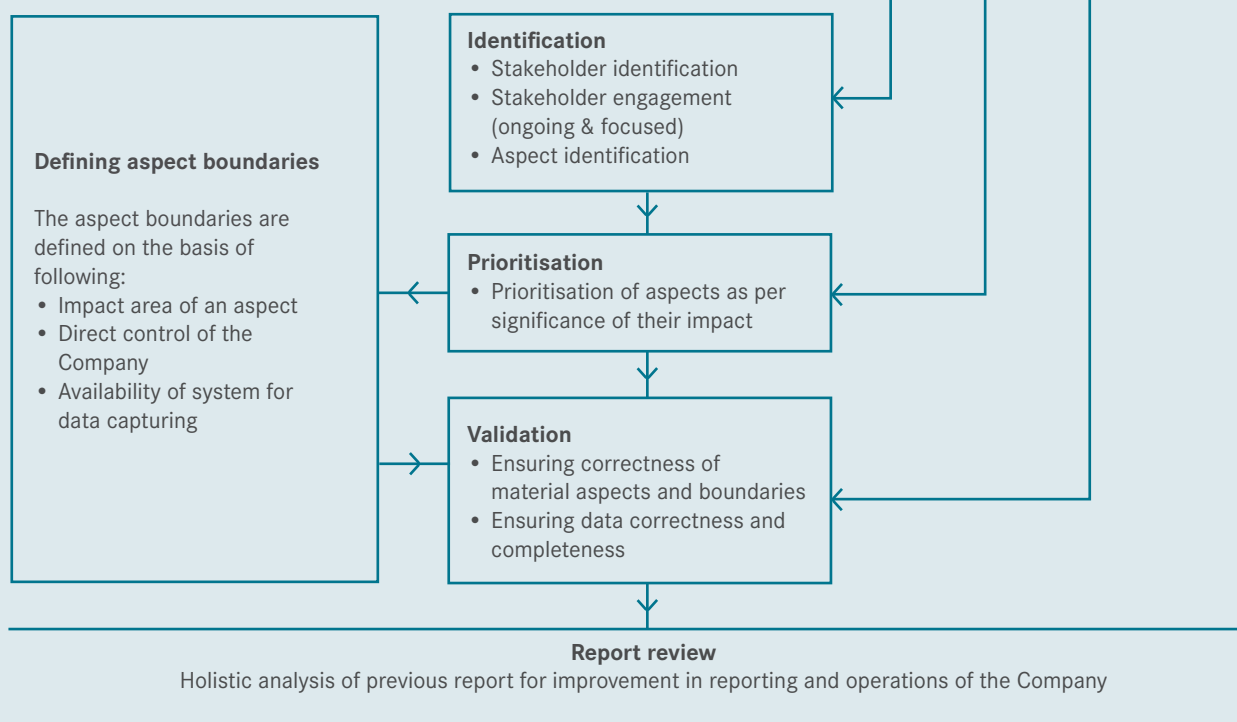


Sustainability Report

Report Profile

The Company publishes its Sustainability Report annually and the most recent report was published for year 2014-15. This is the Company's 8th Sustainability Report which is for the period, 1st April, 2015 to 31st March, 2016. This report has been prepared as per GRI G4 guidelines, in accordance with 'Core' reporting. Following process flow describes the approach adopted by the Company for defining report content and aspect boundaries for report preparation.

Maruti Suzuki's Sustainability Report Preparation Process



The report is assured and verified by an independent assurance provider, DNV GL Business Assurance India Pvt. Ltd. as per AA1000AS(2008) standards. There is an internal approval system in the Company for appointment of the external assurance provider for Sustainability Report. The assurance statement is given at the end of this section.

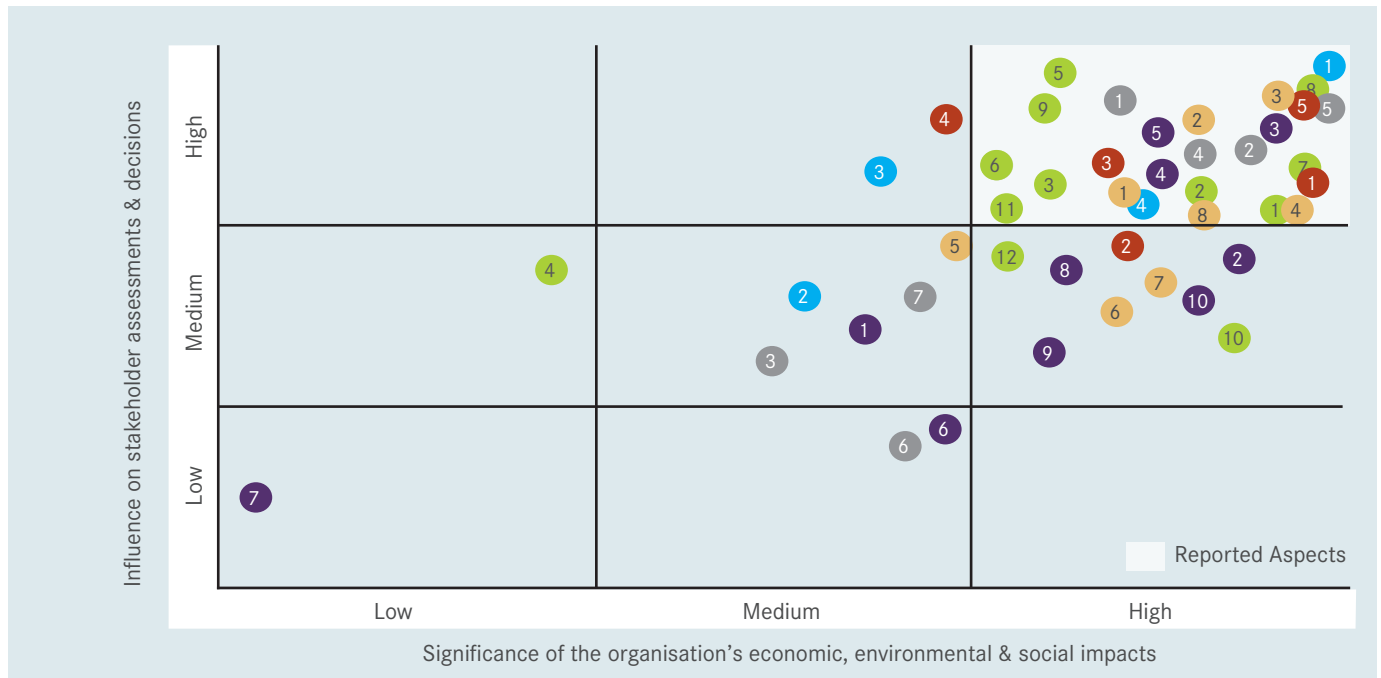
Report Scope and Aspect Boundary

There has been no significant change from the previous reporting period in the report scope and aspect boundaries. There is no restatement. However, required 'notes' have been indicated throughout the Sustainability Report section.

Materiality Matrix

The Company undertook an internal materiality assessment exercise for defining report content in the previous reporting year. All cross-functional team members involved in report preparation dedicated a day to understand the concept of materiality and jointly created the materiality matrix. The exercise was guided by an external sustainability expert. The matrix was then evaluated and modified by the corporate level sustainability team. For 2015-16, the materiality matrix was reviewed and has been updated.

Material aspects for Maruti Suzuki India Limited



● Economic

1	Economic performance
2	Market presence (Wage ratio)
3	Indirect economic impacts
4	Procurement practices

● Labour practices and decent work

1	Employment
2	Labour/ management relations
3	Occupational health & safety
4	Training & education
5	Diversity & equal opportunity
6	Equal remuneration for women & men
7	Supplier assessment for labour practices
8	Labour practices grievance mechanisms

● Human rights

1	Investment
2	Non-discrimination
3	Freedom of association & collective bargaining
4	Child labour
5	Forced or compulsory labour
6	Security practices
7	Indigenous rights
8	Assessment
9	Supplier human rights assessment
10	Human rights grievance mechanisms

● Environment

1	Materials
2	Energy
3	Water
4	Biodiversity
5	Emissions
6	Effluents & waste
7	Products & services
8	Compliance
9	Transport
10	Overall (Environmental expenditure)
11	Supplier environmental assessment
12	Environmental grievance mechanisms

● Society

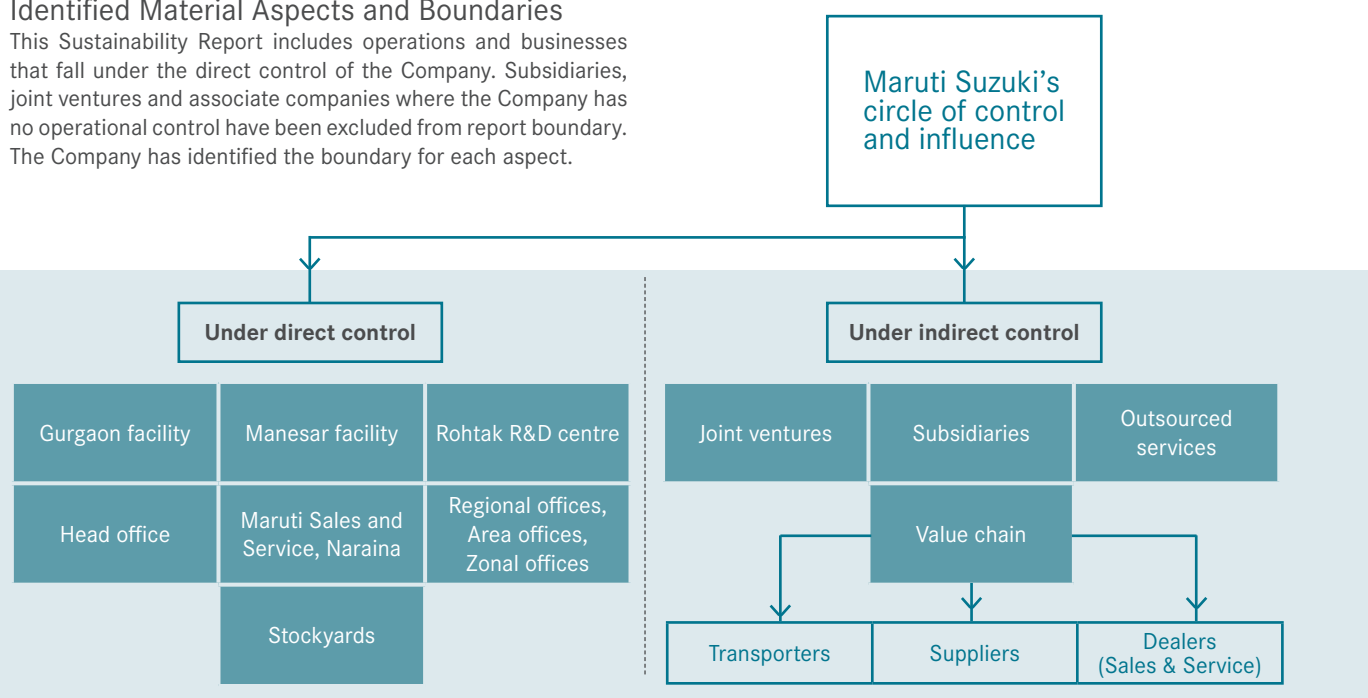
1	Local communities
2	Anti-corruption
3	Public policy
4	Anti-competitive behaviour
5	Compliance
6	Supplier assessment for impacts on society
7	Grievance mechanisms for impacts on society

● Product responsibility

1	Customer health & safety
2	Product & service labelling
3	Marketing communications
4	Customer privacy
5	Compliance

Identified Material Aspects and Boundaries

This Sustainability Report includes operations and businesses that fall under the direct control of the Company. Subsidiaries, joint ventures and associate companies where the Company has no operational control have been excluded from report boundary. The Company has identified the boundary for each aspect.



