



### **COMPLIANCE TO COMPETITIVENESS**

Sustainability Report FY 2021-22

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# About this Report

In this Sustainability Report (Report), we aim to showcase our efforts towards national and international Environmental, Social, and Governance (ESG) frameworks. We endeavour to consistently stay ahead of the curve by identifying emerging ESG risks and opportunities in the market.

We strive to highlight our endeavours that ensure the welfare of our employees, communities, and the planet while also maintaining a profitable business model and inclusive growth. We have instituted an innovative and long-term growth plan that not only guarantees our financial progress but also ensures the well-being of our stakeholders. Our performance with respect to the growth plan has been highlighted in this Report.

This year, we publish our sixth Sustainability Report, with a focus on our non-financial performance during the reporting period of April 1 2021, to March 31 2022. The information provided in this Report underlines areas that are material to our stakeholders and our overall business.

We conducted the materiality assessment with our internal and external stakeholders during the last financial year i.e., FY 2020-21 and we have retained the material topics as per the previous reports. The scope of the report is in line with previous year's sustainability report.

We have included the restatements with respect to total energy consumption, Scope 1, and Scope 3 emissions that reflects in the environment chapter of this Report.

#### **Reporting Principles**

This Sustainability Report has been developed in reference with the Global Reporting Initiative (GRI) Universal Standards 2021. Additionally, the disclosures are also aligned with the National Voluntary Guidelines on Social, Environmental, and Economic (NVG-SEE) Responsibilities of Businesses, issued by the Ministry of Corporate Affairs, Government of India, and the United Nations Sustainable Development Goals (SDGs). This Report also incorporates information on Business Responsibility and Sustainability Report (BRSR) disclosures, prescribed by the Securities and Exchange Board of India. The report is assured by DNV Business Assurance India Private Limited ('DNV') as per International Standard on Assurance Engagements 3000 (ISAE 3000) Revised.

#### Reporting Scope and Boundary

This Report covers information on our operations in India. The operational locations are further bifurcated into the foundry location and automotive plants. The foundry locations are Ennore and Sriperumbudur in Tamil Nadu, India, whereas the automotive plant locations are Hosur (units 1 and 2), Ennore, Bhandara, Alwar, Pantnagar, Vellivoyal Chavadi (Technical Centre), Corporate Office in Chennai, and along with Cab Panel and Press Shop (CPPS) in Hosur, Tamil Nadu. We aim to expand the scope of our report that will include our joint ventures, and subsidiaries.

#### Forward-Looking Statements

The forward-looking statements which are a part of this Report define our plans and expectations based on rational assumptions and previous experience. These projections take into account the developments in the industry, geographical changes in market conditions, government regulations, laws, and other such impacting factors. These statements shall not be used as an assurance of our future performance as the underlying assumptions may change significantly based on various trends out of our control. Please direct any queries related to this report to Alok Verma, Head Corporate Strategy & ESG, at secretarial@ashokleyland.com.



# Message from the Chairman

#### Dear Readers,

I am pleased to present to you our Sixth Annual Sustainability Report for the year 2021-22 detailing the initiatives undertaken as a sustainable and socially responsible organisation. Seamless integration of Environmental, Social and Governance (ESG) considerations into the business aspects of the automotive sector is becoming increasingly vital. Consequently, we constantly strive to embed them across our business portfolio.

During the financial year, our revenue increased to Rs 21,688 Cr from Rs 15,301 Cr in the previous year resulting in profit after tax of Rs 542 Cr compared to a loss after tax of Rs 314 Cr in the previous financial year.

On the environmental front, highlights of our action taken are:

- 13,174 tCO<sub>2</sub>e of carbon dioxide was set apart through our Miyawaki method of afforestation efforts.
- launched a fleet of Compressed Natural Gas (CNG) buses and trucks under Project Vayu, to help reduce the emissions.
- supported Bhutan's commitment to remain carbon negative by providing them with BS-VI compliant vehicles.
- working closely with our vendors to develop components and parts with a focus on improving the fuel efficiency and minimising the impact on the environment.
- through our subsidiary SWITCH mobility, we have introduced a wide range of electric buses across India.

Through our subsidiary SWITCH mobility, we have introduced a wide range of electric buses across India. We have also partnered with Chalo for the deployment of 5,000 state-of-the-art SWITCH electric buses across India. As a part of our electric mobility initiative, we have established DC fast charging station in Ahmedabad.

I am happy to highlight that Ashok Leyland was awarded the prestigious Tata Institute of Social Science (TISS) Leap Vault CLO Award (Gold) in the 'Virtual Learning Program' category, whilst also winning two awards at the People First HR **Excellence Awards 2021** under the 'Leading Practices in Learning and Development' and 'Leading Practices in Employee Engagement'.

To enhance the contribution of our people towards our business growth, we prioritised programmes that help cultivate a strong, inclusive, and safe work environment. These activities included, but were not limited to, the opening of the Quality Academy and Electronics Academy to develop champions and enhance the technical capabilities of employees. Additionally, a two-week-long learning event called the 'Learning Champions League' aimed at encouraging executives to take up learning plans was organised. We introduced a year-long development journey as a part of the Young Talent Programme (YTP) for highpotential employees. I am happy to highlight that Ashok Leyland was awarded the prestigious Tata Institute of Social Science (TISS) Leap Vault CLO Award (Gold) in the 'Virtual Learning Program' category, whilst also winning two awards at the People First HR Excellence Awards 2021 under the 'Leading Practices in Learning and Development' and 'Leading Practices in Employee Engagement'. We extended our gender sensitisation workshops to women executives through an effective governance structure to achieve responsible and ethical business culture beyond compliance requirements.

On the Social side, we continued with our support to the CSR programmes. As part of the Road to School drive, we provide access to education benefitting nearly 100,000 children in remote rural villages in Tiruvallur, Krishnagiri, Namakkal, and Salem districts of Tamil Nadu, Alwar in Rajasthan, Bhandara in Maharashtra and will soon implement in identified villages in Jammu and Kashmir. Our 'Jal Jeevan' water initiative benefitted a total of 9,475 people through the construction of rooftop rainwater systems, recharging of bore wells, construction of toilets, and installation of pipe sprinklers. Additionally, the rejuvenation of Himalayan springs, construction of rooftop rainwater harvesting systems (RRWHS), and provision of electricity-free water filters in Government schools were also carried out as a part of this programme. During the third COVID-19 wave, we supported the community through our relief work and disaster management activities that were carried out in the states of Tamil Nadu and Rajasthan.

As all our stakeholders are important to us, we also ensure that we follow high corporate governance standards through a well laid Code of Conduct. Through ESG Committee at the Board level, we accelerate adoption of leading ESG practices into the business and continue to focus on being sustainable and socially responsible.

We have identified risks and opportunities for each of the material topics. To address these risks and opportunities, we have leveraged innovation and technology to ensure quality, safety and efficiency of resources. We uphold the well-being, and health and safety of our employees while creating a positive impact on our communities. In the unlikely event of non-compliance of ESG, the potential risks have been assessed and a concurrent review mechanism for instituting timely corrective strategies and actions as necessary has been established.

We will continue to provide focus and thrust to our ESG agenda even more in the years to come and it is our endeavour to be a benchmark for others to follow before long.

Yours Sincerely, **Dheeraj G Hinduja** Chairman As part of the Road to School drive, we provide access to education benefitting nearly 100,000 children in remote rural villages in Tiruvallur, Krishnagiri, Namakkal, and Salem districts of Tamil Nadu, Alwar in Rajasthan, Bhandara in Maharashtra and will soon implement in identified villages in Jammu and Kashmir.



# Message from Head Corporate Strategy & ESG

"Our ESG vision aligns with our business ambitions towards long term value creation to our stakeholders" We are witnessing multiple megatrends in the shape of changing market dynamics, new tech & innovation, government regulations leading the way for newer products and enabling business models drive greater adoption of sustainable practices in the industry ecosystem. Ashok Leyland brings the strength of a seven-decade old legacy of corporate citizenship towards this evolving corporate mandate. A sustainable, agile and innovative approach has become a priority with the changing business approach, evolving climate issues, economic challenges, and evolving stakeholder expectations.

Our 6th Sustainability Report for FY 2021-22 showcases our ESG journey from compliance to competitiveness, which reflects our firm belief that sustainable practices will lead Ashok Leyland towards longer term competitiveness and value creation agenda. This Report provides an insight on various new and ongoing industry leading initiatives undertaken over last year towards building a sustainable and socially responsible organization in addition to improved disclosures to highlight our commitment towards various aspects of sustainability.

Sustainability is at the core of Ashok Leyland since its inception, and we have continued to achieve greater milestones by delivering sustainable solutions while transforming and integrating sustainable operations in our businesses. With increasing awareness of safeguarding the environment with sustainable socio-economic development, we aim to focus on developing responsible operations, innovate product development, strengthening our conservation approaches, enhancing research and development activities and empowering our communities.

Our ESG strategy is well articulated and embedded in our organizational agenda through 10 focus areas identified across Environment, Social and Governance sub-domains. Our interventions are aligned towards taking on Industry leading ESG initiatives to be a guiding light to the Commercial Vehicle Ecosystem and an intent to be world class. Ashok Leyland is at the forefront of developing products across EV and Alternate fuels to drive product stewardship agenda. Our Industry leading Environment initiatives include 29 multi-layer Miyawaki afforestation across locations instrumental in reducing our scope 1 impact by around 52%, 71% renewable footprint lowering our scope 2 footprint considerably and Net Water Positivity across our plant locations. On social front, we are positively impacting the lives of communities with our Road to School, Road to Livelihood and JalJeevan initiatives while Governance is the bedrock of our organization with several industry firsts on Board Level ESG Committee, strong board constitution with

Our community development initiatives encompass Road to School initiatives, sustainable livelihood opportunities, empowering women, health care and social well-being, clean water, and sanitation initiatives. independent directors chairing various subcommittees including ESG.

We, at Ashok Leyland aim to minimise the impacts of our resource-intensive operations on the environment and focus on optimum utilization of resources. We are focused to achieve environmental stewardship on various aspects like energy, emissions, biodiversity conservation, water consumption, recycling and waste management. With our constant efforts our manufacturing units and technical centers have achieved zero liquid discharge (ZLD) status. We have further achieved zero waste to landfill status in seven out of nine manufacturing plants. Through our constant efforts and endeavors, we have ventured into sequestering carbon through afforestation efforts.

At Ashok Leyland, community welfare and development go hand in hand and is one of our focus areas Over the past decade we have actively engaged with our community in supporting them towards leading a meaningful living. Our community development initiatives encompass Road to School initiatives, sustainable livelihood opportunities, empowering women, health care and social well-being, clean water, and sanitation initiatives. Our efforts in areas of providing livelihood generation opportunities, educational support, and infrastructure development are result of our constant and dedicated efforts to uplift the community.

Our employees constitute as one of the most integral stakeholders of Ashok Leyland. We are focused on creating a safe, diverse, and inclusive workspace for our people, aimed to help them become more positive, productive, innovative, and create long lasting value to all our customers. This year we have achieved zero fatalities in our operations as we strive to make our operating conditions safer for our employees.

Aiming to build a robust business approach, we have developed risk management frameworks to mitigate environmental and operational risks. With the constant support of all our stakeholders, along with their skills and experience, we aim to further become a resilient organization.

With pledge to further promote sustainability in our overall ecosystem, we present our 6th annual Sustainability Report showcasing our continued initiatives on ESG front.

We look forward to your feedback and suggestions.

#### **Alok Verma**

Head Corporate Strategy & ESG Ashok Leyland We are focused on creating a safe, diverse, and inclusive workspace for our people, aimed to help them become more positive, productive, innovative, and create long lasting value to all our customers.



# Key Highlights

Net Revenue	I
Number of Vehicles Produced	1
Total Foundry Production	7
Recon Business Efforts	4
Patents Obtained	2
Total Energy Consumed - Overall	1
Overall Renewable Energy share	7
Total Electricity Consumed	8
Energy Intensity - Foundry	5
Energy Intensity - Automotive Plants	Ę
Energy Intensity - Overall	Ę
Scope 1 emissions	2
Scope 1 emissions after carbon sequestration efforts	1
Scope 2 emissions	Ę
Total GHG Emissions (Scope 1+2)	8
Emission Intensity - Foundry	(
Emission Intensity - Automotive Plants	(
Emission Intensity - Overall	3
Number of Trees Planted (Operational Control) -	F
cumulative	
CO <sub>2</sub> sequestrated through afforestation efforts	1
Zero Waste to Landfill	ł
Total Hazardous Waste Generated	2
Total Non-Hazardous Waste Generated	1
Zero Liquid Discharge	A
Total Water Consumption	1
Total Rainwater Harvested	2
Number of Ponds created (cumulative)	1
Net Water Positive	+
Total Water Recycled	6
Water Intensity - Foundry	2
Water Intensity - Automotive Plants	7
Water Intensity - Overall	4
Total number of Beneficiaries for the RTS	0
CSR Expenditure	1
Fatalities	Z
Injury Rate	1
Total Employee - New Hires	1.1
Total training hours	
Numbers of drivers trained	2
Total Salesforce trained	1

NR 21,688 Crore
28,326
'5,222 MT
,200 engines reconditioned
4
255 (000') GJ
7%
387.24 (000') GJ
.26 GJ/MT
.53 GJ/Vehicle
7.87 GJ/INR Crore
5,301.58 tCO <sub>2</sub> e
2,127.58 tCO <sub>2</sub> e
5,381.29 tCO <sub>2</sub> e
30,682.87 tCO <sub>2</sub> e
0.40 tCO <sub>2</sub> e/MT
).39 tCO <sub>2</sub> e/Vehicle
.72 tCO <sub>2</sub> e/INR Crore
648,962
3,174 tCO2e
Hazardous Waste: 7 out of 9 plants , Non-Hazardous Vaste: All Locations
,538.49 MT
87,448.32 MT
All manufacturing plant locations and technical centre
074.36 (000') kL
,663.75 (000') kL
7
1.24 times
3%
.02 kL/MT
19 kL/Vehicle
9.54 kL/INR Crore
6,750
6.93 Crore
Zero Fatalities
10
08
4,969.85 hours
5 Lakhs
3,338



## Ashok Leyland: Compliance to Competitiveness

We have an employee base of 26,327 which includes both contractual and permanent employees and our total revenue (gross sales) is INR 21,688 crores which is an indication of our continuous growth with a positive impact. We have added 71 new outlets across India during the year, increasing the total touchpoints to 907.

### Our Corporate Profile

Founded in 1948, Ashok Leyland (AL) is a flagship of the Hinduja Group of companies and is headquartered in Chennai, India. We are the second-largest commercial vehicle manufacturers in India in the medium and heavy commercial vehicle segment, and the eighth-largest manufacturer of buses in the world. Also, we are one of the top fifteenth largest manufacturer of trucks worldwide. We have an employee base of 26,327 which includes both contractual and permanent employees and total revenue (gross sales) INR 21,688 crores with an aim to continuously keep growing with a positive impact. We have added 71 new outlets across India during the year, increasing the total touchpoints to 907. These touchpoints assist in on-road services for millions of our vehicles. Currently, we have been ranked the 34th best brand in India.



As we grow another year into the industry and in the hearts of our customers, we have achieved sales and revenues across all our business segments. We sold 65,090 Medium and Heavy Commercial Vehicles (M&HCVs) in the domestic market (3,789 buses and 61,301 trucks including Defence vehicles), recording an increase of 41.5 per cent over last year. Light Commercial Vehicles (LCV) sales were 52,222 which showcased an increase of 11.9 per cent over the last financial year. Currently, we offer a wide range of products from 2.5 Ton Gross Vehicle Weight (GVW) to 55 Ton Gross Trailer Weight (GTW) in trucks, nine to 80-seater buses, vehicles for Defence and special applications, diesel engines for industrial, gensets, marine applications.

#### **Our International Presence**

GCC	Africa	SAARC
United Arab Emirates (UAE)	Kenya	Bangladesh
Saudi Arabia	Nigeria	Nepal
Kuwait	Tanzania	Sri Lanka
Qatar	Malawi	
Bahrain	Uganda	
Oman	Mauritius	
	Seychelles	
	Zimbabwe	
	Burkina Faso	
	Republic of Congo	
	Cote D'Ivoire	
	Ghana	

Our international business functions focus on flourishing its global presence across retail markets in Africa along with strengthening our business presence in SAARC, and GCC countries. We had successfully launched Falcon Super (12m Bus) and Gazl (7m Bus). The products have gained a lot of traction in the market and have helped in improving AL's market presence. Also, after completing all trials, Phoenix was launched with 35 units in Uganda.

### Our Product Portfolio

Starting from a single model of manufacturing company seven decades ago, Ashok Leyland currently has a wide array of products like M&HCV, LCV, Power Solutions, and Defence Mobility Solutions. We offer diversified range of products with focus on performance and safety, thereby exceeding customer expectations. We are constantly upgrading our Research and Development (R&D) practices to innovate and manufacture vehicles based on market demand.



Light commercial vehicles (LCV)

#### **Our Domestic Presence**



#### Medium & Heavy Commercial Vehicles

We are being widely preferred as a commercial vehicle brand, witnessing increased consumer consumption of our truck business. Our product offering caters to 70 plus different applications, including construction, mining, distribution, tractortrailers, and long haulage vehicles. With increasing market demand, our truck business has achieved favourable performance and has created a growing customer base for our business. Our business of M&HCV Trucks segment (excluding Defence vehicles) in India grew by 43.5 percent to 60,947 units in FY 2021-22, as compared to 42,483 units in FY 2020-21. The M&HCV Bus segment (excluding Defence vehicles) in India grew by 10.8 percent to 3,018 units in FY 2021-22, as compared to 2,723 units in FY 2020-21. The Aftermarket business showed a commendable growth of 30 percent over the last financial year.

#### **Light Commercial Vehicles**

The brand-new LCV-Bada DOST is all set to bring out a major paradigm shift in the customer experience with its future-ready and many industry-first customer-centric offerings. During FY 2021-22, Bada Dost attained the highest sales of 52,222 since its inception. Despite the challenges posed by COVID-19, we were able to substantially improve our market share in the Small Commercial Vehicle (SCV) category.



#### **Power Solutions**

The power solution business function focuses on the non-auto segment that comprises the power, industrial, agricultural, and marine segments. We have achieved a total of 20,944 engines in the power solution business which was aided by new business development with corporates and equipment manufacturers. Despite the shortages in the availability of semiconductor chips, we continued to grow steadily in the power solutions market. Our power solutions business function is well prepared for the upcoming Central Pollution Control Board (CPCB) four emission shift.

#### **Defence Mobility Solutions**

The Defence mobility solution team strives to develop items having a high level of strength and endurance in extreme conditions. Our vehicles are customised for durability to withstand rugged terrains and harsh climate conditions. During the FY 2021-22, we recorded an all-time high supply of 1,125 units of completely built-up units (CBUs) including bullet-proof vehicles and 600 kits to the Indian Army. In addition, we also completed the production of 711 ambulances in record time under emergency procurement. Also, we plan to expand our product portfolio in Light Vehicles, new developments on the Super Stallion platform, and products specific to export markets.

### Highlighting Our Economic Performance

We strive to improve and achieve maximum efficiency of our operations thereby creating value for our stakeholders. We aim to direct our efforts, towards responsible business, inclusive growth, and development, leading to cost optimisation, efficient resource utilisation and increased investment in our research and development.

In addition, to create a resilient and sustainable future, we aim to reduce risk or harness opportunity. We aim to create innovative products that meet the expectations and aspirations of all our customers. This will help us to create new product ranges, exceed customer expectation, and deliver sustained and profitable growth to the Company.

In FY 2021-22, our financial performance in the domestic and export market, showcased sales of following units:

Particulars	Sales (units)
M&HCV Trucks sold in domestic market	61,301
M&HCV Buses sold in domestic market	3,789
Total M&HCV vehicles sold in domestic market	65,090
LCV sold in domestic market	52,222
Total vehicles sold in domestic market	1,17,312
Total vehicles sold in export market	11,014
Total Vehicles sold in market	1,28,326
Economic performance* (INR Crores)	

Particulars	FY 2021-22	FY2 2020-21	FY 2019-20
Direct economic value generated	21,764.42	15,420.95	17,590.81
Operating cost	19,775.36	13,933.59	15,370.91
Community investment	17.34	45.86	41.52
Payments to government	10.11	0.02	285.16
Employee wage and benefits	1,693.96	1,582.64	1,613.46
Payments to providers of capital	437.11	258.72	1,103.99
*The Figures mentioned here are standalone (pertaining to AL only) ECONOMIC Value retained	-169.46	-399.88	-824.23

In FY 2021-22, the total monetary value of the revenue grant receivable from the government is INR 38.03 Crore. We provided our employees with retirement benefits and the estimated value of liabilities for the retirement plan for the year FY 2021-22 is INR 130 Crores. Furthermore, our payments to defined contribution plans i.e., Company's contribution to the superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees. Further details can be found in the Annual report (Page 144 Annual-Report-FY-2021-22.pdf (ashokleyland.com)

#### Holding, Subsidiary and Associate Companies (including joint ventures)

We have 29 Subsidiaries, five Associates and two Joint Ventures as on March 31, 2022. The same has been mentioned in detail in Annual report (Page 237 - Annual-Report-FY-2021-22.pdf (ashokleyland.com)

### Risk and Opportunities due to Climate Change

The key business risks in order to promote sustainable operations, are stringent vehicular emission norms, fluctuating fuel prices, energy requirement through fuels and electricity, dependency on natural resources and water. Our key energy conservation initiatives are as follows:

Initiative	Investment (in million)
Expenditure invested for energy conservation initiatives	INR 2.99
Energy-efficient compressor and cooling tower with Variable Frequency Drive (VFD) during FY 2021-22	INR 1.40

As an automobile manufacturer, we continue to contribute towards sustainable transport solutions by providing state of art technologies. Our approach to mitigate climate change risk, focuses on product innovation. Ashok Leyland intends to conduct Climate Change vulnerability assessment and develop disclosures aligned with Task-force for Climate related Financial Disclosures in the future.

