



SPICER®
Drivetrain Products



EMPOWERING GROWTH WITH **SUSTAINABLE GOALS**



SUSTAINABILITY REPORT

2017-18



James K. Kamsickas
President, CEO, and Director – Dana Incorporated



Mrs. Anjali Singh
Executive Chairperson – ANAND

Spicer India Board of Directors



Deepak Chopra
Executive Chairman



Robert Pyle
Director



Mahendra Goyal
Managing Director



Michael Bridenbaker
Director



Michael Campbell
Director



Saket Sapra
Director



Manoj Kolhatkar
Director

Spicer India is further strengthening the values of Ethics, People, Society and Environment those are inculcated by DANA Corporation and ANAND Group by publishing this sustainability report.



EMPOWERING GROWTH WITH SUSTAINABLE GOALS

At Spicer India Private Limited, we continue our focus on environmental and social sustainability while maintaining the strong growth in business. During the reporting period, we have experienced growth in sales volume. Our light axle sales experienced growth of 21.5%, and drive shaft sales registered growth of 6.5%. We were also able to increase our customer base by inclusion of large automobile manufacturers in the country as our customers. As part of accelerated growth strategy, we have made developments in our core and non-core products to align ourselves with dynamic customer requirements. We are further strengthening the new product development process to equip ourselves with future business requirements. While maintaining growth momentum, we have

continued to focus on conserving natural resources such as energy and water, and reducing discharge of wastes.

Keeping in mind the impacts of Climate Change, we have taken initiatives to improve energy efficiency and increase share of renewable energy into our operations. Our focus on product lifecycle has inspired us to develop lightweight products to improve fuel efficiency of vehicles, and also develop product line for electric vehicles.

We monitor our sustainability performance with focus on triple bottom line – Planet, People, and Profit. We have aligned our sustainability initiatives with Sustainable Development Goals (SDGs) set by United Nations Development Programme.

In purview of impacts of climate change, we intend to keep our growth momentum while ensuring inclusive growth through sustainable goals.

102-1 Name of the organisation

102-7 Scale of the organisation: Net sales (for private sector organisations)

SUSTAINABILITY PERFORMANCE

INR
13029
Million

Total Revenue

INR
16.85
Million

Environmental
Expenditure

INR
21.8
Million

Community Development
Expenditure

98.6%

Plantation Survival Rate

**25 Best Large
Workplace
in Asia – 2018**

Great Place to Work®



12%

Reduction in electricity
consumption per unit
of product

9%

Reduction in electricity
consumption per unit
of component

13%

Reduction in water
withdrwal per unit of
product and component

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MESSAGE FROM THE **LEADERSHIP TEAM**



FROM THE DESK OF **MANAGING DIRECTOR**



Dear Stakeholders

It gives me immense pleasure to release our sustainability report for FY 2017-18. This is our second sustainability report and has been prepared in accordance with GRI Standards. The report highlights our performance regarding sustainability goals aligned to Economic, Environmental and Social aspects.

I am delighted to share that during FY 2017-18, we have made significant progress in all the areas of operations, business development and financial performance despite high input costs due to commodity upward movement and inflation. We registered 12% growth in sales turnover during the reporting period and also improved financial performance through cost control, cost saving and effective working capital management.

The automotive component market segment is undergoing rapid changes owing to updates in regulations such as Bharat stage VI, crash norms, light weight components and policy push for electric vehicles etc. We consider market volatility, uncertainty, complexity, and ambiguity (VUCA) in our business planning and strategy. Our robust product development process helps us to adopt quickly to the fast changing business requirements, and improves our responsiveness to customers. During the reporting period, we took up initiatives to reduce weight of our products and also to reduce number of components in our products. We were successfully able to develop prototype of an electric axle for small commercial vehicle. The prototype was well appreciated by major automobile OEMs during Auto Expo 2018.

Sustainability is an integral part of our business and promotes development of business, conserve environment and improve society.

We have aligned our sustainability initiatives with the Sustainable Development Goals (SDGs) set by United Nations Development Programme.

At Spicer India, we believe that protecting environment is one of the major challenges world is facing today. We constantly look into innovative solutions to reduce environmental impacts of our activities. We have focused on renewable energy to fulfill part of our energy demand through solar energy. We are also taking up initiatives to reduce the environmental impact of our supply chain operations. We have realigned our suppliers in line with our business operations in northern and southern part of the country. We envisage that, as a result, there will be considerable reduction in the average distance of material movement. This will help us significantly reduce GHG emissions across our supply chain network.

Employees are our major asset and their safety is of prime importance to us. We continue focus on being an injury free work place. Our efforts have been recognized by accolades as our Chakan and Jodalli plants winning awards for Safety. We continued our focus on women empowerment and employee engagement activities. We constantly hear stake holder voices including that of employees. Every effort we put to make employees are satisfied. This shows are commitment and determination towards our Spicer India family to make the workplace to be work driven, fun loving and trust worthy. We as a family of Spicer India are responsible towards our society. We continue our focus on infrastructure development, education and healthcare as part of our CSR initiatives.

