
TPM	Total Productive Maintenance
TTP	Tertiary Treatment Plant
UAE	United Arab Emirates
UK	United Kingdom
UNEP	United Nations Environment Programme
UNGC	United Nations Global Compact
UNIDO	United Nations Industrial Development Organisation
US	United States
USA	United States of America
USD	United States Dollars
UV	Utility Vehicle
UWC	United World College
VAVE	Value Analysis and Value Engineering
VC	Vice-Chairman
VECV	Volvo-Eicher Commercial Vehicles
VFD	Variable Frequency Drives
VOC	Volatile Organic Compound
WBCSD	World Business Council for Sustainable Development
WOW	Wet on Wet
WRI	World Resources Institute

GLOSSARY

Biodiesel - Biodiesel refers to a non-petroleum based diesel fuel consisting of short chain alkyl esters, made by transesterification of vegetable oil.

Biofuels - Solid, liquid or gas fuel derived from recently dead biological material.

Carbon Dioxide Equivalent (CDE) and Equivalent Carbon Dioxide (CO₂e) - are two related but distinct measures for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO₂) as the reference Equivalent CO₂ (CO₂e) is the concentration of CO₂ that would cause the same level of radiative forcing as a 2 given type and concentration of greenhouse gas.

Carbon Pricing - It is an internationally recognised business tool that enables companies to create resources which are invested in low carbon technologies, which help reduce future emissions and lower operating costs.

C2 CRDe Technology - Two cylinder, common rail diesel engine technology stands for Common Rail Direct Fuel Injection engine. It is the latest state-of-the-art technology for diesel engines and suits passenger cars as well as commercial vehicles.

Carbon Disclosure Project (CDP) - is an organisation that works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations. M&M Limited is a signatory for CDP.

Chlorodifluoromethane (Difluoromonochloromethane) - is a Hydrochlorofluorocarbon (HCFC) commonly used in air conditioning applications.

CRISIL Level 1 - rating that indicates the company's capability with regard to corporate governance and value creation for all stakeholders is the highest.

COPC-2000® CSP Global Standard Certification - The COPC-2000® CSP Standard is a Performance Management Framework designed to deliver results in Customer Service Provider (CSP) contact centre environments including Call Centres, E-Commerce Centres and Transaction Processing Operations.

Dichlorodifluoromethane (R-12) - usually sold under the brand name Freon-12, is a chlorofluorocarbon halomethane, commonly known as CFC, used as a refrigerant and aerosol spray propellant. (R-22)- is a colourless gas better known as HCFC-22, R-22. Earlier it was commonly used as a propellant and in air conditioning application. These applications are being phased out its manufacturing was banned in the US and many countries in 1994 due to concerns about damage to the ozone layer.

ECOTEL® certification - ECOTEL® is a prestigious environmental certification designed by HVS' Sustainability Services specifically for the hospitality sector. This certification recognises outstanding achievement along the triple bottomline: environmental, social and fiscal parameters.

End-to-End Supply Chain Solutions - End-to-End Supply Chain Solutions is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers. Supply chain management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption.

EURO IV or EURO V Standards - reduction of pollutant emissions from light vehicles. The European Union is introducing stricter limits on pollutant emissions from light road vehicles, particularly for emissions of nitrogen particulates and oxides. The Regulation also includes measures concerning access to information on vehicles and their components and the possibility of introducing tax incentives.

G4 Guidelines are an update and completion of the third generation of GRI's process guidance on how to define the content of a sustainability report.

GRIHA Certification - GRIHA rating system consists of 34 criteria categorised under various sections such as site selection and site planning, conservation and efficient utilisation of resources, building operation and maintenance, and innovation points. Eight of these 34 criteria are mandatory, four are partly mandatory, while the rest are optional. Each criterion has a number of points assigned to it. It means that a project intending to meet the criterion would qualify for the points. Different levels of certification (one star to five stars) are awarded based on the number of points earned. The minimum points required for certification is 50.

The Green Home Rating system by IGBC Indian Green Building Council - The green home rating system by Indian Green Building Council (IGBC) is India's first, and is exclusively designed for the residential sector. Different levels of certifications such as Certified, Silver, Gold and Platinum are awarded to a project in recognition of its green commitment.

ISO 27001 Global Certification - ISO/IEC 27001 is the only auditable international standard which defines the requirements for an Information Security Management System (ISMS). The standard is designed to ensure the selection of adequate and proportionate security controls.

