

# BUSINESS RESPONSIBILITY REPORT

<b>Section A</b>	<b>General information about the Company</b>	
1	Corporate Identification Number	L65993PN2007PLC130076
2	Name of the Company	Bajaj Auto Ltd.
3	Registered Address	Mumbai-Pune Road, Akurdi, Pune 411035
4	Website	<a href="http://www.bajajauto.com">www.bajajauto.com</a>
5	Email Address	<a href="mailto:brr.response@bajajauto.co.in">brr.response@bajajauto.co.in</a>
6	Financial year reported	1 April 2020 – 31 March 2021
7	Sector(s) that the Company is engaged in	Automobile
8	Three key products/services manufactured/ provided by the Company	Motorcycles and three and four-wheeler vehicles
9	Total number of locations where business activity is undertaken by the Company	Akurdi, Chakan and Waluj (Maharashtra) and Pantnagar (Uttarakhand)
10	Markets served by the Company	India and 79 countries across the world
<b>Section B</b>	<b>Financial details of the Company</b>	
1	Paid up capital (INR)	289 crore
2	Total turnover (INR)	29,018 crore
3	Total profit after tax (INR)	4,555 crore
4	Total spending on CSR as percentage of PAT (%)	Refer Annual Report on CSR activities
5	List of the activities in which expenditure in 4 above has been incurred	Refer Annual Report on CSR activities

Section C	Other details	
1	Does the Company have any Subsidiary Company/ Companies?	Yes (for details, refer Note 1 of Consolidated Financial Statements)
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D	BR information	
1	Details of Director(s) responsible for BR	
	(a) Details of the Director/Director responsible for implementation of the BR policy/policies:	
	DIN Number	07464437
	Name	Mr. Pradeep Shrivastava
	Designation	Executive Director
	(b) Details of the BR head:	
	DIN Number (if applicable)	Not Applicable
	Name	Mr. Soumen Ray
	Designation	CFO
	Telephone number	(020) 66106300
	E-mail id	<a href="mailto:soumenray@bajajauto.co.in">soumenray@bajajauto.co.in</a>
2	Principle-wise BR policy/policies	Included in this report
3	Governance related to BR	Included in this report

Section E	Principle-wise performance	
1	Principle-wise performance	Included in this report

# **PREFACE**

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for FY 2020-21. The report is required to be in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

Bajaj Auto Ltd. ('BAL' or 'the Company'), to whom the said requirement is applicable, presents its ninth BRR in line with the NVGs and BRR requirement of SEBI. This report provides information on key business responsibility initiatives undertaken by the Company. The business responsibility performance of the Company is assessed annually by BAL's Board of Directors.

**PRINCIPLE 1**
**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

BAL's business philosophy is driven by the three pillars of trust, integrity and credibility, and is built on the key foundational values of ethics, transparency and accountability. In order to ensure that these principles are upheld, BAL adopted a company-wide 'Code of Conduct' (CoC) in 2009. This CoC describes the importance of integrity, good working norms, and the process to address violations. It covers an exhaustive list of topics, including anti-bribery, anti-corruption, the prevention of sexual harassment at the workplace, along with other similar laws of the various jurisdictions where the Company operates. BAL is committed towards ensuring corruption free operations and the CoC contains clear guidelines to ensure the same. It is mandatory for all employees globally to adhere to the CoC and are familiarized with it during their induction process. There is a periodic review of the CoC in order to align it with laws, organization structure and any other changes that may have an impact on its contents.

The CoC contains a 'Grievance Redressal Policy' and a 'Whistle Blower Policy' and in order to adhere to BAL's commitment, all employees have the liberty to raise concerns, if any, to the Company's Management. Three stakeholder complaints pertaining to the Company's policies under Principle 1 were received in FY 2020-21 and all of them were resolved as of 31 March 2021.

In addition to these, there is a separate CoC that is specifically applicable to the Company's Directors and Senior Management. It reiterates that 'Directors and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment'. All Directors and Senior Management personnel have affirmed compliance with this CoC. The Annual Report contains a declaration to this effect that is signed by the Managing Director.

BAL is a signatory of the World Economic Forum's initiative, 'Partnership Against Corruption Initiative' (PACI). Further, the Company is also a signatory to the Model Code of Conduct developed by Confederation of Indian Industry (CII).

**PRINCIPLE 2**
**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Innovation and technological development are critical aspects of BAL's success and the Company's Research and Development (R&D) division consists of over 1,400 skilled employees. The R&D Division continuously work towards various technological developments and help the Company achieve new benchmarks in the industry. BAL's state-of-the-art R&D Centre is located in Akurdi, where the management and senior leadership work together to enhance the synergy between R&D, manufacturing and sales.

BAL strives to always be at the leading edge of developing innovative products that promote sustainability and address the needs of consumers in every segment. The Company is aware of its dependence on natural resources and correspondingly continues to invest into resource efficiency at all stages of the product lifecycle. Some of the key initiatives undertaken by the Company in this respect in FY 2020-21 are described below.

**Product Sustainability**

Compliance to all applicable environmental standards is considered paramount at BAL. All of the Company's products are compliant to the Indian Central Motor Vehicle Rules (CMVR) as applicable. These include regulation of tail-pipe emissions of different air pollutants such as Carbon Monoxide (CO), Hydrocarbons (HC), Nitrogen oxides (NOx) gases as well as Particulate Matter (PM). All BAL models are 'Type Approved' certified by the Automotive Research Association of India (ARAI) for such compliances.