This report is an effort to showcase our sustainability performance and share good practices. We look forward to listen to your feedback on the report.

Thank you.

A handwritten signature in black ink, appearing to read 'M Goyal', with a long horizontal line extending to the right.

Mahendra Goyal
President and Managing Director

FROM THE DESK OF **CHIEF OPERATING OFFICER**



Amid a dynamic social and business environment, operating business in a responsible and sustainable manner is indispensable. Factors such as increasing material cost, evolving technology, stringent regulations and unpredictable markets are affecting the way we do business and creating new challenges in meeting stakeholder expectations. Sustainability has always been the key focus area of our business model that enables us to harness opportunities and address risks effectively.

Human capital is one of the key pillars of our enterprise as re-inforced through ANAND Group's and DANA's guidelines of "Business is 90% People" and "People Finding A Better Way" respectively. Our operating engineering model lays emphasis on developing the skills, experience, knowledge and commitment of our workforce hence, ensuring workers' satisfaction and overall wellbeing. We put our best possible efforts to strengthen relations with employees as they are major stake holder.

We are taking efforts for process improvement, resource optimisation, waste minimisation and efficiency enhancement. We adopt various measure like DANA Operating System (DOS), BSC, 5S, reduction in conversion cost and Cost of Poor Quality (COPQ) to improve operational excellence. We also implemented productivity improvement process and integrated them in employee performance measurement system to sustain operational excellence and continuous improvement.

During FY 2017-18, we aimed to reduce the environmental footprint through "North-to-North & South-to-South" projects which involved re-alignment and consolidation of our suppliers around our plants in Pantnagar and Jodalli. As a result, we will be able to reduce considerable amount of fuel consumption and GHG emissions across our supply chain.

The share of renewable energy has increased into our portfolio during FY 2017-18, through commissioning of rooftop solar power plant at our Chakan plant. The power plant is contributing significantly to energy requirement of the plant. We were able to successfully tackle challenges in utilizing renewable power through solar at our Jodalli plant.

We ensure that we are responsive to our customers' needs. Our research and development activities help us meet changing customer requirements. We also take into consideration changes in policies, regulations and business environment.

As a responsible corporate, we also acknowledge our obligation towards communities we operate in. SNS foundation - CSR wing of ANAND group is responsible for carrying out welfare programmes aimed at benefitting local communities and society at large.

While we are making steady progress in the path of sustainable growth, we are aware of the constraints along the journey. I believe that adopting sustainable practices will help us improve our triple bottom line performance thus, giving us an edge over our peers.

Thank you.

A handwritten signature in black ink, appearing to read 'Naresh Moily', written over a horizontal line.

Naresh Moily
Chief Operating Officer



SPICER[®]

Drivetrain Products

ABOUT THE REPORT

This is our second sustainability report that outlines our performance on socioeconomic and environmental parameters for the reporting period from April 1, 2017 to March 31, 2018. We intend to publish the sustainability report annually. This report has been prepared in accordance with the GRI Standards - Core option. The report boundary includes information pertaining to our Indian operations, and include our manufacturing locations at Chakan (Pune), Satara, Jodalli, Pantnagar, and Manesar.

We have demonstrated our efforts aligned to material topics identified through stakeholder engagement and materiality assessment exercise. The exercise was carried out during preparation of our previous sustainability report for FY 2016-17. We have continued reporting on same material topics in the current report.

We have followed GRI Principles of stakeholder inclusiveness, sustainability context, materiality and completeness for defining the report content. Each section of the report includes management approach and outlines our performance with reference to material topics relevant to respective sections.

The report includes forward-looking statements based on certain assumptions and management plans. In the report, these statements have been identified by words such as 'intend', 'anticipate', 'believe', 'expect', 'project', 'plan', etc. Should they materialize, the achievement of the projections is subject to risks and uncertainties.

We welcome your valuable feedback on this report.

Kindly reach us at:
Ashutosh Walimbe
DGM – EHS

Spicer India Private Limited
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102-50 Reporting Period
102-52 Reporting Cycle
102-54 Claims of reporting in accordance with the GRI Standards
102-51 Date of the most recent report
102-46 Defining report content and topic boundaries
102-53 Contact point for questions regarding the report

ORGANIZATION PROFILE



We, Spicer India Private Limited, are a joint venture between Dana Incorporated, USA ('Dana'), and ANAND group in India. Headquartered in Pune, Maharashtra, we are one of the leading manufacturers and suppliers of drivetrain products in India. Our joint venture partner - Dana is a major global manufacturer of auto components, headquartered in the USA. Its primary products include axles, drive-shafts, structural sealing, and thermal systems. ANAND group is India's leading manufacturer and supplier of automotive systems and components. The group is recognized for its long standing global partnerships in automotive technology with world leaders across product categories and segments.