Aspect Boundary for Sustainability Report

Material aspect	Gurgaon	Manesar	Rohtak	Head office	Other facility / office	Supply chain
Governance and ethics						
Economic performance						
Procurement practices						
Materials						
Energy						
Water						
Emission						
Effluents & waste						
Products & services						
Supply chain						
Employment						
Labour/ management relations						
Training and education						
Occupational health & safety						
Freedom of association & collective bargaining						
Child labour						
Forced or compulsory labour						
Local community						
Customer health & safety						
Marketing communications						
Compliance						

Risk Management

The Company has established a Risk Management process which consists of an Enterprise Risk Management Committee (ERMC). The process includes a mechanism of periodic identification of risks through stakeholder interviews, workshops and surveys, and their mitigation. Management of each risk is assigned to a risk owner and the designated risk champion. The Company

has also set up a Risk Management Committee of the Board to monitor and review the risk management plan as per the requirements of the Companies Act, 2013. The Company has a Risk Management Policy approved by the Board. The Chief Risk Officer at the corporate level coordinates all activities related to risk management and presents the report to the Risk Management Committee.

Identified Risk	Mitigation Strategy
Unfavourable economic conditions	<ul style="list-style-type: none"> Flexible manufacturing to manage demand fluctuations, high focus on exchange sales, expansion of sales and service network through the successful implementation of NEXA sales channel High focus on semi-urban and rural markets
Regulatory changes	<ul style="list-style-type: none"> Expansion of R&D capabilities, incorporation of advance safety features Designing vehicles with low carbon emission and high fuel efficiency
Competition and changing of customer preferences	<ul style="list-style-type: none"> Diversification of product portfolio, enhancement of vehicle performance Strengthening after sales service and attractive vehicle pricing Introduction of advance technologies to ensure safety, lesser fuel consumption, lower carbon emissions and use of recyclable material in manufacturing
Talent migration	<ul style="list-style-type: none"> Employee motivation, career growth, high focus on training and development Employee satisfaction survey and action on the outcome of the survey Regular engagement with workers and ensuring safe working environment Direct communication between top management and workers
High level of dependency on value chain	<ul style="list-style-type: none"> Suppliers' capacity building in different areas of business, establishment of supplier base close to manufacturing facilities Working with transporters on subjects like health and welfare, road safety and driving training for drivers, accident data monitoring, equipping trailers with GPS devices Dealers' performance monitoring, supporting their financial stability, regular training of sales executives and service technicians
Quality issues	<ul style="list-style-type: none"> Fool-proofing internal manufacturing systems and processes, undertaking assessment of suppliers' manufacturing processes and capacity building for quality management
Breach of information security	<ul style="list-style-type: none"> Creating awareness, strengthening information security systems and vigilance, classification of information, creation of information security champions
Corruption	<ul style="list-style-type: none"> Mandatory adherence to code of business conduct by all employees and focus on awareness among middle and senior management
Water scarcity	<ul style="list-style-type: none"> Meeting most of the water requirement from canal water, taking up rainwater harvesting, recycling and reuse of water, and system improvement for reducing water consumption
Emissions	<ul style="list-style-type: none"> Designing low carbon emitting vehicles, promoting CNG vehicles, undertaking process enhancement and use of solar energy and cleaner fuel for electricity production
Negative social impact	<ul style="list-style-type: none"> Planning the Company's operations to minimise disturbance to local communities, assessing Company's impact on society and addressing concerns of local communities

Applying the Precautionary Approach

The Company undertakes Environmental Impact Assessments to identify potential impacts of new manufacturing projects and expansion of existing facilities on the environment. The Company undertakes mitigation efforts in line with findings of the assessment.

Stakeholder Engagement

Organisations and individuals that are impacted by the Company's operations and that can potentially impact its sustainability and growth are identified as key stakeholders by the Company.

Stakeholder engagement is a continuous process and the Company has well established processes for the same. Since, this is a continuous process, engagement happens naturally. The Company engages with the entire stakeholder groups during its day-to-day operations, irrespective of significance and size of the groups.



Employees

Activity	Frequency	Engagement approach to address concerns
Managing Director's communication	Bi-annual	To update department heads on the Company's performance and developments
Divisional communication meetings	Monthly	To update employees on the Company's performance and developments
Family interaction*	Monthly	Family interactions and visits to facilities to strengthen bonding between the Company and employees/ their families
Suggestion schemes and quality circles	Ongoing	Employees implement work related suggestions and are rewarded appropriately
Employee relations development committee	Monthly	A platform that ensures constructive discussions between workers' unions and the Company officials
Umbrella mentoring	Ongoing	One supervisor mentors a group of seven associates on a professional and personal level

Note: The engagement type is formal except for the star (*) marked activities

Customers

Activity	Frequency	Engagement approach to address concerns
Brand track	Ongoing	To gauge customers' perception of corporate brand and product brands
Customer meet and feedback	Ongoing	To gauge customers' satisfaction level with products and services
Mega service camps	Ongoing	A means to receive first-hand customer feedback and resolve complaints on the spot
Customer care cell	Ongoing	A 24x7 toll-free number (18001800180) for customer complaints

Note: The engagement type is formal for all activities

Shareholders and Investors

Activity	Frequency	Engagement approach to address concerns
Annual general meeting	Annual	For investors to interact directly with the Company's top management
Press releases and emails	Ongoing	To disseminate information such as financial results, new model launches and price changes to investors
Investor meets	5-6 meets a year	To update investors on current business environment and the Company's approach and strategies
One-to-one meetings and conference calls	Ongoing	To address investor-specific queries

Note: The engagement type is formal for all activities

Suppliers

Activity	Frequency	Engagement approach to address concerns
Maruti centre for excellence	Ongoing	To upgrade suppliers through training, consultation and sharing the Company's best practices
Suppliers' club	Ongoing	A platform for select suppliers to discuss critical issues with the Company's top management
Quality month	Annual	To enhance quality consciousness amongst suppliers
Value Analysis and Value Engineering (VA-VE) Month	Annual	To achieve cost competitiveness jointly with suppliers
Vendor conference	Annual	A platform for Company's top management and suppliers' CEOs to share thoughts and best practices
Safety and energy audits	Ongoing	Auditing for identification of opportunities to improve safety culture and energy consumption reduction
Environment management system promotion	Ongoing	Engagement and support for ISO 14001 certification for suppliers

Note: The engagement type is formal for all activities

Dealers

Activity	Frequency	Engagement approach to address concerns
Balanced scorecard	Quarterly	A tool for sustained performance improvement of dealers in areas such as operations, sales, service and spares
Dealer conferences	Annual	A platform to share best practices, offer future direction and receive feedback from dealers
Guidance on Business and Financial Matters	Ongoing	A way of capacity building and hand-holding of dealers by the Company

Note: The engagement type is formal for all activities

Local Community and Society

Activity	Frequency	Engagement approach to address concerns
Community Development around facilities **	Ongoing	<ul style="list-style-type: none"> The Company's representatives meet village panchayat leaders at least once in a quarter to understand community's concerns and discuss ways to address those and meet Government officials for seeking permissions and taking their inputs for projects, as and when required Location-wise dedicated teams are deployed to engage with community on a regular basis for implementation of social development projects. This is further supported by the Company's employee volunteering programme
Skill Development – Pan-India	Ongoing	<ul style="list-style-type: none"> Quarterly review meetings with the Chairman of the Institute Management Committee of ITIs to review the progress of the project and define the way forward Regular engagement with students and staff of ITIs for infrastructure upgradation, facilitation for industry exposure, skill enhancement, personality development and trainings, etc.
Road Safety initiatives – Pan-India	Ongoing	<ul style="list-style-type: none"> Engagement with Government officials i.e. Traffic Police Commissioners, traffic marshals, IDTR officials and civil society groups for promotion of road safety Driving training for general public, marginalised groups, trailer drivers through IDTRs, MDS's and Road Safety Knowledge Centres of the Company's network. Further, the Company organises road safety awareness programmes across various schools and colleges

Note: The engagement type for star (**) marked activities is formal as well as informal in nature, whereas others are formal activities

Environment and Regulatory Authorities

Activity	Frequency	Engagement approach to address concerns
Community feedback	Annual	Gauges environmental impact of the Company on neighbouring communities
Interaction with regulatory authorities	Ongoing	Interaction and communication with regulatory authorities for meeting compliance standards, understanding new regulations and discussing environmental issues
Advocacy on future environmental regulations and policies	As required	Participation in committees set up by SIAM and the Government, on future environmental regulations, policies and implementation plans
Hybrid and electric cars	Ongoing	Working closely with the Government for attaining goals under the National Electric Mobility Mission Plan 2020 (NEMMP), for hybrid and electric cars

Note: The engagement type is formal for all activities



Economic Performance

The Company achieved highest-ever sales in the reporting period. This has been possible because of new launches, good customer services, better strategy and united efforts of Maruti Suzuki family. Large number of vehicles produced and sold, make aspects of economic performance and procurement practices material for the Company.

For managing economic performance, the Company closely monitors the external environment and changing consumer preferences and responds accordingly with its products and expansion of manufacturing facilities, sales and service network. The suppliers are also advised to build capacities and capabilities to meet current and future business requirements. Further, future plans are made considering the long-term interests of the Company and its various stakeholders.

This was the fourth year in a row when the Company's market share improved over the previous year. It stood at 46.8%, the highest in 14 years.

Direct Economic Value Distributed (₹ in million)

Item	2013-14	2014-15	2015-16
Employee wages & benefits	13,681	16,066	19,887
Shareholders' fund	209,780	237,042	270,071
Dividend paid	3,625	7,552	10,573*
Contribution to the National Exchequer	87,832	91,012	137,166
CSR spend	232.8	372.5	784.6

*Proposed.

Maruti Suzuki's Contribution to Employee Benefit Plan Obligation (₹ in million)

Employee benefit	2013-14	2014-15	2015-16
Leave encashment/ compensated absence	1,448	1,830	2,101
Employees' gratuity fund	1,351	1,715	1,967
Retirement allowance	47	54	58
Provident fund	7,908	9,563	11,590

Source: Note 28 (employee benefit expenses) of standalone accounts of 2013-14, 2014-15 and 2015-16



Environmental Performance

Disclosure on Management Approach

The Company business operations involve natural resource consumption and have its environmental impacts. The nature and scale of operation makes material, energy, water, effluent, waste and emissions as material aspects for the Company. To minimise environmental footprint, the Company follows the basic philosophy of its parent, ‘Smaller, Fewer, Lighter, Shorter and Neater’. Specifically, the Company has been working on initiatives like, resource consumption optimisation, implementation of green procurement guidelines and improving environmental performance of suppliers, etc.

Generally, the environmental parameters are regulated by government rules and guidelines. The Company conducts Aspect-Impact Analysis and Environmental Impact Assessment (EIA) to identify and manage potential environmental impacts. The Company avoids adoption of any process, equipment or strategy which can cause environment, health and safety risks. If the risks are inevitable, mitigation plans are prepared and implemented. The Company has dedicated departments to manage different aspects of environmental performance and annual targets for key environmental performance which are set at the beginning of the year.

Materials

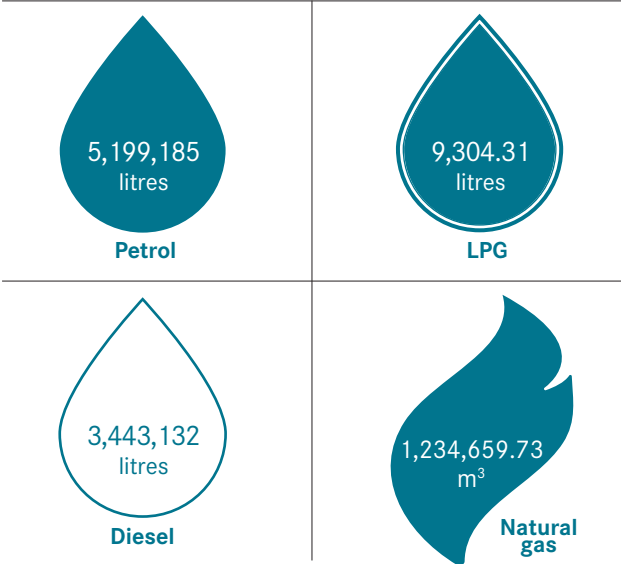
The materials used by the Company for vehicle manufacturing are primarily non-renewable in nature. To reduce per vehicle raw material consumption, the Company has focused on initiatives like ‘One Gram One Component’ weight reduction programme, yield improvement, Value Analysis-Value Engineering and recycling and reuse initiatives.