As per the requirement for emissions under CMVR, BAL is also compliant with the emission Conformity of Production (COP). The Company ensures compliance with emission standards for all the models

(including exported models), in line with the respective country's norms. All BAL vehicles sold in India from 1 April 2020 are BS VI compliant.

The Company's commitment to environmental responsibility and sustainable product lifecycle is further reflected in the internal studies which indicate that BAL products have recyclability and recoverability rates of 87% and 94% respectively.

BAL has started implementation of End-of-Life Vehicles (ELV) rules wherein application of various heavy metals including Lead, Mercury, Cadmium and Hexavalent Chromium are continuously monitored and reduced in the vehicles. To maintain control, various IT systems have been implemented at Bajaj and supplier location which enable suppliers to provide BAL with a declaration of the chemical composition and its quantity in the material supplied to the Company.

Furthermore, electric mobility has been identified as a major focus area by BAL. To enable this strategic shift, the Company has established a state-of-the-art electric vehicle and components testing lab besides developing in-house designs and products

## Sustainable Sourcing

In order to integrate a safe and eco-friendly approach throughout the supply chain, BAL has a 'Green Purchasing Policy', which lists out the Company's expectations from suppliers pertaining to water, energy and natural resource conservation.

The Company gives preference to local vendors wherever possible and has identified certain vendor clusters which are near each of its plants, leading to overall socio-economic development and generation of employment opportunities locally. BAL continues to maintain robust engagement with its vendors through the 'Bajaj Auto Vendor Association' (BAVA), comprising of 172 members. Currently, 135 of these members are ISO 14001/OHSAS 18001 certified. Going forward, the Company plans to make these certifications a mandatory requirement for all onboarded vendors.

Safety has always been an important aspect of Company's working culture and it has been the Company's constant endeavour to extend this safety culture among all its vendors. BAVA Safety Committees have been formed at Chakan, Waluj and Pantnagar to institutionalize safety among the Company's vendors. Each Committee consists of the safety officers and HR heads of BAVA members in that cluster. All members in the committee are provided with regular safety trainings including specialized Behaviour Base Safety (BBS) trainings. A total of 136 safety cross-audits have been conducted among vendors within these clusters. Conducted by the members of BAVA Safety Committees, these audits serve to not only assess the vendor safety practices but also function as a platform for sharing best practices and cross-learning among the BAVA members.



The Company has completed 59 third-party legal and environmental audits of vendors and based on the closure of all NCs / Observations and a detailed secondary research, a comprehensive list of applicable regulations for vendors has been created. A portal has been developed for all BAVA members to upload their compliance status against these requirements and this portal is also used for sending alerts to ensure timely renewal actions.

BAL has a Total Productive Maintenance (TPM) Policy which assists Tier I and Tier II vendors to enhance their operational, human and cost efficiencies. In FY 2020-21, 174 Tier I vendor groups and 295 Tier II vendors were practising TPM. To advance the adoption of TPM, BAL has also instituted the TPM Awards which recognise best TPM performing vendors. Cumulatively, 128 BAL TPM Awards and 71 BAL TPM Excellence Awards have been awarded to vendors. Furthermore, 25 vendors have been recognized with the Japan Institute of Plant Maintenance (JIPM) TPM Excellence awards and 11 vendors have received JIPM TPM Excellence Consistency Award.

One of the focus areas in TPM is yield improvements in raw material weights through adoption of various process improvements, alternate processes and efficiency improvement initiatives. These initiatives are expected to achieve efficiencies in overall raw material consumption over a period of time, leading to positive environmental impacts.

BAL also encourages its vendors to adopt best practices in energy conservation, including promotion of solar panel installation at major vendor locations. Currently, 35 vendors have installed roof-top solar projects (cumulative 33 MW capacity) at their premises, resulting in generation of green power and reduction in greenhouse gas emissions.

During the COVID-19 related lockdown period in the past year, BAL extended support to its vendors by handholding them in various activities essential for restarting their operations, including sharing SOPs, approval processes/formats, safety precautions, check sheets, details of essential PPE kits and its sources, self-declaration forms for people and monitoring wellness of people among others. BAL also provided support of manpower sources and training methodology. Apart from operational support, the Company also extended financial support to its vendors in the form of early payment with reduced cash discounts during this time.

## Waste reduction

BAL has adopted an aim of creating a Plastic Mukht Bajaj by 2022, for which various initiatives have been adopted to reduce and eliminate plastic in incoming vendor packing and in outgoing material packing. These include:

- Replacement of plastic packaging of cable with reusable cotton packaging
- Elimination of primary plastic packing of gear primary drive and gear balancer
- Reuse of plastic ribbon based on its quality
- Eliminated the plastic packaging of hand gloves

## PRINCIPLE 3



### Businesses should promote the well-being of all employees

BAL is committed to investing in skill and competency building of its employees and ensuring their overall progress and well-being, while driving a culture of performance excellence within the Company.

In the year 2020-21, BAL hired 3,078 employees, including 133 permanent employees, 122 on probation, 2,668 trainees, 147 interns and 8 contractual employees. The total headcount as of 31 March 2021 was 10,052 employees. Each of the four plants have Company recognised trade unions, and 39.4% of the employees are members of these unions. Currently, BAL has 17 specially abled permanent employees. As an equal opportunity employer, BAL encourages employment of women across the organization. As on 31 March 2021, there were 654 women employees in BAL.