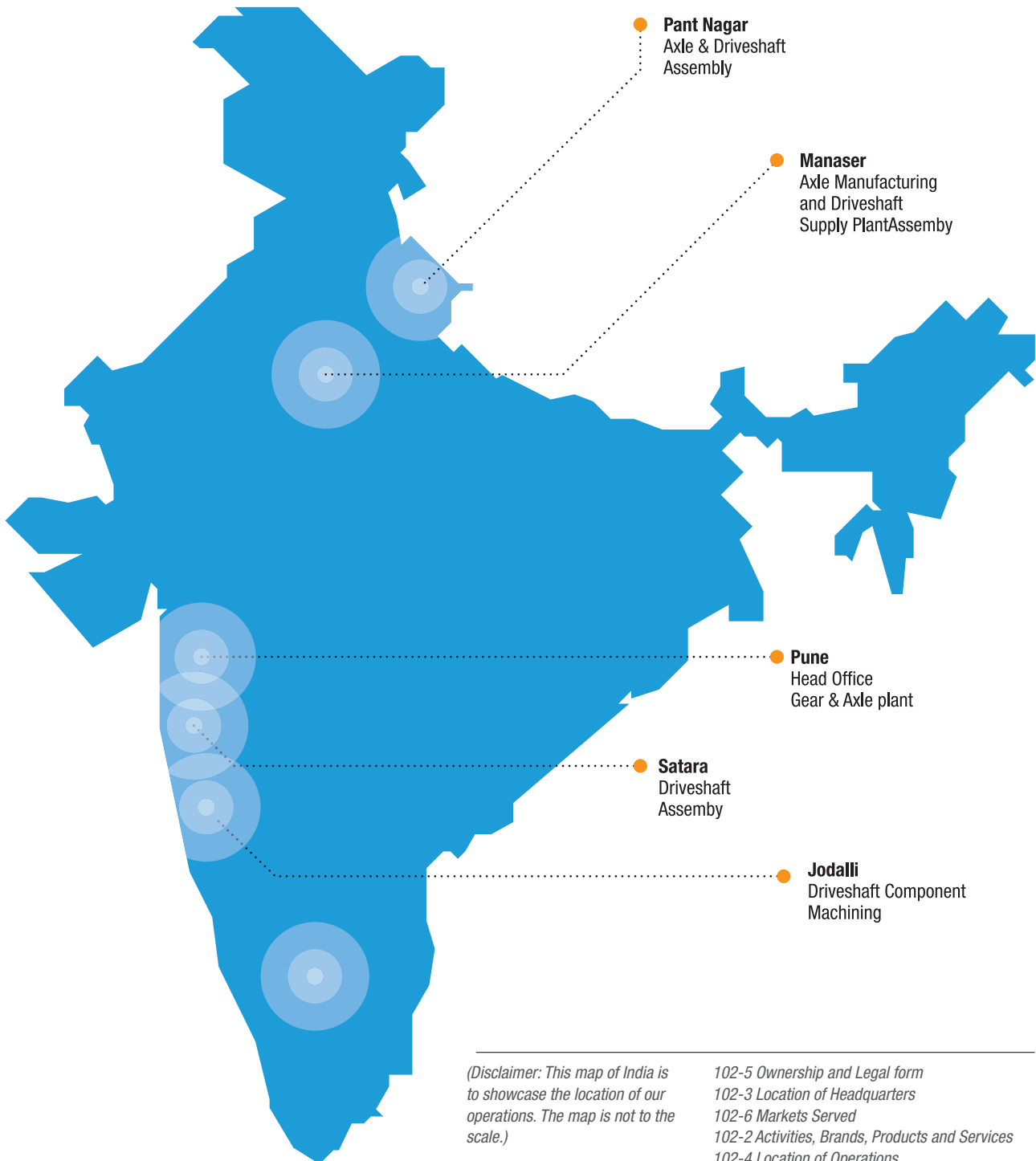
We are one of the leading automobile component manufacturers and suppliers in India. Our customer base includes major vehicle manufacturers in the country in the commercial vehicle segment and off-highway markets. We have established our name in the market with revenue turnover registering growth of 11.98% as compared to previous year. Our wide distribution network has played a key role in achieving this growth.

Another driver of our continued growth is our focus on R&D to leverage state-of-the-art technology to develop new products.

Well-planned initiatives have been developed and implemented to reduce the weight of the products leading to enhanced fuel efficiency of vehicles without affecting the torque carrying capacity. Additionally, we offer the advantage of global testing and advanced engineering. While new product development mostly takes place at Dana Corporation, USA, our own team of engineers works in tandem with customers to ensure superlative.

About Spicer India

Spicer India Private Limited is a joint venture between DANA Holding Corporation, USA and ANAND, India. We are the leading supplier of axles, driveshafts and drivetrain products as well as genuine service parts to automotive bellwethers.



Awards and Recognitions

received during the reporting period

“25 Best Large Workplaces in Asia -2018”
under Great Place to Work.