### Research and Development

In FY 2021-22, we directed our R&D efforts for the betterment of our technology rendering high economic performance.

- INR 378.91 Crores invested in R&D
- Total R&D expenditure as a percentage of total turnover is 1.75



The year 2021-22 has been a successful year for us with many of our business operations, products and practices receiving numerous prestigious awards, and being recognised for undertaking effective and robust practices as noted below:

TISS Leap Vault CLO Award

(Gold) received under the **'Virtual** Learning Program' category.

### Received 15 CII EHS Excellence

AWards, which recognised our **robust EHS practices** put in place across our various plants (9 maturity awards and 6 special category awards) Merit Award in Symposium on Robotics and Automation -2021' under OEM category – 'Implementation of Industry 4.0 in H- Engine Assembly' was received by our Hosur 1 Team

Our Hosur 1 Team also received the **1st Runner-Up Award** in **OHS management competition 2021-22** organised by **NHRD Hosur chapter** in

association with HIA and JDISH Office

Our Hosur 2 Team was honored with the "Energy Efficient Unit'21"

 awarded by CII, at 22nd Excellence in Energy Management

Our Pantnagar Plant was awarded Best Energy efficient

Organisation, receiving the 1st runner-up title, in CII 5th edition National Energy Efficiency Circle Competition

Two awards at the People First HR Excellence Awards 2021 were won

- Recognised as Champion in 'Leading Practices in Learning and Development'
- Winner in the 'Leading Practices in Employee Engagement' category

INFHRA Excellence Award

for the use of space planning and facility reservation system during and post COVID-19 Crisis Our Pantnagar Plant received the **Platinum Award** in 1st CII Operational Sustainability Competition

### Our Pantnagar Plant also received the Energy & Positive Carbon Footprint Award at the CII-SR EHS Excellence Awards 2021

Our Bhandara Plant won the **'First** 

award' in the State level "Energy Conservation and Management Award"

competition organised by the Maharashtra Energy Development Agency (MEDA) for automobile and engineering sector

An award under the category "Masters of Risk – Automotive OEM" organised by ICICI Lombard and CNBC TV18's India Risk Management Awards was received in recognition of Ashok Leyland's effective risk management

Our product 'Bada Dost' was awarded CV of the Year and Pick up of the Year 2021-22 at the **Global Awards for Retail Excellence** presented by ET Now and World Leadership Congress

The **'Bada Dost'** also won the **CII Design Excellence Award** in the year 2021



# Corporate Governance

As on March 31, 2022, the Company's Board consisted of 11 Directors which includes one Promoter Non-Independent Executive Director, six Independent Non-Executive Directors, three Non-Independent Non-Executive Directors, and one Non-Independent Executive Director.

## Ethical Business Practices

Our objective is to lead our business responsibly and align our efforts towards creating value that benefits all the stakeholders involved. We believe effective governance is an important aspect to gain customer confidence and trust. Our business activities are carried out with utmost integrity and transparency. Our governance framework comprises of highly skilled and experienced Board of Directors that provides guidance and strategic direction to the Company. To further enhance stakeholder confidence and business efficiency, activities like day to day operations, legal, and statutory compliances, internal controls, environmental and social requirements and management of risks are guided by the Board of Directors.

Our senior management act as a leadership team. This team is involved and committed to enhancing stakeholder value by providing insightful business decisions, adhering to high ethical standards, ensuring transparency and professionalism in all the dimensions of the business. Furthermore, the Board is responsible to approve strategic direction, plans, and monitors the performance of the Company. The leadership team actively governs, supervises, plans, and administers the implementation processes.

### Board of Directors at Ashok Leyland

Our Board has been a leader in showcasing good corporate governance initiatives with uncompromised accountability. As the stewards of the Company's long-term success and value creation, the Board's delegation of duties is underpinned by values of trust, integrity, ethics and transparency. Our Board of Directors comprise of Executive, Non-Executive, and Independent Directors with rich professional background. As on March 31, 2022, the Company's Board consisted of 11 Directors which includes one Promoter NonIndependent Executive Director, six Independent Non-Executive Directors, three Non-Independent Non-Executive Directors, and one Non-

Independent Executive Director. The Independent Directors fulfill the conditions specified by SEBI. The details of the Board of Directors are available in the Annual Report on Page Number 43: https:// www.ashokleyland.com/backend/in/wp-content/ uploads/sites/2/2022/07/Annual-Report-FY-2021-22. pdf

#### Appointment, Evaluation, and Remuneration of The Board

The members are nominated and examined by the Nominations and Remuneration Committee (NRC) after evaluating the structure, size, composition, and diversity along with assessing the skills, and recommendations provided to the Board. We have established a formal mechanism to help our Board evaluate the performance of Committees, Independent Directors, and Non-Independent Directors, including the Chairman of the Board.

An up-to-date compensation policy has been curated to attract, retain, and motivate professionals to accomplish our strategic objectives. We ensure that our Board is diversified, and the members have been selected based on their outstanding achievements in their professional careers, experience, personal and professional integrity, financial literacy, and familiarity with the profession.

#### Policy Suite

Our Corporate Governance is more than just about aligning with regulatory and legal requirements. We have implemented various policies to ensure compliance with all regulatory and legal norms. The policies are available on our website – https:// www.ashokleyland.com/in/en/investors/investorinformation/policies

![](_page_13_Figure_0.jpeg)

#### **Risk Management Framework**

We have a robust mechanism for Enterprise Risk Management (ERM) Framework that embeds the principles of the Committee of Sponsoring Organisation (COSO) ERM framework, 2017, and ISO 31000:2018 standard to foster a sound risk management culture and facilitate informed decision-making. The ERM framework incorporates all the business units and functions across the organisation. It encompasses core

business vertical heads. The process is overseen by the Risk Management Committee, which ensures an effective and robust framework for managing and reporting substantial enterprise risks. Risk management enables us to carry out risk identification and address the risk and opportunities associated. This helps us to govern our business strategy and further monitor key risks and opportunities on a regular basis.

![](_page_13_Figure_4.jpeg)

#### Internal Control System

Our internal control system is tailor-made to ensure:

- 1. Accuracy in recording the transactions
- 2. Adherence to accounting standards and compliance with applicable statutes, policies, and procedures
- 3. Effective usage of resources and safeguarding of assets

We have a robust internal control framework which is laid out under Section 134(5)(e) of the Companies Act, 2013, which calls for the establishment and implementation of an internal financial control framework that supports compliance with the requirements of the Act to the Directors Report mentioned in the Annual Report FY 2021-22. The framework adheres to COSO Internal Control Framework. 2013. and the Institute of Chartered Accountants of India's Guidance Note on Audit of Internal Financial Controls over Financial Reporting. An overview of the audit findings and the status of implementation of the mitigation plan of risk are evaluated and discussed by the Audit Committee during its quarterly reviews.

#### Information Technology

We have a Committee that oversees information technology and cybersecurity strategy. We have

also instituted a Security Steering Committee that holds regular meetings throughout the year. The Chief Information Officer (CIO), Chief Information Security Officers (CISO), Head-IT security, and other important members attend these Committee meetings. The Head-IT security, CIO and CISO form the executive management team that is responsible for overseeing cybersecurity at Ashok Leyland.

We have established an Information Security or Cybersecurity policy that is available to all our employees. We organise awareness trainings related to information security or cybersecurity on a quarterly basis and conduct courses that are mandatory on our learning management system for all employees. Moreover, regular e-mailers are sent out across organisation for security purposes.

Furthermore, we have an escalation process in place that an employee can follow if they come across any IT-related incidents within the organisation. This process is a part of the IT connect call raising. IT connect is a ticket-raising portal that has a toll-free number, email id, and ticket-raising facility on the IT platform. Information security/cybersecurity also forms a part of the employee performance evaluation, and it is covered as a mandatory programme for Key Result Areas (KRA) evaluation. If disciplinary actions are to be taken against an employee in the case of a cybersecurity violation, there is an HR process that has been instituted based on the severity of the incident.

We have a Disaster Recovery Plan (DR) for all our sites and conduct regular drills to ensure its efficacy. The switchover of applications happens every six months. A robust mechanism has been established to monitor and take preventive actions against any incidents . During FY 2021-22, there have been no customer complaints on data privacy and cybersecurity.

Our information security management system is ISO 27001 certified. We have also implemented additional measures of external verification to assure the security of the IT infrastructure systems such as tools for continuous Vulnerable Assessment and Penetration Testing (VA/PT). In addition to this, we also conducted external VA/PT and assessments.

We endeavour to digitise many aspects of the organisation and automate processes to incorporate transparency in our business. Digitisation will help us make rapid decisions and at the same time promote paperless exchanges to foster green processes. This has resulted in a considerable reduction in printing and paper costs. We have also made efforts to make our Data Centre (DC) energy efficient.

### Holistic Stakeholder Engagement and Materiality Assessment

#### Stakeholder Engagement

Fostering a healthy dialogue and strong relationships with all our stakeholders enables us to deliver on our objectives that contribute to the Company's well-being. This interaction helps us manage our stakeholders' expectations and concerns, thereby cocreating long-term value. We firmly believe in carrying out periodic engagements and providing appropriate disclosures to nurture a long-lasting relationship with them. Keeping this in mind, we proactively engage with all our stakeholders. We are aware that our activities impact our various stakeholders such as employees, suppliers, communities, customers, regulatory bodies, and channel partners. The expectations and feedbacks obtained from the select stakeholders not restricted to ESG parameters are initially priortised and communicated to the highest ESG governance body for incorporating into strategic business interventions.

#### Stakeholder engagement process:

![](_page_14_Figure_7.jpeg)

### The inputs received from the stakeholder interactions are used in the following ways:

- Creating an exhaustive list of stakeholders across the value chain, and categorising them internally and externally
- 2. Prioritising the stakeholders and identifying select groups for engagement
- 3. Formulating questionnaires for the identified stakeholder groups
- 4. Understanding the priorities and concerns of stakeholders and incorporating their suggestions in our materiality assessment

#### Details of stakeholder groups and their expectations:

Stakeholder Groups	Modes of Engagement	Frequency of Engagement	Key Expectations	Feedback Assessment
Employees	<ul> <li>Monthly and quarterly meet</li> <li>Personal review and visits</li> <li>Surveys</li> <li>Trainings</li> <li>Annual day</li> <li>Events</li> </ul>	• Monthly • Quarterly • Annual • Need-based	<ul> <li>Better future prospects</li> <li>Safe work environment</li> <li>Skill management</li> <li>Knowledge management</li> <li>Fair remuneration</li> <li>Employee volunteering for CSR activities</li> </ul>	<ul> <li>Employee engagement surveys</li> <li>Annual appraisal</li> <li>Chairman's award</li> <li>MD's townhall meetings</li> </ul>
Suppliers	<ul> <li>Suppliers meet</li> <li>Tech days</li> <li>Mutual visits</li> <li>Need-based meetings with leadership team</li> <li>Company events</li> </ul>	• Monthly • Annual • Need-based	<ul> <li>Long-term business commitments</li> <li>Economic scenario with respect to commercial vehicle industry</li> <li>Scheduling</li> <li>Supplier development</li> </ul>	<ul> <li>Supplier summit</li> <li>Workshops</li> <li>Strategic supplier meets</li> </ul>
Customers (Institutional and Retail)	<ul> <li>Surveys</li> <li>Company events</li> <li>Initiatives like rewards for purchases</li> </ul>	• Need-based • Periodic	<ul> <li>Delivery</li> <li>Technical communication</li> <li>Aftersales service</li> <li>Quality of service</li> </ul>	• Customer satisfaction surveys
Government and regulatory authorities	<ul> <li>One-to-one meetings</li> <li>Events and conferences</li> </ul>	• Need-based • Periodic	• Compliance • Tax payment	• Compliance reports
Channel Partners	<ul> <li>Monthly and Quarterly meets</li> <li>Personal reviews and visits</li> <li>Surveys</li> <li>Trainings</li> <li>Events – dealer conference</li> </ul>	• Monthly • Quarterly • Annual • Need-based	<ul> <li>Business targets, commitment and development plan</li> <li>Training and development</li> <li>Customer engagement and satisfaction</li> </ul>	• Assessment audits – USI, PMI • Monthly reviews
Local Communities	<ul> <li>Community welfare programmes</li> <li>Project assessment reviews</li> </ul>	• Need-based • Periodic	<ul> <li>Community safety and development</li> <li>Engagement and communication</li> </ul>	<ul> <li>Project assessment reviews</li> <li>Meetings with the community leaders</li> </ul>

#### Materiality Assessment

Categorising the economic, environmental, and social issues material to us and our stakeholders is an instrumental step in our business strategy. Prioritising the key issues help us utilise resources optimally and further strengthen our long-term value. We carried out a materiality assessment in FY 2020-21 and have retained the material topics. This exercise enabled us to clearly identify material issues that are, directly and indirectly, impacting our business. During this assessment, we interacted with various stakeholder groups and gained clarity on the different ESG topics concerning us. The material topics identified, and the initiatives undertaken in those areas are showcased throughout this Report. This exercise supported us to foresee risks and opportunities which aided us to develop appropriate mitigation plans.

#### Based on the materiality assessment conducted, the following material topics were identified

![](_page_15_Figure_4.jpeg)

![](_page_15_Picture_5.jpeg)

# Preserving Our Nature

Renewable energy mix

71% Specific energy consumption – foundry and automotive plants

7.26 GJ/MT Crore and

5.53 GJ/Vehicle respectively

Partnership with Hinduja Renewables

### Environmental Stewardship

At Ashok Leyland, we recognise the fact that our operations are intensive in terms of dependency on natural resources. It is our earnest endeavour to reduce our environmental footprint and external dependency on non-renewable resources. Being a designated consumer and acknowledging the nexus of energy consumption and our environmental footprint we have implemented the ISO 14001:2015 (EMS) for all our Indian operational facilities to strengthen our Environmental Management System. This demonstrates our innate commitment to process improvement which is core to our environmental conservation initiatives. Our ESG vision "to create and lead sustainable practices across Environment, Social and Governance initiatives delivering outstanding stakeholder value" is the bottom line towards our exemplary performance.

Our constant endeavour is to minimise the extraction, utilisation, and disposal of resources into the environment. In order to achieve this, we are

committed to optimising our processes in every possible way.

We seek to augment the share of scrap usage in our material consumption which is core to our product development. We focus on initiatives that promote sustainable procurement of all components irrespective of their criticality. Among the many initiatives demonstrating our environment, we have ensured that the waste generated from most of our facilities is brought back into the system thus ensuring circularity.

Aligning with the Global Net-Zero Commitment (Paris Agreement) of 2050, we have improved our renewable energy dependency to 71 percent. We have also leveraged the afforestation of 745,767 trees, as an adaptation measure which has effectively resulted in the sequestration of equivalent to 648,962 trees where we have operational control as on March 31, 2022.

### Energy Management

Energy and emissions have been our key focus areas that are closely monitored, and considerable efforts have been undertaken in this area. During the FY 2021-22, we were successful in the cumulative commissioning of ground-mounted solar for captive use of 75 MWp along with rooftop solar of 10.4 MW. We have contributed towards the installation of a group captive (solar) power plant of Hinduja Renewables which also contributes to our renewable energy mix. Further, we continue to purchase solar and wind power along with its associated RECs through PPAs. The net effect of all these initiatives has resulted in an improvement of our renewable energy consumption from 179.59 (000') GJ to 634.87 (000') GJ which amounts to an increase of 253 percent. The below table illustrates the other non-renewable energy source that contributes to our energy consumption in Foundry and Automotive Plants

During the FY 2021-22, our specific energy consumption excluding energy consumed outside the organisation for our automotive plants with respect to number of vehicle produced is 5.53 GJ/

Vehicle and 7.26 GJ/MT for our foundry operations. The overall energy intensity with respect to the net revenue is 57.87 GJ/INR Crore.

We also encourage all employees to suggest kaizens that would contribute towards our process improvement and in turn reduce our specific energy consumption. The net energy consumption outside the organisation during FY 2021-22, from non-renewable energy sources, was 604.81 (000') GJ. The major activities which contributed to this consumption were employee commute, upstream transportation, and distribution, waste generated in operations, downstream transportation, and employee business travel (local travels).

The Press Information Bureau (PIB) of the Government of India (GOI) notice in July 2022, mandated the conversion of all our products to have compliant with BS-VI emission norms. During FY 2021-22, we could successfully launch CNG and Hybrid powertrain vehicles and incorporated selective catalytic reduction (SCR) technology for all our diesel-powered vehicles.

**Total Energy Consumption** 

	/ 1			
Particulars	UoM	Foundry	Automotive Plants	Total
High Speed Diesel (HSD)	000' GJ	39.98	175.74	215.72
Liquified Petroleum Gas (LPG)	000' GJ	41.38	21.17	62.55
Natural gas (CNG)	000' GJ	-	26.60	26.60
Dissolved Acetylene (DA)	000' GJ	-	0.17	0.17
Propane	000' GJ	-	62.72	62.72
Total	000' GJ	81.36	286.40	367.76
Energy (Electr	icity) Consumptio	on FY 2021-22		
Electricity Purchased from Grid	000' GJ	35.51	140.56	176.07
Group Captive Power - IEX	000' GJ	76.30	-	76.30
Total	000' GJ	111.81	140.56	252.37
Energy (Renew	able) Consumpti	on FY 2021-22		
Solar (Rooftop and Ground Mount)	000' GJ	189.44	219.65	409.08
Wind	000' GJ	163.28	62.50	225.78
Total	000' GJ	352.72	282.15	634.87
Total Electricity Consumption	000' GJ	464.53	422.71	887.24
Total Energy Consumption	000' GJ	545.89	709.11	1,255.00

Energy Consumption - Fuel				
Particulars	UoM	FY 2021-22	FY 2020-21	FY 2019-20
High Speed Diesel	000' GJ	215.72	204.56*	273.28
Heavy Fuel Oil	000' GJ	-	1.87	2.32
Liquified Petroleum Gas (LPG)	000' GJ	62.55	48.87	48.69
Compressed Natural gas (CNG)	000' GJ	26.60	25.58	21.58
Dissolved Acetylene (DA)	000' GJ	0.17	0.24	0.39
Propane	000' GJ	62.72	24.01	12.54
Total	000' GJ	367.76	305.13	358.80
Energ	y Consump	otion - Electricity		
Electricity (Grid + IEX)	000' GJ	252.37	311.53	548.27
	Renewab	le Energy		
Wind	000' GJ	225.78	99.01	174.30
Solar	000' GJ	409.08	80.52	36.48
Biodiesel	000' GJ	-	0.06	-
Total Renewable Energy	000' GJ	634.87	179.59	210.78
Total Electricity Consumption	000' GJ	887.24	491.12	759.05
Overall Total Energy Consumption	000' GJ	1,255.00	796.25	1,117.85

\* indicates the restated numbers

#### Energy (Fuels) Consumption FY 2021-22

Energy Consumption outside Organisation					
UoM	FY 2021-22	FY 2020-21	FY 2019-20		
000' GJ	56.56	68.71*	81.69		
000' GJ	447.09	242.30	245.73		
000' GJ	5.00	9.10	2.38		
000' GJ	95.75	48.43	20.13		
000' GJ	0.40	0.21	0.24		
000' GJ	604.81	368.75	350.18		
	outside Org UoM 000' GJ 000' GJ 000' GJ 000' GJ 000' GJ	UoM         FY 2021-22           000'GJ         56.56           000'GJ         447.09           000'GJ         5.00           000'GJ         95.75           000'GJ         0.40           000'GJ         0.40	Vom         FY 2021-22         FY 2020-21           000'GJ         56.56         68.71*           000'GJ         447.09         242.30           000'GJ         5.00         9.10           000'GJ         95.75         48.43           000'GJ         0.447.09         0.21           000'GJ         5.00         9.10           000'GJ         95.75         48.43           000'GJ         0.447.09         0.21		

\* indicates the restated numbers

During the data consolidation on energy consumption within and outside the organisation for the reporting period, it was observed that there has been a error in the estimation in the high-speed diesel consumption from 419.88 000'GJ to 204.56 000'GJ and

Scope 3 emissions -

0.40

**43,961.24** 

Emission Intensity – Foundry =

Emission Intensity – Automotive =

0.39 tCO2e/Vehicle

tCO\_e/MT

employee commute from 8,070.48 000'GJ to 68.71 000'GJ which is lower than the previously reported energy consumption number.