BAL has a 'Prevention of Sexual Harassment at Workplace' (POSH) policy with the aim of ensuring safety and security of its women employees. In line with the requirement of law, an internal committee has been revised for Akurdi along with the creation of a sales circle wise committee and a POSH module has been launched for the plant internal committee. Additionally, a new external member has been on-boarded in the POSH Committee.

There were no complaints filed or pending relating to child labour, forced labour, involuntary labour or discriminatory employment during the year 2020-21. One complaint related to sexual harassment was filed and closed during the same period as per laid down procedure.

BAL provides its workforce with various platforms and opportunities to upskill and develop new competencies. In the year 2020-21, over 6,300 employees were trained through 339 training programs, comprising of 5,562 man-days. Employees were also given training through TPM pillars, which included safety, health and environment related training spanning 3,478 man-days for permanent employees and 4,826 man-days for probationer employees, contractual employees and trainees. The Company also continued to organize leadership development and other programs arranged for senior level employees.

To leap-frog the competition and to enable employees' continuous access to world class learning, BAL has introduced BOLT (Bajaj's Online Learning Tool), a new learning experience platform. BOLT is self-paced, on-demand and mobile-enabled thereby providing employees flexibility and ease. Content from Ivy League institutes like Cornell University and top engineering institutes like Massachusetts Institute of Technology (MIT-OCW) is made available to employees on laptops and/or handheld devices. Courses from a renowned aggregator Go1 and curated latest articles from Harvard, Forbes, and McKinsey & Company, amongst others are also available. Around 97% of eligible employees have accessed BOLT and have spent 7,786 hours of learning across 15,031 modules.

The Company has also launched a new program for business excellence, MAXIMUS, which is a capability building program targeted to cover all junior management in front-end functions, covering the Sales, Spares and Service in the first phase. The program framework will encompass development of leadership, functional and business capabilities.

The Company has also introduced Master Class, which is an initiative through which we aim to bring profound stories that inspire everyone at Bajaj Auto. As a part of this series, the Company has hosted eminent personalities from various walks of life who shares their experiences on topics like leadership, innovation, excellence, etc. To name a few, the Company brought in Wing Commander Rakesh Sharma, First Astronaut of India; Dr. Tim Harkness, Head of Sports Science and Psychology at Chelsea Football Club and many more.

The Company also celebrated the International Women's Day with various initiatives during the entire month of March 2021. The theme for this year was 'Choose to Challenge'. Some of the initiatives conducted are as follows:

- 1) Key personalities such as Dr. Mamta Patel Nagaraj from NASA and Ms. Anuradha T K from ISRO addressed the employees at Bajaj Auto sharing their vivid experiences and learnings. Around 1400+ employees joined these sessions across various locations.
- 2) Interactive online theatre session on inclusion and equality showcasing how women and men can choose to challenge to build a more inclusive world. Around 700+ employees (both male and females) joined the session and actively participated
- 3) ' Good Mental Health' talk was done by experts from India's leading Employee Assistance Program (EAP) provider. The focus was on importance of mental health at workplace and strategies to have a good mental health. This session was attended by 850+ participants.
- 4) Wellness Wisdom for Women: Women focused sessions on Financial Wellness for Women, Session on Nutrition, Breast Cancer awareness by Laleh Busheri, etc. focused on promoting good health and lifestyle practices. More than 250 women employees participated in these sessions.

We concluded the celebrations with Shakti Awards for Model Women and Special Achievement Awards. Around 500+ participants joined in the session.

BAL has recently signed an MoU with Coventry University, which is one of UK's leading universities for Product Design and Electrical & Electronics Design. This initiative is in continuation to the Company's pursuit of providing its engineers with global learning exposure at prestigious institutes.

BAL has put specific focus on employee ease of working and well-being by integrating various digital solutions. The following key initiatives were launched during the reporting year:

- EKAM, which is an employee self-service mobile app for all junior management and above employees
- Career website integrated with corporate website and SAP success factor recruitment tool
- Development of virtual development center
- Automation of off-boarding/ e-separation process

In May 2019, BAL had announced the 'Bajaj Auto Ltd. Employee Stock Options Scheme' (BAL-ESOS 2019) under which stock options were granted to senior employees. 'My-ESOP' portal, a cloud-based platform equipped with various features such as dashboard, reports, notifications for key dates etc., was implemented during the reporting period.

In the wake of the COVID-19 pandemic, BAL has taken extensive steps to ensure safety of all employees and external audits were conducted to ensure safety preparedness at all its offices and plants. Well spaced-out work desks and layouts, Rapid Antigen Testing facility at plants and the launch of voluntary COVID-19 Medclaim insurance policy are some of the examples of employee oriented COVID-19 safety measures.

In its quest to continually benchmark and improve various employee policies and processes, BAL has revised its transfer and relocation policy by providing more benefits as per market benchmarks. Aspects pertaining to accessibility and reasonable work environment for specially abled employees have also been incorporated in the Company's equal opportunity policy.

In line with its commitments for employee health and well-being, the annual health check-up has been extended to all BAL employees who are of age of 40 and above. The Company has a curated a health package comprising of general body check and consulting facility with physician through empaneled hospital/medical services. The Company also provides its employees with term life Insurance policy covering over 2,300 employees.