Institute of Directors -
Golden Peacock Business Excellence Award 2018.

Institute of Directors -
“Golden Peacock Innovation Management Award 2017”.

National Safety Council Award for Chakan Plant for the safety performance during FY 2016-17.



EHS Award from CII South Zone for Jodalli Plant for the safety performance during FY 2016-17.

Institute of Directors - **Golden Peacock Occupational Health & Safety Award** for Chakan Plant for performance during FY 2015-16.

National Safety Council award in Karnataka Region for the Jodalli Plant for its safety performance during FY 2016-17.



CORPORATE GOVERNANCE



We believe in sustainable growth and incorporate environmental and social aspects in our business decisions. Guided by Dana and ANAND group, Spicer's philosophy guides us to pursue business objectives in an ethical, transparent and accountable manner.

We can affirm that our strong corporate governance framework forms the backbone of our success story.

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Corporate Governance

The principles and values of Dana and ANAND group guide us and lay down the tenets for transparent and ethical business operations. The core value of Spicer India encompasses our philosophy at work.

The Board of Directors governs our business operations and gives directions to strengthen our internal controls and risk management framework. They also provide oversight on the Company's performance while ensuring adherence to world-class codes for corporate governance.

The composition of the Board of directors as on 31-Mar-2018 is as follows:

Sr. No.	Name	Position
1	Mr. Deepak Chopra	Executive Chairman
2	Mr. Mahendra Kumar Goyal	Managing Director
3	Mr. Robert David Pyle	Director
4	Mr. Michael Bridenbaker	Director
5	Mr. Michael Campbell	Director
6	Mr. Saket Sapra	Director
7	Mr. Manoj Kolhatkar	Director

We have Corporate Social Responsibility (CSR) committee and Audit committee at the Board level that develop and manage our internal controls, risk management and governance frameworks. These committees are headed by board members and operate as authorized representatives of the Board their actions are reviewed periodically at the Board level.

Composition of Audit Committee

Deepak Chopra	Executive Chairman
Robert Pyle	Member
Michael Bridenbaker	Member
Manoj Kolhatkar	Member

Composition of CSR Committee

Deepak Chopra	Executive Chairman
Robert Pyle	Member
Michael Bridenbaker	Member
Manoj Kolhatkar	Member

Code of Conduct

Guided by ANAND, our Code of Conduct enables effective decision making and helps in formulating effective management systems for operation, finance, risk and

information. We ensure that our senior management and employees adhere to the code of conduct.

We have robust internal control systems in place which are periodically evaluated by professional internal auditors, and statutory auditors. We continue to improve the existing internal control system through implementation of appropriate policies and procedures.

Enterprise Risk Management

Our Enterprise Risk Management (ERM) process that helps identify, assess and mitigate potential risks, turning threats into opportunities. Workshops were planned and conducted at various levels of hierarchy

across the organisation for identification and assessment of material risks. For each of the material risk identified, policies and procedures have been defined for monitoring, mitigating and reporting the risk periodically. We use the concept of Business Failure Mode and Effect Analysis (BFMEA) for ERM.

We are committed to complying with all laws, regulations and standards that are applicable to our operations. During the reporting period, there were no cases of non-compliance and no monetary sanctions have been imposed with respect to anti-competitive behavior, anti-trust, monopoly practices, legal, environment and



SIPL Culture

It is about

Who we aspire to be.

How we intend to behave

What we value

Five Tenets of SIPL - Culture

SPEED AND COMMITMENT

We deliver on our commitment in time, every time. #IPromise

INNOVATE AND TRANSFORM

We encourage innovation and transform to achieve our goals. #Innovate

PEOPLE CAPABILITIES

We respect and enhance competencies to outperform together. #LearnNGrow

LEARN OUR CUSTOMERS

We exceed customer expectations by First Time Right (FTR) and Every Time Right (ETR). #CustomerDelight

COMPLIANCE

We always adhere to policies and procedures to set highest standard in safety and compliance. #ZeroTolerance

social regulatory requirements. Further, there were no cases of corruption reported during the reporting period.

We have instituted a Whistle Blower Mechanism for reporting any genuine concern regarding violation of code of conduct. We have made available an ethics helpline to report any unethical activity without the fear of unfair treatment.

102-16 Values, Principles, Standards and norms of behavior
102-18 Governance Structure

102-17 Mechanisms for advice and concerns about ethics

102-33 Communicating critical concerns

102-30 Effectiveness of Risk Management Process

206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices.

STAKEHOLDER ENGAGEMENT & MATERIALITY ANALYSIS



We continue to cement our relationships with our stakeholders through an extensive two way stakeholder engagement process. The inputs received from this continuous dialogue has helped us strengthen our business strategy. The materiality assessment exercise has helped us identify topics that are critical for our long-term success and sustainability. The stakeholder engagement and materiality assessment process contributes towards making decisions regarding adequate resource allocation to address the identified material topics.