Materials Recycled and Used



To minimise environmental footprint, the Company follows the basic philosophy of its parent, ‘Smaller, Fewer, Lighter, Shorter and Neater’.

Fuel Consumed in the Vehicles Manufactured



Energy

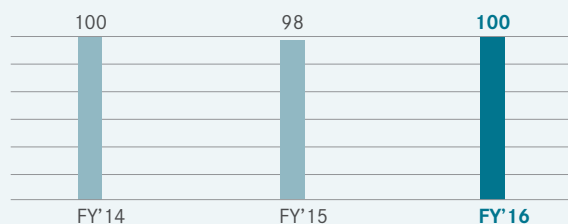
The Company meets more than 96% of its energy requirement from cleaner sources (natural gas, LPG, solar based power plants). The other sources include electricity from grid and back-up generators.

Energy Consumption by Type (GJ)

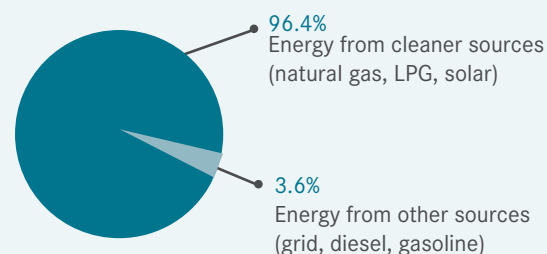
Energy type	Energy source	2013-14	2014-15	2015-16
Direct energy	Natural gas	5,386,574	6,106,698	6,379,212
	Diesel (HSD)	43,155	88,704	84,940
	LPG/ propane	117	22,946	20,709
	Gasoline	30,659	31,936	29,759
	Solar	522	4,750	4,924
Indirect energy	Grid electricity	52,325	101,215	126,100
Total		5,513,352	6,356,249	6,645,644

Note: Conversion factor has been taken from GRI G3.1 guidelines; grid electricity figure excludes Rohtak

Electricity consumption per vehicle manufactured (%), indexed to base year 2013-14



Energy from cleaner sources



Energy Related Initiatives

Conservation initiatives

- Energy efficiency improvement in compressed air plant by reduction of generating air pressure in Manesar Casting Plant
- Energy efficiency improvement in cyclo's, twin lobe blowers, submersible mixer in water treatment plant and use of energy efficient motors in blowers and cooling fans
- Optimisation of process steam pressure by installation of pressure reducing and de-superheating station (PRDS)

Process improvements

- Design improvement of cooling air system to enhance air flow in casting plant
- Replacement of single core high tension cable with three core cable to enhance reliability of power distribution system
- Upgradation of turbocharger system in gas generator for instantaneous loads

Cost-reduction initiatives

- Increased loading of steam turbine generator in Manesar by efficient running of Waste Heat Recovery Boiler
- Optimisation of power resources by use of low pressure steam turbine generator and auxiliary boiler, on Sundays/holidays
- Alternate source of electricity through Open Access

Water

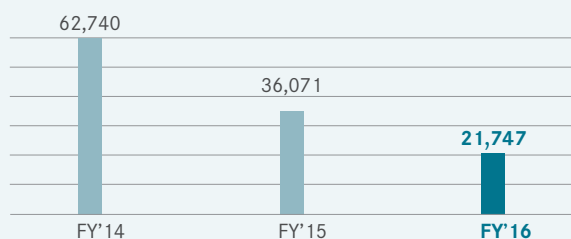
Over the years, the Company has reduced the ground water consumption significantly whereas canal water is the primary source of water for the Company. The Company has also created rainwater harvesting structures at all its facilities.

Water Consumption by Source (m³)

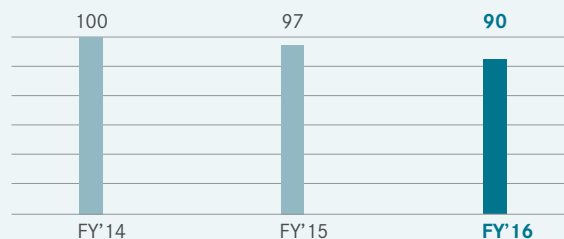
Water source	2013-14	2014-15	2015-16
Surface water (canal water)	1,980,981	2,352,632	2,346,326
Groundwater (tube well water)	62,740	36,071	21,747
Rainwater	3,341	6,871	39,668
Total	2,047,062	2,395,574	2,407,741

Decreasing Dependency on Groundwater

Groundwater consumption (m³)



Water consumption per vehicle manufactured (%), indexed to base year 2013-14



Water lagoon at Gurgaon facility

Effluents and Waste

There is no water discharge outside the factory premises as all the Company facilities have zero wastewater discharge status. The recycled water is used for manufacturing processes, irrigation and cleaning purpose and RO water reject is used for toilet flushing.

Recycled and Reused Water (m³)

Water type	2013-14	2014-15	2015-16
Recycled water from treatment plants	1,379,237	1,751,278	2,191,079
Reused water	518,619	614,683	828,352

Note: Data for Rohtak Centre is not included

Hazardous Waste

The hazardous waste generated during the Company's operations are categorised, accounted and disposed as per the prescribed norms. The data for significant hazardous waste is given in the following table.

Waste type	Unit	2015-16
Hazardous waste sent to cement industry for co-processing	t	12,153
Hazardous waste sent to authorised recyclers	t	2,881

Emissions

In 2015-16, total scope-1 and scope-2 emissions (CO₂) were 366,233t and 27,317t of CO₂ equivalent respectively. For carbon emission calculation, IPCC 2006 guidelines for National Greenhouse Gas Inventories and User Guide (Version 8.0) of Central Electricity Authority (Ministry of Power) have been used.

Emissions of Ozone Depleting Substances (ODS)

The substances responsible for Ozone depletion are used as refrigerants in a limited way in offices and manufactured vehicles. The office areas in the Company have air conditioning, while, all manufacturing facilities are cooled by air washers; therefore, the use of refrigerant by the Company at its manufacturing facilities is limited. Also, the Company fills environment friendly refrigerant gas R134a in the vehicles manufactured at its facilities.

NO_x, SO_x, and Other Significant Air Emissions

The ambient air quality and stack emission parameters (SO_x, NO_x, and SPM, etc.) are monitored as per prescribed government norms by a government approved external agency. The monitored values in 2015-16 were well within the prescribed limits of the Pollution Control Board.

Mitigation of Environmental Impacts of Products and Services

The products offered by the Company have high fuel efficiency and low emissions. In general, the Company strives to design and develop products and services to further reduce their possible environmental impacts. The important initiatives for reducing environmental impacts of products and services include, fuel efficiency enhancement, vehicle weight reduction and system improvement in servicing processes.



Effluent treatment plant at Gurgaon facility

Products

Fuel Efficiency

Fuel efficiency is directly linked to the amount of CO₂ emitted by the vehicle. The Company has been able to minimise environmental impact of its products by improving fuel efficiency of vehicles. Underlined below are some of the important initiatives taken to achieve better fuel efficiency.

- Introduction of new generation alternator management to optimise battery charging (SHVS)
- Optimisation of transmission gear ratios for better drive and fuel efficiency
- Improvement in combustion, thermal efficiency and engine calibration
- Engine friction reduction and compression ratio optimisation
- Improvement in aerodynamic design & weight reduction
- Introduction of Idle Start Stop
- Introduction of turbocharger and of new fuel injection technology (Direct Injection in Cylinder Head) in gasoline engines

CO₂ emission reduction for entire fleet

The Company is continuously targeting reduction in CO₂ emissions to combat climate change. The Company was able to reduce overall weighted average CO₂ by over 15%.

The CO₂ emission reduction has been achieved as a result of the following initiatives-

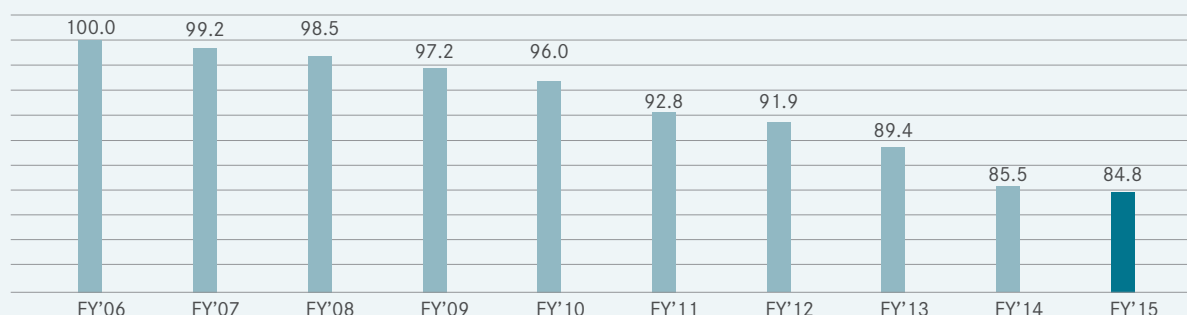
- Fuel efficiency improvements
- Introduction of new technologies
- Development of alternate fuel products

Weight Reduction Initiatives

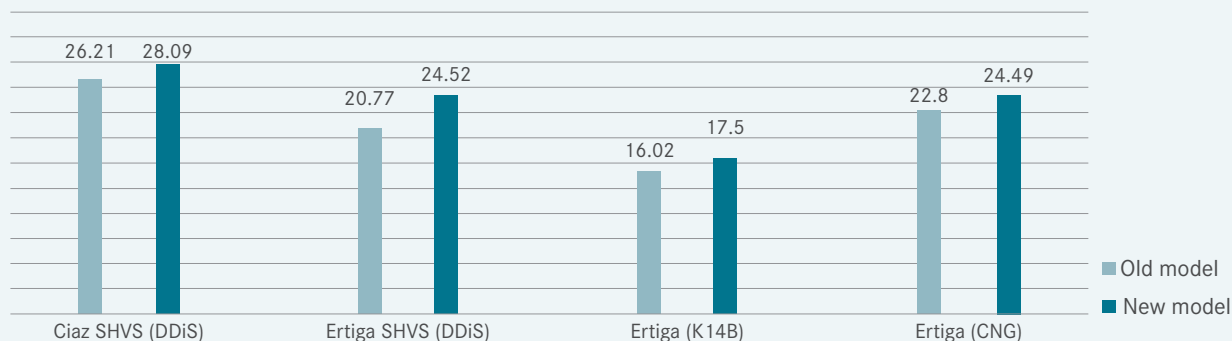
Use of high strength steel for body and use of stronger, lighter and safer materials has resulted in an increase in fuel efficiency and performance of vehicles without compromising on their safety.