**PRINCIPLE 4**



**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

Adhering to the core tenets of fairness and non-discrimination, the Company provides equal opportunity to all its employees and has established processes to ensure that no form of discrimination against the socially disadvantaged sections occurs at the workplace. The 'Code of Conduct for Affirmative Action' launched in 2006 formalizes this commitment and ensures that equal preference is given to people from socially disadvantaged sections of the society ensuring that merit and other business considerations are equal. During the year 2020-21, BAL recruited 3,078 new employees of which 279 (9%) belong to scheduled castes and scheduled tribes.

**PRINCIPLE 5**



**Businesses should respect and promote human rights**

As a responsible global organization committed to the universally agreed principles of human rights, BAL values integrity of all regulations and ensures compliance with all applicable laws and strives to uphold the human rights of all its internal and external stakeholders. A quarterly legal compliance report is submitted to the Company's Board of Directors in this regard. In the year 2020-21, there were no complaints on violation of human rights.

**PRINCIPLE 6**



**Business should respect, protect and make efforts to restore the environment**

BAL has always aimed at improving and promoting environmental care, health and safety, by ensuring all its products and operations are safe for all employees, customers and the environment. The Company continues to remain in full compliance with all the applicable regulations and is committed to the continual improvement of its performance, especially pertaining to Safety, Occupational Health and Environmental Protection. The Company's Safety, Health and Environment (SHE) policy underlines the commitment in this regard.

The Company has continued to take several initiatives to improve its performance on environmental aspects such as energy consumption, water use and waste generation through use of better



technology, innovative ideas and behavioural change. Continuing its endeavour to reduce packaging waste generation and bring down demand for virgin natural resources, the Company has replaced wooden crates with steel frames, while plywood and thermocol have been fully replaced by corrugated or eco-link boards. The Company is also committed to the protection of biodiversity and has therefore committed itself to the 'dense forest concept' wherein mixed plantation of bushes, shrubs, fruit-bearing trees etc. within and around its manufacturing facilities to promote biodiversity has been developed and further work on it continues.

Below are the key highlights of the plant-wise SHE initiatives and performance:

## Environment

### Waluj

- Due to reduction in Commercial Vehicles (CV) volumes, there is an overall increase of 16.8% in specific LPG consumption, 18.2% increase in specific water consumption, 3.8% increase in specific power consumption and 5% increase in specific greenhouse gas emission (Scope 1 and 2)
- Zero liquid discharge with 100 % recycling of process wastewater
- Created rainwater harvesting and groundwater recharge structures, with pond capacity of 90,000 cubic meters
- Waste to landfill reduction: 30% paint sludge diverted from landfill to recycler
- Installed 5MWp solar roof top power plant and reducing 4,538 tons of greenhouse gas emissions
- Installed energy efficient LED luminaries (450 Nos.) saving 9,700 units/month
- Installed centralized ARP system reducing energy consumption by 30% at paint shop
- Planted 500 saplings, cumulative number of saplings planted till date: 65,000

### Pantnagar

- Achieved 5 % reduction in specific power consumption
- Achieved 3.2 % reduction in specific PNG consumption
- Attained a 15.5 % reduction in specific water consumption
- Zero liquid discharge with 100 % recycling of process wastewater
- Realized 10 % reduction in specific greenhouse gas emissions
- Realized 7 % reduction in specific hazardous waste disposal
- Installation of Energy Efficient Air Compressor
- Installation of Ultrasonic Air leak detector to find out non hearable air leakages
- Installation of Lacquer ASU and Colour ASU conventional blowers replaced by DC brushless motors
- Installation of 3 guns provision in an arm to reduce compressed air consumption of pneumatic applicator
- Started utilization of rainwater with ETP treated water for feeding RO plant for paint shop process – Zero Bore water use for paint process (100% Recycle water)
- Reuse of dewatering mist spray water in RCDI stage
- Reuse of pre-treatment line DM2 overflow water for DM plant
- Installation of pre-treatment line fresh DI water interlocked with conveyor line
- Installation of Dry off oven surface thermo coating application work

### Chakan

- Achieved 5.82 % reduction in specific power consumption
- Achieved 1.2 % reduction in specific PNG consumption
- Attained 20 % reduction in specific water consumption
- Realized 14 % reduction in specific greenhouse gas emissions
- Created rainwater harvesting and groundwater recharge structures
- Zero liquid discharge with 100 % recycling of process wastewater
- Installation of Reverse Osmosis plant for treating Effluent Treatment Plant (ETP) treated water, which is used in paint shop- Installation of RO Stage 2 plant
- Use of solar power from roof top 2 MW solar power plant
- Planted 350 fruit trees, cumulative number of trees of varied species planted till date: 46,250
- Composting of food waste using Black Soldier Flies (BSF) larvae

## Akurdi

- Controlled pumping hours
- Installed Optimized water supply network
- Use of TTP water for car washing, test track etc. in addition to toilet flushing and gardening
- Use of Drip Irrigation / Sprinkler system for horticulture
- Reduction in number of toilets in operational
- Ensure periodic inspection of Taps, increase awareness

## Health and Safety

### Waluj

- Trained 3,822 contractual workmen and 1,200 BAL employees on SHE topics
- Providing inhouse Antigen testing facility for employees and workmen, conducted 7500+ tests