ISO-50001 - ISO, Standard 50001 specifies requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organisation to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy use and consumption.

ISO 9001:2000 - Quality Management Systems directive that provides a number of requirements which an organisation needs to fulfil if it is to achieve customer satisfaction through consistent products and services which meet customer expectations.

ISO 14001:2004 - international specification for an Environmental Management System (EMS). It specifies requirements for establishing an environmental policy, determining environmental aspects and impacts of products/activities/services, planning environmental objectives and measurable targets, implementation and operation of programmes to meet objectives and targets, checking and corrective action and management review.

ISO/TS 16949 - quality management system requirements for the design and development, production and, when relevant, installation and service of automotive-related products.

ISO/TS 16949:2002 - quality management systems- Particular requirements for the application of ISO 9001:2000 for automotive production and relevant service part organisations.

The kilowatt-hour (symbolised kWh) is a unit of energy equivalent to one kilowatt of power expended for one hour of time. kWh is not a standard unit in any formal system, but it is commonly used in electrical applications.

OHSAS 18001:2004 - an Occupational Health and Safety Assessment Series for health and safety management systems. It is intended to help organisations to control occupational health and safety risks. It was developed in response to widespread demand for a recognised standard against which to be certified and assessed.

OHSAS 18001:2007 - Managing health and safety (OH&S) issues in the workplace represents an enormous challenge due to varying human nature, skills set, process complexity & local culture and have implications for everyone at the workplace. Effectively managing these issues means taking account not only of legal requirements, but also the well-being of your personnel in the organisation.

ODS - Ozone depleting substances (ODSs) are those substances which deplete the ozone layer and are widely used in refrigerators, air conditioners, fire extinguishers, in dry cleaning, as solvents for cleaning, electronic equipment and as agricultural fumigants.

Mahindra Quality Way - an assessment by external national and international experts of Mahindra's quality policy, systems, procedures and performance against world-class standards to identify: strengths, opportunities for improvement, scoring profile for prioritising improvements.

NAAQS - the clean air act which was last amended requires EPA to set National Ambient Air Quality Standards for pollutants considered harmful to public health and the environment.
<http://epa.gov/air/criteria.html>

NASSCOM - a not-for-profit was set up in 1988 to facilitate business and trade in software and services and to encourage advancement of research in software technology.

Scope I - Scope 1 greenhouse gas emissions occur from sources that are owned or controlled by a company, such as combustion facilities (e.g.: boilers, furnaces, burners, turbines, heaters, incinerators, engines, flares, etc.), combustion of fuels in transportation (e.g.: cars, buses, planes, ships, barges, trains, etc.) and physical or chemical processes (e.g.: in cement manufacturing, catalytic cracking in petrochemical processing, aluminium smelting, etc.).

Scope II - Scope 2 GHG emissions are from the generation by another party of electricity that is purchased and consumed by the company. This is described as "purchased electricity" for the purposes of the GHG Protocol.

Scope III - Other indirect greenhouse gas emissions, including those associated with employee travel, supply chain, leased assets, outsourced activities, use of products and waste disposal.

SEI-CMMI level 5 - A Level 5 CMMI rating provides the highest recognition to an organisation's software and systems engineering processes.

Solar Reflectance Index - Solar Reflectance is the fraction of the incident solar energy which is reflected by the surface in question. The best standard technique for its determination uses spectrophotometric measurements, with an integrating sphere to determine the reflectance at each different wavelength. The average reflectance is then determined by an averaging process, using a standard solar spectrum. This method is documented by ASTM (American Society for Testing and Materials).

Special Economic Zone (SEZ) - SEZ is a geographical region that has economic laws that are more liberal than a country's typical economic laws.

USGBC LEED Certification - LEED Professional Accreditation distinguishes building professionals with the knowledge and skills to successfully steward the LEED certification process.

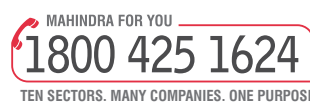
United Nations Global Compact - is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anticorruption. M&M Limited is a signatory to UNGC.

Mahindra & Mahindra Ltd.

Gateway Building,
Apollo Bunder,
Mumbai 400 001, India.

www.mahindra.com

Please e-mail your
suggestions/views/opinions to
sustainability@mahindra.com



It has also been externally
assured by DNV GL.

*All figures in the report are
current as of 31st March, 2017.*