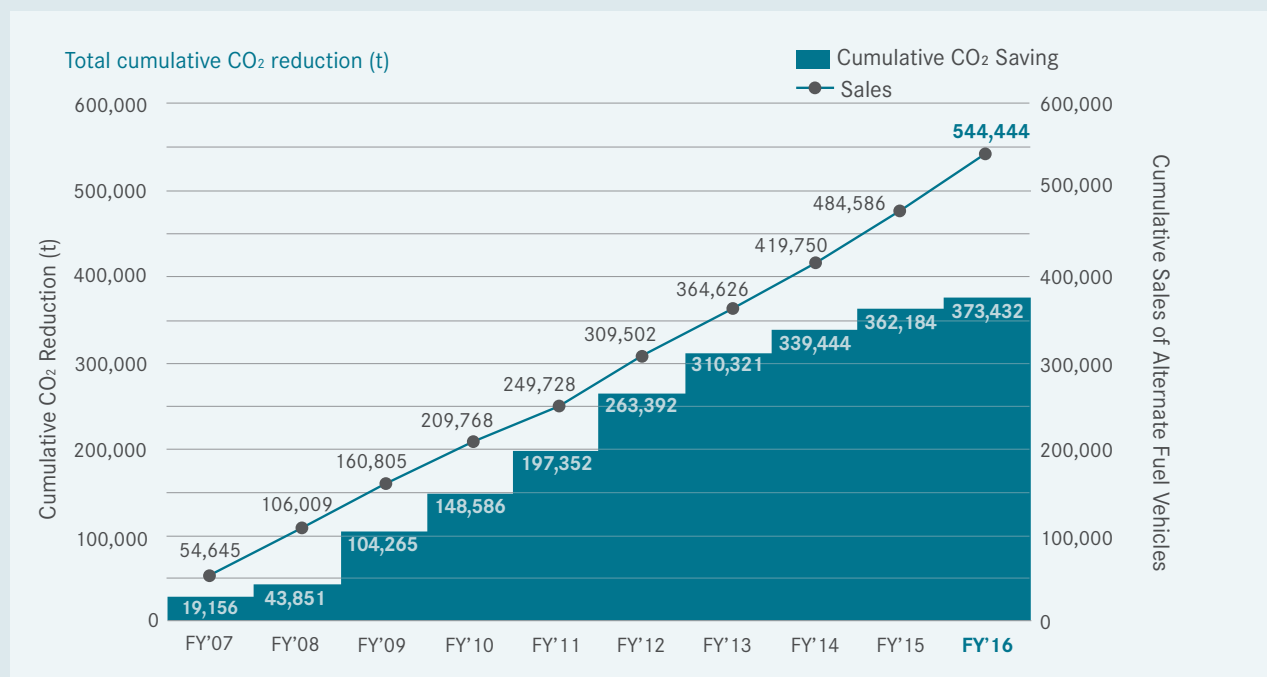
- Extensive use of high and ultra-high strength steel to make light weight yet rigid BIW structures
- High tensile seat frame and mechanism for weight reduction
- Usage of alternate materials in exterior trims and body equipment
- Use of CAE for improvement of powertrain thermal and combustion efficiencies
- Low thickness low weight back door glass (used for the first time)
- Intelligent use of plastic and resin material in glass run channel and mechanism
- New generation lightweight HVAC platform used in Baleno
- Use of plastic fuel tank mounted with bolt and compact fuel system layout
- Light-weighting of engine unit and auxiliaries, and chassis aggregates

Weighted average CO₂ percentage improvement with respect to base year 2005-06 (for entire fleet)



Fuel efficiency improvement in new models introduced in 2015-16 (km/l)





Alternate Fuel Technology

Presently, the Company offers alternate fuel option in six models, namely, Alto 800, Alto K10, Celerio, WagonR, Eeco and Ertiga with i-GPI CNG engine technology where CO₂ emissions are 20% less on average compared to its petrol variants.

The Company has sold over 5.44 lakh alternate fuel vehicles cumulatively till 31st March, 2016 which has helped in offsetting about 3.73 lakh tons of CO₂ emission cumulatively.

Sustainable Technologies

SHVS (SMART HYBRID VEHICLE BY SUZUKI)

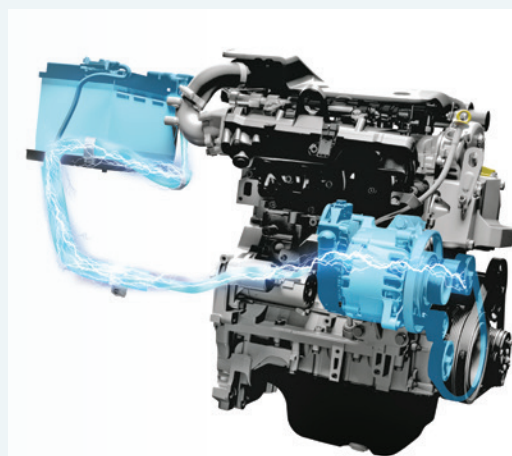
The Company introduced SHVS technology in Ciaz to make it India's first Smart Hybrid Diesel Car. Ciaz SHVS has created a new benchmark in fuel efficiency, making it friendly for the customer as well as the environment.

SHVS is a technology which uses an Integrated Starter Generator (ISG) and an advanced high capacity battery to supplement the engine's power. SHVS technology makes it more efficient than the conventional set-up and saves energy while decelerating/braking, which is otherwise lost, is stored in the advance high capacity battery and assists during acceleration (like gradient climbing). This combination results in a peppy, powerful and fuel efficient vehicle.

Some of the important features of SHVS include idle start stop, power assist, brake energy regeneration, gear shift indicator and enhanced safety.

BOOSTERJET

Boosterjet is a performance oriented technology used in newly developed 1.0 litre direct-injection turbo engine. It generates continuous high torque across the driving range of engine speed. It delivers an effortless ride which is genuine driving pleasure.



SHVS Engine

The key points about Boosterjet is as follow-

- Output and torque are boosted through a turbocharger from low engine-revolution range
- Direct-injection allows enhanced control of strategy for fuel injection directly into the combustion chamber, giving better performance and lesser CO₂ emission
- The effective performance of this engine is similar to a conventional bigger displacement naturally aspirated port-injection gasoline engine

Other Initiatives

MSIL continuously promotes voluntary initiatives that encourage elimination of chemical substances of concern such as lead, cadmium, mercury, hexavalent chromium and asbestos. These substances are detrimental to the environment and human health.

Use of pendulum engine mount system, effective use of acoustic insulation and absorption materials around the cabin and engine compartment ensure low NVH levels in Vitara Brezza.

Further, the Company focuses on recording feedback through telephonic surveys and e-feedback cards (feedback cards collected through emails) to reduce the usage of physical feedback cards. Interactive Feedback System (Kiosk) is used for this purpose. Also, for all old discontinued models, CD-ROM based manuals have been developed. For new models, service manuals are available in electronic and paper form. Going forward, the Company is targeting to supply only CD-ROM based service manuals to our service workshops.

Service

Service Workshops

The Company has implemented various technologies to offer quality servicing of vehicles with reduced environmental impact. These technologies have enabled handling of greater numbers of vehicles along with reduction in water and paper consumption at the service workshops. Following are some of the noteworthy initiatives undertaken to reduce environmental impact of the service workshops.

Systems implemented

Automated oil management system

During vehicle servicing, oil spillage is a major environmental challenge. This system minimises spillage and reduces time and effort required to issue the oil. It helps in good monitoring and identification of oil wastage and its control.

Paint-less dent repair system

This system of dent repairing for minor dents without stripping the existing paint which is faster, cost effective and avoids environmental contamination.

Automatic car washing system

The automatic car washing and underbody car washing system consumes 20% lesser water which delivers better washing quality and faster washing of vehicles.

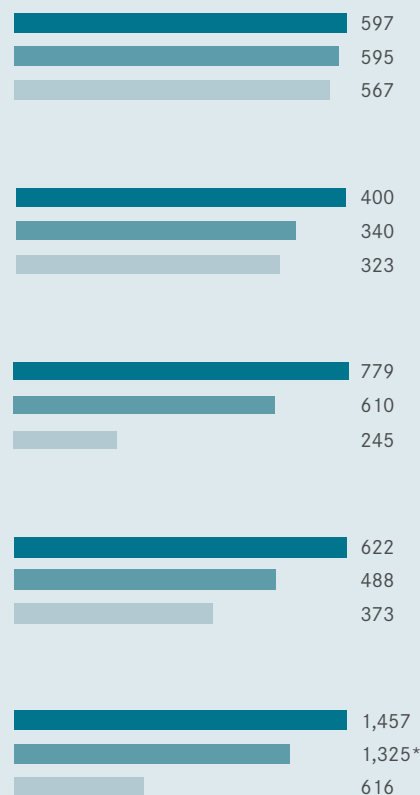
Dry wash systems

This system replaces final water wash process with a special dry chemical wash. It has helped in reducing required wash time, improving wash quality and has reduced water consumption by around 54 million litres per annum across the service network. In 2015-16, 5.7 lakh vehicles were cleaned using the dry wash system.

Reduction in paper consumption in service operations

The Company has focused on extensive usage of tablets during interaction with customers. Job cards are now opened in Dealer Management System integrated with tablets, thus reducing paper consumption. Approximately 64.6% of the job cards are being opened through tablets.

Workshops covered



* Till June, 2015

FY'16
FY'15
FY'14

Supply Chain Management

Disclosure on Management Approach

The Company has one of the largest networks of supply chain in the country. The Company's operations depend heavily on its suppliers and dealers. The vastness, dependency and the extent of associated economic activities make the value chain a material aspect for the Company.

To increase the share of locally sourced components, the Company has created a supplier base of 444 local suppliers till 31st March, 2016. Nearly 88% of the supplier base by volume is located within 100 km radius of the Company facilities.

However, local procurement has its own challenges like, non-availability of skilled manpower, industrial relations at supplier facilities, complexity of network and volatile markets. The Company has laid down robust sourcing processes to ensure selection of suitable suppliers. The Company also has a set of policies in place which define rules and regulations for smooth functioning of the value chain. The suppliers are audited and rated against various parameters of environment, occupational health and safety including safety management system, general working conditions, hazard identification and control, emergency management system and legal compliance. As of 31st March, 2016, an audit of 193 suppliers had been duly completed.

The significant impacts of supply chain include emissions, risk of road accidents, fire hazards and contamination through oil spillage, ultimately leading to resource and environmental degradation. Thus, the Company has developed a structured approach to assess the risks arising from major suppliers and plan proactive actions to avoid the potential impacts.

Initiatives to Mitigate Environmental Impacts

Green Supply Chain

The implementation of green procurement policy was a significant step towards management of supply chain in a more environmentally responsible manner. The Company aims to embed good practices which reduce environmental impacts of its supply chain including supplier's operations. As per the guidelines, all Tier-I local component suppliers are required to sign the green procurement agreement along with submission of environmental compliance sheet. The guidelines prohibit usage of any kind of banned substances as per law in component

manufacturing. It also introduces Classification, Labelling and Packing (CLP) for the parts which are being exported. The guidelines were revised in 2015 and training on new guidelines was also arranged for all the suppliers.

Environment Management System

The Company has been encouraging and supporting its Tier-I local component suppliers in implementation of ISO 14001. As of 31st March, 2016, 86% of the local component suppliers' plants were ISO 14001 certified.

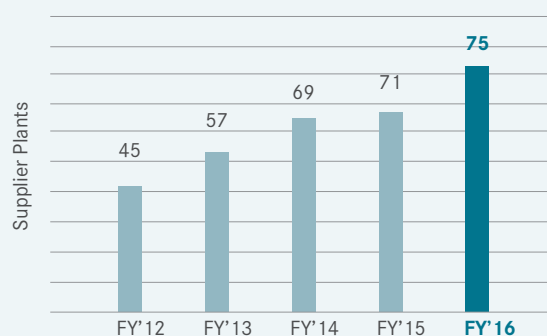
Localisation of Component Procurement

Procurement of components from local suppliers has multi-dimensional benefits like, supply chain shortening, boosting local economic growth, mitigation of foreign exchange fluctuation risk and saving on time. Presently, localisation of all the components is not feasible because of unavailability of technology in India or lack of economies of scale.