### Pantnagar

- Implemented and Certified for latest Safety certification - ISO 45001:2018 (with zero NC)
- Inaugurated new Training Centre for contractors
- Implementation of standardized machine guarding
- Development of Health Index of 100% Employees and guidance for health improvement- based on annual health check-up
- Installation of automatic ETP sludge collection machine for Dry Sludge – Benefit: Hazardous waste reduction

### Chakan

- Won 1st prize in The Machinist super shop floor award -2020 (Nov-2020): Safety category in large scale industry group., Won the gold medal for safety presentation (Safety Poka-yoke category) organized by Quality Circle Forum of India, Pune chapter- Jan 2021
- Trained 1,301 contractual workmen and 1,005 BAL employees and 685 trainees on SHE topics.
- Implemented and Re-Certified for IMS Certification (Safety + Environment) ISO 14001:2015 and OHSAS 18001:2007
- Bureau Veritas COVID-19 Self safe assessment: Certification in Platinum category.

### Akurdi

- Safe hygiene assessment of Akurdi Plant was conducted in July 2020 by Bureau Veritas India where plant has got PLATINUM range which is highest range.
- Auditors appreciated BAL managements proactive initiatives in COVID-19 prevention
- COVID-19 prevention - formation of CFT, conducted internal audits, implementation of kaizens social distancing, touch free, hygiene improvements etc.
- Implementation of ISO 45001 MS initiated to upgrade from OHSAS 18001 to ISO 45001.
- Trained 744 BAL employees, 165 trainees and 450 contractual employees on SHE related topics.
- Undertook 8 mock drills with various scenarios

All plants of BAL operate as per the 'Consent-to-Operate' provided by the respective State Pollution Control Boards (SPCB) and are within permissible limits with regards to the emissions and waste generated. The Company did not receive any show-cause notice from the Central Pollution Control Board (CPCB) or the respective SPCBs during the reporting year.

**PRINCIPLE 7****Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

As a responsible corporate citizen, BAL actively engages with several industry associations and government bodies to present its views on setting up of new industry standards and regulatory developments related to the automotive manufacturing industry, at both domestic as well as global platforms. The Company's ongoing dialogues through these platforms cover a wide range of areas which include governance and administration, economic reforms and inclusive development policies, among others. BAL aims to bring about a positive impact in the business ecosystem of the automotive manufacturing industry through such engagement. Listed below are some of the key industry associations of which BAL is member:

- Confederation of Indian Industry
- Society of Indian Automobile Manufacturers
- World Economic Forum
- Federation of Indian Export Organizations
- The Automotive Research Association of India
- Mahratta Chamber of Commerce, Industries and Agriculture
- National Safety Council
- The Advertising Standards Council of India
- Indian Merchant Chamber
- Bombay Chamber of Commerce and Industry
- Engineering Export Promotion Council of India
- Engineering Export Promotion Council of India
- Quality Circle Forum of India

**PRINCIPLE 8****Businesses should support inclusive growth and equitable development**

For any organization, sustainable long-term value-creation is not just dependent on a robust business model; it largely depends upon the mission and values that drive it. The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and the common good and laid the foundation for ethical, value-based, and transparent functioning. The Bajaj Group also believes that true and full measure of growth, long-term success, and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the impact that a business and an industry can have on the lives of people.

Since the inception of the Corporate Social Responsibility Act, the Bajaj Group has partnered with more than 400 NGO partners supporting projects in the areas of health, education, women empowerment to environmental sustainability. The Group companies have together provided support of over INR 1,300 crore during 2014-2021. BAL's CSR spend during this period has been INR 684 crore.



The group made fund allocations across thematic segments (and sub-segments) provided under Schedule vii of the Corporate Social Responsibility Rules and the major allocations were made under the broad thematic heads of A. Health, B. Education, C. Livelihood and D. Environmental Sustainability. Each entity under the Bajaj Group of Companies (BAL, BFL, BFS, etc.) has flagship projects that they resonate closest with creating unique brand identities for each of them. BAL owns its Water Conservation Project (BWCP) which is aimed towards improving lives and livelihood of people in Aurangabad, Sikar, and Udhamsinghnagar.

## Our Activities

(Please refer to the **Annual Report on CSR activities** for a detailed list of partners and grant amounts)

### A. Health

In FY 2020-21, BAL has made a fund allocation worth INR 53 crore in the healthcare sector. FY 2020-21 was primarily characterized by the outbreak of the COVID-19 health crisis and the need to augment public and private infrastructure to address the pandemic. The Bajaj Group pledged INR 100 crore to the fight against the pandemic. Working with the Government and a network of 200+ NGO partners, the Group committed itself to ensure that resources like access to healthcare and other necessities of life reach those who need it the most.

The details of COVID-19 Response funds committed by Bajaj Group of companies

Name of Donor	Bajaj Auto Ltd.	Bajaj Finance Ltd.	Bajaj Auto Ltd.	Bajaj Alliance General Insurance Company	Bajaj Alliance Life Insurance Company	Total Commitment
Amount in INR crore	40	40	8	8	4	100

Due to widespread impact of the pandemic on our economy and public at large, BAL along with their Group companies have spent their allocation of the COVID-19 Response funds towards 'Health' section. Some of the notable contribution made by Bajaj Group Companies towards the response of the coronavirus crisis are as follows:

#### I. Pune's largest COVID-19 Care Center Set up in Lohegaon Vimannagar

The Bajaj Group partnered with the Annamrita Foundation, Bharatiya Jain Sangathana and Pune Municipal Corporation to support up a 2,800 bed COVID-19 Care facility (CCC) in Vimannagar Pune that would reach out to the underprivileged people who are in need of isolation.