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Stakeholder Engagement & Materiality Analysis

We believe that stakeholder inclusiveness is an integral part of our business strategy. Thus, we regularly engage with our stakeholders and strive to reasonably meet their expectations through proactive approach. Our key stakeholders include customers, local community, employees, suppliers, contractors, shareholders, investors, government, regulatory authorities, and civil society organisations such as NGOs.

We regularly engage with our stakeholders to ameliorate any negative impacts, and create long-term value across our stakeholder groups. This exercise sets the tone to discuss our business and sustainability priorities, programs, performance, etc. The stakeholder engagement activity also helps us understand the needs and expectations of stakeholders. Accordingly, the topics that are material for our organisation are identified and prioritized. The output of the exercise is incorporated into our business strategy and sustainability goals. Accordingly, issues that are material for our operations are identified and prioritized.

Prioritization of Material Topics

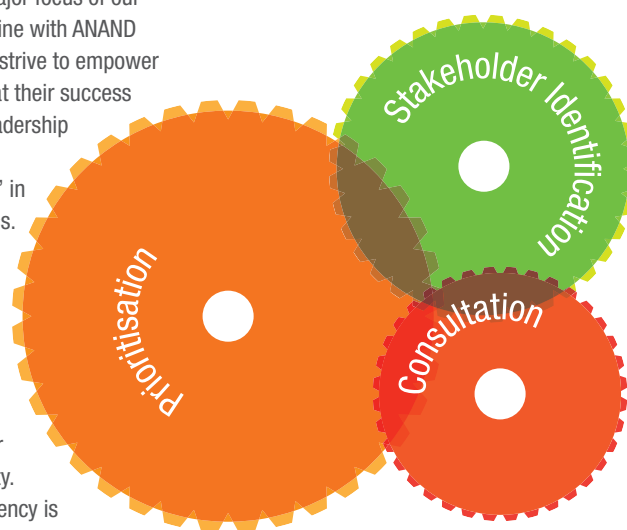
Our previous stakeholder engagement activity and materiality assessment was carried out during the reporting for FY 2016-17. Results of the activity were reviewed from the point of view of relevance and adequacy for our business activities during FY 2017-18. Based on the review the following topics have been identified as material for FY 2017-18:²¹

Inclusive growth is a major focus of our sustainability goals. In line with ANAND group's philosophy, we strive to empower women, and believe that their success fuels ours. Thus, our leadership has decided to include 'Women empowerment' in the list of material topics.

We believe that energy efficiency and conservation are crucial to the continuity of our operations and the enhancement of our manufacturing capability. Therefore, energy efficiency is also considered as a material topic.

The material topics such as business growth & profitability, product safety, new product development, and market / product Composition are core activities of our business. These topics are emphasized upon

by the management, ensuring that adequate resources are allocated to address them. This year's Sustainability report is focusing on nine material topics as outlined below.