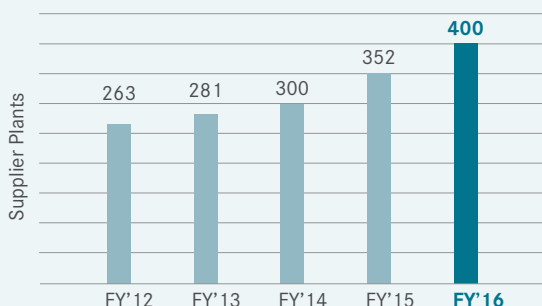
Yield Improvement

The Company is focused on yield improvement activities for conserving critical resources used in manufacturing. This is an activity of optimisation of raw material usage for sheet metal, plastics, electrical and casting, etc.

Vendor participation in yield improvement activities



ISO 14001 certification status of supplier plants



Route Rationalisation

The Company has been constantly rationalising the routes followed by its carriers. The construction of new roads and highways has helped in this endeavour of the Company. Route rationalisation has helped in achieving emission reduction, reduction in delivery time and efficiency improvement.

Multimodal Dispatches

In addition to road transportation, the Company also uses railways for transportation of vehicles. The Company has three rakes (Maruti wagons) of its own. It serves as a cost effective means that has lesser emissions. In 2015-16, 76,443 vehicles were transported through the multimodal dispatch as compared to 66,222 vehicles in 2014-15.



Car loading facility at Manesar plant

Tier-II Vendor Management

Maruti Suzuki has started engaging with Tier-II vendors in a more focused manner for vendor development. In 2015-16, the Company mapped almost all the Tier-II vendors and developed an engagement framework for them. A manual on 'Management of Sub-Supplier' was launched. The main objective of this initiative is development along with upgradation of vendors to ensure quality management.

Supporting Vendors in Business Operations

Tool Management: Product quality is directly related to the tool management. In order to ensure quality of components, the Company has started focused activities in the area of vendor tooling management through-

- Standardised specifications for vendor tooling to ensure better quality and tool life
- Introduced tool refurbishment and replacement system for vendor tooling
- Started creating database for monitoring tool's life for improving quality

HR and IR Management

The Company supports vendors in addressing their challenges of managing human resource and industrial relations. This involves sensitisation of vendors' CEOs and acquainting them with their

expected role in this regard. For structured implementation, an 'HR Manual' was launched by the Company which provides guidelines to vendors for recruitment, employee welfare, compliance and communication. In 2015-16, the Company completed HR/IR preparedness audits of around 99 vendors.

Compliance

For the Company, compliance is a material aspect. However, the Company has always gone beyond compliance for achieving sustainability goals. The Company has an online legal management system through which it tracks all legal compliances. These compliances are then reviewed by the Board on a quarterly basis.

There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations. In the reporting period, there were no cases filed against the Company relating to product and services. However, one case pertaining to anti-competitive behaviour, filed against the Company, is pending before Hon'ble Delhi High Court (details mentioned under response to Question 3, of Principle 9, of BRR section of this Annual Report). Also, in the reporting period, there were no significant incidences and fine for non-compliance with laws and regulations in relation to society. However, the Company monitors such things internally as a part of risk management.



Social Performance

Disclosure on Management Approach

The Company acknowledges that the key to its sustained success is its employees and believes that the capability, motivation, ownership and satisfaction of its employees are the most important drivers for its continued success.

The Company believes that the three factors which are important from an employees' point-of-view are: Work Life Balance, Employee Engagement and Family Connect. Feedback from employees has helped drive several new initiatives like implementation of a 5-day week, creation of recreational centres with sports facilities and awareness sessions on HR policies, among others.

The Company upholds the Human Rights principles of non-discrimination and freedom of association. The Company is also committed to diversification of talent and non-discrimination on grounds of race, colour, religion, caste or any other factor.

In 2015-16, the Company was able to increase its CSR spend to ₹ 784.6 million from ₹ 372.5 million in 2014-15, a growth of 110.6% while focusing on the three major areas of Community Development, Skill Development and Road Safety.

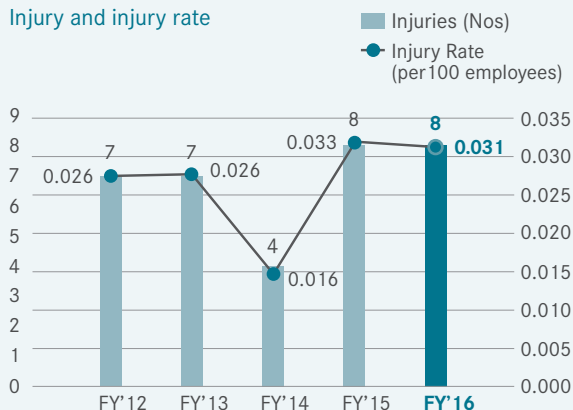
The overall goal is to achieve the target sale of 2 million cars annually by 2020. During the year, it put in place several building blocks for 2 million. The launch of three new models, start of a new retail channel, strengthening of product design and development capabilities and enhancing vehicle safety in preparation for new regulations are some of the initiatives for the future.

The Company was able to increase its CSR spend to ₹ 784.6 million from ₹ 372.5 million in 2014-15, a growth of 110.6% while focusing on the three major areas of Community Development, Skill Development and Road Safety.

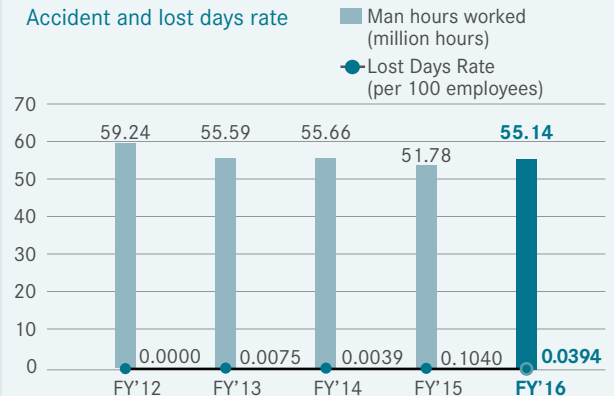
Occupational Health and Safety

The Company values health and safety of all employees. It also takes initiatives to educate and train truckers involved in supply chain activities for road safety. The Company's approach towards safety makes occupational health and safety a material aspect. The Company has an apex safety committee which has been constituted as per the guidelines of the Factories Act, 1948 (India) comprising an equal number of workers and management representatives. The tenure of the Safety Committee is two years and it meets on a quarterly basis.

Injury and injury rate



Accident and lost days rate



To further strengthen the safety culture across the organisation, the Company introduced 'Safety Basic Principles'. These principles promote safety as everyone's responsibility, making safety as first priority and accident prevention. It aims to create safe working environment across the organisation.

In 2015-16, there was no fatality due to accidents within the Company boundary. There are employees working in certain zones which are legally classified as areas having potential to

cause occupational diseases. To avoid development of any kind of occupational disease, the Company implemented sufficient engineering controls like automation, better ventilation, barriers between man and machine and administrative controls like rotation of manpower, awareness on hazards and use of personal protection equipment (PPE). Further, surveillance and periodic monitoring has not reported any incidence of occupational disease in the year 2015-16.



New recruits taking fire safety training

Corporate Social Responsibility

Maruti Suzuki is committed to serve the society through its social initiatives. The Company considers local community and society as a direct stakeholder group. The CSR projects of the Company can be categorised into three broad areas namely Community Development, Skill Development and Road Safety.

The Company has set up a CSR Committee of the Board and has a CSR policy duly approved by the Board. The CSR Committee met twice during 2015-16 to review implementation of approved projects, approve CSR Annexure for the Annual Report and provide direction on social projects.

Besides review by the CSR Committee, all CSR projects are centrally reviewed and monitored every month at the corporate level. All CSR projects are audited by internal as well as external statutory auditors for compliance as per the law and CSR policy of the Company.

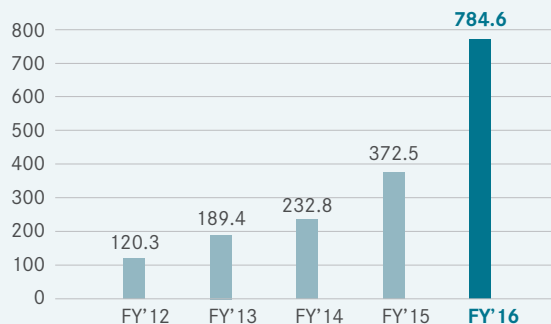
In 2015-16, the CSR Committee recommended setting up of a Trust 'Maruti Suzuki Foundation' to the Board. The Board approved the same and it was registered during the year. This Trust will further streamline social activities of the Company and will help in forging partnerships and in scaling up social projects for creating a multiplier effect.

CSR Spend

In 2015-16, Maruti Suzuki was able to increase its CSR spend to ₹ 784.6 million from ₹ 372.5 million in 2014-15, a growth of 110.6%. In 2014-15, Maruti Suzuki was not able to fully spend 2% of the average net profit for the previous three years and the unutilised amount was carried forward to 2015-16.

In 2015-16, the Company not only spent the required 2% as per the requirement of the Companies Act, 2013 but also fully utilised the unspent amount carried forward from the previous year. In 2015-16, the Company spent 2.4% of the average net profit of the previous three years. The trend of CSR spend in the last five years is given below:

Trend of CSR Spend in last 5 years (₹ in millions)



Community Development

Community Development entails CSR at the local level wherein social projects are undertaken in 21 villages across Gurgaon, Manesar, Rohtak (all in Haryana) and Hansalpur (Gujarat). The main areas of intervention in these villages include:

- Water and Sanitation
- Education
- Rural Development

Water and Sanitation

Maruti Suzuki has taken up various community development initiatives to improve the water and sanitation of the villages. The projects are based on community needs and preliminary baseline surveys. The Company has followed a holistic approach and taken up comprehensive sanitation programmes to address the sanitation issue in the villages. The programmes include construction of individual household toilets, laying of sewer lines along with solid and liquid waste management and other behavioural change awareness programmes.



Sweepers, waste collection vans and segregation trolleys provided in villages for solid waste management

Water and Sanitation

Programmes	Achievements
Liquid Waste Management	<ul style="list-style-type: none"> • 4.9 km sewer line laid in 2 villages in 2015-16 • 11.3 km sewer line laid in 4 villages so far • Repaired open drains and paved streets • Benefited over 1,500 households in 4 villages of Manesar
Solid Waste Management	<ul style="list-style-type: none"> • 65 sweepers provided in 12 villages for daily cleaning of streets • 9 waste collection vans deputed to cover 7,500 households on daily basis • Constructed one garbage collection and segregation unit
Individual Household Toilets	<ul style="list-style-type: none"> • 1,400 household toilets constructed in 2015-16 • 1,506 household toilets constructed so far
Community Toilets	<ul style="list-style-type: none"> • 15 community toilets installed in Manesar villages
Sanitation Awareness	<ul style="list-style-type: none"> • Engaged NGO to create community based organisations • Created awareness on health, hygiene and waste management



Creating community awareness on hygiene and waste management



Installed stainless steel community toilets in villages

IMPACT ASSESSMENT

The findings of the impact assessment survey for water and sanitation conducted in 2015-16 are given below:

- Laying of sewer lines has reduced the number of water-borne diseases such as diarrhoea
- Construction of toilets has helped in making villages open defecation free
- Repair of streets has reduced waterlogging during rainy season
- It was observed that toilets provided privacy and security for female members of the household
- Pucca toilets constructed by the Company are easier to maintain and gave a sense of pride to the households



Handing over of individual household toilet

Voice of Beneficiary

“Every inch of available place has seen construction of houses, shops and commercial complexes. For those who were defecating in the open, whether due to habit or lack of having household toilets, they had to go for over a mile to find a sheltered spot where they could relieve themselves. The inconvenience and health hazards were painful till Maruti Suzuki came to their rescue by building good quality toilets for them within the privacy of their household. We are happy to see that the Company is taking the Government’s ‘Swachh Bharat Abhiyan’ forward.”