#### II. Upgradation of 20 Public Health care facilities in Pune, Udham Singh Nagar, Sikar and Aurangabad

The Bajaj Group has identified 20 Public Health facilities in Pune, Sikar, Aurangabad and Udham Singh Nagar to upgrade them with infrastructure. High end medical equipment like HFNOs and Health Cubes were distributed to the identified facilities to reduce the burden on hospitals and speed up laboratory testing.



#### III. Safe Commute Campaign in Partnership with Uber

BAL initiated a campaign that involved distribution of Safety Partitions, (between driver and rider), Disinfectant Solutions, Hand Sanitizers, Masks and Mechanical Spray Bottles to auto drivers. The Safe Commute Campaign in partnership with Uber was piloted in Gurgaon and later rolled out to Pan India which led to the distribution of over 1 lakh safety partitions to Auto Drivers across 20 cities in India.



#### IV. Support through PPE kits and Meals

The Bajaj Group partnered with the Pune Platform for COVID-19 Response (PPCR) to procure PPE kits for hospitals in Pune and for district administrations in Udham Singh Nagar, Sikar and Aurangabad. About INR 4.50 crore worth of PPE kits were distributed to frontline healthcare workers. About a total of 20 lakh meals or ration equivalent were provided to migrants in distress in Maharashtra, Uttarakhand and Rajasthan.

#### V. Distribution of Immunity Boosters

BAL funded Prana Homeopathic Clinic has partnered with the Jankidevi Bajaj Gram Vikas Sanstha (the social outreach arm of the Bajaj Group) towards distribution of 75,000 vials of immunity booster Camphora-1 across various locations in Pune and Aurangabad.

The support to key ongoing projects was also continued as these issues continue to be critical for wellbeing of the poorest-of-the-poor. The details of other notable projects are as follows:

- **Cochlea Pune for Hearing and Speech**

Through this project, support was created for Swaranaad preschool of children with hearing impairment by renovating/ refurbishing 16 classrooms, 4 therapy rooms and 2 classrooms for conducting teachers training program. The total value of the project is INR 0.65 crore of which INR 0.19 crore have been disbursed in FY 2020-21.

- **Centre for Applied Research and People Engagement, Aurangabad (CARPE)**

The objectives of the partnership with CARPE was to create a Solid Waste Management practice in the six urban local bodies in Rajgurunagar, Khed and ensure waste segregation and awareness regarding the same amongst the community people. With BAL, CARPE has two projects one is at Aurangabad and the other is in Pune rural (Khed block) of value INR 1.48 crore. The disbursement for both Aurangabad and Pune Rural project is INR 0.55 crore.

## B. Environmental Sustainability

BAL has adopted an environment friendly approach in all its Company initiatives, manufacturing processes and technological innovations. The same is extended to CSR as BAL supports multiple initiatives such as water conservation in the drought-prone district of Aurangabad and spring revival in the distant locations of Kumaon.

In FY 2020-21, BAL has made a fund allocation worth INR 30.06 crore in the Environmental Sustainability sector. Some of the key associations are :-

- **Paani Foundation**

Paani Foundation is a not-for-profit company set up in January 2016 to work towards creating a drought free Maharashtra. BAL is supporting the cause with a contribution of INR 6.7 crore in FY 2020-21. The phase II of the Water Cup that BAL is supporting seeks to create scientific approaches to water data collection, adoption of water efficient agricultural practices, and ecological restoration of grasslands and forested areas.

- **Bajaj Water Conservation Project (BWCP):**

Most parts of Central Maharashtra, including Marathwada and Vidharbha face repeated drought. Most of the villages are tanker fed for 6 to 9 months in a year. With the aim of Conservation of Water Bajaj CSR launched the project in two phases in Aurangabad district.

The first phase of Bajaj Water Conservation Project (January 2015 -December 2017) was launched in 51 villages of Paithan, Gangapur Taluka of Aurangabad district where a total of INR 20.40 crore was funded by BAL.



The second phase of Bajaj Water Conservation Project (December 2017 – March 2022) was launched in 110 villages of Gangapur and Aurangabad Talukas of Aurangabad district, where a total of INR 123 crore was funded by BAL and the community contributed INR 46 crore for the project. The key activities undertaken during second

phase were water resource development, capacity building, livelihood enhancement through alternate livelihoods, soil conservation and plantation, water use efficiency and productivity enhancement. The disbursed amount for FY 2020-21 is INR 9.9 crore.

## C. Education

BAL focuses on primary education with an aim to address issues related to:

- Low learning outcomes
- Early childhood Education
- Dropouts and lack of access to formal schooling

BAL launched a Bajaj Education Initiative– aiming to improve the quality of education in its core areas through infrastructure development and capacity building of students, teachers, and parents. Besides this, BAL has also funded multiple programs that focus on primary school education and the education of disabled children.