### Emissions Management

![](_page_17_Picture_6.jpeg)

Scope 1 emissions -

25,301.58

Scope 2 emissions -

55,381.29

The grid energy reliance of

our operations was 55,381.29

tCO<sub>2</sub>e considering a 0.79 tCO<sub>2</sub>/

MW grid emission factor of our

CEA CDM database. We were

successful in improving our renewable energy share from 36.5 percent in FY 2020-21 to 71 percent in FY 2021-22 along with harnessing the sequestration

potential of 648,962 trees. The net Scope 1 emission due to activities within our operational control is 25,301.58 tCO<sub>2</sub>e which is being calculated as per the GHG Protocol developed by the World Resource Institute (WRI), World Business Council on Sustainable Development (WBCSD), and Assessment Report 5 of Intergovernmental Panel for Climate Change Convention (IPCC). We have considered emission categories such as employee commute, upstream transportation and distribution, waste generated in operations, downstream transportation, and employee business travel (local travels) to report under Scope 3 emissions. This has effectively cumulated to 43,961.24 tCO<sub>2</sub>e

during the FY 2021-22.

Scope 1 Emissions								
Particulars	UoM	Foundry	Automotive Plants	Total (Foundry and Automotive Plants)				
High-Speed Diesel (HSD)	tCO <sub>2</sub> e	2,962.90	13,022.85	15,985.75				
Liquified Petroleum Gas (LPG)	tCO <sub>2</sub> e	2,611.12	1,335.74	3,946.86				

Natural gas (CNG)	tCO <sub>2</sub> e	-	1,492.51	1,492.51				
Dissolved Acetylene (DA)	tCO <sub>2</sub> e	-	12.64	12.64				
Propane	tCO <sub>2</sub> e	-	3,863.83	3,863.83				
Total (Scope 1 emissions)	tCO <sub>2</sub> e	5,574.02	19,727.57	25,301.58				
Total Scope 1 after carbon sequestration efforts	tCO <sub>2</sub> e		12,127.58					
	Scope 2 Emi	issions						
Electricity Consumed	tCO <sub>2</sub> e	24,536.10	30,845.19	55,381.29				
Total Emissions	tCO <sub>2</sub> e	30,110.12	50,572.76	80.682.87				
Scope 3 Emissions								
Category	UoM	FY 2021-22	FY 2020-21	FY 2019-20				
Employee Commute	tCO <sub>2</sub> e	4,130.93	5,059.51 *	5,919.00				
Unatura participante en el elistrile utica	+00 -	727/000	1700272	10 210 00				

Scope 3 Emissions								
UoM	FY 2021-22	FY 2020-21	FY 2019-20					
tCO <sub>2</sub> e	4,130.93	5,059.51 *	5,919.00					
tCO <sub>2</sub> e	32,746.86	17,962.32	18,218.00					
tCO <sub>2</sub> e	781.10	674.69	177.00					
tCO <sub>2</sub> e	6,279.64	3,590.30	1,494.00					
tCO <sub>2</sub> e	22.71	15.65	18.00					
	Scope 3 Em UoM tCO <sub>2</sub> e tCO <sub>2</sub> e tCO <sub>2</sub> e tCO <sub>2</sub> e	Scope 3 Emission           UoM         FY 2021-22           tCO2e         4,130.93           tCO2e         32,746.86           tCO2e         781.10           tCO2e         6,279.64           tCO2e         22.71	Scope 3 Emission           UoM         FY 2021-22         FY 2020-21           tCO2e         4,130.93         5,059.51*           tCO2e         32,746.86         17,962.32           tCO2e         781.10         674.69           tCO2e         6,279.64         3,590.30           tCO2e         22.71         15.65					

\* indicates the restated numbers

While consolidating the data for the current reporting period, it was observed that there has been an error in the estimation of scope 1 and 3 emissions in the category of high-speed diesel and employee

Scope 1 Emission							
Particulars	UoM	FY 2021-22	FY 2020-21	FY 2019-20			
High-Speed Diesel	tCO <sub>2</sub> e	15,985.75	16,384.82*	20,251.03			
Heavy Fuel Oil	tCO <sub>2</sub> e	-	144.67	179.58			
Liquified Petroleum Gas (LPG)	tCO <sub>2</sub> e	3,946.63	3,518.17	3,072.39			
Compressed Natural gas (CNG)	tCO <sub>2</sub> e	1,492.48	1,435.27	1,210.66			
Dissolved Acetylene (DA)	tCO <sub>2</sub> e	12.64	17.34	28.59			
Propane	tCO <sub>2</sub> e	3,863.60	1,479.17	772.48			
Total	tCO <sub>2</sub> e	25,301.10	22,979.44	25,514.73			
	Scope 2 Emi	ssion					
Electricity (Grid + IEX)	tCO <sub>2</sub> e	55,381.29	71,633.44	126,406.69			
Total Emissions (Scope 1+2)	tCO <sub>2</sub> e	80,682.39	94,612.88	151,921.43			

\* indicates the restated numbers

During FY 2021-22, we considered our total consumption of ozone-depleting substances (ODS) equivalent to the refilling of the respective commute respectively. However, the actual scope 1 emission from high-speed diesel is 16,384.82 tCO<sub>2</sub>e, and scope 3 emissions from employee commute is 5,059.51 tCO<sub>2</sub>e for the FY 2020-21.

equipment. Our net ODS consumption was 5,321.7 KG which contributed to 1,608.36 KG equivalent to CFC-11.

Type of emissions	UoM	FY 2021-22	FY 2020-21	FY 2019-20
R 22		297.61	248	524
R 404A		3.37	20	12
R 410A	KG eq to CFC-11	77.46	5	108
R 407A		70.05	36	9
R 134A		1,159.87	191	3,639

Our total air emissions from the stacks is shown in the chart below. We ensure that our air emissions are below the stipulated limits as prescribed in the respective consent to operate (CTO). During FY 2021-22, we have not received any fines or penalties related to environmental compliance issues.

### Biodiversity

648,962 trees planted 13,174 tCO2e Sequestered 52% of Scope 1 Sequestrated

We acknowledge the impact of biodiversity on abating climate change. Our initiatives of Miyawaki-method to build forests in collaboration with our local communities are evidence of our commitment. We have preferred the Miyawakimethod of afforestation due to its high yield despite its high-cost implications. We seek to enhance the adoption of Miyawaki afforestation in locations not restricted to our operational facilities.

We have ensured the plantation of native species that have a high sequestration potential. Considering the nature of the business we have developed an environmental management plan that would ensure the conservation of biodiversity hotspots in the near vicinity of all our operational facilities within India. None of our operational activities have a negative impact on IUCN redlist species. We have been successful in planting 648,962 trees to date which have a sequestration potential of 13,174 tonnes of CO2. Among other initiatives, we have collaborated with the local communities in adopting and maintaining forests. We have provided capacity-building sessions and awareness programs to the local communities safeguarding of flora and fauna.

![](_page_18_Figure_6.jpeg)

### Waste Management

Total hazardous waste generated =

**2,538.49**<sub>MT</sub> Total non-hazardous waste generated =

187,448.32 мт

All Non-Hazardous Waste is diverted from Landfill in all operational locations

The operations in the automobile sector have evolved over the years leading to high-level automation. We have ensured to keep pace with global trends while ensuring the utilisation of our skilled workforce. This has resulted in the standardisation of process efficiency and the continual reduction of process waste. During the FY 2021-22, the total hazardous waste generated is 2,538.49 MT and the total non-hazardous waste generated is 187,448.32 MT. Lastly, while process optimisation and waste reduction have been our motto, we ensure that we show the highest level of compliance with all applicable laws and regulations.

Considering the withholding period of waste, there was a carry forward of 49.99 MT of hazardous waste and 6,574.74 MT of non-hazardous waste. We ensure responsible disposal by engaging with

Hazardous Waste									
		Waste Generated		Waste Disposed		Waste Diverted from Landfill (Recycled)			
Particulars	UoM	Foundry	Automotive Plants	Foundry	Automotive Plants	Foundry	Automotive Plants		
Used / Spent oil	MT	160.43	194.35	0	0	154.20	203.29		
Wastes and residues - Paint sludge	MT	188.12	294.95	0	0.12	163.64	294.84		
Discarded containers/ barrels/Liners contaminated with hazardous wastes/ chemicals	MT	287.32	206.44	0	0	266.57	206.44		
Used Batteries	MT	1.13	67.50	0	0	1.46	67.50		
Wastes / Residues containing - Oil-Soaked Cotton Waste	MT	0.71	356.97	0	0.03	0.63	359.93		
Filter, Residues	MT	0	3.37	0	0	0	3.37		
Chemical sludge from wastewater treatment (ETP Sludge)	MT	2.20	569.40	0	0	2.20	568.92		
E-Waste	MT	0	12.25	0	0	0	12.25		
Wastes / Residues containing Oil - Grinding sludge	MT	0	106.25	0	0	0	106.25		
Phosphate sludge	MT	0	56.40	0	0	0	56.40		
Spent Solvent (from Paint Shop)	MT	0	3.03	0	0	0	3.03		
Wastes/residues (sealant/ PVC residues from the painting process)	MT	0	0.62	0	0	0	0.62		
Oil and Grease Skimming Residue	MT	0	8.27	0	0	0	8.27		
Filter and Filter Material	MT	0	18.49	0	0	0	18.49		
Medical Waste	MT	0.06	0.22	0.06	0.27	0	0		
Hazardous Waste	MT	639.96	1,898.53	0.06	0.42	588.70	1,909.60		
Total Hazardous Waste	MT		2,538.49		0.48		2,498.30		

the State Pollution Control Board (SPCB) authorised third-party vendors for the co-processing of our waste. The Refuse-Derived Fuel (RDF) is further used in cement and tile industries and thus is diverted away from potential landfill in all our facilities except Bhandara and Alwar. During FY 2021-22, we diverted 2,498.30 MT of hazardous waste and 180,873.58 MT of non-hazardous waste. Whereas we have 0.42 MT of hazardous waste and zero non-hazardous waste disposed into the landfill. As part of waste scrap Aluminium scrap generated goes back to Ashley Altims for diecasting and other processes and Ferrous scrap generated goes back to Ashok Leyland Foundry for remelting.

Non-Hazardous Waste							
		Waste Genera	Waste Diverted from Landfill (Recycled)				
Category	UoM	Foundry	Automotive Plants	Foundry	Automotive Plants		
Cable & Electrical Scrap	MT	-	26.76	-	26.76		
Aluminium scrap	MT	1.23	216.51	1.23	216.51		
Steel dust/ Shot blast dust/ grinding dust	MT	-	160.07	-	160.07		
Wood Waste	MT	97.51	1,474.50	89.38	1,474.50		
Cardboard/ Wastepaper	MT	19.59	2,739.76	17.55	2,739.76		
Plastic Waste/ Used HDPE bags	MT	32.09	17,316.15	28.68	17,316.15		
Waste sand	MT	108,529.89	-	101,990.76	-		
Food waste	MT	28.49	50.78	28.49	50.78		
Steel castings, MS scrap	MT	347.47	18,161.27	325.44	18,161.27		
Rubber Scrap	MT	-	50.32	-	50.32		
Garden waste (wood, dry leaves etc)	MT	18.83	462.72	18.83	462.72		
Scrap Tyres and Tubes	MT	-	37,714.40	-	37,714.40		
Back Panel re-use	MT	-	-	-	-		
Non-Hazardous Waste	MT	109,075.10	78,373.22	102,500.36	78,373.22		
Total Non-Hazardous Waste	MT		187,448.32		180,873.58		

### Resource Management

The material consumption is monitored and tracked at both plant and corporate levels. During product development, we work towards increasing the efficiency of the material consumption in order to mitigate the environmental impact of our products and while not compromising the quality of the product. During the FY 2021-22, we consumed 115,453.13 MT of primary materials, 89,759.09 MT of associate materials, 35,650.11 MT of semi-manufactured materials, and 265.80 MT of packaging materials. At Ashok Leyland, we strive to achieve the following:

- Reduce the amount of waste in landfill
- Transition to low-carbon-intensive products
- Conserve the natural resources
- Minimise the emissions during the material extraction and production
- Improve the circularity of our products and services

We are also in the process of conducting Life Cycle Assessment (LCA) on our product ranges in the coming years.

Materials	UoM	FY 2021-22	FY 2020-21	FY 2019-20				
Pi	rimary Mat	erials						
Steel	MT	36,121.82	12,711.47	15,940.70				
Steel Scrap	MT	24,070.62	21,026.88	33,610.01				
Cast Iron	MT	0.33	0.00	0.00				
Cast Iron Scrap	MT	16,472.04	16,098.64	18,389.15				
Pig Iron Grade	MT	3,385.88	5,804.37	6,086.63				
Ferrous Alloys	MT	35,402.44	2,021.62	1,872.40				
Ass	ociated M	aterials						
Oil and Lubricants for the process (used for equipment & machinery)	MT	581.67	1,651.61	1,799.27				
Oil and Lubricants for products (filled-in products)	MT	5,365.73	3,782.29	5,018.70				
Oil and Lubricants	MT	5,947.40	5,433.90	6,817.97				
Paints	MT	1,991.89	2,379.85	2,090.08				
Chemicals (washing machines, paint shops, treatment plants, etc)	MT	559.35	742.90	1,379.97				
Consumable Gas (LPG, Propane, Liquid Nitrogen, CO2, Shield Gas, Ammonia, DA)	MT	453.37	910.64	727.38				
Sand	MT	70,622.17	44,978.67	62,162.18				
Other Consumables	MT	26.94	49.01	54.12				
Diesel (filled-in product)	MT	4,151.72	1,815.72	2,050.99				
CNG (filled-in product)	MT	58.84	20.22	130.43				
Semi-r	nanufactu	red Goods						
Copper	MT	137.09	132.43	118.05				
Non-Metallics	MT	10,302.09	11,309.64	11,602.15				
Batteries	MT	1,608.20	972.76	1,459.19				
Alumunium	MT	377.54	0.06	0.15				
Tyres and Tubes	MT	22,915.95	6.86	55.63				
Castings and Forging	MT	309.24	7.52	0.16				
Packaging Materials								
Carton Box	MT	137.39	50.52	71.55				
Plastic (PVC, Polythene)	MT	69.11	34.54	101.28				
MS Pallets/racks (non-returnable)	MT	24.19	30.36	30.09				
Wood	MT	35.11	9.23	49.18				

The graph below illustrates the amount of recycled material consumption:

#### Recycled material consumption (MT)

![](_page_20_Figure_1.jpeg)

### Water Management

![](_page_20_Figure_3.jpeg)

We acknowledge that all our operational facilities in India are in water-stressed regions as per the water atlas tool designed by WRI. The wastewater generated at the plant locations is not discharged outside the premises of the factories. All the water withdrawn is treated and reused within the plant premises through ETP and STP facilities. For activities such as painting, process cooling, welding, etc., we use recycled ETP water. A noteworthy initiative in our Hosur plants is the reuse of ETP water with TDS of less than 1,000 mg/L which is obtained through the implementation of the dialysis filtration method. The STP outlet water is reused in the horticulture at our operational premises up to the permissible limits defined by the Pollution Control Board (PCB) of 30 kL/ day without stagnation or ponding. We have also implemented other water-conservative initiatives such as rainwater harvesting, conservation of subway-yield water, along with reuse of

![](_page_20_Figure_6.jpeg)

AC water condensate. We intend to enhance our dependency on rainwater and recharge groundwater tables through this initiative.

We have accomplished 'Zero Liquid Discharge' at all our operational facilities through the appropriate reuse of Effluent Treatment Plant (ETP) and Sewerage Treatment Plant (STP) discharge as per the consent to operate issued by the regulatory bodies. We have also achieved Net Water Positivity of 1.24 times of total fresh water consumed.

During FY 2021-22, our net water withdrawal was 1,032.78 (000'kL) wherein water withdrawal within the foundry was 152.33 (000') kL and within the automotive plants was 880.55 (000') kL with no water discharge. This resulted in our total water consumption of 1,074.36 (000') kL which includes the consumption of the harvested rainwater as well. We were also successful in harvesting 2,663.75 (000') kL of rainwater during the FY 2021-22. The water intensity of our automotive plants was 7.19 kL/Vehicle and 2.02 kL/MT for our foundry operations. The overall water intensity with respect

Category	UoM	Foundry	Automotive Plants
Water Withdrawal	000' kL	152.23	880.55
Ground Water	000' kL	94.43	387.49
Third-Party Water	000' kL	57.81	492.92
Tanker Water	000' kL	0.00	0.14
Total Water Withdrawal	000' kL		1032.78
Rainwater Harvested	000' kL	467.03	2,196.72
Rainwater Consumption	000' kL	-	41.58
	000' kL	113.06	538.22
Water Recycling	%	74%	61%
Total Water Recycled	%		63%
Water Consumption	000' kL	152.23	922.13
Total Water Consumption	000' kL		1,074.36
Water Intensity (Automotive Plants)	kL/Vehicle		7.19
Water Intensity (Foundry)	kl/MT		2.02
Water Intensity (Ashok Leyland)	kL/INR Crore		49.54

to the net revenue is 49.54 kL/INR Crore. We have recycled 63 percent of the total water withdrawn during FY 2021-22. However, our freshwater withdrawal intensity for automotive plants is 6.86 kL/vehicle and our freshwater withdrawal intensity for Ashok Leyland is 47.62 kL/INR Crore.

![](_page_20_Figure_13.jpeg)

#### A Closer Look At Our Initiatives

Reduction in Ground Water Extraction at Pantnagar

![](_page_21_Picture_2.jpeg)

#### Description:

Treated water from effluent treatment plant owing to high TDS and other parameters was used only for gardening purposes. We installed Ultrafiltration Reverse Osmosis (UFRO), where this water was permissible to utilised

#### Outcome:

This resulted in the saving of 25 kL/day and 7,500 kL/ annum. Additionally, this has reduced the impact on the ground water table and the industrial water was reused.

Energy Consumption reduction in the paint booth by optimisation of air circulation in the paint booth

![](_page_21_Picture_8.jpeg)

#### Description:

Our current air supply system was equipped with 200 kW supply fan (equipped with Variable Frequency Drive (VFD)) and two 75 kW exhaust fans. The fans were also upgraded by implementation of VFD that enabled the reduction in the energy consumption by optimisation of air circulation in the paint booth.

#### Outcome:

This optimised the airflow and the installation of VFD in all fan motors resulted in the energy savings of 500,741 kWh/annum, cost saving of INR 26.23 Lakhs/annum, and emission abatement of 476 tons/annum.

### Introduction of slat conveyor for PDI & CMVR activities of M&HCV vehicles in VTS shop

![](_page_21_Picture_14.jpeg)

#### Description:

Conveyorisation of Pre-Delivery Inspection (PDI) Central Motor Vehicle Regulation (CMVR) activities through the introduction of slat conveyors has resulted in benefits like reduction in vehicle traffic, reduced power and diesel consumption, etc.

#### Outcome:

Diesel saving 1,320 liters/annum, Lead time reduction from 1.6 days to 0.8 days, HIRA RPN reduction from 12 to 4, emission abatement 3.5 tCO<sub>2</sub>/annum

#### Cycle time reduction in P15 Diesel Engine Testing

#### Description:

Cycle time reduction in P15 engines testing in the engine test beds at Hosur 1 plant through cycle time optimisation. In our plant LCV 4, the number of engine testbeds at P15 engine assembly were running with 25 Engines/shift/Testbed capacity. Hence, to achieve the production requirement and also Diesel and power savings, the Testbed cycle time was reduced from nine minutes to seven minutes

#### Outcome:

The implementation time led to a decrease in the running in and performance cycle from nine minutes to seven minutes, while the total cost savings incurred were 41.3 Lakhs/annum. The capacity of engine testing was enhanced from 25 engines/test bed to 28 engines/test bed

### Recon initiative: Reconditioning of the End-of-Life of Ashok Leyland Engines

#### Description:

Towards giving second life to the engines, Ashok Leyland has been reconditioning the engines as part of the Recon Initiative. It covers the entire range of AL engines, right from the smallest P15 engines to the biggest H6 and A6 engines. Engines reconditioned in FY 22- 3200

The End-Of-Life engine is sent back to our Hosur-1 plant, where it is reconditioned and renewed

![](_page_21_Picture_28.jpeg)

according to the OE specifications. All the engines are tested in the test bed and sent to the dealer.

The following best practices were adopted:

- 1. Compulsory replacement of all wear and tear parts, gaskets, and fasteners
- 2. Adherence to the OE spec for all parts, if machining is required
- 3. Use of Genuine spare parts
- 4. Assembled in the state-of-the-art assembly line
- 5. Use of automated and quality-controlled tools and equipment during assembly
- 6. 100% tested engines
- 7. Warranty comparable to the OE engines

Benefits Achieved for the Customers:

- Value for money
- Fast turnaround time
- Nil or Minimum downtime
- Reliable and 100% tested engine with warranty
- Peace of Mind

Benefits Incurred by Ashok Leyland:

- Re-usage of old engine parts, thereby avoiding scrappage
- Even the scrapped CI and AI parts like cylinder blocks/cylinder heads are sent back to our foundries for recycling.
- Re-usage of core parts is as high as 30 percent to 70 percent
- Reduced cost due to re-usage of good parts
- Customer satisfaction and customer loyalty are ensured.

#### To eliminate grease wastage in Axle Greasing Process

#### Description:

At the front axle greasing machine, in the barrel grease is always left out which can't be utilised using the existing setup of the greasing machine. During homing of the machine, the grease collects as waste in waste drums which cannot be utilised. Earlier we are using one main line for all four applications (hub, bearing inner & outer, and cup) but now, we connect the barrel left grease to the main line. While one separate pump is provided to use the left-over grease, which will be used in hub cap greasing without affecting any quality parameter.