Prahlad Singh,

Bass Khusla village, Village Head,
Manesar



Finding a solution to the sewer menace

“Maruti Suzuki is the first company that has shown it can walk the talk. Many have come before but they only indulged in *baatein aur khaali vaade*. We are so happy that the Company cares for us. We will do everything to support them because in doing so we are benefiting ourselves.”

**Ishwar Singh, Village Head,
Bass Hariya village, Manesar**

Ishwar Singh, recounts numerous sanitation efforts which began in his village but could not be completed due to reasons like lack of funds and awareness among people, forcing residents to live in sub-human conditions. The turnaround came when a systematic mapping exercise was initiated to fix the sewage issue. The filthy village was transformed from having open garbage dumps, faulty sewer lines and frequent disease outbreaks to a model village where cleanliness was sacrosanct. While installing dozens of fixed dustbins around the village, hiring street sweepers and equipping them with brooms along with a mobile garbage van was one part of the sanitation story, the other more critical part related to was laying and mending of sewer lines to ensure proper disposal of liquid and solid waste. These initiatives helped our village in achieving the status of ‘Nirmal Gram’.

Education

The Company's intervention in the field of education started in 2007-08 with infrastructure upgradation of Government schools in villages. Since 2008, the Company has upgraded infrastructure of 22 Government school campuses (20 primary, 6 middle, 3 higher secondary and 9 senior secondary schools), benefiting over 33,000 students.

The Company has divided its Education project under two categories:

- School Infrastructure Upgradation
- Improving Learning Levels of Students

School Infrastructure Upgradation

The Company is constructing toilet blocks for boys and girls, water tanks, providing furniture, repairing classrooms, boundary walls, etc. The objective of infrastructure upgradation is to create an enabling environment in the schools.

Improving Learning Levels of the Students

The Company has designed this project, based on the outcome of a comprehensive study conducted in select Government schools and the experience of working in these schools for the last eight years. After upgrading physical infrastructure of schools, a holistic approach has been taken to address multiple issues impacting the learning level of students. The Company has also signed an MoU with the Government of Haryana to improve learning level of students.



Ventilators and wider windows installed in classrooms for increased natural light

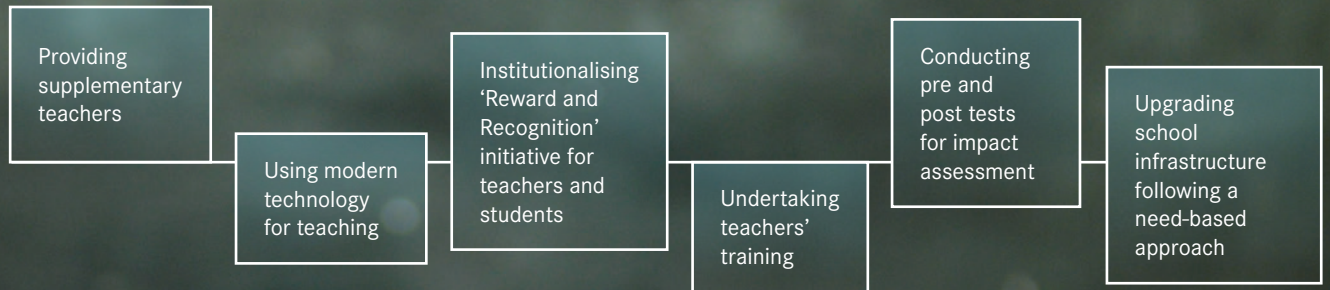


Teachers using modern technology while teaching in classrooms



Construction of separate toilet blocks for boys and girls in Government schools

The highlights of improving learning level programme include:



Programmes	Achievements
Infrastructure Upgradation	
Schools upgraded	<ul style="list-style-type: none"> • 8 schools upgraded in Haryana in 2015-16 • 22 Government school campuses (20 primary, 6 middle, 3 higher secondary and 9 senior secondary schools) upgraded since 2008
Construction of toilet blocks	<ul style="list-style-type: none"> • 14 new toilet blocks constructed in 2015-16 • 38 new toilet blocks with 224 WCs and 161 urinals constructed so far
Construction of water tanks	<ul style="list-style-type: none"> • 18 new water tanks constructed in 2015-16
Windows and doors installed for natural lighting	<ul style="list-style-type: none"> • 1,051 windows and doors installed to improve natural lighting in classrooms
Mid-day meal utensil washing areas	<ul style="list-style-type: none"> • 18 Mid-day meal utensil washing areas constructed in 2015-16
Improving Learning Levels	
Supplementary teachers	<ul style="list-style-type: none"> • 34 supplementary teachers provided • Improving learning abilities of students in Mathematics, Science and English subjects
Audio visual training device	<ul style="list-style-type: none"> • 16 Multi-media projectors installed in 13 schools
Academic Excellence Awards	<ul style="list-style-type: none"> • 85 Academic Excellence Awards distributed in 2015-16 • 152 Academic Excellence Awards distributed so far
Scholarships for students: ITI, Diploma and Engineering	<ul style="list-style-type: none"> • 158 Scholarships distributed in 2015-16



Academic Excellence Awards awarded to school toppers of X and XII classes



Signing of the MoU for Learning Level Improvement with Government of Haryana

IMPACT ASSESSMENT

In 2015-16, the Company conducted an impact assessment survey for school infrastructure upgradation programme. The assessment validated that construction of new water tanks and separate area for washing mid-day meal utensils has increased the hygiene habits among students.

It was observed that over 80% students wash hands before and after meals and also after using the washroom.

In addition to that improved classroom environment was one of the reasons for better attendance among students. Wider windows ensured proper inflow of natural light and air in the classroom.

Awarding of Academic Excellence Awards for meritorious students boosted the morale of students, with better results and a spirit of healthy competition being seen.

“When I came to this school in 2008 it would look very dirty. I would be standing near the gate stopping students from running out of the school as there was no boundary wall. Stray cattle coming inside the school was a common sight. Repair of school building has helped in keeping a clean environment and contributed to improving discipline too.”

Rampal Yadav,

Principal, Government Middle School,
Bass Hariya Dhana, Manesar

Rural Development Programme

The Company facilitates creation and maintenance of common community infrastructure. The Infrastructure is revamped and repaired as per needs of the community.

In 2015-16, the Company undertook projects like construction of community halls, crematorium repair, construction of roads and upgradation of veterinary hospitals. The CSR team from the Company is in regular touch with the village Sarpanch and other key influencers to understand their needs and work with them collaboratively to plan and prioritise rural development efforts.

Voice of Beneficiary

“Earlier there were three taps in the entire school for washing and drinking water. Post lunch break all water taps would get occupied by students, leaving no space to wash utensils. With a new area for washing mid-day meal utensils, overall cleanliness standards have been improved as students don’t throw leftovers in water tanks and we can also quickly wind up our work.”

Asha Kumari

Mid-day meal worker, Government Middle School,
Bass Khusla, Manesar



Mid-day meal utensil washing area



New drinking water facility constructed with bigger tank capacity



Healthy sporting culture sweeps across school playgrounds

“Seeing my friends achieve sporting excellence, gave me confidence to coax my parents to hire a private tutor and take part in state championships, going on to win a gold medal. My dream now is to represent the country in kick-boxing.”

**18-year-old Sooraj, Class IX,
Sarhaul Government Senior School, Gurgaon**

Sooraj Thapa, a Class IX student of Sarhaul Government Senior Secondary School is enthused with an ‘I can’ spirit as he takes part in football championships, winning gold and silver trophies that sit proudly in the Principal’s office. Not long ago, the ground he plays on were dumping site for garbage and construction material. From a volleyball ground, it was transformed into a multipurpose sporting ground serving as an athletic venue and kho-kho and kabaddi playground. Hiring a special coach by Maruti Suzuki ensured mentoring of students who were preparing for tournaments. Based on requests made by the coach and Principal, sports kits, shoes, tracksuits, balls and refreshments were provided, motivating budding sportsperson to excel.



No break in teaching with support teachers

“Earlier when a teacher used to leave, we had no replacement teacher for months in the school. This used to impact performance and exam results. Extra teachers provided by Maruti Suzuki have brought fresh approach and our classes are also regular.”

**Pinki Devi, Principal,
Bass Khusha Government Middle School,
Manesar**

When Harinder Singh was appointed as a science teacher under Maruti Suzuki's Education programme, he was fearful of the students of Government schools who were a boisterous lot. Majority of them, he feared, were not interested in studies. He persevered, not with an iron control but by making education interactive, talking of experiments, scientific discoveries and new advancements, going beyond textbooks. It has been five years and he is still teaching. He is a valued member of the school fraternity and admired by students whose grades in science have improved. Their conceptual understanding has improved with more practical demonstrations and interactions, but most of all there has been no interruption in teaching and course syllabus has been completed on time.

Skill Development

Maruti Suzuki is addressing the mismatch between industry demand and technical training provided in Industrial Training Institutes (ITI) by actively engaging with 131 ITIs across India. The Company is committed to contribute actively to the Government's vision of Skill India through the following programmes under its skill development initiative:

- Upgradation of Government Vocational and Technical Training Institutes (adopt all trades)
- Skill Enhancement in Automobile Trade

Upgradation of Government Vocational and Technical Training Institutes

In partnership with the state Government, the Company is working towards improving the quality of training by upgrading infrastructure. The support provided to each ITI depends on its individual needs. Broadly, the Company offers support in infrastructure improvement, faculty training, exposure to manufacturing facilities, training in acclaimed Japanese work practices like 5S, Kaizen and 3G along with soft skills like personality development and teamwork.

Skill Enhancement in Automobile Trade

To take its skill development initiatives to scale, the Company is setting up Automobile Skill Enhancement Centres (ASEC) at select ITIs. Tripartite partnerships have been forged with ITIs and their dealers with an objective to upgrade select courses linked to the auto industry such as mechanics, automobile, denting and painting courses.

With the growth in number of vehicles on the roads, quality repair and maintenance offers a major employment opportunity. These ASECs set up by the Company provide hands-on experience to trainees, making them capable of undertaking quality service and repair of vehicles.

Each of these centres is equipped with a model workshop to provide practical training. The Company also appoints full-



ITI students practising on modern machines while visiting Maruti Suzuki factory

time trainers, provides tools and equipment. Partnerships are established with local Maruti Suzuki service workshops to upgrade skills of ITI students and make them job-ready.

These efforts are helping the Company to create a pool of employable youth by working intensively with students learning the finer nuances of the automobile trade in these ITIs. The trainees in ASEC are free to seek employment in any workshop, including those not servicing Maruti Suzuki vehicles.

In 2015-16, the Company started the country's first auto body denting and auto body painting courses at ITI Pusa, Delhi and ITI Dhoraji in Rajkot.



Maruti Suzuki trainers providing training on automobile related courses to students in ASEC

Programmes	Achievements
Upgradation of Government ITIs	
Temporary Workers (TWs) and Apprentices hired from adopted ITIs by Maruti Suzuki	<ul style="list-style-type: none"> 1,749 TWs and apprentice were hired in 2015-16 2,722 TWs and apprentice hired in last 2 years
Students visiting factories for Industry Connect	<ul style="list-style-type: none"> 2,546 students visited factories for Industry Connect from ITIs in 2015-16
Skill Enhancement in Automobile Trade	
Students absorbed in Maruti Suzuki automobile service workshop from supported ITIs	<ul style="list-style-type: none"> 1,100 students hired in 2015-16
Percentage of trainees hired from supported ITIs in 2015-16	<ul style="list-style-type: none"> 44% students hired by Maruti Suzuki dealer service network from supported ITIs in 2015-16

In 2015-16, the Company trained over 14,500 students and 889 teachers in its 131 ITIs spread across 27 states of India



Modern paint booth set-up for auto body painting course at ITI Pusa, Delhi



Students working in the auto body denting workshop at ITI Pusa, Delhi

Voice of Beneficiary

"I never thought I would make a career in a male dominated profession. Not only did I do well in the ITI course but got a good job and promotion at Maruti Suzuki automobile service workshop. Now, I am planning to do an advanced course."