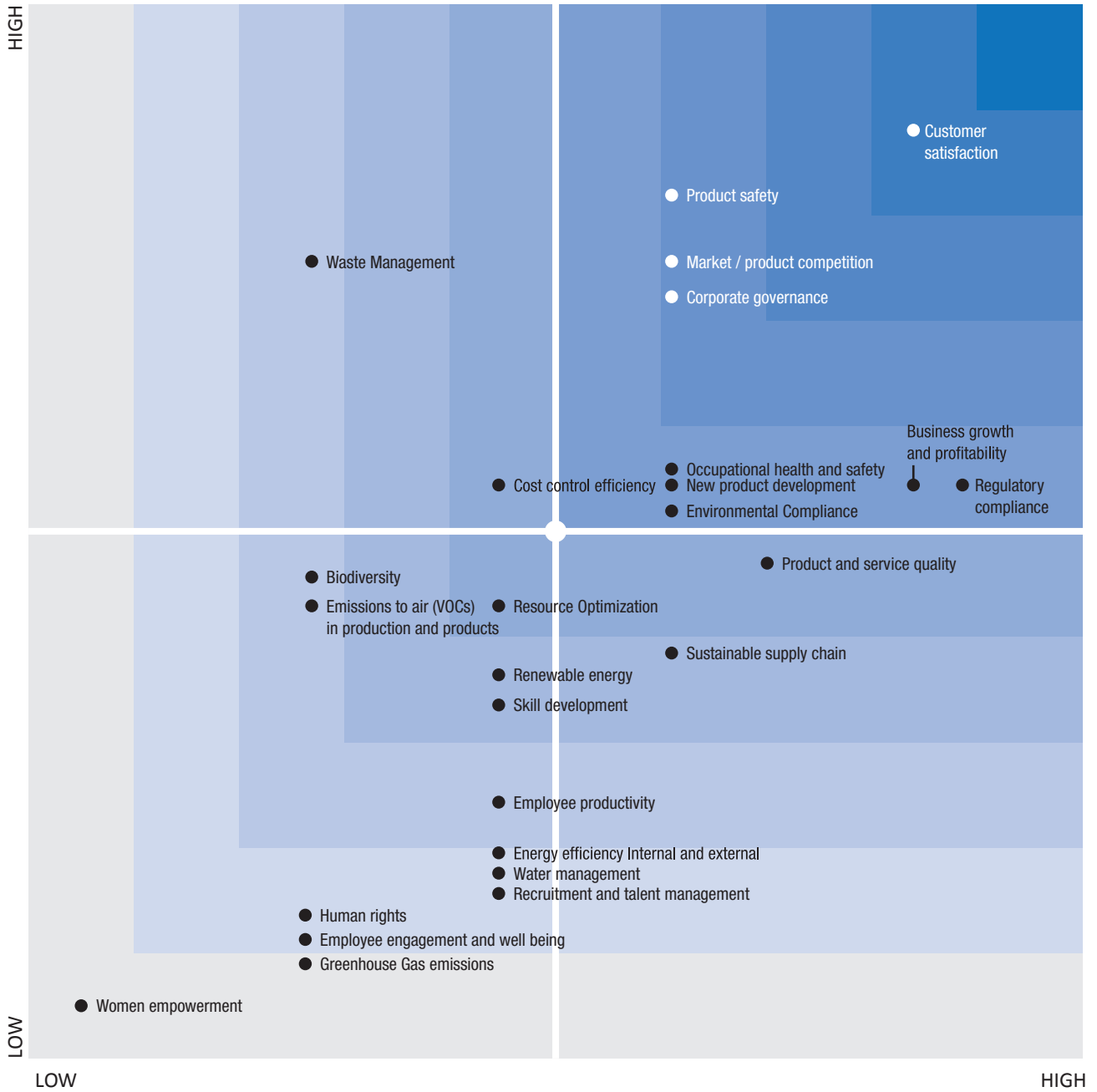


Material Topics	GRI Material Topics	Disclosures in the Report	Stakeholders Impacted	Our involvement in the impact
Customer satisfaction	Customer Privacy	Customer Centricity	Internal and External	Direct Impact
Corporate Governance	Corporate Governance	Corporate Governance	Internal	Direct Impact
Energy – energy efficiency and renewable energy	Energy	Environmental Excellence	Internal and External	Direct Impact
Occupational health & safety	Occupational Health & Safety	Workforce Management	Internal and External	Direct Impact
Environmental & regulatory compliance	Environmental Compliance	Environmental Excellence Corporate Governance	Internal and External	Direct Impact
Water Management	Water	Environmental Excellence	Internal and External	Direct Impact
Women empowerment	Diversity and equal opportunity	Workforce Management	Internal and External	Indirect Impact
Waste Management	Effluents and Waste	Environmental Excellence	Internal and External	Direct Impact
Employee Engagement and Well-being	Employment Diversity and Equal Opportunity Training and Education	Workforce Management	Internal	Direct Impact

102-40 List of stakeholder groups
102-47 List of material topics

102-29 Identifying and managing economic, environmental and social impacts.

Materiality Matrix





ECONOMIC PERFORMANCE

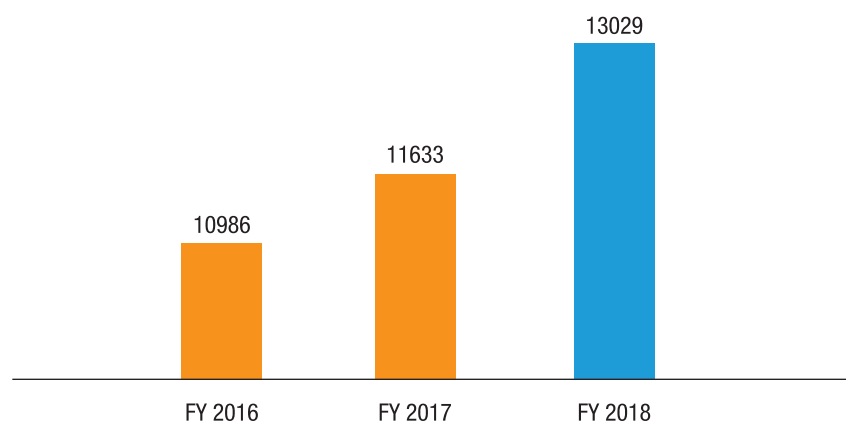


This year, the overall auto industry has showcased a growth of 14.78% compared to the previous year in spite of hurdles such as higher input costs and other costs due to inflation. We have been improving our economic performance by improving cash flow through effective cost control, cost savings, and working capital management. Maximizing stakeholder's value and sustaining the profitability margins is one of the cornerstones to a sustainable future.

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We consider economic performance to be a prime indicator of meeting stakeholder expectations. We believe that sustainability is integral to value creation for our shareholders, employees and other stakeholders.