![](_page_22_Picture_3.jpeg)

Before improvement

Reduced wood waste on an average of 714 KG/

![](_page_22_Picture_4.jpeg)

After improvement

Outcome:

Successfully reduced grease wastage from 9.03 to 1.1 Kg. We were also able to reduce the generation of hazardous waste.

#### Elimination of Wooden box packing in Engine After Treatment System (EATS) Albonair supply from ALBONAIR

#### Description:

Outcome:

HECU.

Improved packing for EATS has eliminated wood usage and also improved handling, effort, and ergonomic index

#### Wood Line chart kg

![](_page_22_Figure_12.jpeg)

![](_page_22_Picture_13.jpeg)

Before improvement

#### Power saving by the innovative idea at High Temp Sealed Quench Furnaces in the heat treatment process

Description:

Earlier, on the HT-SQF after quenching of components, quenching oil circulated by quench pump through water-cooled heat exchanger to drop down oil temperature from 145°C to 120°C as per the process requirement. This process consumes a large amount of water and generates hot water and also Quench oil heaters run intermittently to maintain oil temp. at 120°C until next charge and so on.

#### The following best practices were adopted:

- 1. Quench oil cooling by itself/naturally without running the oil pump/heat exchanger.
- 2. Oil temperature drops to the set value(120°C) well before quenching of next charge for all gear and shaft charges

![](_page_22_Picture_21.jpeg)

Before modification

44

![](_page_22_Picture_25.jpeg)

After improvement

- 3. For synchro direct quench charges, made a practice of taking air cool charge before taking synchro direct quench charges
- 4. In addition to the above Air cool heat exchanger is provided on SQF 3 and 4 to drop down temperature earlier if required.
- 5. Cooling tower hot water pump and exhaust fan running optimise.
- Outcome:
- The following benefits were achieved:
- iii. Power Saving 460,344 KWH/annum
- iv. Scope 2 emission reduction 364 tCO<sub>2</sub>e per annum (Emission Factor:0.79 tco2e)
- v. Monitory benefit INR 34.83 Lakhs/annum
- vi. Water Saving Approximately 600- kL/annum
- vii. Safety ensured Body part contact with hot oil and heat exchanger avoided

After modification

![](_page_23_Picture_0.jpeg)

![](_page_23_Picture_1.jpeg)

Before improvement

After improvement

![](_page_23_Picture_4.jpeg)

Before improvement

Diesel consumption reduction by elimination of

The forklifts that predominately used diesel as

fuel for the movement of EATs from the store to

the line side were replaced by a tow truck for the

forklift movement

Description:

![](_page_23_Picture_6.jpeg)

After improvement

movement. The replacement of this method has helped us in reducing diesel consumption which in turn helped in conserving the diesel in the operational locations.

Benefits Achieved:

This has yielded in saving 62 liters of diesel per month.

![](_page_23_Picture_11.jpeg)

Before improvement

![](_page_23_Picture_13.jpeg)

After improvement

#### Safety Improvement for working on the rooftop

#### Description:

During the financial year, the safety improvement carried out in Bhandara involved the implementation of the provision of the wire mesh with an angle frame on the translucent sheets in order to mitigate the risk of people falling from the rooftop while conducting rooftop repairs and solar panel maintenance work. Earlier, the rooftop had

![](_page_23_Picture_18.jpeg)

Before improvement

Online system for capturing Unsafe Acts and Conditions as a proactive measure to reduce the incidents

#### Description:

Less numbers of near-miss or unsafe act or unsafe condition and ill health concerns were captured/ recorded due to non-availability of user-friendly incident capturing system.

Innovation Introduced:

 QR code has been developed for capturing near miss or unsafe act or unsafe condition and ill health.

![](_page_23_Picture_25.jpeg)

no protection over the translucent sheets and red paints were painted for visual identification.

Benefits achieved:

- 1. This engineering control reduces the chances of risk of the person falling from a height
- 2. RPM reduced from nine to three.
- 3. This was shared with all of AL's plants for horizontal deployment and all the plants have taken up project planning for installation.

![](_page_23_Picture_32.jpeg)

After improvement

- 2. QR code is displayed in each Gemba.
- 3. After submitting each response, auto trigger mail is getting generated and goes to concerned safety GIL or supervisor, GUL, HoD, PH and Safety Officer.

Benefits Achieved:

- 1. User-friendly incident capturing system.
- 2. Easy access to everyone
- 3. Observations directly going to HOD, hence all HoD knowing the unsafe practices in their department
- 4. Easy data entry for safety department

![](_page_24_Picture_0.jpeg)

# Social Leadership

Total Number of Employees-

26,327 Total Number of Women in the Permanent Workforce-

910

Total Training Hours-

54,969.85

Average Training Hours of Junior Management-

12.7

Zero fatality

Injury Rate-

1.10 Lost Day Rate-

1.80

### Fostering an Inclusive Workplace

We consider our employees to be an important stakeholder for our business. Our employees' determination, skill and dedication enables us to stand out in the industry and achieve our set business goals. To keep our employees engaged and motivated, we undertake various initiatives that enhance their capabilities, provide benefits and ensure employee satisfaction. Additionally, we foster a diverse, inclusive, free and safe work culture that encourages an innovative mindset. We have zero instances of corruption.

Though this chapter, we will highlight our social performance and initiatives undertaken throughout this financial year.

### Diversity, Inclusion and Equality

As we expand our physical footprint in India and globally, diversity and inclusion become a crucial aspect for our workforce. A diverse workforce brings out the best in individuals thereon benefitting the Company at large. We recognise that people from different educational and professional backgrounds, genders, age cohorts and sections of society bring their unique life experiences and perspectives to our organisation. Additionally, we are an equal opportunity employer and do not discriminate against any candidate, solely judging them based on merit. We have instituted policies and legal documents which states our zero-tolerance approach towards any form of discrimination.

Our corporate offices are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Additionally, we have established an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.

Our approach hinges on the three pillars of talent acquisition and directed development, fostering

an enabling environment and inclusive offerings. The Personal Effectiveness Programme for Women Executives identifies women in middle management roles, who are then provided with structured interventions over a period. These include learning labs, mentoring sessions by the leaders of the organisation, video nuggets, and interaction with women leaders outside the organisation etc. In FY 2021-22, around 24 women executives participated in this programme.

This is supplemented with training modules on prevention of sexual harassment, women's networks, and a policy suite that understands, appreciates, and caters to the unique needs of each of our employees. This year, we also conducted gender sensitisation workshops for managers who have women employees in their teams and for all the women executives. These sessions help attendees increase their awareness and sensitivity towards women and their work-life balance.

We are committed to protecting human rights across our operations and have no instances of discrimination or human rights violations were recorded in FY 2021-22. The human rights requirements form a part of our business agreements and contracts. In FY 2021-22, we assessed 100% of our offices and plants on child labour, forced or involuntary labour and discrimination. We conducted training programmes for our permanent workers. In FY2021-22, 21,256 of our permanent workers were trained on human rights issues and policies and are covered as a part of the scope of the policy.

Further, the right to freedom of association and collective bargaining was respected and protected across our operations. This year, 100% of our workers were covered by collective bargaining agreements. Also, our management engages with the union leaders on a periodic basis to discuss workers expectations and implement action plans.

#### The following tables highlights the workforce statistics at Ashok Leyland

Category		FY 2021-22		FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category ( C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Workers	5,020	5,020	100%	5,379	5,379	100%

![](_page_25_Figure_2.jpeg)

### Employees and Workers by Gender:

![](_page_25_Figure_4.jpeg)

![](_page_25_Figure_5.jpeg)

#### Board of Directors Diversity for FY 2021-22

	Total	Number and percentage of Females			Gender	<30 years	30-50 years	>50 years
		Numbers	Percentage		Male	-	1	9
Board of	11	1	9.09%		Female	-	-	1
Directors								

#### Differently abled Workers for FY 2021-22

Category	Total	M	ale	Female		
		Number	Percentage	Number	Percentage	
Permanent	58	58	100%	-	-	
Other than Permanent	7	6	86%	1	14%	
Total differently abled workers	65	64	98%	1	2%	

### New Employee Hires:

![](_page_25_Figure_11.jpeg)

### New Hires by Gender:

![](_page_25_Figure_13.jpeg)

### New Hires by Age Group:

![](_page_25_Figure_16.jpeg)

New Workers Hires:

### New Workers Hires by Age Group for FY 2021-22:

![](_page_26_Figure_1.jpeg)

## New Workers Hires by Gender for FY 2021-22:

![](_page_26_Figure_3.jpeg)

### Employee Turnover by Gender (in numbers):

![](_page_26_Figure_5.jpeg)

New Employee Hires:

![](_page_26_Figure_7.jpeg)

Employee Turnover (in percentage):

![](_page_26_Figure_9.jpeg)

We have experienced an increase in our employee turnover rate as the industry was undergoing a churn, commonly known as the Great Resignation. In order to promote an inclusive workplace, we ensure to provide 100% of our employees and workers with retirement benefits such as provident fund, gratuity and employees' state insurance scheme of India. Additional benefits such as group personnel accident policy, group health insurance policy, joint group personnel accident policy, life insurance, disability and invalidity

#### Minimum wages paid to workers:

	FY 2021-22						
Category	Total	Equal to Min	imum Wage	More than Minimum Wage			
		Number	Percentage	Number	Percentage		
Permanent	5,020	-	-	5,020	100%		
Male	4,993	-	-	4,993	100%		
Female	27	-	-	27	100%		
Other than Permanent	16,236	9,628	59%	6,608	41%		
Male	15,664	9,399	60%	6,265	40%		
Female	572	229	40%	343	60%		

## Employee Turnover by Age Group (in numbers):

![](_page_26_Figure_14.jpeg)

## Employee Turnover by Gender (in percentage):

![](_page_26_Figure_17.jpeg)

coverage, parental leaves etc. are provided to full time employees. Further, regular performance and career development reviews are conducted for 100% of our employees including 100% of women employees as well. Our evaluation mechanism is mainly governed by the terms of long-term settlement which entails the engagement time, productivity, quality and safety parameters. These practices foster a healthy work-life balance and well-being of our employees. For the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year please refer to the Annual Report FY 2021-22, Page 41. The ratio of remuneration of male employees to female employees at the middle management is 1.07 and at the junior management is 1.25.

	Percentage of employees covered by										
Category <sub>Total</sub> (A)	Health insurance		Accident		Ma B	Maternity Benefits		Paternity Benefits		Day Care facilities	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4,760	4,760	100%	4,760	100%			4,760	100%	-	-
Female	311	311	100%	311	-	311	100%	-	-	-	-
Total	5,071	5,071	100%	5,071	100%	311	100%	4,760	100%	-	-

				Perce	ntage o	of workers	covere	d by			
Category	Total	ins	Health urance	Ac	cident	Ma Be	ternity enefits	Pat Be	ernity nefits	Da fa	y Care cilities
(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent Workers											
Male	4,993	4,993	100%	4,993	100%	-	-	-	-	-	-
Female	27	27	100%	27	100%	27	100%	-	-	27	100%
Total	5,020	5,020	100%	5,020	100%	27	100%	-	-	27	100%
				Other tha	n Perm	anent Wo	rkers				
Male	15,664	15,664	100%	15,664	100%	-	-	-	-	-	-
Female	572	572	100%	572	100%	572	100%	-	_	572	100%
Total	16,236	16,236	100%	16,236	100%	572	100%	-	-	572	100%

Major operational changes are discussed with the employee representatives and a 15 to 21 days' notice is given to all the staff members prior to its implementation. This practice is followed in line with the Industrial Dispute Act which ensures a smooth transition. We also adhere to the law of the land when it comes to providing employee provisions, such as the Maternity Benefit Act, 1961. All of our female employees are entitled to 180 days of parental leave (maternity leave) and male employees can avail 14 days of paternal leave. We also extend adoption leaves and flexible working during pregnancy to our female employees.

### Number of employees entitled to parental leave Number of employees that took parental leave Number of employees who returned to work after parental leave ended Number of employees who returned to work after parental leave ended that were still employed 12 months after their return

**Retention Rate** 

\*Executives returned as on September 28, 2021

For FY 2021-22					
Permanent Employees					
Gender	Return to work rate	Retention rate			
Male	100	65.72			
Female	100	54.05			
Total	100	64			

#### Learning and Development

Trainings and skill upgradation form an important part of the overall development and growth of an employee. We strive to contribute towards this journey and provide our employees with the appropriate support they require for career progression. Various leadership and technical training programmes were carried out by us during FY 2021-22 for our employees and workers. Leadership programmes such as AL's Emerging Leader Programme and Young Talent Programme was conducted for our permanent employees wherein high potential executives were identified and groomed to take on higher responsibilities as they grow into the mid to senior levels. Our mid-level management programmes focuses on business leadership skills creating leaders as succession pipeline or back-fill to successor to the leadership retirees in the next three years by crafting a unique development plan. Our Young Talent Programme is an initiative that looks to engage, leverage and propel our young stars towards functional or project excellence.

FY 2021-22		FY 202	0-21	FY 2019-20		
Female	Male	Female	Male	Female	Male	
326	4,890	341	5,038	336	5,498	
37	213	41	202	31	269	
37	213	22	187	22	265	
20	140	9	67	26	255	
	64%		31.28%*		94%	

On the other hand, we have devised specialised programmes for our permanent and contractual workers which includes upskilling associates, tieups with the Institute of Indian Foundrymen for the technical trainings, behavior-based trainings on safety, environment health and safety, basics of hand tools, BS VI awareness programmes, POSH, department specific skill upgradation, quality initiative, basics of Total Quality for Business Management (TQBM) and many more. Additionally, as a part of our transition assistance programme, we conduct on-the-job trainings which are planned three to six days in advance, career guidance sessions for trainees, trainings to ensure employability with service centers, financial planning trainings for employees and quality of life programmes-life after retirement trainings.

We also conducted various post retirement planning sessions related to health management, wealth management, relationship management, investment management and many more. These programmes are carried out by domain experts. We have also managed to seamlessly adapt to virtual platforms and provided extensive learning and certification choices to our employees. These virtual platforms provide our employees with the opportunity to learn anytime, anywhere and at their own pace. These learning programmes identified prepare our employees to become competent for the current job profile and future requirements. The following strategic virtual learning programmes were deployed as:

- On Demand and Self-Paced Learning Modules-A five-minute learning programme for the Senior Management, Learn from Leaders and Byte sized learning and Digital Learning Library
- 2. Certificate programmes conducted through edX, Coursera and LinkedIn Learning
- 3. Business need based interventions- Functional

Academies such as Digital Academy and AL Quality Academy, Gamified Simulations, Leader's talk series and Technical Training

Through our LinkedIn Learning platform 314 learners have completed 870 certification courses with more than 900 learning hours. Our Gamified Simulations was a huge success with 100+ leaders taking it up on a self-paced mode. Also, over 1,500 employees participated in the interactive Leaders talk series sessions.

![](_page_28_Figure_6.jpeg)

![](_page_28_Figure_7.jpeg)

Additionally, 1,643 executives were trained on the Company's Code of Conduct or Anti-Corruption wherein 1,763 man hours of training have been imparted.

Average Training Hours per employee:

Employee Category	Average training hours per year per permanent employee
Top Management	3.4
Senior Management	5.8
Middle Management	7.4
Junior Management	12.7
Employee Avera Category	age training hours per year per permanent employee (Corporate Offices)
Male	24.9
Female	9.7

	FY 2021-22						
Category		On Health and	Safety Measures	On Sk	On Skills upgradation		
	Iotal (A)	No. (B)	% (B/A)	No. (C)	% (C/A)		
Employees							
Male	4,760	1,572	33%	4,309	91%		
Female	311	154	50%	292	94%		
Total	5,071	1,726	34%	4,601	91%		
	Workers						
Male	4,993	4,993	100%	3,583	72%		
Female	27	27	100%	27	100%		
Total	5,020	5,020	100%	3,610	72%		

We also conduct trainings for our drivers that work for us or are present in the community. At present, we operate in 20 locations across India and cater to 2.5 lakh drivers annually. Over the years, we have trained 17 lakh drivers. Our courses are conducted in eight languages namely English, Hindi, Tamil, Telugu, Oriya, Kannada, Gujarati and Punjabi. In FY 2021-22, we won the FCCI Road Safety Award for the exemplary road safety activities conducted at our Driver Training Institutes under the category of Safe Road Intervention by Corporates. Driver trainings are also conducted for transgenders at the DTI Namakkal. In FY 2021-22, we also conducted trainings for our sales workforce wherein we conducted 729 sessions that trained

Employee Category	Average training hours per year per permanent employee (Plant)
Male	47.5
Female	47.5

Employee Category	Average training hours per year per contractual workers
Non-Permanent Associates	52.5
Temporary/Contractual Workers	35

2,344 individuals from the sales force and 10,994 individuals from the dealer sales force.

#### **Employee Engagement**

Our employees play a major role in creating value for our stakeholders. To ensure employee satisfaction and retain our talented workforce, we continuously engage with them through various platforms and channels. Our engagements are conducted both through formal platforms such as leadership meets, personal reviews, surveys and visits as well as informal means of communication is also adopted. We conduct an employee pulse survey known as ViBE every two years. This survey gathers responses from over 95% of our workforce. This year, based on the ViBE pulse survey, we shifted gears and adopted a strategy which included three engagement pillars - Learning and development, Health and wellness and Family engagement. Each of these were coupled with practical steps taken to support employees throughout the post pandemic phase by switching to a more virtual engagement framework. This helped in building a much stronger communication regime with remote teams, cheering them up with instant appreciation, loosening up and ensuring flexibility, creating a virtual community with all employees, and host online team building activities.

#### Grievance Redressal

We are a people's organisation and hence listening to the grievances from our people is the key. For the same reason, we have instituted a robust grievance redressal mechanism, accessible on our website, that is focused on addressing any concerns related to our employees and workers. The objective is to resolve issues in a timely and transparent manner. It helps us in understanding and catering to the needs of our people. A committee has been established which includes functional heads and senior management members, who ensure effective resolution. In FY 2021-22, due to a change in the long-term policy 73 complaints were filed and seven are pending resolution at the end of the year. Last financial year, 113 complaints were filed out of which 10 were pending for resolution. In the last two years, zero complaints were filed related to working conditions, health and safety and wages. Additionally, 20 complaints were filed during the year by shareholders and all were addressed and closed. In FY 2020-21, 132 complaints were filed by shareholders and all were closed by the end of the last financial year.

#### People Red Book

A People Red Book has been devised which acts a guidance manual for our employees to seek fair treatment and timely resolution of complaints. Additionally, it ensures that all our employees are aware of the grievance redressal mechanism.

#### Prevention of Sexual Harassment (POSH)

We believe in nurturing a work environment that is safe and free from all types of harassments. This practice will in turn contribute to the overall performance of our employees. We have instituted a POSH Policy which helps us create a safe and inclusive atmosphere, and deal with any incidents that may arise in a just and transparent manner. We have also formulated a dedicated team which is the Internal Compliance Committee for this purpose. This Committee works with an HR representative, to address complaints related to sexual harassment. This year, we did not record any cases of sexual harassment at Ashok Leyland. All of our plants and offices are free of any kind of sexual harassment.

#### **Occupational Health and Safety**

Occupational health and safety is of utmost priority to us as our employees are an important stakeholder for us. We have instituted necessary policies, processes and procedures that ensures the safety of our employees. Our Environment, Health and Safety (EHS) Policy covers all our manufacturing, R&D, warehousing and distribution facilities, in addition to our head office. We have identified robust targets and have established a Safety Committee to oversee the implementation. We have also instituted an occupational health and safety management system across our plants. All our employees are trained on the EHS Policy during the induction programme, and periodic refresher trainings are carried out to ensure a culture of compliance. We conducted several safety drills at our locations, in addition to providing medical checkups, conducting quarterly surveys and stationing medical teams at plants. We have a list of mandatory trainings such as sessions on hazard identification and risk assessment, emergency preparedness, safety awareness, ISO 45001, pain management, ergonomics, diabetes and anemia management, personal hygiene, immunity, stress management, yoga and much more.

This system has been implemented keeping in mind the existing risk management systems. This mechanism helps prevent or mitigate the significant negative occupational health and safety impacts to our value chain partners. Additionally, we have a mechanism in place to identify

work-related hazards and risks and conduct appropriate trainings for our employees on work related hazards. Further, we have measures in place like walk-through safety audits, corrective and preventive actions, behaviour-based safety trainings, and safety score card for contract employees for determining the nature and mitigation measures for each risk. We continue to aim for zero harm at our organisation.

We conduct regular external audits, risk assessments and hazard identification exercises to minimise the inherent risks of our operations for permanent and other workers. Approximately 100% i.e. 30,207 of all employees and workers who are not employees but whose work and/or workplace is

#### Safety Parameters

#### Fatalities

Number of work-related injury or ill health

Number of recordable work-related injury or ill health

Number of high-consequence work-related injuries

Lost days

Total manhours worked (in millions)

Injury rate

High-consequence work-related injury rate

Lost day rate

\*Injury and lost-day rate have been calculated based on 200,000 hours worked.

controlled by the organisation are covered by such a system and this system is internally and externally audited. We also expect our suppliers to have an occupational health and safety management systems that is compliant with ISO 45001 or its equivalent. All of our plants are ISO 45001:2018 certified.