Sushma Kumari
Supervisor, Madhya Pradesh



‘Fitting in’ with a more spruced up technical cadre

“Ever since Maruti Suzuki partnered with our ITI, more students are stepping forward to enroll in our courses, confident of acquiring in-demand skills and finding good jobs at better salaries.”

**Satyendra Singh Yadav, Faculty Member,
Gurgaon ITI, Haryana**

"Scared of entering the shop floor of a manufacturing facility, stammering while talking to a shift-in-charge, unaware of management concepts like quality control, time management and productivity and insufficient experience on latest machines were common scenarios which students faced once they passed out of the ITI," explains Professor Satyendra Singh Yadav, faculty member at Gurgaon ITI. Things changed dramatically when an MoU was signed between the ITI and Maruti Suzuki ensuring students no longer had just a certificate on paper but a training that came with real learning and industry preparedness. They were now provided with exposure to real-life situations, factory processes and shop floor trainings. Existing courses have been strengthened with modern machines. Defunct workshops have been revamped, students and faculty members are given industry training and the Company also helps organise job fairs, inviting other industries for recruitment.



Better jobs, salaries and job satisfaction

“I have just got my appointment letter as a mechanic at RKS Motors. Each day spent at the ITI has been a learning experience. Apart from technology and machine related aspects, soft skills like discipline, conversation skills, social interaction and courtesy are helping me in my personal life too.”

**Abdul Wahed Khan, Student,
ITI Mallepally, Hyderabad**

Abdul Wahed Khan joined the **Motor Vehicle Mechanic Trade**, at Hyderabad ITI to learn skills that could help him fetch a job. The timing of his admission was just right. The ITI was in the process of strengthening its partnership with Maruti Suzuki by setting up a dedicated Automobile Skill Enhancement Centre (ASEC). He benefited from automobile related areas within the ITI which got renovated and equipped with modern equipments based on industry needs. Old machines with outdated engines were replaced with latest car models. Full-time trainers were brought in to provide specialised training on vehicles like Swift, Swift Dzire and Ritz. Existing curriculum was modified with a ‘top-up’ element with hands-on training on specialised topics like cut sections, service/measuring tools, technical charts, safety items and testing. Today, Abdul is a sought-after auto technician and a confident human being.

Road Safety

Maruti Suzuki has been promoting road safety since 2000 through quality driving training curriculum and infrastructure. These initiatives have grown into nationwide programmes focused on providing scientific driving training and generating awareness amongst masses on safe driving.

Institute of Driving and Traffic Research (IDTR): Established in partnership with the state Government, the IDTRs offer training to passenger and commercial vehicle drivers on scientifically designed driving tracks and simulators. Health check-ups and soft skills training are also offered to commercial vehicle drivers.

Maruti Driving Schools (MDS): These have been set-up in association with Maruti Suzuki's dealer network in a smaller format to impart driving training. Unlike IDTRs, here practical training is offered on road instead of test tracks, so that learners get a first-hand feel of the road before they actually start driving. These schools offer classroom as well as attitudinal training. In 2015-16, a special job oriented driving training course 'Unnati programme' was launched in 5 cities.

Road Safety Knowledge Centres (RSKC): Set-up in partnership with the traffic police wherein traffic violators and learner license applicants are given training on road safety and traffic rules.

Train the Trainer Programme: The key objective of the programme is to develop high quality, dedicated road safety professionals for the Company's driving schools and to standardise training delivery across India as per Maruti Suzuki standards.



Institute of Driving and Traffic Research (IDTR)



Driving training provided to tribal youth in All Gujarat Institute of Driving Technical Training & Research (AGIDTTR), Vadodara



Women felicitated under Unnati programme for completing training at Maruti Driving School

Road Safety for Truck Drivers: Week-long safety campaigns, called 'Jagriti' are organised for truck drivers. The hugely successful campaign covers health and eye check-ups along with HIV/AIDS awareness and testing camps. In these campaigns the Company rewards drivers who practise safe driving while transporting vehicles. Mock sessions, quizzes, street plays and demos are held to reinforce correct driving, reading of road signs and managing risky situations. Many truckers admitted that they had never received any such inputs in their long career as truck drivers. They had mostly learnt on-the-job and a majority had transitioned from being helpers to conductors to drivers. The 'Jagriti' campaign has been

well received both by truckers as well as the dealers who depute the truckers to attend the sessions.

Road Safety Education: The Company promotes road safety through various campaigns. The programme helps in bringing about behaviour change amongst people on road safety issues.

City Specific Road Safety Programme: Launched in partnership with Gurgaon traffic police, the 'Sabhya Roads Bhavya Gurgaon' initiative aims at improving driving sense and creating awareness about traffic rules among city commuters.



Truckers involved in workshops organised in 'Jagriti' safety campaign at Gurgaon facility



MoU signing with Gurgaon Police for 'City Specific Road Safety' project

Programmes	Achievements
Institute of Driving and Traffic Research (IDTR)	<ul style="list-style-type: none"> Set-up and operationalised six IDTRs Over 3 lakh people trained at six IDTRs in 2015-16 In Gujarat IDTR, 8,500 tribal youth trained in driving and soft skills, of these 6,600 youth are in gainful employment
Maruti Driving School (MDS)	<ul style="list-style-type: none"> 31 new MDS added taking the total number of MDS to 364 in 2015-16 Under Unnati Programme 150 women trained in 2015-16 89 women employed with various taxi operators
Road Safety for truckers	<ul style="list-style-type: none"> Over 45,000 commercial vehicle drivers trained at Driver Education Centre located in Manesar and Gurgaon factory premises in 2015-16 Over 8,500 drivers participated in awareness campaign in 2015-16
Road Safety Knowledge Centres (RSKC)	<ul style="list-style-type: none"> Ten centres set-up so far Over 90,000 people provided with training at 10 RSKCs in 2015-16
Train the Trainer programme	<ul style="list-style-type: none"> 258 new and 287 existing trainers trained in 2015-16
City Specific Road Safety programme	<ul style="list-style-type: none"> Deputed 100 traffic marshals on select routes to educate people on road safety and traffic rules
Road Safety awareness campaign	<ul style="list-style-type: none"> 15 road safety awareness campaigns organised and over 100 schools covered in 2015-16



Truckers commit to the 'zero accident' goal at 'Jagriti'

"Never have I got so much respect in my life as at the 'Jagriti' event. Though we have been driving for decades, we were never trained on the scientific principles of truck driving, managing overflowing goods, reading road signs and minimising accidents."

**25-year-old Karambir Singh,
Chhatra District, Jharkhand**

Beaming with pride, Karambir Singh holds his 'Star Award' which he received for achieving 'zero accident' at a special 'Jagriti' safety campaign organised for truckers at Maruti Suzuki manufacturing facilities. According to him, truckers are treated like outcasts. They meet their family barely twice a year and their constant companions are the conductor and helper assigned to them on long inter-state trips. Using an 'edutainment' format, 'Jagriti' imparts useful information on road safety. How much distance to maintain between vehicles, the correct way of following the four-second rule and how to avoid trucks from overturning are shared through informal discussions and street plays. The all-day event goes on for six days with truck drivers trooping in to sign up for eye check-ups, HIV/AIDS and other tests, besides being counselled on hygiene, diet, nutrition, sexually transmitted infections, heart and lifestyle diseases.



Tribal youth embark on 'driving change'

"Lessons on simulated driving, English speaking, etiquette training and working in a corporate environment helped me get a job and hold it, keeping my employers happy."

Jignesh Haresingh,
Waghodia Tehsil, Vadodara, Gujarat

Marriage proposals are pouring in for 21-year-old Jignesh who is now perceived as a well settled young man. He was working in a supervisory role at a dealer outlet, but it is the heavy motor vehicle (HMV) driving training at All Gujarat Institute of Driving Technical Training & Research (AGIDTTR) set-up by Maruti Suzuki that fetched him a ₹ 20,000 job. This residential facility provided driving training on light and heavy vehicles and tractors, helping him qualify the driving test and other formalities at Regional Transport Office before finding a job.

He also developed soft skills from making conversation with boys from different tribal communities to learning how to eat a wholesome meal on a dining table and participating in cultural activities. He is one of the many boys trained at AGIDTTR who have blossomed into smart young men of their communities.



Employee Volunteering

Employee volunteering is a significant means of engaging employees in a socially useful activities. Through volunteering initiatives, employees contribute to the Company's various CSR projects. Employee volunteering activities are conducted actively throughout the year and all employees are free to participate. Employees volunteer in programmes linked to Road Safety, Education, Sanitation and Rural Development. In 2015-16, more than 15,000 hours of employee volunteering were clocked through different CSR activities. This serves as a huge motivator to the beneficiaries who look forward to these interactions.

"We have gained a lot from the society and the least we can do is payback a little. Being a part of employee volunteering programme 'e-Parivartan' since my GET (trainee) days in 2011 gives me a personal association with the programme and a deep sense of satisfaction each time I volunteer."

Sandeep Kumar Agrawal,
Quality Assurance, Gurgaon

"I participated in Road Safety campaign wherein I helped in traffic management and pasted light reflectors on the cycles in Gurgaon to make them visible at night. Just few hours of my volunteering could help save somebody's life. I'm proud to be a part of Maruti Suzuki's group of volunteers."

Bijendar Singh,
Plant 3, Gurgaon

"I had participated in the sanitation drive and I felt proud in cleaning the area around the villages surrounding our Manesar factory. Best part of employee volunteering in Maruti Suzuki is that, employees of all levels participate together."

Naresh Kumar Sharma,
Paint Shop B, Manesar



A volunteer painting, teaching learning material on school walls



Volunteers encouraging sporting culture in schools



Shop floor employees volunteering in road safety campaigns



Employees participating in sanitation drive in Manesar

Product Responsibility

Disclosure on Management Approach

Maruti Suzuki's product and services have extensive geographical reach in the country and abroad. This makes customer health and safety, and product and services material aspects for the Company. The active and passive safety devices provided in the cars ensure passengers' safety in the event of an accident. The Company continuously improves its products and services to minimise their environmental impacts. Maruti Suzuki cars comply with 'Bharat Stage IV' emission norms. The Company's R&D initiatives help in improving the performance and safety aspects of vehicles based on customers' feedback and new regulations.

Customer Health and Safety: Products

In the present Indian scenario, safety aspect of a passenger car has started gaining importance. Customers' expectations

situations. Presently, seven such workshops are operational in the Maruti Suzuki network. Some of the important initiatives in this domain are as follows:

Emergency Road Side Assistance

Providing 24 hours assistance to customers in case of vehicle breakdown through Maruti On-Road Service (MOS) which is available across the country. In 2015-16, the service provided assistance to 1.04 lakh customers through MOS vans.

Mobile Workshops

A specially designed workshop to cater to areas which are away from existing service infrastructure and providing servicing facility to customers right at their doorstep. Presently, 1,425 Maruti Mobile Support (MMS) vehicles are operating. These have provided service to around 88,492 customers each month in the reporting period.