Revenue (INR Million)



During FY 2017-18, we have grown considerably and have created a positive impression on our stakeholders, and the industry segment comprising of utility vehicle, small commercial vehicle, light commercial vehicle and M&HCV have grown by 14.11%. Keeping our performance in line with this growth, we have registered a growth of 11.98% in terms of revenue. This consisted of 10.60% sales growth in domestic market and 18.80% sales growth in exports as compared to the previous financial year. We have achieved this growth as a result of our focused efforts to enhance the customer satisfaction. The growth has been supported by our extended value chain and has been reinforced by our efforts to develop new products and explore new markets.

During the reporting period, we invested INR 67.60 million in research and development activities. We have under taken initiatives for improvement of our existing products and their enhanced performance and durability. We have also improved the new product development lead time.

We regularly review our business performance and take the necessary steps to ensure continuous improvement.

Direct and Indirect Economic Benefits

We aim to make a positive impact on the communities and environment we operate in. During the reporting period, we have registered a considerable growth while being

committed to reduce negative impacts on the environment. Our operations and growth have resulted in creating employment and livelihood opportunities, contributing to the local economy around our operational sites. Our extensive supply chain network provides business opportunities for small industries as suppliers and transporters. Initiatives such as North-to-North & South-to-South Supply chain integration contribute significantly to the local economy around our operations in Pantanagar (northern India) and Jodalli (southern India). During the reporting period, we spent about 92% of our procurement budget on domestic suppliers and about 8% on imports. We have 152 suppliers, of which 135 are domestic i.e based in India and 17 global suppliers. In addition to this, we take up several initiatives towards development of local community around our plant locations. Details of our community development initiatives are provided in the "Community Development" section of this report.

Economic Performance 2017-18 Highlights (Values in INR Million)

A. Economic Value Generated	FY 2016	FY 2017	FY 2018
Net Sales	10,168	10,797	12,715
Revenue from financial investments includes cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets (such as property rental)	188	393	289
Revenues from sale of assets include physical assets (such as property, infrastructure, and equipment) and intangibles (such as intellectual property rights, designs, and brand names)	2	11.44	10.97
B. Economic Value Distributed	FY 2016	FY 2017	FY 2018
Operating Cost	8,337	8,748	9,552
Employee wages and benefits	757	846	873
Payments to providers of capital	470	648	702
Payments to Governments	334	428	573
Exchange Loss	3	20	1
CSR Initiatives	18.50	18.70	21.80
Economic Value Retained (A-B)	438.50	492.70	1293.17

203-2 Significant indirect economic impacts

204-1 Proportion of spending on local suppliers

201-1 Direct Economic value generated and distributed

CUSTOMER CENTRICITY



All our actions are centered on meeting and exceeding the expectations of our customers. It is our relentless pursuit to improve our responsiveness to customers and build long term relationships with them. We aim to enhance the ease and flexibility of engaging with our customers, thus offering an end-to-end delightful experience. Our focus on customer safety and product stewardship further boosts the confidence of our customers.

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Customer Centricity

Customer centricity forms the core of our business strategy. We put concerted efforts to create a positive customer experience and enhance business propositions. Our product development focuses on developing and designing products that are sustainable for the environment, business and for our customers. We aim to become a zero complaint company in the near future.

Our research and development center is well equipped with state-of-the-art technology to continuously improve our products. We align our product development process as per feedback received from customers regarding product requirements. We also have certain product improvement goals considering futuristic business scenarios. As a result of our efforts towards innovation, we have achieved significant reduction in the weight of our products. For some products, we have been able to reduce the number of

Spicer's Drive on Electric Vehicle

Indian automotive market is fast embracing electric vehicle technology in order to fulfil its commitments to Paris accord. Spicer India with help from Dana corporation has taken proactive steps to develop electric axles technology.

We have carried out a comprehensive market assessment for Electrical Vehicle (EV) Drive Line during the reporting period. The study concluded that the Electrical Vehicle segment is an upcoming area of the Indian automobile sector. On calculating the effect of the EV drive on the traditional products such as axle and drive shaft, We found that mass transportation vehicle segment will be partly replaced by the electric motors and rest of the drive line may remain same. We envisage that the system may continue until a breakthrough technological shift.

We developed a prototype of an electric axle for small commercial vehicles to gain a competitive advantage. This prototype was displayed at Auto Expo 2018 and has garnered interest from many OEMs. Our future plans include more dedicated efforts on design of cost effective, electric vehicle axle prototypes and electric motors and controller integration.

Spicer India Customers

Original Equipment
Manufacturer

After Sales
Market

Component
Exports

components in the product while maintaining high level performance. Apart from cost optimization, the reduced weight of end use vehicles supports the improvement in fuel efficiency and benefits the environment. In order to ensure high quality products, we have a well-structured product design process.

Customer Health and Safety

The health and safety of the customers and end users is of paramount importance in the auto component manufacturing sector. Compliance with prevailing health and safety standards is at the forefront of all our decisions. We extensively assess all health and safety related aspects across four stages of procurement, design, manufacturing and delivery. During the reporting period, there were no incidents of non-compliances with regulations and voluntary codes of health and safety impacts of products and services.