The Safety Committee conducts monthly townhalls these meetings allow the relevant personnel to peruse any audit findings, safety concerns, progress on EHS targets and safety strategy at large to take remedial measures, where needed. We have also instituted an EHS Council which is responsible for monitoring the progress on our EHS performance.

FY 2021-22	FY 2020-21	FY 2019-20
0	0	0
372	565	835
28	34	32
0	1	0
606.50	283	170.25
67.12	61.91	58.75
1.10	1.82	2.84
0	0.003	0
1.80	0.91	0.57

### Empowering our Communities

#### Overview of the CSR strategy and focus areas

Community engagement has always been embedded in our ethos ever since its inception. We strive to fulfill our commitment towards community upliftment and social welfare. The founders of the Group believe in supporting the community and creating a substantial impact independent of the fluctuations of the business cycle. Our Corporate Social Responsibility (CSR) has been developed in alignment with the specific requirements stated in Section 135 of the Companies Act, 2013.

Our journey began with basic investments in education, skill development and public health which gradually expanded to support more communities. Nurturing human relationships by supporting the livelihoods and infrastructure of the communities is our approach to CSR.

Over a period of seven years i.e., from 2015-2022, we have been constantly aiming at enriching the lives

of the community. Our objective is to further help the community through sustainable and innovative activities which form a part of our CSR strategy. In FY 2021-22, we invested INR 16.93 Crores for conducting various CSR initiatives.

Through our 'Road to school' (RTS) initiative, we aimed to improve the quality of education in the local public schools around Hosur, Ennore and Vellivoyalchavadi. During FY 2021-22, we have supported around 96,750 students across 969 schools, out of which 928 schools are in Tamil Nadu and 41 Schools are in Jammu and Kashmir, Alwar and Bhandara. Further, our employees actively participate and work dedicatedly in our CSR activities. To assess the impact of our initiatives, an independent social impact assessment was conducted by Madras School of Social Work. We further envisage to benefit 1.5 Lakh+ students in our upcoming financial year.

![](_page_30_Figure_7.jpeg)

CSR Activities for FY 2021-22	Outcomes	
Road to School initiative: Total Schools-Tamil Nadu	928	92,453
Ashok Leyland Jammu and Kashmir	36	3,500
Ashok Leyland Alwar and Bhandara	5	797
Total	969 schools	96,750 students
Rainwater Harvesting structure	133 units installed benefiting 1,500 community people 55 school children	
JALJEEVAN initiative	10,000+ community people benefited	
Employee volunteering during paid working hours	1,500+ Man hours	
Infrastructure development in school	7 schools were benefitted with infrastructure development	1,500+ students were benefitted
Livelihood opportunity	700 rural youths	
Health and wellness support	70 oxygen concentrators were provided as part of health and wellness support	8 district hospitals were benefitted by this activity
Health camps	Total of 470 people were benefitted	

#### Aligning with SDGs

We have undertaken several sustainability initiatives which are linked to the Sustainable Development Goals (SDGs) based on the focus areas. Our initiatives work towards achieving

Initiative	Linkage with SDC
Community development	SDG 3,6
Health and well-being	SDG 3
Quality education	SDG 4,5,11
Gender equality	SDG 3,5,6,11
Partnership and Associations	SDG 11,17
Water conservation	SDG 3,6
Livelihood opportunities	SDG 8
Infrastructure development	SDG 9
Environmental well-being	SDG 14,15

identified goals, like health and well-being,

education and learning and skill development.

Our sustainability actions encompass a wide

array of actions towards water conservation,

community growth, gender equality and livelihood opportunities also.

![](_page_30_Figure_18.jpeg)

#### **Quality Education**

Our efforts focus on education, health, and well-being in government schools surrounding to our facilities. Our RTS initiative addresses issues related to primary and upper primary education, with a vision to provide holistic development opportunities focused on quality and inclusion. The programme is being implemented in partnership with the Government of Tamil Nadu, Sarva Siksha Abhiyan, Learning Links Foundation – NGO working in the field of formal and informal education in India and Sports Village Foundation- a sports education organisation from Bangalore. Key highlights on our RTS initiative

98 %

transition from middle school to high school for both girls and boys

20 to 30% improvement in Literacy and Numeracy

20 to 30 and remedial students mainstreamed every year

100% improvement in Health and Hygiene parameters

Over 12,000 students migrated from Private schools to Government schools.

15% annual improvement in overall school ratings

This initiative is aligned with UN SDGs on improving the quality of education, scholastic and co-scholastic development, sports, art and culture amongst the underprivileged children belonging to government schools.

For the upcoming financial year, we strive to extend our RTS programme to schools of Tamil Nadu and Jammu and Kashmir. We are preparing ourselves to extend our presence in Assam, Eastern UP and Rajasthan.

#### Success story: Education support

Through our RTS initiative we have identified 13 students who arebelow poverty line and having single parents from Manchukondapalli and Bellati village from Krishnagiri district, for scholarship under District child protection unit. Under this scheme, children are paid INR 2,000 per month with the purpose of educational support for 36 months. A total of 13 students received first installment of INR 26,000, assuring educational support.

Beneficiaries from vulnerable and marginalised groups

of the households fall under

of the population work in the

unskilled sector and earn daily

of the mother's work as domestic

help or as daily wage workers

of the respondents live in

10000 PM

66%

45%

Kuchha houses

wades

BPL with monthly income < INR

Additionally, the Learning Enhancement and Practice (LEAP) content supports ladderbased approach and teaching based on the competency level of students. We aim to impact one million school students by 2026.We acknowledge role of parents, government education department and school teachers as major stakeholders.

We further encourage health and well-being by conducting free comprehensive health checkups and provide nutritious breakfast to children. In addition to this, we also conduct regular health awareness campaigns for communities near our existing schools through Life Skill Coordinators (LSC) and further provide advance treatment to the children diagnosed with chronic illness.

To enhance infrastructure development, we helped schools by providing Reverse Osmosis –RO water purifiers, fans, tube lights, aid in renovation of classrooms and toilets. We have helped in infrastructure development in seven schools in Pantnagar for cost of INR 35 Lakhs benefitting 1,500+ students aiming to improve the learning environment.

#### Road to School initiative

![](_page_31_Figure_20.jpeg)

New Launches & Partnerships for RTS Scale

- Ashok Leyland and Tamil Nadu Education Department Partnered to launch 570 learning centers for 28,000 tribal schools using a low-cost volunteer model
- Ashok Leyland as a part of RTS programme launched 36 Schools benefitting 3,500 students in Jammu and Kashmir (J&K)
- Gulf Oil & HTL Partnership: RTS expanded to 35 more schools benefitting 8,000 students in Tamil Nadu
- Partnership with Team4Tech, USA for providing technology grant to RTS J&K
- Partnership with Sesame Street for providing 1,000 learning kits to students in J&K
- Partnership with Amazon India to train RTS students on coding skills

RTS Key Achievements:

Improvement in learning levels

by 10–15% without any learning loss during the pandemic

Admissions in RTS schools improved by 10-12% including

### 6,000+ private school students migrating to RTS schools

Enrolment of RTS students to High Schools and Higher secondary schools improved to

## 98%

## 60,000+

students regularly engaged in academics, extra-curricular, and wellness education during the pandemic

## 12,000

RTS Students trained in critical thinking and coding under" Hour of Code" workshops

Tablet Based Education programme piloted benefiting

## 2,000+

students to attain FLN proficiency

#### Impact Story:

- 87 Students from Tribal Communities joined Ashok Leyland Basic Training Centres for Vocational Education
- RTS student Sugita, daughter of farmer parents becomes first girl in the village to get government seat in medical college

#### Success story: Environmental wellbeing

Students at Model School from Pudhur and Anchetty village with the support of their teacher and parents-conducted awareness campaign in the community by distributing 280 cloth bags to avoid plastic and creating awareness amongst the people to use cloth bags by bringing back the "Manjapai" project launched by Government of Tamil Nadu. The students also started monitoring to ensure the usage of clothes bag aiming to keep environment clean.

![](_page_32_Picture_5.jpeg)

#### Water Initiatives & Infrastructure Development:

Springs Rejuvenation Project in Nainital District -

35 Springs rejuvenated during FY 2021-22 Water recharge found to be approximately

424 Lakh

74 Roof Rainwater Harvesting Tanks constructed during 21-22. Water harvested was estimated to 48 Lakh Liters

Total beneficiaries

# 16,020

Integrated Water Management Project, Alwar

42 Roof Rainwater Systems were constructed during the financial year

86 Toilets constructed during the financial year,

55 acres of pipe sprinkler systems were established

Total beneficiaries

10,700

#### Clean water and Sanitation Initiative

As we embrace sustainability, we place our focus not only in developing the community, but also emphasise on addressing the water concerns.

We strive to work towards better water management practices by reusing and recycling the water resources, benefiting community with safe drinking water. Under sustainable water management project, we have extended our assistance for development of 133 roof rainwater harvesting infrastructure benefiting 1,500 people. The water initiative aims to carry out optimal utilisation of water and empowers the community by developing infrastructure. This project covers the demand and supply side of irrigation and for common application.

Under initiative 'JAL JEEVAN', over 10.000 community people from remote villages of Nainital, Uttrakhand and Alwar, Rajasthan are benefited while 80% of the beneficiaries belong to agriculture and agro based occupation. We aim to further increase the number of beneficiaries and districts to create a positive impact on the society.

#### Healthcare and social wellbeing

Health and social well-being is one of our focus areas within our CSR activities. During the floods of 2021 in Thiruvallur district-Chennai, we organized a free health camp in Velivayarchavadi and Kondakarai villages, benefiting 470 people out of which 112 were children.

We organised specialized health check-up camps, to diagnose people with water borne diseases. As part of our Covid-19 contributions, we have provided:

- 70 Oxygen concentrators to eight district Hospitals,
- Two Ambulance and Oxygen Plant to Pantnagar
- One Life support Ambulance to Kolli Hills Tribal region for the medical emergency.

## Impacting the youth

#### Success story: Sustainable livelihood opportunities

Our objective is to improve the living conditions of vulnerable communities by providing them with sustainable livelihood opportunities. We strive to strengthen capacity and bring about social change in communities based on the principle of dignified equality for inclusive growth. Students from these communities were offered opportunity to join Basic Training Center (BTC) after completion of matriculation. In Academic year 2021-22 - 87 RTS students from economically backward section got admission in Ashok Leyland's Basic apprentice training program from Hosur Plant 1 & 2. Students were provided with stipend for two years along with a National Council on Vocational Training Certificate upon completion of course.

Our CSR programmes have provided a source of livelihood to more than 700 local rural youths as resource persons for the project. We have joined hands with Saint Gobain, Nettur Technical Training Foundation (NTTF), Career tree organisation and initiated 'Learn while Earn programme'. Saint Gobain offered a four-year diploma course in Manufacturing technology to boys with minimum qualifications of, Tenth and Twelveth standard. The course enabled them to undergo free training and accommodation with two orientation sessions conducted in Chennai and Namakkal region along with Career tree. The shortlisted candidates were selected for employment in Saint Gobain.

We extended our assistance to G. K. Devarajulu Institute for Technological Resources (GKD ITR), Coimbatore by supporting them to start recruitment drive for assembly department of TATA electronic manufacturing plant at Hosur. We approached around 167 students and organized 11 orientation sessions at Hosur and Namakkal region, from which 47 students attended the session and 13 joined the test and training programmes out of which five were girls.

### Livelihood opportunities:

#### Gender Equality and Women Empowerment

Our aspiration is to empower the girl child and further facilitate their growth by providing them with all required resources for future education. More than 1,000 girls from lower economic background opened an account under Sukanya Samridhi yojana.

We aspire to create a selfsustained community and hence motivate women to become independent individuals. Eight women from Gundalam community benefitted by attending the livelihood training programme conducted by Aditya Birla Group. The women underwent a one month long basic tailoring training programme with stipend with all other facilities likes transportation and food. Post trainings, three women further secured permanent role in company as associates.

![](_page_33_Picture_0.jpeg)

# Building a Responsible Ecosystem

We have established a supply chain management team that focuses on areas related to the capabilities of suppliers as well as performance improvement, cost competitiveness, import indigenisation, local sourcing, capacity addition with headroom, technology partnerships, digital solutions, integration, and supplier relationship management.

### Strengthening Supplier Relationships

Our suppliers are of great importance at every stage of production which encompass the entire lifecycle of our products. The suppliers contribute towards enhancing our operations. We have established a sourcing vision in our operations to establish a reliable and efficient supply chain that prioritises our customers as well as enhances our supplier relationships. We have established a supply chain management team that focuses on areas related to the capabilities of suppliers as well as performance improvement, cost competitiveness, import indigenisation, local sourcing, capacity addition with headroom, technology partnerships, digital solutions, integration, and supplier relationship management. The team also focuses on environmental and social criteria. A Robotic Process Automation (RPA) has been adopted in FY 2021-22 to improve total production and automate invoicing.

Our business operations are in compliance with the relevant local authorities' environmental and social norms. We have a large network of suppliers, and we encourage them to adopt the same sustainability standards as we do. We prioritise environmental and social risk parameters to be pivotal to our commercial activities formulating formal mechanisms to monitor and track our performance. Critical suppliers have been identified and are categorised as strategic partners.

![](_page_33_Figure_6.jpeg)

The strategic partners are up-to-date with all the systems, governance, and technology processes implemented by us. All our strategic partners comply with sustainability-related risks. Many of them are suppliers to Indian Auto OEMs and Global suppliers.

The Strategic Sourcing Council was formed in FY 2020-21 to create synergy across functions while staying ahead of the curve with respect to the volatile economic context. It is critical to identify strategic opportunities that deliver significant value and at the same time set up adequate structures to gain a competitive advantage. The Council helps us sustain our relationship with our large suppliers and strengthen our valuable processes such as pricing, vendor capex, and new product development along with others. The scope of the Council is to formulate frameworks for the Sourcing Policy, Governance, and Technology Roadmaps.

Strategies are created keeping in mind the changes in the Modular Business Programme and the adoption of BS-VI technology. The strategy focuses on four main areas which are quality, cost, delivery, and management. A sourcing and supply chain dashboard is maintained around the strategic focus areas within which metrics are identified to measure progress on procurement practices and human rights. Improvements are thereby identified for actions in the future.

#### Delivery

Speedy Development Using New Technologies and Strategic Inventory

#### Management

Engaging with New Technology Suppliers

#### Collaborating with New Suppliers

We aspire to strengthen our capabilities by improving the quality of our products and delivery processes while at the same time keeping them economically viable. In order to carry this out, we monitor and set key performance indicators (KPIs) annually for our suppliers. The three key quantitative KPIs are Quality, Cost, and Delivery. Details of the KPIs and the respective targets are mentioned below:

Metric	Target FY2021-22	FY2021-22 Highlights
	50 PPM	• Parts Per Million (PPM) reduced from 85 to 51 (cumulative)
Quality	% supplier < 50 ppm	<ul> <li>Achieved 51% from 45%.</li> <li>158 identified supplier audits completed. Of 972 improvements.</li> <li>Out of 793 were implemented. 179 under implementation.</li> <li>Continuously driving 'My Supplier' concept, along with Central Quality (CQ) with the quality team.</li> </ul>
Cost	239 Crore cost savings	<ul> <li>180 Commercial ideas plus 324 VAVE ideas implemented yielding actual savings of INR 239 Crore, based on the vehicle produced in FY 2021-22.</li> </ul>
Delivery	Monthly Service level (Target 95%)	Improved from 87% March 2021 to 99% March 2022

The additional KPIs include cost saving, inventory accuracy, improvements in lead time, number of reportable accidents, and more. We ensure that our new suppliers abide by social and environmental norms, and we also set processes to keep an active check on them.

New suppliers are assessed as per Plan-Do-Check-Act cycle to ensure compliance with our standards. 100% of our new suppliers go through a screening process that is based on environmental and social parameters. Furthermore, they are evaluated on other criteria in terms of economic performance such as manufacturing abilities, problem-solving capabilities, quality, strategies, and so on.

#### Selection of Suppliers

We have instituted a formal system to conduct our supplier selection process. This process includes an onboarding exercise that is planned for all our new suppliers. This helps us understand the existing processes and practices for our suppliers and enables us to rate them as per our matrix. This enables us to assess vendors and select suitable partners to collaborate with them. We have over 980+ live vendor codes in our supply chain and in this reporting year, 12 new vendors were onboarded in brackets of technology, capacity enhancement, and localisation requirements.

As on March 31, 2022, we have spent a total of INR 16,810 crore towards the purchase of raw materials, parts, and services. Of the total expenditure incurred, 99% was spent on local suppliers, while less than 1% was spent on importing parts.

![](_page_34_Figure_9.jpeg)

Process Capability

Occupational-Health

and Safety

We continuously engage with our suppliers i.e. right from the initial stages until the final product is ready. Process capability is a vital factor that contributes to our supplier's quality and reliability in delivering products. We have administered various digital monitoring systems to track the process and quality of our supplier's products. This encompasses the production part approval process, production part quality management, and a 4M change management system. The 4M change management system helps to keep a check on the quality of the parts received in case of any change. It comprises four main aspects: man, machine, material, and method.

Parameters For the Rating Process:

Management Culture

and Governance

Legal Compliance

Moreover, we also have institutionalised a Supplier Quality Improvement Cell to validate the quality of the parts. We have also established a self-part revalidation along with monitoring supplier Process Failure Mode Effect Analysis (PFMEA), supplier firewall defect control, and parts process capability.

![](_page_34_Figure_13.jpeg)

We have established critical quality parameters for the suppliers, and we carry out audits to monitor their progress. In FY 2021-22, 193 identified surveillance supplier audits were completed.

We established a structured quality management system to deal with suppliers right from supplier selection, new part development and approval, existing parts management, continuous performance management, and improvements. The aforementioned requirements are documented and communicated to our supplier partners in the form of a Supplier Quality Manual. We are moving towards achieving Global Top 10 in CV, therefore the focus of supplier quality function in FY 2021-22 was primarily on improving every supplier's performance wherein we address potential failure modes, and enhance the fit. finish, and aesthetics of the quality of the parts. The following key initiatives were implemented in the reporting year to improve supplier quality performance:

![](_page_35_Figure_0.jpeg)

Improvement areas in the following are disclosed below:

2,000 potential modes addressed 500 +

suppliers covered in capability

control plan and Failure Mode and Effects Analysis (FMEA) audits

Two audits were carried out which were Ashok Levland Vehicle Evaluation Standard (ALVES) and Ashok Leyland Manufacturing Process Evaluation System (ALMPES) by us. Details of which are mentioned below:

ALVES is a product audit in which outgoing product quality is evaluated and it is derived from benchmarking global standards. It has been implemented in LCV since its launch and in M&HCV since the BS-VI launch. The products are evaluated monthly for various parameters of fit and finish, NVH, shower checks, aesthetics, electrical and electronics, dynamic, functional, and driver ergonomics. The output of the audit is measured in terms of Defect per Unit (DPU). It is monitored and reviewed regularly for improvement. ALVES has now been extended to Fully Built Buses at VBCL and GTVS and to SWITCH EV buses.

The improvements derived from ALVES help in competing with products across the globe. ALVES concerns are stratified wherein separate teams work towards DPU reduction. In FY 2021-22, 213 improvements related to manufacturing quality were completed.

#### **ALVES Implementation across platforms:**

![](_page_35_Figure_10.jpeg)

### M&HCV ALVES DPU

![](_page_35_Figure_13.jpeg)

![](_page_35_Picture_14.jpeg)

ALMPES is also known as Ashok Leyland Manufacturing Process Evaluation System is a methodology to evaluate the manufacturing processes based on our vision to create products of global standards. ALMPES was introduced in FY 2019-20 across all plants and subsidiaries. It has helped improve the processes and make the products more reliable.

It evaluates the overall manufacturing capabilities in five pillars (P1- Personnel, P2- Process/Method, P3- Materials, P4- Tools and Equipment, and P5- Continual Improvement) with defined check parameters and checkpoints. A total of 134 auditors were trained to conduct the ALMPES audit across operations. 12,881 audits were completed across the plants and through that 6,172 process improvements have been implemented.

![](_page_35_Picture_17.jpeg)

#### **ALMPES Audits Vs Improvements** Completed

![](_page_36_Figure_1.jpeg)

#### TQBM journey of Excellence

Total Quality Business Management (TQBM) is a methodology used to build a processoriented culture, which focuses on bringing a sharper alignment of department objectives to the Company's vision. It helps in achieving state-of-the-art improvements and at the same time promotes employee involvement in the organisation. In FY 2021-22, the focus was given to driving transformational initiatives through digital adaptation and enhancing the TQBM competency of executives.

![](_page_36_Figure_4.jpeg)

#### Some of the initiatives are mentioned below:

![](_page_36_Figure_6.jpeg)

![](_page_36_Figure_7.jpeg)

#### Launch of TQBM internal diagnosis:

![](_page_36_Picture_9.jpeg)

Ashok Leyland Automotive Quality Management System (QMS) Journey is an automotive quality management system along with applicable automotive customers where specific requirements with a base of ISO 9001: 2015 define the fundamental quality management system and requirements for automotive production and relevant service parts organisations.

Ashok Leyland along with its corporate functions Automotive Quality Management system called IATF 16949 certification has been renewed in FY 2020-21. It has currently migrated from TS 16949 to IATF 16949..