Safety Features of Select Vehicles

S-Cross	Baleno	Ertiga (Facelift)	Vitara Brezza
<ul style="list-style-type: none"> Hi-tensile steel body, all wheel disc brakes with ABS Front seat pre-tensioner and force limiter Dual airbags are standard across all variants Anti-pinch windows offering advanced safety features (it automatically roll down on obstacle detection) 	<ul style="list-style-type: none"> Dual airbags, seatbelts with pre-tensioners and force limiters, front disc brakes with ABS & EBD Anti-pinch power windows Generation 3 Hub Unit in front is available from base variant onwards Driver seatbelt reminder buzzer with lamp Rear parking sensors with camera 	<ul style="list-style-type: none"> The driver airbag and driver side seatbelt reminder with buzzer are now standard features and available from the base variant More safety equipment including co-driver airbag, ABS with EBD and seat-belt with pre-tensioner and force limiter provided on the base variant as an option Rear parking sensors and rear parking camera Front fog lamps 	<ul style="list-style-type: none"> Embodies Suzuki's Total Effective Control Technology (TECT) concept for occupant protection Hi-tensile steel body for strength and low weight Driver airbag is a standard feature Front passenger airbag and ABS with EBD is optional from base variant onwards Meets offset and side impact crash test standards which will come into force in India in 2017 First vehicle in India to be certified by homologation agency for meeting future regulations

from manufactures are increasing and the Government is implementing it through new regulations. All the Company's vehicles comply with the safety norms of the country and its export markets. During the vehicle designing process, a series of tests are performed to ensure safety aspects of cars. The upcoming Rohtak R&D centre of Maruti Suzuki will help in improving safety features in vehicles further.

Customer Health and Safety: Service

Maruti Suzuki offers different categories of services which are critical and avoid creation of unsafe conditions while driving. The Company's service infrastructure is equipped with world class service facilities which provide service to over 13.8 lakh customers per month. The Company has introduced the concept of Maruti Quick Stop (MQS) workshops which are basically small workshops in bigger cities which help customers in odd



Maruti Mobile Support providing service at customer's doorstep



Maruti Service Mobile Application (Maruti Care):

This is a mobile based application to provide fast access to facilities like service booking, workshop locator, cost calculator, driving tips, service records, feedback and service reminders, etc. **Till date, 1.21 lakh customers have downloaded this application.**



Maintenance Cost Protect Programme (MCP):

The MCP has been launched for higher customer engagement. **In its first year of launch, over 32,000 customers connected to MCP.**

Service Receipt and Delivery Centres

For customer convenience and to avoid travel in defective vehicles, the Company has initiated pilot 'Service Receipt and Delivery Centres' through dealers, for vehicle collection to feed existing workshop infrastructure. This is a unique practice started by the Company which is convenient and avoids creation of unsafe situations. In 2015-16, three such centres were operationalised.

Customer Relationship Building

Customer relationship building activities like free check-up camps and customer meets are conducted to promote proper maintenance of vehicles. This aims to prevent/escape hazardous situations on the roads which might be caused by

any defects in the vehicle. In 2015-16, 20,734 service camps and 3,212 customer meets were conducted.

Service Knowledge Centre

This is an online portal comprising of all service information at one place, such as service training modules, training handbooks, service literature, service circulars, training videos and customer education posters, among others.

Grievance Redressal System

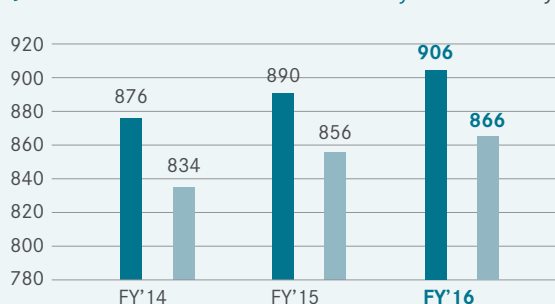
Maruti Suzuki has established a robust system to address customers' grievances. It also has a complaint escalation mechanism which can be accessed by a customer in case of dissatisfaction with any of the service they have received.

Customer Satisfaction Survey

Maruti Suzuki was ranked first in the Customer Satisfaction Index for 16 years in a row in customer surveys conducted by J.D. Power Asia Pacific, with a score of 906. It performed well across all parameters of the survey, with the greatest improvements in service initiation followed by service facility.

J.D. Power is a company based in Singapore. It was established in 1997 and is engaged in consumer surveys. This survey aims to measure the after sales service satisfaction of consumers in India.

Customer Satisfaction Index Survey – J.D. Power Asia Pacific 2015 India survey



GRI G4 (Core) Content Index

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Independent Assurance Statement

Scope and Approach

Maruti Suzuki India Limited (MSIL) commissioned DNV GL Business Assurance India Private Limited ('DNV GL') to undertake an independent assurance of MSIL's Sustainability Report 2015-16 (the 'Report') in its printed format. The intended user of this assurance statement is the management of the Company. Our assurance engagement was planned and carried out in June-July 2016 for the financial year ending 31st March, 2016.

We performed our work using AccountAbility's AA1000 Assurance Standard 2008 (AA1000 AS) and DNV GL's assurance methodology VeriSustain™¹, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

We evaluated the performance data presented in the Report using the reliability principle, together with MSIL's data protocols for how the data is measured, recorded and reported. The performance data in the agreed scope of work included the qualitative and quantitative information on sustainability performance disclosed in the Report prepared by MSIL based on GRI G4 in line with its 'in accordance' – Core option, and covering economic, environmental and social performance for the activities undertaken by the Company over the reporting period 1st April, 2015 to 31st March, 2016.

The reporting Aspect boundary of sustainability performance is based on internal and external materiality assessment covering MSIL's operations and key internal and external stakeholders, as set out in the Report in the 'Sustainability Section'.

We understand that the reported financial data and information are based on data from MSIL's Annual Report and Accounts 2015-16, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is 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. We are providing a Type 2 Moderate Level of assurance. No external stakeholders were interviewed as part of this assurance engagement.

Responsibilities of the Management of MSIL and of the assurance providers

The management of Maruti Suzuki India Limited have sole responsibility for the preparation of the Report as well as the processes for collecting, analysing and reporting the information

presented in the Report. In performing our assurance work, our responsibility is to the management of MSIL; however our statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of MSIL. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV GL provides a range of other services to MSIL, none of which constitute a conflict of interest with this assurance work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. We were 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 work at MSIL's manufacturing facility in Gurgaon and at its corporate office in New Delhi. We undertook the following activities:

- Review of the current sustainability issues that could affect MSIL and are of interest to stakeholders;
- Review of MSIL's approach to stakeholder engagement and recent outputs. We did not have any direct engagement with external stakeholders;
- Review of information provided to us by MSIL on its reporting and management processes relating to the Principles;
- Interviews with selected 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 to deliver the Company's sustainability objectives;
- Site visits to the manufacturing facility at Gurgaon and corporate office in New Delhi to review processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to choose sites we visited and it was selected on the basis of their materiality;
- Review of supporting evidence for key claims and data in the Report. Our verification processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated corporate level;
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. The reported data on economic

¹ The VeriSustain protocol is available on www.dnvgl.com

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performance and other financial data are based on audited financial statements issued by the Company's statutory auditors;

- An independent assessment of MSIL's reporting against the Global Reporting Initiative (GRI) G4 Guidelines and the reporting requirements for its 'in accordance' – Core option.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement, except the disclosures related to indirect energy consumption and recycled water, which is not reported for the Rohtak plant as the Company is currently in the process of implementing systems to capture this data.

Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe MSIL's adherence to the GRI G4 Principles for Defining Report Content:

Economic

- Economic Performance – G4-EC1, G4-EC3;
- Procurement Practices – G4-EC9.

Environment

- Materials – G4-EN1, G4-EN2;
- Energy – G4-EN3, G4-EN5, G4-EN7;
- Water – G4-EN8;
- Emissions – G4-EN15, G4-EN16;
- Effluents and Waste – G4-EN22;
- Products and Services – G4-EN27;
- Compliance – G4-EN29;
- Transport – G4-EN30;
- Supplier Environmental Assessment – G4-EN32.

Social

Labour Practices and Decent Work

- Employment – G4-LA1, G4-LA2;

adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

Materiality

The process of determining the issues that is most relevant to an organisation and its stakeholders.

The Company has reviewed and updated the materiality assessment exercise which it has carried out in the previous reporting period. The Report fairly captures identified material Aspects considering its internal and external impacts, the concerns of various stakeholders and sustainability context of the business. In our view, the level at which the Report adheres to this principle is 'Good'.

Inclusivity

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

The stakeholder engagement process is ongoing and continuous and involves key stakeholders including supply chain partners,

- Labour/Management Relations – G4-LA4;
- Occupational Health and Safety – G4-LA5, G4-LA6;
- Training and Education – G4-LA9, G4-LA10, G4-LA11;
- Labour Practices Grievance Mechanism – G4-LA16.

Human Rights

- Freedom of Association and Collective Bargaining – G4-HR4;
- Child Labour – G4-HR5;
- Forced or Compulsory Labour – G4-HR6.

Society

- Local Communities – G4-SO1;
- Anti-corruption – G4-SO3, G4-SO4, G4-SO5;
- Anti-competitive Behaviour – G4-SO7
- Compliance G4-SO8.

Product Responsibility

- Customer Health and Safety – G4-PR1;
- Marketing Communications – G4-PR7;
- Compliance – G4-PR9.

- **General Standard Disclosures:** The reported information on General Standard Disclosure generally meets the disclosure requirements for the 'in accordance' – Core option of GRI G4.
- **Specific Standard Disclosures:** The Report describes the generic Disclosures on Management Approach (DMA) and Performance Indicators for identified material Aspects as below:

Observations

Without affecting our assurance opinion we also provide the following observations. We have evaluated the Report's

to identify and respond to significant sustainability concerns. The material issues emerging from materiality analysis were collected and prioritised, and the results are fairly reflected in the Report. In our view, the level at which the Report adheres to this principle is 'Good'.

Responsiveness

The extent to which an organisation responds to stakeholder issues.

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We consider the response to key stakeholder concerns through its policies, management systems and governance mechanisms to be fairly reflected in the Report. In our view, the level at which the Report adheres to this principle is 'Good'.

Reliability

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

The robustness of the data management and aggregation systems was evaluated, and the majority of the data and information verified at the Corporate Office at New Delhi and at the manufacturing facility at Gurgaon was found to be fairly reliable. Nothing has come to our attention to suggest that reported data has not been properly collated from information reported at operational 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. Hence in accordance with AA1000AS (2008) requirements for a Type 2, Moderate level assurance engagement, we conclude that the specified sustainability data and information presented in the Report is generally reliable. In our view, the level at which the Report adheres to this principle is 'Good'.

Specific evaluation of the information on sustainability performance

We consider the methodology and process for gathering information developed by MSIL for its sustainability performance reporting to be appropriate, and the qualitative and quantitative data included in the Report was found to be identifiable and traceable; the personnel responsible was able to demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the reported sustainability activities for the reporting period.

Additional principles as per DNV GL VeriSustain**Completeness**

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

The Report has fairly reported the General and Specific Standard Disclosures including the management approach, monitoring systems and sustainability performance indicator against GRI G4 requirements for its 'in accordance' – Core option within its identified reporting boundary. In our view, 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 organisation's performance, delivered in a neutral tone.

The disclosures related to sustainability issues and performances are reported in a neutral tone, in terms of content and presentation. In our view, the level at which the Report adheres to the principle of Neutrality is 'Good'.

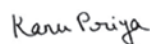
Opportunities for Improvement

The following is an excerpt from the observations and opportunities for improvement reported to the management of the Company and are not considered for drawing our conclusions on the Report; however they are generally consistent with the management's objectives:


- MSIL may identify impacts and strengthen its disclosure on impacts in its supply chain, through a structured risk assessment. This can help establish short, medium and long-term sustainability goals and targets for identified material Aspects in its supply chain.
- A systematic process of internal audit of data management systems may be established to further strengthen the reliability of reported sustainability performance.

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

New Delhi, India
2nd August, 2016



KANU PRIYA
Lead Verifier



NANDKUMAR VADAKEPATH
Assurance Reviewer

DNV GL Business Assurance India Private Limited, India

Regional Sustainability Manager - Region India & Middle East
DNV GL Business Assurance India Private Limited

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