In FY 2020-21, BAL has made a fund allocation worth INR 14.3 crore in the education sector. Some of the key associations are :-

- **Kailash Satyarthi Children's Foundation (KSCF)**

BAL has contributed INR 4 crore towards the project "Campaign against child trafficking and child sexual abuse" in the fiscal year under review. The project seeks to work and undertake a year-long campaign with a premier TV channel and make legal representations of cases such as child trafficking and child sexual abuse in Fast Track Courts in 20 targeted districts.

- **United Way of Delhi (UWD)**

BAL has contributed INR 2 crore to United Way of Delhi's Neev project (formerly known as the Born Learning Programme) in FY 2020-21. The project aims at children in the age group of 0-6 years from 100 Anganwadis to attain the stimulation necessary for growth so that an unhampered development of these children can be ensured. This is being achieved through the provision of safe, secure and healthy environment to each child enrolled under the program.

- **Lend a Hand India, Rajasthan**

BAL is supporting 'Lend A Hand India' for a three-year intervention aimed at improving access and quality delivery of skill education in secondary/ higher secondary schools in the state of Rajasthan and Uttarakhand. The project has two primary objectives – Firstly, to launch model multi skill vocational education program in 20 schools (10 each in Sikar in Rajasthan and Udham Singh Nagar in Uttarakhand). Secondly, to provide technical and project management support to the State governments of Rajasthan and Uttarakhand in scaling the vocational education in 1,105

schools (905 in Rajasthan and 200 in Uttarakhand). Overall, the program seeks to reach out to 121,600 students through a blend of direct and systemic capacity building interventions. The total approved amount for the project is INR 10.61 crore over a period of three years. The total funds disbursed for the project in the FY 2020-21 is INR 1.94 crore.

## D. Livelihood

BAL has worked with partner NGOs to support enhancement of Farm based livelihood as well as explore augmentation of Non-Farm livelihoods. Creation of micro-enterprises at individual and group levels is a key part of the strategy.

In FY 2020-21, BAL has made a fund allocation worth INR 15.1 crore in the livelihood sector. Some of the key associations are :-

- **Bharatiya Yuva Shakti Trust (BYST-Youth Entrepreneurship Development Program)**

The program, run by BYST, includes supporting underprivileged young entrepreneurs by supplementing financing based on the assessment done by the mentors assigned to them who are drawn from the similar industry and who gives voluntary personalized advice and support. The young entrepreneurs are nurtured till they reach a level where not only are self-sufficient, but they in turn make a valuable contribution to society through creation of wealth and employment. BAL has commitment of INR 10 crore to mentor 1,000 youths through BYST and help them build their enterprise. The project has reached out to 130 youth entrepreneurs. The amount disbursed in FY 2020-21 is INR 1.20 crore.

- **Sasakawa India Leprosy Foundation (S-ILF)**

Under this program, BAL has committed INR 2.31 crore to support 216 leprosy-affected people in building their own enterprises. The project has impacted 108 beneficiaries and of the total approved amount, in FY 2020-21, INR 1.19 crore is disbursed.

### PRINCIPLE 9



**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

#### Company's Philosophy

BAL is a firm believer in the philosophy of 'customer first', which is a fundamental driver for business excellence. Guided by its Quality policy, the Company uses various modes like service centers, web-based interfaces, dealer showrooms, social media and call centers to engage with its customers and seek feedback for continuous improvement and enhanced customer experience. BAL also ensures regular engagement with local service providers through structured familiarization programs and trainings.

In the wake of the COVID-19 pandemic, the safety of the dealership team and customers was an important issue for BAL. Basis various advisories released by experts and Government agencies, BAL came out with 'Guidelines for our dealerships: Bajaj SECURE', to ensure safety and to practice social distancing at dealerships and service centers. They were requested to share the prerequisite check sheet with their respective BAL Regional Manager as a sign-off before resuming their operations and subsequently on a weekly basis. To make sharing of these prerequisite check sheets easy and user-friendly, BAL had implemented a mobile application through which dealers and Authorized Service Dealers (ASDs) can submit this compliance report towards SECURE norms by few clicks using their mobile phones. On certification, the showrooms and service centres displayed a signage called "Bajaj Secure" to assure the customers that due COVID procedures of sanitization and other aspects were maintained in that premises. Furthermore, all test ride vehicles were duly sanitised after every use in order to ensure customer safety.

The Company has also taken keen interest in improving the quality of service provided by its dealers. This is achieved via a host of initiatives including Dealer Service Quality Standard Audits, Kaizen Awards and Skill Contests, besides the roll-out of the 'Centralized Dealer Management System' (CDMS) for all the dealers. In order to provide quick and effective customer support all the call centres have been integrated with the CDMS. This allows the support executive to identify customers using their mobile number and instantly access all the customer related data.

In order to ensure customer on-road safety and efficient use of vehicles, BAL provides an owner's manual with each vehicle that includes safety check mechanisms, dos and don'ts as well as fuel saving tips. Also, it conducts pre-monsoon campaigns, focused on safe driving and preventive check-up tips for the season. During the year 2020-21, total 42 cases were filed at the consumer forum, while 357 cases are pending as on 31 March 2021.

BAL is a signatory to Advertising Standard Council of India (ASCI), which evaluates and provides corrective recommendations for commercial advertisements. BAL's marketing department ensures adherence to the ASCI code of self-regulation in all its advertisements such as displaying helmets by all passengers on bikes and disclaimers for advertisements with bikes performing stunts.