329 DM success stories

161 training sessions. 21.727 man-hours

In FY 2021-22, ISO 9001: 2015 Lead Auditor International Certification Workshop was held. All our suppliers are certified for ISO 9001: 2015. IATF 16949 Second Party Lead Auditor Certification Workshop was conducted wherein 17 Executives were certified. In the same year, IATF 16949 Internal Auditor Certification workshop was conducted covering 50 Executives wherein they were certified. The IATF 16949 certification journey helps to focus on process and product improvements in the customer-oriented business. The benefits are improved processes, product quality, and reliability.

### Process Excellence – Journey of Problem Solving

The journey of problem-solving which thereby guarantees process excellence is an initiative that facilitates achieving continual and breakthrough improvements, promoting employee involvement, and future readiness.

Over 1,200+ improvement projects were completed in FY 2021-22. Basic Problem-Solving Projects (BPS), Advanced Problem-Solving Projects (APS), and Business Process Improvement (BPI) for Non-Manufacturing projects are taken to address critical business challenges on PQCDMS, Revenue enhancement, Sustainability, etc.

Training modules on APS, BPS, and BPI are customised at Ashok Leyland and are developed by benchmarking with best-in-class organisations. Over 5,000+ executives have been trained up till FY 2021-22 as a part of this programme. Trained executives are deployed across various process improvement projects on a regular basis to address chronic issues which include customer and stakeholder pain points to improve their satisfaction levels.

#### Training (Cum.) - APS+BPS+BPI (Nos)

![](_page_37_Figure_5.jpeg)

The trainings that have been imparted to improve capability, diagnostic skills, and culture building has yielded cost savings of INR 450+ Crores till FY2021-22. Over 5,000+ projects that were completed since 2012 have been instrumental to achieve savings. Furthermore, the APS programme is an integral part of the AL-boot camp programme such as GET, YTP wherein emerging leaders are rigorously trained on APS methodology and tools. Over 50% of the completed projects were on quality improvement to improve customer satisfaction, enabling to deliver world-class products and services.

#### Project Savings (Cum. INR Cr.) APS+BPS+BPI

![](_page_37_Figure_8.jpeg)

Description	FY2020-21	FY2021-22
Black Belt (BB) Trained (Nos)	11	14
Projects identified (Nos)	29	40
Projects closed (Nos)	29	40
Savings (INR Cr)	18.3	48.8
BB Certified (Nos)	10	14

To resolve business critical challenges of the highest impact and complexity at a faster pace, customised BB Programme is designed at Ashok Leyland. The curriculum benchmarked with bestin-class organisations has 10 full days of training which focuses on imparting the most advanced statistical/problem-solving tools to resolve business critical issues in a cost-effective and time-bound manner. INR 66 Crores direct savings are realised from the two completed batches so far with a 100% success rate.

A platform for cross-learning and horizontal deployment of best practices and to demonstrate the success of the collaborative efforts is set up by us. Leadership Excellence Awards for Problem Solving (LEAPS) for plants and business functions are conducted every year, where over 25% of the executives participate. The best projects from these competitions are taken to the next level - LEAPS Grand Finale, wherein the best among the best compete for the top prize for Problem-Solving at Ashok Leyland.

The winners of these competitions are given the opportunity to present their successful case studies in future APS/BPS Training programmes. They also get an opportunity to participate in reputed external problem-solving competitions like the Confederation of Indian Industry (CII), American Society for Quality (ASQ), International Academy for Quality (IAQ), Indian Society for Quality (ISQ), National Institution for Quality and Reliability (NIQR), etc. to showcase their problem-solving and creativity skills, and learn and benchmark best practices from other organisations.

In FY2021-22, we were awarded IAQ's International Level Quality Sustainability Award 2022, ISQ's National Level Quality Sustainability Award 2022, and two CII's National Level Six Sigma Awards. This is the sixth consecutive year we have been winning the National Winner - Gold award at CII competitions. These awards serve as a testament to the problem-solving culture at our Company.

#### Supplier Assessment

We conduct two main types of audits which are the Supplier Evaluation Audit (SEA) and the Surveillance audit. The SEA is a scorecardbased audit that is carried out annually for all our suppliers to guarantee that their practices are in compliance with the applicable rules and regulations.

The suppliers are rated on a platinum or gold scale based on the scores they receive as a part of the SEA. They are awarded a platinum status if they attain a score of 85% and above, whereas if the score lies between 70-84% they are awarded a gold status. Platinum suppliers are assessed every two years while suppliers with a gold rating are given advice on improvements for their processers. In FY 2021-22, 193 surveillance audits were carried out and no breaches related to legal compliance or human rights were reported. However, in FY 2021-22, the value chain partners were not assessed on health and safety practices and working conditions.

We assess our suppliers on their economic performance and take into account their environmental and social impacts as well. The parameters include our suppliers following and maintaining their ISO 14001 requirements, SPCB certificate mechanisms for employee and customer grievances, CSR activities, systems for responsibly disposing of hazardous waste, child labour, and so on. Furthermore, we ensure fair treatment of our supplier's employees on aspects such as the right to collective bargaining, freedom of association, training, and development, and equal remuneration through dedicated clauses in our General Purchase Agreement (GPA). The GPA is signed off with the supplier and covers the supplier's Code of Conduct.

We make sure that 193 of our audited suppliers abide by these practices and have agreed to improve their existing systems. 100% of our suppliers are ISO 9001:2015 certified. We identify our critical suppliers through our surveillance audits.

Suppliers that add 80% value to our growth are categorised as strategic partners based on these audits. They significantly contribute to areas such as technological leadership, business volume, critical facilities, innovations, regulators, and so on.

### Reinforcing Our Supplier Relationships

At Ashok Leyland, it is extremely important to build a long-lasting relationship with our suppliers and ensure that we grow together as an organisation to achieve success. We have various channels in place to interact with our suppliers through programmes such as the Supplier Summit and the Strategic Partners Meet. There are also need-based interactions that are conducted with the middle and top management. We aspire to enhance our bond with our suppliers and at the same time motivate them to perform better through these events. We ensure to do this by providing better grievance redressal, keeping them updated with recent developments, and seeking their feedback.

In FY 2021-22, the annual Supplier Satisfaction survey was conducted for 151 of our high-value suppliers and appropriate actions were initiated on the consolidated supplier feedback. The Supplier Satisfaction score for FY 2021-22 was 96%.

#### Vital Parameters for the Supplier Survey

- Pride in Our Association
- Honoring Our Commitment
- Scheduling
- Engagement to Improve Quality
- Fairness in Price Settlement
- Communication

#### Key Initiatives Implemented in FY 2021-22

We are constantly working towards improving efficiency for our supply chain performance and thereby also minimising risks. Over the years, we have undertaken a large range of projects such as Supplier SAMRAT, Supplier Buddy, Logi-file, K54 2.0, Supplier TAT, and many more. This year, the following initiatives were implemented:

In FY 2021-22, we have institutionalised various initiatives to work towards maximising efficiency. We established a Robotic Process Automation (RPA) which aids in digital invoicing implementation. The RPA has improved 30% of the total production invoice count which helps reduces physical invoices for payments. The importance of adhering to digital invoicing was communicated to the vendors on a frequent basis.

The RPA-based vendor invoice verification process has been updated to ensure that the system is streamlined into concise stages. The new process starts off with the vendor sending digitally signed invoices as PDFs through e-mail, it is then sent for invoice processing through the RPA Bot. The next stage is auto-posting after a three-way matching setup, at the same time the data is also sent for manual intervention for exception handling, and finally, it is sent for payment processing. The benefits for us consist of a fully automated process except for the manual intervention for exception handling. It leads to better process controls and a lesser cost of processing documents. The benefits for the vendors entail a simplified process, faster processing, timely payments, visibility in the "Invoice to Payment" process and it also eliminates the document getting lost in transit.

At Ashok Leyland, we conducted a Quality Month event with the supplier partners in November 2021. There was an active involvement of executives and associates from all the plants for the event. The quality month event had around 57 events, six guest lecturers attending it, participation from 21,800 people, five customers connect initiatives, and 300+ supplier partners were impacted through the quality month event.

![](_page_38_Picture_4.jpeg)

The Supplier Summit was successfully conducted virtually on June 9, 2021, with the participation of 350+ supplier partners and 50 strategic partners across various domains.

![](_page_38_Picture_6.jpeg)

![](_page_38_Picture_7.jpeg)

Multiple Technology Days with the supplier partners were carried out in the reporting year. The supplier technology sessions are conducted at AL-VVC which is Ashok Leyland's R&D center in North Chennai. We invited selected suppliers of New Energy, Electrification, and ADAS Technology. There was participation from all functions and active interaction from the engineers at Ashok Leyland. The display at the VVC design office was predominantly showcased as stalls. Various suppliers attend the session and display their products and newest technologies. Live demos and vehicle levels are also displayed. In FY 2021-22, Ashok Leyland held an Automotive Component Manufacturing Association (ACMA) Event which brought together over 70 vendors to display their latest technologies and products. Apart from this, there were 13 other independent supplier technology days conducted at Ashok Leyland. Details of the ACMA Advanced Technology Expo technology day at Ashok Leyland are mentioned below:

### ACMA Advanced Technology Expo at ALVVC

Conducted on August 24 and 25, 2022 wherein more than 70 suppliers had participated.

### Improving the Product Lifecycle

Improving the quality and longevity of our products is a matter of great importance at Ashok Leyland. To ensure that this is carried out, we interact with our suppliers at multiple levels and implement processes to make sure the quality of the products is as per requirements. We have implemented programmes to ensure that the product lifecycle has been improved with the objective to:

- Standardise all processes at the suppliers' end
- Improve the capabilities of their systems to
   achieve superior performance on quality
- Anchor periodic reviews and timely interventions
   with the suppliers' top management
- Knowledge sharing

One such Initiative is the Supplier Cluster Programme. It is an extension of the Supplier Part Quality Improvement action plan that is conducted for selective suppliers to help them improve their capabilities. Various measures are implemented to help us produce and supply defect-free engines to our customers. Firewall is one such measure that ensures that a pre-delivery quality assurance audit is conducted to avoid a defective outflow. Firewall was introduced in the last reporting year, and it has been carried forward to FY 2021-22. In addition to this, processes were standardised through a system of benchmarking and cross-learning.

The methodology adopted is "Gemba-oriented", which encompasses monitoring quality data through best practices and implementing a proactive approach. This is done through

![](_page_38_Picture_21.jpeg)

systematic monitoring of KPIs that is followed by a management review.

#### Measures to Avoid Risk in the Supply Chain

We have implemented a dual-sourcing strategy in order to increase our agility and flexibility in importing raw materials and parts. This strategy enables us to effectively import materials without depending on only one source. We import around 21 various parts from various countries across the globe to ensure that we don't depend on a single country to source the material. Out of 21 parts, 14 imported parts are indignised, and seven parts are maintained with strategic stocks which have helped us reduce our dependency on imports. This helps us in the foreign exchange markets and at the same time helps in mitigating geographic risk.

We have a formalised process to identify potential sustainability risks in the supply chain. We provide sourcing risk inputs to the Enterprise Risk Management (ERM) team which is monitored through ERM tools in a systematic way covering risk identification, assessment, monitoring, and mitigating actions. The ESG team at Ashok Leyland is working towards the process of identifying highrisk suppliers and preparing adequate roadmaps for risk mitigation.

Furthermore, we have also multiplied our local sourcing across three of our manufacturing plants which are namely Hosur II, Pantnagar, and Ennore. Adopting this strategy has positively contributed to improving the flexibility of our supply chain.

The digitised supply chain management has enabled us to address the latest customer requirements and supply challenges. As a continuous effort, we have performed the following activities within our organisation:

Supplier Performance Management	<ul> <li>The supplier performance is easily accessible to our suppliers and stakeholders through the Tableau software.</li> </ul>
Vendor-Managed Inventory (VMI) Stock Visibility	<ul> <li>This system supports us by capturing the VMI stock available so that we can effectively plan our production.</li> <li>It is easily accessible to our sourcing buyers, maintaining transparency and avoiding follow-ups with our suppliers.</li> </ul>
Co-Located Warehouse	<ul> <li>To reduce inventory at our manufacturing plants, we have requested various suppliers to set up warehouses near us.</li> <li>This also contributes towards delivering the material on a need basis.</li> </ul>
Sub Daily Receipt (SDR) / KANBAN	<ul> <li>The SDR system helps reduce inventory carrying cost, as additional parts from suppliers were routed through this system.</li> <li>Through digital KANBAN, we plan on reducing storage space inside our manufacturing units. The additional space will be utilised for storage of other parts without expansion.</li> </ul>

### Product Stewardship

We seek to constantly leverage innovation to produce a diverse set of products and state-ofthe-art technological solutions which not only meet the evolving customer preferences but also deliver long-term value creation. Innovation is indeed a fundamental competency spanning our entire value chain. Embedding innovation into our products and services enables and empowers us to provide cleaner, safer and more connected transportation options for our customers.

## Embedding innovation in our product portfolio

Consistently working towards enhancing our product portfolio has always been our priority since 1986. Back in the day, close to 20 engineers oversaw the development of our various products, whilst today a dedicated product development center has been established at Vellivoyalchavadi, Chennai. This fully-fledged integrated center now serves as the backbone of the product development processes for all new vehicles, and their respective variants. Spread over 133 acres, the center is administered by 1,000 engineers and is equipped with state-ofthe-art designing, computer-aided engineering, prototyping, testing and validation facilities. In this financial year 2021-22, a total of 24 patents have been filed for the several systems, features and characteristics incorporated in our numerous vehicles.

### Closer Look at the Product Development Process

Our product development process, called GenMod, focuses on and integrates the concept of crossfunctional management. To elaborate further, GenMod ensures to involve cross-functional teams of the organisation in the product development processes. These cross-functional teams include marketing, product management group (PMG), Program Management Office (PMO), new product introduction group (NPI), product development function (PD), sourcing and supply chain, manufacturing, quality, project planning, finance, human resources, IT, and corporate strategy and planning, and after-sales and service teams.

#### GenMod:

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5A	Phase 5B	Phase 6	Phase 7
Definition	Technical	Benchmarking,	Component-	Complete	Conduct	Validate	Vehicle
of Market	Feasibility	System-Level	Level Design	Physical	Prototype	Production	Launch,
Opportunity	Assessment	Detailing of	of the Product,	Design	Validation	process in	Critical
	ofthe	Concept and	Initial Release,	verification	and	the plant	Field Issue
	Opportunity	related DFMEA	Mule-testing,	and	Homologation	and prepare	Resolution,
	& Initial	and Design	and Prototype	Performance	Testing and	for launch	and Project
	Product	Validation	Build Prep.	Validation	Certification		Perf. and
	Concept	Planning					Lessons
							Learned
							Report

Through the various teams' consistent involvement and engagement, we are best positioned to introduce the right set of products into the market by accurately identifying the customer and product requirements.

The GenMod New Product Development (NPD) process is not only robust but also comprehensive, right from defining and understanding the market opportunity for a particular product for mass production to the final launching of the product. The entire GenMod NPD programme is managed by both the Program Management Office (PMO) and New Product Introduction (NPI) teams.

The GenMod NPD process involves a multi-layered approach of testing and reviewing comprising of seven Phases, seven gate reviews by top management, seven design reviews and three stages of design releases as shown in the below illustration. The first stage is for prototype building, the second stage is for pilot build and the third stage is for the Standard Operating Procedure (SOP).

As for the design, verification and validation systems and procedures, which is a part of the product development process, we have implemented state-of-the-art design, verification and validation facilities to help us test our products for durability and reliability characteristics. Additionally, we also have in place virtual simulation systems to verify the robustness of the design in the context of customer end applications and duty cycles. These systems and facilities collectively aid us in developing competitive products which are first-in-market in India. The below illustrations depict the facilities in place, which are harnessed to introduce and enhance our various products:

![](_page_40_Picture_1.jpeg)

Design facilities include 1200 CAD workstations with design software's like Catia and Pro-E are being used for 3D modelling. Apart from modelling software's there are various simulation software's such as AVL cruise are being used for analysis.

![](_page_40_Picture_3.jpeg)

In-house state of art computer aided engineering lab provides virtual simulation analysis capability to identify failures upfront during design so that it helps to avoid cost of physical validation

![](_page_40_Picture_5.jpeg)

Digital Mock-Ups helps to identify the clash and clearance of interrelated parts with respect to design standards. This will help designer to make design correction upfront during the design and development.

![](_page_40_Picture_7.jpeg)

In house state of art Proto Shop provides an opportunity for assembly of proto vehicles to ensure that the intended design requirements are met and also verify the serviceability, accessibility and manufacturability of vehicle before start of mass production.

![](_page_40_Picture_9.jpeg)

![](_page_40_Picture_10.jpeg)

Vehicle level performance and reliability tests are being carried out in various test tracks and steering pad to validate that vehicle is intended to perform as per the design and customer requirements. Attributes testing consists of Noise Vibration and Harshness (NVH), Ride comfort, Driving effort, Gear shift effort, Steering effort, safety and stability of the vehicle through evaluation and final arrival of vehicle specification as per customer requirements and regulatory norms.

During this financial year, we developed and launched products which employed innovative technologies and incorporated operational modifications to provide an enhanced set of features for our customers.

#### **Buses**

#### Ultra-Low Entry Diesel Bus

The Ultra-Low Entry Diesel Bus (with the CNG fuel option), used for airport operations (TARMAC), is equipped with below set of features:

- Automatic transmission allowing for a smooth operation of the bus
- Step less entry which makes the bus accessible for differently abled individuals
- Easy boarding with kneeling facility for wheelchair passengers with manual ramp on both left-hand and right-hand wheel-base (WB) doors.
- Electronically controlled air suspension for improved comfort while riding the bus
- Reliable body structure with premium body finish
- Wide doors in WB at Both left-hand and righthand, single Front-Over-Hang (FOH) wide door for reduced boarding and alighting time
- Passenger information system which displays
   flight details

![](_page_40_Picture_24.jpeg)

In house state of the art component testing lab provides an opportunity to test components and aggregates of vehicle such as springs, gear box, propeller shaft, cabin, frames, axles, exhaust system and brackets, etc. for durability.

![](_page_40_Picture_26.jpeg)

State of the art test facility for vehicle durability and is accredited to the National Accreditation Board for Testing and Calibration Laboratories (NABL). This laboratory simulates vehicle and component responses that was measured during field testing.

![](_page_40_Picture_28.jpeg)

Material level verification tests are being performed to ensure that parts are meeting intended design requirements of material standards.

![](_page_40_Picture_30.jpeg)

In house state of the art engine development center used for assembly and testing of engines to ensure that product is meeting the durability, reliability and performance requirements and to ensure meeting national and global emission norms.

![](_page_40_Picture_33.jpeg)

Power train prediction and calibration to improve performance and reliability of engines and this is done at vehicle level with actual duty cycles and customer end application.

![](_page_40_Picture_35.jpeg)

Styling of interiors and exteriors through benchmarking study, packaging analysis, ergonomics study and regulations using modeling and hard point finalisation to achieve aesthetically attractive exteriors and interiors for trucks and buses.

- Multiplex electrical system which allows for easy diagnosis of faults (if any)
- Telematics to track and monitor vehicle health
- Tubeless Radial tyres
- Low Noise Vibration and Harshness (NVH) rear engine.
- The sustainability benefits of the Ultra-Low Entry Diesel bus are as follows:
- The bus meets the BS6 Emission Norms which helps reduce levels of pollution.
- The level of cab noise is reduced for both the passengers and driver of the bus leading greater comfort.

![](_page_40_Picture_44.jpeg)

- The kneeling facility in the bus provides an easy boarding experience for differently abled passengers.
- Air Suspension as standard feature leads to a better riding experience.

#### 13.5M FE – MCV Intercity Bus Chassis

The MCV Intercity Bus Chassis is best suited for intercity applications since it offers best in class comfort for the passengers and has lowmaintenance characteristics which work towards decreasing downtime and lower the operator running costs. The numerous features of the MCV Intercity Bus Chassis are mentioned below:

- The bus has a four-cylinder, A-series, high power 250 hp BS6 engine with i-Gen6 technology that meets the requirements of intercity applications while having a reliable driveline. The incorporation of a BS6 engine, as noted earlier, results in lower sulfur and nitrogen oxide (NOX) emissions, thus helping lower atmospheric pollution levels.
- An electro Magnetic Retarder and an engine exhaust brake along with front disc-drum and rear drum configuration.
- A multi-leaf suspension with shock absorbers and Anti-roll bar / Air suspension at front and the rear which helps in enhancing standards of travel comfort.
- A rectangular cross linked polymer fuel tank, holding a capacity of 375L, as well as an enginedriven air-conditioning system which ensures to result in a hassle-free long-distance drive.
- The exhaust system positioned ahead of front axle provides more room for the purposes of holding the luggage in the wheelbase zone.

### The sustainability benefits resulting from the MCV bus are as follows:

- The MCV bus comes with increased luggage space which allows the customer to transit a larger volume of luggage in a single trip.
- More number of passengers can travel in a single trip which is at par with the 12m bus operating cost.
- The mileage of the MCV bus has been improved by 5% to help result in lesser consumption of the fuel.
- The MCV bus comes with an electromagnetic retarder which improves safety.