**Motorcycles:**

Underlining its truly global customer base, BAL continues to build on the brand identity of 'The World's Favourite Indian' that reflects the presence of Bajaj as a market leader in several countries across the world.

In line with BAL's business vision, Motorcycle Business has adopted TPM, The Prime mover towards Excellence, to continuously improve its core competence in Service. We have rolled out the TPM concepts at 280 dealer workshops and all of them are practicing the TPM methodology. 35 of our dealerships are now TPM certified.

BAL has always kept customer satisfaction as key priority, with the aim of improving transparency for customers, customer journey is now scripted digitally and moving towards paperless service operations at the dealerships. The response time towards customers at call center and on emails continues to remain robust with more than 90% of the customers being responded within one hour and 98% of the emails being responded within 10 minutes.

BAL's Service Strategy is aimed at delivering the Brilliant customer experience at workshops, which is coined as Customer Success. The key elements being:

- to step up the capability of channel and internal team
- to enhance the quality of network along with culture transformation at the workshops
- to bring about more rigour on process and system compliance and bring along digital transformation.
- to achieve desirable business outcomes through improved Net Promotor score and dealer workshop revenue growth

Through various programs, BAL's marketing team aims at providing enhanced ownership experience to its customers. Innovative ways are adopted to engage with the customers across media platforms. These include riding activation tours, biking tours, knowledge sessions and expeditions in the 'riding' space while our presence on social media and other online channels acts as a rallying point for owner communities to stay connected to other like-minded riders and fans across the world.

Consumer engagement programs like the newly launched KTM Pro-Experiences are designed to provide a premium, exclusive and a differentiated experience to the owners, spanning the terrains of Adventure, Street and Track. These programs have been designed by KTM experts who are terrain specialists and hold the responsibility of curating and leading the events. Multiple properties have been introduced covering short and long-distance rides, training programs and community building initiatives to enable the owners to enter the world of Pro-biking with full gusto.

To ensure better engagement with the customer and give them confidence in Bajaj service post-COVID-19, we launched a nation-wide free battery charging campaign which helped our customers to kickstart their routine in a hassle-free manner. Every initiative launched was under a strict regime of 'Bajaj SECURE' and as a result we quickly achieved more than 100% workshop Revenue Y-o-Y.

This year BAL enhanced its training facility by establishing another 22 regional hubs, now 100% of the Company's technicians are Advance Module trained which has helped it immensely to improve Service Quality Standards. Now, on similar lines, BAL is leveraging the reach of its Local Mechanics by creating a digital platform thus using the hugely untapped unstructured business model that will geotag them, familiarize them with BAL technology, ensure greater sales referrals from them and promote recommendation of Bajaj in market.

To transform the customer experience further BAL has launched Customer Experience Excellence 2.0 under which BAL has worked immensely on Digital Transformation and provided a paper-less service experience to its customers based on the feedback from Net Promoter Score (NPS). Digitization has brought transparency in areas of service cost and helped our customers with online service booking facility, menu servicing options, monitor vehicle status from the comfort of home and hassle-free payment systems. In a drive of transformation, BAL is also upgrading workshop Infrastructure to make its facility more pleasing for customers and highly efficient for the workshop team.

### **Commercial Vehicles:**

With the aim of empowering its customers, BAL has continued its 'Swarozgar Campaign' and the 'Driver Bane Malik' initiatives. The Swarozgar Campaign enables rural youth to enter the three-wheeler business, while under the Driver Bane Malik initiative, assistance is provided to contract drivers in purchasing their vehicles. Additionally, 'Certified Service Technician' and 'Power Technician' programs have been initiated by BAL which are aimed at upgrading the skills of technicians by providing them appropriate training and tools. These programs ultimately provide better service to BAL customers, while also increasing the earning potential of the technicians. The 'Certified Service Technician' and 'Power Technician' programs currently have 1,246 and 2,996 empanelled technicians respectively, spread across India.

### **Electric Vehicle:**

The 'Chetak Electric' - a one of its kind electric vehicle in the two-wheeler segment, continues to garner significant interest from prospective owners and auto media. Besides being environment friendly with zero emissions, Chetak is much quieter to run than the petrol-powered two-wheelers and at the same time it provides a safe and comfortable experience to its riders.

Currently available for customers in Pune and Bangalore, the process of purchasing the vehicle is simple and is completed online through the Chetak e-commerce portal. This includes booking, uploading documents, choosing the financing and insurance option and then finally making the payment. The customer needs to visit the store only for document verification and to receive the final delivery.

To further improve the online experience to a prospective owner, an 'e-showroom' has been put in place on the Chetak website, that largely replicates the in-showroom experience. From the history of the brand, to a complete virtual tour, ushered by an AI-powered assistant, the e-showroom offers a best-in-segment online buying experience.

Owners of the Chetak Electric have the convenient option of charging the vehicle through a regular five ampere domestic socket. In addition to this, the customers can opt for a Chetak mobile application, which helps them track the battery charge status, ride statistics, receive vehicle notifications etc. As a value addition for the customers, BAL also provides a dedicated charging box with superior safety and protection vs a normal wall socket, as an option.

With the aim of continuously improving the customer satisfaction levels, customer feedback is collected at various points in the customer's purchase journey, right from the test ride to the delivery. With the early set of owners providing positive feedback on the product as well as the experience, the Chetak Electric is primed to build on its initial success.