![](_page_41_Picture_14.jpeg)

#### Defence

The BAGH 1818 4x4 BS IV Load Carrier was developed and built for the road projects of Northern borders of India. The vehicle, proposed to cater to the non-MoD application (GeM portal), is Central Motor Vehicles Rules, (CMVR) certified for troop, load carrier, fuel, water bowser, and recovery applications. Additionally, the vehicle is built with a heavy-duty load body and provide a low cost 'all drive' application which is derived from the domestic MDV vehicle.

![](_page_41_Picture_17.jpeg)

Similar to the previous defence vehicle, we also introduced a Tipper (BAGH 1818 4x4 BS IV Tipper), for the road projects of the Northern borders of India. The Tipper too is CMVR certified, proposed to cater to the non-MoD application (GeM portal), and built to provide a low-cost 'all drive' application which is derived from the domestic MDV vehicle. More than 70 of these Tippers have been inspected by the Director General of Border Roads (DGBR) and were delivered well in advance to the DGBR, one of the customers for this vehicle.

![](_page_41_Picture_19.jpeg)

For the sole application of 'gun towing' of Sharang and Dhanush guns, we introduced the Super Stallion GTV Truck equipped with a 6x6 traction. Powered by our in-house developed 8-litre A6 series providing 360 HP of power, and 1,400 Nm of torque at 1,300 rpm, the Stallion GTV Truck is fitted with the 8-speed manual transmission. This Truck has been specially designed and developed for desert and semi-desert regions to be able to function between - 15°C to 55°C temperature conditions. Lastly, the Truck runs on a full-time 6-wheel drive system with all the axles built with differential locks.

![](_page_41_Picture_21.jpeg)

The fourth vehicle launched under our defence product line was the Super Stallion 10x10 46m Bridge Launcher, for the purpose of bridge launching. To elaborate further, the Super Stallion 10x10 vehicle is specially built to help carry modular bridging systems and is capable of carrying a payload up to 27T. The Bridge Launcher is equipped with the state-of-the-art Cummins engine along with an automatic transmission, 2-speed AGB and hub reduction axles with inter-axle / inter- wheel differential lock and with a provision for CTIS to help deliver greater performance. Fully automatic CTIS inflation, as well as deflation on the move features, are added to the Super Stallion Bridge Launcher. Moreover, the 'all-wheel drive combined with the 3-axle steering system' facilitates a good level of mobility for all kinds of terrains. The Super Stallion Bridge Launcher comes with a heavy-duty and torsionally stiffened frame, power steering with an emergency assistance system, a rear-view camera, GPS, heater rear view mirrors, anti-lock brake system and a protection from Nuclear, Biological and Chemical Hazards system with a mask. The Bridge Launcher is also built with a bead lock to prevent the tyre from sliding off the rim in the event that the vehicle is met with a puncture.

![](_page_41_Picture_25.jpeg)

#### **Electric Vehicles**

During this financial year 2021-22, we introduced four electric vehicles (i.e. eBus) and established/ commissioned one DC 'Fast Chargers' at Ahmedabad, through SWITCH Mobility which is one of Ashok Leyland's subsidiaries. Through our electric vehicles we are positively contributing to the decarbonization of the public transportation systems of the below mentioned cities of the nation.

 50 operating vehicles (e-Bus) under the GCC Contract were introduced in Ahmedabad. These vehicles covered 40 Lakh KM on road. We also have commissioned 'Direct Current (DC) Fast Chargers' in Ahmedabad.

![](_page_42_Picture_0.jpeg)

- 2. 25 operating vehicles (e-Bus) under the GCC Contract were introduced for Bihar State Road Transport Corporation (BSRTC) in Patna.
- 40 operating vehicles (e-Bus) under the GCC Contract were introduced for CTU in Chandigarh.

![](_page_42_Picture_3.jpeg)

4. The Ashok Leyland Circuit, India's first electric bus, was introduced for the purposes of intracity and intercity travel and for transporting schoolgoing children, as well as staff members of companies. The Ashok Leyland Circuit, has a charging time of 1.5 to 3 hours, results in zero emissions, is noise-free, reliable in nature and compliant with safety regulations and rules.

#### Trucks

India's first 4-axle 8×2 DTLA Truck (14- wheeler) AVTR 4120 was introduced in the year 2022. This truck is powered by Ashok Leyland's iGen6 technology which helps in delivering better fuel efficiency thus reducing the impact on the surrounding environment.

![](_page_42_Picture_7.jpeg)

![](_page_42_Picture_8.jpeg)

We are pleased to introduce 47.5T (GVW) 4825 10X4 BGS Tipper range to aid customers to carry the highest possible legal payload in each of their trips. The Tipper is equipped with the latest engine and tire technologies such as the H Series 250HP engine and Dual Tire Lift Axle (DTLA) to help improve long-term durability. The Tipper is also built with anti-toppling sensors and robust AVTR design to enable our customers to reap the productivity benefits at lower operational costs.

![](_page_42_Picture_10.jpeg)

Our heavy-duty Tippers have been designed for higher productivity enabled through its driveline, reliable heavy-duty aggregates and suspension. These Tippers have also been re-designed with an improved cabin infrastructure which enhances the drivers' experience.

![](_page_42_Picture_12.jpeg)

Our AVTR 4825 10X2 NRS Tipper is powered by 250HP A4 Series Engine with i-Gen6 technology thus helping deliver superior engine performance and durability. Furthermore, the Tipper is equipped with intelligent and indigenous i-Gen6 technology with its unique Mid-NOx strategy, which helps ensure a significant reduction in DEF consumption,

![](_page_42_Picture_14.jpeg)

leading to a lower cost of operation.

We are happy to introduce Ecomet 1415 and 1615 which are powered by H Series compressed natural gas (CNG) engines to help reduce the emission of harmful gases.

![](_page_42_Picture_18.jpeg)

We also launched the 8-wheeler truck – AVTR 2620, which is the first truck of the kind to be introduced currently in the market. With this launch of AVTR 2620, we successfully become the first and only player in the country to have a full range of trucks that are built on the lift axle technology from GVW of 25.5 to 47.5T. Along with this, this 8-wheeler truck is built with the 200HP engine with iGen6 technology which delivers better fluid efficiency. The truck also comes with digital solutions such as the 'i-Alert' (advanced telematics), and remote diagnostics that is supported by the 24×7 customer assistance 'Uptime Solution Centre'.

![](_page_42_Picture_20.jpeg)

### Customer Engagement

We strive to engage with our customer base to not only understand their set of preferences but to also exceed their expectation. We consistently work towards setting strong customer relationships and by doing so we are able to maintain a continued presence.

To better understand our customer's expectations as well as their experience of utilising our diverse set of products and services, we periodically engage with our customers and conduct satisfaction surveys and studies.

Customer and sales satisfaction	714
scores, from surveys conducted in	
FY 2021-22 through an independent	
agency for M&HCV Customer	
Satisfaction Score	
Sales Satisfaction Score	781

Furthermore, we have been conducting bi-annual dealer sales and after-sales satisfaction studies for M&HCV customers since the financial year 2014-15. The objective of these studies is to aid us in understanding customer expectations with dealers' sales and after-sales service across the M&HCV vehicle range, to help identify both the strengths and weaknesses to drive the action planning for multiple modules, as well as to benchmark our sales and service offerings with leading industry practices. We are also committed to offering smooth after-sales services to our customers and also taking care of repair as well as maintenance of their vehicles through our 750+ workshops situated across the nation. In addition to this, we have established a robust and comprehensive mobile application for our customer base called 'ALCARE' which will serve as a one-stop solution to meet all of our customer's service needs and requirements. ALCARE has several features which greatly help us meet our customer's needs and cater to their gueries and resolve their complaints if any.

To ensure compliance related to product health and safety, the system checks for service adherence are regularly conducted. We send out reminders and conduct stakeholder training for service adherence, genuine spares and lubes usage. In FY 2021-2022, no cases of non-compliance with regard to regulations or voluntary codes concerning the health and safety impacts of products and services were reported. Additionally, no violations pertaining to product-based compliances pertaining to labelling and advertisement were reported during this financial year.

To strengthen our strategic relationships with our customer base through our sales, marketing processes and after-sales services, we continue to make use of initiatives such as PRISM, LEAD, SELECT, i-alert and so on which are explained below.

Through the 'Practical Improvement in Sales and Marketing' (PRISM) tool, we are able to concentrate on marketing-related matters, standardising sales processes as well as look into building people capabilities. Each year, PRISM makes data about customers and numerous transactions available. With the aid of digital technology, we have introduced PRISM 2.0 to help alleviate the effects of the dynamic business environment. Our ability to access market intelligence and the sales processes in real-time thanks to PRISM 2.0 results in higher sales, and improved market coverage, better market penetration, and a larger market share. In order to further assure customer satisfaction, our application has a built-in vehicle configurator (shown below as figure 1.16) that aids the customers in selecting a vehicle based on their requirements and intended utilisation of the particular vehicle. On the PRISM 2.0 platform, there

![](_page_43_Picture_9.jpeg)

are three dedicated sub-platforms called Dealer Sales Executive (DSE), Dealer Sales Manager (DSM), and the Ashok Leyland Sales Manager (ALSM), and made available to the respective personnel (i.e. sales executives, sales managers and sales manager).

Currently, we have in place 331 active models and 970 possible combinations for the customer to select from and these numbers are continuously increasing to address the evolving market requirements as well as customer preferences. Our Customer Value Proposition (CVP) module helps the customer make an informed decision as they choose their preferred vehicle, by comparing features of Ashok Leyland's models with that of the competitors' models across the numerous vehicle aspects which are of interest to the particular customer.

We also introduced the 'Make to Order' (MTO) approach, which allows us to customise the product once a customer places an order and deliver the vehicle in the shortest time period by leveraging the flexibilities made available to us by our Modular Business Platform (MBP) platform. In order to ensure and meet our shorter delivery timelines, we have formulated a tentative production plan which is based on the sales pipeline showcased in the PRISM platform, and the confirmed set of orders in the form of MTOs. We make use of a 10-parameter scale called the PRISM Maturity Index (PMI) to assess the quality effectiveness and adoption of our sales and marketing processes. This index is used to drive consistent sales experiences for customers across geographies and to support data-driven organisation strategy and decision-making.

Secondly, with the help of data-analytics, the Leverage Analytics to Drive Decisions, or LEAD, extracts meaningful inputs from sales and servicerelated datasets. These inputs are then utilised by our system and processes. Furthermore, we also use a platform called SELECT to actively communicate with our customer base. The platform's main goals are to establish strategic connections, increase trust, and foster customer loyalty. We interact with our customers to learn about and meet their preferences and needs. Priority services and other awards and privileges are just a few of the perks offered to our SELECT customers.

Our SELECT customers are distinguished based on the long-term business relationships they hold with us. We prioritise our SELECT customers and provide beneficial services like the helpdesk support, and training support through Knowledge on Wheels (KNOW), and Workshop on Wheels (WoW).

We also have in place, the 'i-alert' telematics platform which is made available for customers, dealers and Ashok Leyland dealers and users. The i-alert platform allows our customers to monitor their vehicles in real time, send regular alerts to enable the fleet managers to enhance the safety, performance and productivity of their respective fleet, and also helps in keeping our customers apprised about the health of their vehicles.

Towards gathering customer queries, opinions or feedback, we have established a comprehensive after-sales service which includes mediums such as 24X7 Call center toll free no, website, social media, etc. we are able to pay attention to our customers' feedback and opinions. Along with this, a dedicated complaint management system is also put in place to help monitor as well as facilitate swift resolution of customer complaints.

With regard to customer privacy, we have not received any complaints concerning customer privacy breaches, data privacy, thefts or losses of customer data during this financial year.

![](_page_44_Picture_0.jpeg)

# Materiality Table

S. Material No Topics

Rationale for identifying the risk/ opportunity

1 Product safety, quality and innovation

Opportunity

Indicate

whether

risk or opportunity

> Leveraging innovation to ensure our products are safe and match the desired quality standards contributing to enhanced brand value and

customer trust

У	Approach to adapt to mitigate the risk	Financial implications of the risk or opportunity (Indicate positive or negative implication)
	<ul> <li>Conducting health and safety impact assessments of its products</li> <li>Instituting systems to</li> </ul>	Reduced     product recalls
s	<ul><li>ensure compliance</li><li>with safety and quality</li><li>standards</li><li>Institutionalising</li></ul>	
	a supplier quality improvement cell to validate the quality of parts.	
	<ul> <li>Adopting evolving modes/systems for produce development processes, such as the GenMod NPD (New Product Development).</li> </ul>	

S. No	Material Topics	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt to mitigate the risk	Financial implications of the risk or opportunity (Indicate positive or negative implication)	S. No	Material Topics	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt to mitigate the risk	Financial implications of the risk or opportunity (Indicate positive or negative implication)
2.	Customer relationships and satisfaction	Risk	Failing to offer products and services that satisfy our customer expectations may result in lengthy and costly litigation, diminished trust with customers, and lower sales	<ul> <li>Providing transparent information and fair advice on the Company's products and services to its customers</li> <li>Improving relationships held with customers and the manner in which we cater to the needs/preferences of the customer base, through initiatives and platforms such as PRISM 2.0, LEAD, SELECT, and i-alert.</li> <li>With the help of a robust after sales</li> </ul>	<ul> <li>Lower revenue</li> <li>Costly litigation fee</li> </ul>	- Costly litigation fee		Risk and Opportunity	Risk Violating regulatory compliance often results in legal punishment, including fines and penalties Opportunity Ensuring regulatory compliance enhances our credibility and potential access to Government subsidies and concessions	<ul> <li>Creating a strong ethical organisational culture with a focus on transparency and compliance</li> <li>Regularly carrying out risk assessments to identify areas of potential exposure to compliance-related risks</li> </ul>	<ul> <li>Risk</li> <li>Fines and Penalties</li> <li>Opportunity</li> <li>Government subsidies and concessions</li> </ul>
				service which includes mediums such as 24X7 Call center toll free no, website, social media, etc, we are able to pay attention to customers. A dedicated complaint management system is also in place to help monitor as well as facilitate swift resolution of customer complaints.		5.	Road and occupational safety	Opportunity	Adopting health and wellbeing measures may lead to enhanced employee productivity in turn reducing the employee attrition rate. Road safety awareness programmes enables the community and	<ul> <li>Introducing health and wellbeing measures for employees and workers</li> <li>Launching employee assistance programmes with counselling services</li> <li>Conducting occupational safety and road safety workshops and awareness programmes</li> </ul>	<ul> <li>Lower talent acquisition costs</li> <li>Lower injury rate</li> </ul>
3.	Business growth and profitability	Risk	Inability to absorb losses owing to unforeseen contingencies and sudden external shocks can lead to dire consequences impacting viability of the business	<ul> <li>Implementing sound ESG policies, systems and processes to build a sustainable business model that can weather disturbances</li> </ul>	<ul> <li>Financial losses</li> <li>Depletion of reserves</li> </ul>				drivers to follow the safety rules.		

S. No	Material Topics	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt to mitigate the risk	Financial implications of the risk or opportunity (Indicate positive or negative implication)	S. No	Material Topics	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt to mitigate the risk	Financial implications of the risk or opportunity (Indicate positive or negative implication)
6.	Inclusive growth with community development	Opportunity	Ensuring goodwill with local, and marginalised communities through the community development programmes that can validate our social license to operate.	<ul> <li>Conducting need based assessments to identify and implement appropriate programmes</li> <li>Monitoring and assessing potential impact of our operations on local communities</li> <li>Nurturing human relationships and supporting the livelihoods and infrastructure of the</li> </ul>	<ul> <li>Increase in revenue share from socially conscious customers</li> </ul>	8.	Recruitment and talent retention	Opportunity	Initiating employee benefit plans, offering competitive pay packages and focusing on a diverse workforce can help retain the right talent and bring about a diverse perspective during the decision-making process	<ul> <li>Conducting skill upgradation trainings for employees</li> <li>Launching Leadership talk series</li> <li>We introduced a year- long development journey as a part of the Young Talent Programme (YTP) for high potential employees</li> </ul>	• Reduced recruitment cost
7.	Sustainable supply chain and sourcing	Opportunity	Ensuring a green, local and socially sound supply chain can contribute to stability and diversity while also creating local employment	<ul> <li>communities in which we operate.</li> <li>Conducting environmental and social assessments for suppliers</li> <li>Engaging with suppliers on ESG and promoting positive E &amp; S practices</li> <li>Strategic sourcing council was formed in the organisation to create synergy across functions. They help sustain our relationship with our large suppliers and well as strengthen</li> </ul>	<ul> <li>Lower raw material procurement cost</li> <li>Reduction in transportation costs</li> </ul>	9.	Grievance Mechanism	Opportunity	Establishing a robust grievance redressal mechanism ensures compliance to rules and regulations therefore building the trust of the customers, investors and employees.	<ul> <li>Instituting an effective whistle-blower and grievance redressal mechanism</li> <li>We have instituted a robust grievance redressal mechanism that is focused on addressing any concerns related to our employees</li> <li>A committee has been established which includes functional heads and senior management members, who ensure effective resolution.</li> </ul>	<ul> <li>Legal fines and penalties</li> <li>Dissolution of business</li> </ul>
				our valuable processes.		10.	Cybersecurity	Risk	Lack of adequate data security and privacy systems can lead to economic loss, reputational losses and loss of customer confidence in us.	<ul> <li>Implementing sound information security systems and policies to manage customers' sensitive data.</li> <li>We have in place an Information Security/ Cybersecurity policy in place that is available to all employees in our organisation.</li> </ul>	<ul> <li>Regulatory fine and penalty</li> <li>Legal fees in case of customer lawsuits</li> <li>Loss of customers</li> </ul>

S. No	Material Topics	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt to mitigate the risk	Financial implications of the risk or opportunity (Indicate positive or negative implication)	S. No	Material Topics	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt to mitigate the risk	Financial implications of the risk or opportunity (Indicate positive or negative implication)
11.	Resource optimisation and operational eco-efficiency	Opportunity	With an aim to optimise resource utilisation, we can not only improve our operational efficiency but also attract environmentally conscious customers	<ul> <li>Introducing initiatives to minimise material consumption</li> <li>Implementing waste management measures such as proper disposal of waste, recycling waste and taking measures to ensure zero waste to landfill</li> </ul>	<ul> <li>Lower operational costs</li> <li>Increase in revenue share from socially conscious customers</li> </ul>	14.	Training and Education	Opportunity	Ensuring opportunities are provided to employees that can upgrade their skills and attain the qualifications required in order to achieve career progression results in higher	<ul> <li>Conducting skill upgradation trainings for employees</li> <li>Launching Leadership talk series</li> <li>Launching Quality Academy and Electronics Academy aimed at enhancing the capability of the employees</li> </ul>	<ul> <li>Reduced costs relating to talent acquisition</li> </ul>
12.	Human rights	Risk and Opportunity	Risk Non-adherence to human rights principles may lead to reputational damage and penalties Opportunity Adhering to human rights can result in improved ability to attract	• Ensuring compliance with international and national human rights standards within the organisation and its value chain	<ul> <li>Regulatory fines and penalties</li> <li>Reduced access to capital from socially conscious investors</li> <li>Reduced costs relating to talent acquisition</li> </ul>	- 15.	Labour management relationship (Freedom of association and collective bargaining)	Risk	employee retention rate Promoting freedom of association and collective bargaining agreements for its workers and employees results in employee and worker satisfaction	<ul> <li>Supporting employees and workers to be a part of independent unions</li> <li>Initiating engagements with the union leaders to promote worker and employee wellness</li> </ul>	1. Reduced costs relating to talent acquisition
13.	Anti- bribery and corruption	Risk	and retain talent and build a stronger brand equity We can be exposed to legal fines, penalties, damaged reputation, business disruption and erosion of trust in the case of non-adherence to	<ul> <li>Implementing internal controls to strengthen compliance to applicable laws</li> <li>Devising a plan to conduct awareness programmes and trainings to internal stakeholders on ethical practices</li> </ul>	<ul> <li>Improved access to capital</li> <li>Legal fines and penalties</li> <li>Dissolution of business</li> </ul>	-	Anti- competitive practices	Risk	We can be exposed to legal fines, penalties, damaged reputation, business disruption and erosion of trust in the case of non-adherence to competitive practices	<ul> <li>Implementing internal controls to strengthen compliance to applicable laws</li> <li>Devising a plan to conduct awareness programmes and trainings to internal stakeholders on ethical practices</li> <li>Instituting an effective whistleblower and grievance redressal mechanism</li> </ul>	<ul> <li>Legal fines and penalties</li> <li>Dissolution o business</li> </ul>
			ethical business practices	<ul> <li>Instituting an effective whistle-blower and grievance redressal</li> </ul>							

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# Annexure

### Glossary of Abbreviations

AC	Air Conditioner
ACMA	Automotive Component Manufactur
ADAS	Advance Driver Assistance System
AGB	Auxiliary Gear Box
AGM	Annual General Meeting
AL	Ashok Leyland
ALCARE	Ashok Leyland Care
ALCOB	Ashok Leyland Corporate Building
ALMPES	Ashok Leyland Manufacturing Proce
ALSM	Ashok Leyland Sales Manager
ALVES	Ashok Leyland Vehicle Evaluation Sta
ALVVC	Ashok Leyland
APS	Advanced Problem-Solving Projects
ASQ	American Society for Quality
BB	Black Belt
BgS	Bogie Suspension
BPI	Business Process Improvement
BPS	Basic Problem-Solving Projects
BRSR	Business responsibility and sustainal
BS	Bharat Stage
BTC	Basic Training Center
CBU	completely built-up units
CDM	Clean Development Mechanism
CEA	Central Energy Authority
CETP	Common Effluent Treatment Plant
CFC	Chlorofluorocarbon
CGCF	Continuous Gas Carburizing Furnace
CII	Confederation of Indian Industry
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CLO	Chlorofluro Carbon

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CMVR	Central Motor Vehicles Rules
CNG	Compressed Natural gas
CO2,	Carbon dioxide
COSO	Committee of Sponsoring Organisations of the Treadway Commission
СРСВ	Central Pollution Control Board
CPPS	Cab Press and Panel Shop
CQ	Central Quality
CSR	Corporate Social Responsibility
CTIS	Central Tire Inflation System
СТО	Consent to Operate
CTQ	Critical to Qualify
CV	Commercial Vehicles
CVP	Customer Value Proposition
DA	Dissolved Acetylene
DC	Direct current
DEF	Diesel Exhaust Fluid
DET	Diploma Engineer Trainee
DGBR	Director General of Border Roads
DM	Daily Management
DPU	Defect Per Unit
DRP	Disaster Recovery Plan
DSE	Dealer Sales Executive
DSM	Dealer Sales Manager
DTI	Driver Training Institute
DTLA	Dual Tire Lift Axle
EATS	Engine After Treatment System
EEI	Ergonomy/Ergonomics Index
EHS	Environment Health and Safety
EMS	Environmental Management System
ENDO	Endo Thermic Gas
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESOP	Employees Stock Option Plan
EV	Electric Vehicle

EVB	Exhaust Valve Break
FCCI	Federation of Indian Chambers of Co
FMEA	Failure Mode and Effects Analysis
FOH	Front-Over-Hang
FY	Financial Year
GCC	Gulf Cooperation Council
GET	Graduate Engineer Trainee
GHG	Green House Gases
GJ	Giga Joules
GKD IITR	G.K.Devarajulu Institute for Technolog
GOI	Government of India
GPA	General Purchase Agreement
GPP	Ghaziabad Precision Products
GPS,	Global Positioning System
GRI	Global Reporting Initiative
GTV	Gross Transaction Value
GTW	Gross Trailer Weight
GVW	Gross Vehicle Weight
НАР	Hazardous air pollutants
HCV	Heavy Commercial Vehicles
HIA	Hosur Industry Association
HIRA	Hazard Identification and Risk Assess
HP	Horse Power
HR	Human Resources
HV	Heavy Vehicles
IAQ	International Academy for Quality
IATF	International Automotive Task Force
IC	Investment Committee
IEX	Indian Energy Exchange
INFHRA	Infrastructure, Facility, Human resour
INR	Indian Rupees
IO	Insertion Order
IPCC	Intergovernmental Panel on Climate
ISO	International Organization for Standa

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gical Resources
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ce and Realty association
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rdization

ISQ	Indian Society for Quality
IT	Information Technology
IUCN	International Union for Conservation of Nature
KG	Kilogram
KL	Kilolitre
KNOW	Knowledge on Wheels
KPI	Key Performance Indicators
KRA	Key Results Areas
KWH	Kilo watt hours
LCA	Life Cycle Assessment
LCV	Light Commercial Vehicles
LEAD	Leverage Analytics to Drive Decisions
LEAP	Learning Enhancement and Practice
LED	Light Emitting Diode
LPG	Liquid Petroleum Gas
LSC	Life Skill Coordinators
MBP	Modular Business Platform
MCV	Medium Commercial Vehicles
MDV	Medium Duty Vehicle
MEDA	Maharashtra Energy Development Agency
MGI	Mission Gemba Initiative
MT	Metric Tonne
МТО	Make to Order
MW	Megawatt
NGO	Non-Governmental Organization
NHRD	National Human Resources Development
NIQR	National Institution for Quality and Reliability
NOX	Oxides of Nitrogen
NPD	New Product Development
NPI	New Product Introduction
NRC	Nominations and Remuneration Committee
NTTF	Nettur Technical Training Foundation
NVG-SEE	National Voluntary Guidelines on Social, Environmental and Economic
NVH	Noise Vibration and Harshness

ODS	Ozone Depleting Scene
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
PDF	Product Development Function
PDI	Pre-Delivery Inspection
PFMEA	Process Failure Mode Effect Analysis
PIB	Press Information Bureau
PM	Particulate Matter
PMG	product management group
PMI	PRISM Maturity Index
РМО	Program Management Office
POSH,	Prevention of Sexual Harassment
PPA	Power Purchase Agreement
PPM	Parts Per Million
PQCDMS,	Productivity, Quality, Cost, Delivery, S
PRISM	Practical Improvement in Sales and N
PVC,	Polyvinyl Chloride
QMS	Quality Management System
RDF	Refuse-Derived Fuel
RMC	Risk Management Committee
ROI	Return on investment
RPA	Robotic Process Automation
RPN	Risk Priority Number
RRWHS	Roof Rainwater Harvesting Systems
RTS	Road To School
RWH	Rainwater Harvesting
SAARC	South Asian Association for Regional
SCR	Bosch Fuel System
SCV	Small Commercial Vehicle
SDG	Sustainable Development Goals
SEA	Supplier Evaluation Audit
SEBI	Securities and Exchange Board of Ind
SEE	Social, Economic and Environmental
SHE	Safety, Health and Environment
SHL	

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SOP	Standard Operative Procedure
SOx	Oxides of Sulphur
SPCB	state pollution control board
SPM	Suspended Particulate Matter
SQF	Seal Quench Furnace
STP	Sewage Treatment Plant
TAT	Turnaround Time
ТС	Technology Committee
TDS	Total Dissolved Solids
TPH	Tooling Painting and Handling
TQBM	Total Quality for Business Management
TS	Technical Specification
UFRO	Ultrafiltration, Reverse Osmosis
UN	The United Nations
UNGC	The United Nations Global Compact
VAVE	Value Analysis Value Engineering
VFD	Variable Frequency Drive
VOC	Volatile Organic Compounds
VTS	Vehicle Test Shop
VVC	Vellivoyal Chavadi
WB	Wheelbase
WBCSD	World Business Council on Sustainable Development
WRI	World Resource Institute
YTP	Young Talent Programme

### Independent Assurance Statement

#### Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Ashok Leyland Limited (Corporate Identity Number L34101TN1948PLC000105, hereafter referred to as 'Ashok Leyland' or 'the Company') to undertake an independent assurance of the Company's Sustainability Report 2021-22 in its printed format ('the Report') for the financial year ending 31st March 2022. The sustainability disclosures in this Report have been prepared by Ashok Leyland based on the material topics identified by them and in reference with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021 ('GRI Standards'). The intended user of this assurance statement is the Management of Ashok Leyland ('the Management'). Our assurance engagement was planned and carried out during February 2023 - March 2023.

#### Responsibilities of the Management of Ashok Leyland and of the Assurance Provider

The Management of the Company has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analyzing and reporting the information presented in the Report. Ashok Leyland is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on sustainability performance. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of Ashok Leyland.

We provide a range of other services to the Company, none of which in our opinion, constitute a conflict of interest with this assurance work. Our assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and are free from misstatements.

#### Scope, Boundary and Limitations

The reporting scope and boundary encompasses environmental, social and governance performance of Ashok Leyland operations in India that fall under the direct control of the Company's Legal team, and as brought out in the Report in the section 'About this Report' for the activities undertaken by the Company during the financial year 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2022.

We performed a limited level of assurance based on our assurance methodology VeriSustain<sup>™1</sup>. The assurance engagement considers an uncertainty of  $\pm 5\%$  based on materiality threshold for estimation/measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. The reported data on economic performance, expenditure towards Corporate Social Responsibility (CSR) activities, and other financial data are based on audited financial statements issued by the Company's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial information within the Report.

#### **Basis of our Opinion**

As part of the assurance process, a multi-disciplinary team of sustainability specialists performed assurance work for selected sample sites of Ashok Leyland. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience;

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<sup>&</sup>lt;sup>1</sup> The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance and is available on request from www.dnv.com

### DNV

- Reviewed the approach to stakeholder engagement and materiality determination process and its outcomes as brought out in the Report.
- Interviews with selected senior managers responsible for management of sustainability issues and review of selected evidence to support topics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives.
- Sample based assessment of site-level sustainability performance data through on-site audits at manufacturing facilities at Ennore (Tamil Nadu) and Pantnagar (Uttarakhand), Foundry at Sriperumbudur (Tamil Nadu) and Corporate Office at Chennai (Tamil Nadu) to review processes and systems for preparing the data and implementation of sustainability strategy. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting on Organizational Profile, Strategy, Ethics and Integrity, Governance, Stakeholder Engagement and Reporting Practices based on GRI 2: General Disclosures 2021.
- Reviewed the performance disclosure of identified material topics and related GRI Standards; that is, carried out an assessment of the processes for gathering and consolidating performance data related to identified material topics and, for a sample, checked the processes of data consolidation to assess the Reliability and Accuracy of performance disclosures reported based on GRI's topic-specific Standards.
- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness as per VeriSustain for a limited level of verification.

#### Opinion

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly adhere to the GRI Standards 2021, including GRI 2: General Disclosures 2021, GRI 3-3: Management of Material topics and disclosures related to the following GRI Standards which have been chosen by Ashok Leyland to bring out its performance against a set of identified material topics:

- GRI 201: Economic performance 2016 201-1
- GRI 203: Indirect economic impact 2016 203-1
- GRI 301: Material 2016 301-1
- GRI 302: Energy 2016 302-1
- GRI 303: Water and Effluents 2018 303-1, 303-2;
- GRI 305: Emissions 2016 305-1, 305-2, 305-3 (Partial disclosure)<sup>2</sup>, 305-4, 305-5
- GRI 306: Waste 2020 306-1, 306-2
- GRI 308: Supplier Environmental Assessment 2016 308-1
- GRI 403: Occupational Health and Safety 2018 403-1, 403-2
- GRI 404: Training and Education 2016 404-1
- GRI 406: Non-discrimination 2016 406-1
- GRI 407: Freedom of Association and Collective Bargaining 2016 407-1
- GRI 414: Supplier Social Assessment 2016: 414-1
- GRI 416: Customer Health and Safety 2016 416-1

2 Ashok Leyland has disclosed Scope 3 emissions under 5 categories out of 15 categories (as listed in the GHG protocol). For further details, please refer the management report.

#### Observations

Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain:

#### Materiality

The process of determining the issues that is most relevant to an organization and its stakeholders. The Report has fairly articulated identified material topics for its business. The materiality determination process carried out in the reporting period 2021-2022 was reviewed to evaluate its adequacy in the changed business scenario for the current reporting period. The process included inputs from key internal and external stakeholders and senior management of the Company, as well as issues considered important for the automotive sectors and global peers. In our opinion, the output of the process does not miss out any significant material issues and nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

#### Stakeholder Inclusiveness

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

The Report brings out the stakeholders who have been identified as significant to Ashok Leyland, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

#### Responsiveness

The extent to which an organization responds to stakeholder issues. The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness. However, going forward Ashok Leyland may, based on its strategic priorities, identify and articulate its medium and long-term sustainability targets and report its performance against these targets. Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

#### Reliability

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

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of data and information verified through our remote assessments with Ashok Leyland's management teams and data owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

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Completeness

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

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of the GRI's Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

#### Neutrality

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

The Report brings out the disclosures related to Ashok Leyland's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

#### **Statement of Competence and Independence**

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the assurance engagement and maintain independence as required by relevant ethical requirements relevant ethical requirements including the ISAE 3000 (Revised) Code of Ethics. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

#### Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

For DNV Business Assurance India Private Limited

Karthik Ramaswa my	Digitally signed by Karthik Ramaswamy Date: 2023.05.05 14:21:26 +05'30'	Sharma Digitally signed by Sharma, Anjana Date: 2023.05.05 14:29:29 +05'30'	Nagarajan, Sathishkuma	Digitally signed by Nagarajan, Sathishkumar Date: 2023.05.05 17:50:58 +08'00'
Karthik Ramaswamy Lead Verifier, Sustainability Services, DNV Assurance India Private Limited, India		Anjana Sharma Head – Sustainability Operations, India DNV Business Assurance India Private Limited, India	N Sathishkumar Assurance Revie Head, Sustainab DNV Business A Singapore Pte. L	ewer, ility Services ssurance td.

05 May 2023, Mumbai, India.

Project No: PRJN-504223-2022-AST-IND

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. <u>www.dnv.com</u>

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<sup>&</sup>lt;sup>2</sup> The DNV Code of Conduct is available on request from <u>www.dnv.com</u>

### GRI Content Index

### GRI Content Index (as per GRI 2021 Standards)

GRI Standard	Disclosure	Chapter	Pg. No.		
	GRI 2: General Disclosure 2021				
	1. The organisation and it	s reporting practices			
GRI 2-1	Organisational Details	Ashok Leyland- Compliance to Competitiveness	17		
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GRI 2-3	Reporting period, frequency, and contact point	About this Report	5		
GRI 2-4	Restatements of information	About this Report	5		
GRI 2-5	External assurance	About this Report	5		
	2. Activities an	d Workers			
		About Ashok Leyland			
GRI 2-6	Activities, value chain, and other business relationships	Strengthening Supplier Relationships	17		
GRI 2-7	Employees	Fostering an Inclusive Workplace	49, 50		
GRI 2-8	Workers who are not employees	Fostering an Inclusive Workplace	50		
3. Governance					
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GRI 2-10	Nominations and selection of the highest governance body	Ethical Business Practices	25		
		Ethical Business Practices	Refer AR		
GRI 2-11	Chair of the highest governance body	Annual Report- Report on Corporate Governance	FY 2021-22, Page 43		
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Ethical Business Practices	Refer AR FY 2021-22, Page 44-50		
GRI 2-13	Delegation of responsibility for managing impacts	Annual Report- Report on Corporate Governance	Refer AR FY 2021-22, Page 44-50		

	Role of the highest governance body	Ethical Business Practices	Refer AR FY 2021-22, Page 50	
GRI 2-14	in sustainability reporting	Annual Report- Report on Corporate Governance		
GRI 2-15 Conflicts of interest		Annual Report- Report on Corporate Governance	Refer AR FY 2021-22	
GRI 2-16	Communication of critical concerns	Holistic Stakeholder Engagement and Materiality Assessment	28	
GRI 2-17	Collective knowledge of the highest governance body	Annual Report- Board's Report	Refer AR FY 2021-22, Page 18	
GRI 2-18	Evaluation of the performance of the highest governance body	Ethical Business Practices	25	
GRI 2-19	Remuneration policies	Ethical Business Practices	25	
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GRI 2-21	Annual total compensation ratio	Annual Report- Particulars of Employees	54	
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GRI 2-22	Statement on sustainable development strategy	Message from the Head of Corporate Strategy and ESG	11	
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GRI 2-24	Embedding policy commitments	Ethical Business Practices	25	
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GRI 2-26	Mechanisms for seeking advice and raising concerns	Materiality Table	93-95	
GRI 2-27	Compliance with laws and regulations	Ethical Business Practices	25	
GRI 2-28	Membership associations	Annual Report- Business Responsibility Report	Refer AR FY 2021-22, Page 84	
5. Stakeholder Engagement				
GRI 2-29	Approach to stakeholder engagement	Engaging with Stakeholders and Our Approach to Materiality	29	
GRI 2-30	Collective bargaining agreements	Fostering an Inclusive Workplace	49	
	GRI 3: Material	Topics 2021		
GRI 3-1	Process to determine material topics	Engaging with Stakeholders and Our Approach to Materiality	30	
GRI 3-2	List of Material Topic	Materiality Table	88-95	
GRI 3-3	Management of Material Topic	Materiality Table	88-95	

	GRI 200: Economi	c Performance	
	GRI 201: Economic F	Performance 2016	
GRI 201-1	Direct economic value generated and distributed	Highlighting Our Economic Performance	20
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Highlighting Our Economic Performance	21
GRI 201-3	Defined benefit plan obligations and other retirement plans	Highlighting Our Economic Performance	21
GRI 201-4	Financial assistance received from government	Highlighting Our Economic Performance	No grant was availed from the government during FY 2021-22
	GRI 203: Indirect Econ	omic Impacts 2016	
GRI 203-1	Infrastructure investments and services supported	Empowering Our Communities	60-65
GRI 203-2	Significant indirect economic impacts	Empowering Our Communities	60-65
	GRI 204: Procureme	ent Practices 2016	
GRI 204-1	Proportion of spending on local Suppliers	Strengthening Supplier Relationships	68
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GRI 205-2	Communication and training about anti-corruption policies and procedures	Fostering an Inclusive Workplace	56
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	GRI 300: Env	vironment	
	GRI 301: Mate	erials 2016	
GRI 301-1	Materials used by weight or volume	Environmental Stewardship	38-39
GRI 301-2	Recycled input materials used	Environmental Stewardship	Not Reported
	GRI 302: End	ergy 2016	
GRI 302-1	Energy consumption within the organisation	Environmental Stewardship	33
GRI 302-2	Energy consumption outside the organisation	Environmental Stewardship	34

GRI 302-3	Energy Intensity
GRI 302-4	Reduction of energy consumption
GRI 302-5	Reductions in energy requirements of products and services
	GRI 303: Water and
GRI 303-1	Interactions with water as a shared resource
GRI 303-2	Management of water discharge- related impacts
GRI 303-3	Water withdrawal
GRI 303-4	Water discharge
GRI 303-5	Water Consumption
	GRI 304: Biodive
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
GRI 304-2	Significant impacts of activities, products, and services on biodiversity
	GRI 305: Emiss
GRI 305-1	Direct (Scope 1) GHG Emissions
GRI 305-2	Energy Indirect (Scope 2) GHG Emissions
GRI 305-3	Other indirect (Scope 3) GHG Emissions
GRI 305-4	GHG Emissions Intensity
GRI 305-5	Reduction of GHG Emissions
GRI 305-6	Emissions of Ozone-Depleting Substances (ODS)
GRI 305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions
	GRI 306: Was
GRI 306-1	Waste generation and significant waste-related impacts
GRI 306-2	Management of significant waste- related impacts
GRI 306-3	Waste Generated
GRI 306-4	Waste Diverted from disposal

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GRI 306-5	Waste Directed to disposal	Environmental Stewardship	37-38				
GRI 308: Supplier Environmental Assessment 2016							
GRI 308-1	New suppliers that were screened using environmental criteria	Strengthening Supplier Relationships	67				
GRI 400: Social							
	GRI 401: Employ	yment 2016					
GRI 401-1	New employee hires and employee turnover	Fostering an Inclusive Workplace	51, 53				
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fostering an Inclusive Workplace	53				
GRI 401-3	Parental leave	Fostering an Inclusive Workplace	55				
	GRI 403: Occupational He	ealth and Safety 2018					
GRI 403-1	Occupational health and safety management system	Fostering an Inclusive Workplace	58-59				
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Fostering an Inclusive Workplace	58-59				
GRI 403-3	Occupational health services	Fostering an Inclusive Workplace	58-59				
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Fostering an Inclusive Workplace	58-59				
GRI 403-5	Worker training on occupational health and safety	Fostering an Inclusive Workplace	57				
GRI 403-6	Promotion of worker health	Fostering an Inclusive Workplace	53				
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Fostering an Inclusive Workplace	58-59				
GRI 403-9	Work-related injuries	Fostering an Inclusive Workplace	59				
GRI 404: Training and Education 2016							
GRI 404-1	Average hours of training per year per employee	Fostering an Inclusive Workplace	55-57				
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Fostering an Inclusive Workplace	55-57				
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Fostering an Inclusive Workplace	55-57				

	GRI 405: Diversity and Equ
GRI 405-1	Diversity of governance bodies and employees
	GRI 406: Non-discri
GRI 406-1	Incidents of discrimination and corrective actions taken
	GRI 407: Freedom of Association a
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
	GRI 413: Local Com
GRI 413-1	Operations with local community engagement, impact assessments, and development programs
GRI 413-2	Operations with significant actual and potential negative impacts on local communities
	GRI 414: Supplier Social
GRI 414-1	New suppliers that were screened using social criteria
	GRI 416: Customer Heal
GRI 416-1	Assessment of the health and safety impacts of product and service categories
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
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GRI 417-2	Incidents of non-compliance concerning product and service information and labelling
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GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

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## UNGC Principles Mapping

UNGC Principles	Statement	Reference				
HUMAN RIGHTS						
Principle-1	Businesses should support and respect the protection of internationally proclaimed human rights	Page 49				
Principle-2	Make sure that they are not complicit in human rights abuses	Page 49, 68-69				
LABOUR						
Principle-3	Businesses should uphold the freedom of association					
	and the effective recognition of the right to collective bargaining					
Principle-4	The elimination of all forms of forced and compulsory labour	Refer AR FY 2021-22, Page 82				
Principle-5	The effective abolition of child labour	Refer AR FY 2021-22, Page 82				
Principle-6	The elimination of discrimination in respect of employment and occupation	Page 49				
	ENVIRONMENT					
Principle-7	Businesses should support a precautionary approach to environmental challenges	Page 32				
Principle-8	Undertake initiatives to promote greater environmental responsibility	Page 42-47				
Principle-9	Encourage the development and diffusion of environmentally friendly technologies	Page 78-85				
ANTI-CORRUPTION						
Principle-10	Businesses should work against corruption in all its forms, including extortion and bribery	Page 49, 56				

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