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Also, there were no substantiated complaints concerning breach of customer privacy and loss of customer data.

Product Responsibility

At Spicer India, We feel proud to manufacture integral automobile parts that people use every day and trusting on the product's reliability. We have few of the best automobile manufacturers in our

customer portfolio consists of some of the most reputed automobile manufacturers. We strive to become the first choice in the increasingly competitive market to meet the, varying needs of the customers in the face of increasingly stringent regulatory compliances. It is imperative to innovate - into the process and products to sustain and grow. We understand the end of the life scenario for the product and adhere to these requirements as specified by our customers.

Product Labelling and Marketing Communication

We abide by Dana and ANAND group's guidelines for corporate communications. We follow all the relevant codes and service



manuals with regard to product information and labeling. We have a procedure for stringent assessment of legal and statutory requirement for marketing communications. We adhere to the Advertising Standards Council of India (ASCI) code. During the reporting year, there were no incidents of non-compliance with respect to regulations/voluntary codes of product information, labelling and marketing communications.

Grievance handling mechanism

We are committed to enhancing our customer-centric approach and improving our product and service offerings. We track our customers' requests, queries and demands through various engagement channels. We visit customers' premises frequently to understand their requirements. Inputs received during meetings and visits are then communicated to respective teams. Data privacy and confidentiality of customer data is a keen focus at Spicer. We are currently in the process of developing a module for handling the customer grievances. Our customer relationship management is based on customer satisfaction discussions, where we

take inputs from our customers. This has aided our efforts to serve them better and to reduce the turnaround time for customer complaints.

Our efforts towards continuous engagement with our customers help us be responsive to the requirements of customers and markets.

Value Analysis and Value Engineering (VAVE)

Value Analysis and Value Engineering (VAVE) is our flagship initiative to evaluate possibility of improvements and boost our Company's culture of innovation. We have specific customer projects for which research and development efforts are carried out. In the design stage, we focus on the development of appropriately sized product. This has helped us reduce the weight of the products leading to an improvement in fuel efficiency of the vehicle. This initiative has been very well received by our customers who are constantly looking at reducing vehicular weight. As a result of the initiative, we have been able to reduce our operational costs significantly.

VAVE has helped tap into new business opportunities in domestic as well as international markets. The initiative has also helped in cost savings, improved customer satisfaction, import substitution, and reduced maintenance of shafts and axles.

Our future plans lay out a pathway to offer VAVE to leading OEMs and to achieve cost competitiveness without compromising on the product performance. We can offer BS-VI vehicles that need manufacturing of higher range drive shafts.





ENVIRONMENTAL EXCELLENCE



7 AFFORDABLE AND
CLEAN ENERGY

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13 CLIMATE
ACTION

14 LIFE
BELOW WATER

15 LIFE
ON LAND

While maintaining the growth momentum, we ensure that we operate in environmentally and socially responsible manner. Balancing the triple bottom line performance is always at the core of our business strategy. We take measures to reduce the resource footprint by optimizing consumption of precious resources including raw materials, water, fuels etc. We are also working towards reducing the carbon footprint. Our efforts to increase share of renewable energy into our energy mix indicates our commitment to reduce GHG emissions. While we have taken efforts to reduce GHG emissions within our operational boundaries, we are also working towards reducing GHG emissions across our entire value chain in coming years.

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We are committed to maintain clean and safe environment through our efforts to carry out our operations in a sustainable manner. We ensure that operations are driven by resource levelling and optimization. Therefore, effective use of resources, transformation to low carbon energy sources, proper waste and water management are our key focus areas.

Along with focus on growing business operations, we closely monitor our Environmental performance. In operations, we have continued our focus on conserving natural resources such as energy and reducing discharge of waste. We have taken steps to improve energy efficiency through technological advancements, and to increase share of renewable energy into our overall energy mix. We ensure that our operations comply with all the applicable environmental regulatory requirements. We also look forward to adopt international best practices to ensure environmental performance is maintained during expansions of our plants. We ensure that the equipment purchased for the expansion activity are best-in-class in terms of energy efficiency and technology. An 'Environment, Occupational Health and Safety Policy' guides us towards our mission to protect and preserve the environment. The local biodiversity and natural ecosystems are being enriched by way of reforestation efforts. During the reporting period, we have planted about 501 saplings. During the reporting period, survival rate for this plantation is 98.60%.

We ensure highest environmental standards are followed across all our manufacturing locations. All our plants are except Manesar plant ISO 14001 certified, while Manesar plant was in process of receiving the certification during the reporting period. Our plants at Chakan and Satara have upgraded ISO 14001 EMS with 2015 version. Environmental performance in terms of resource consumption, effluent disposal and emissions is regularly reviewed by our management and actions are taken for continual improvement.

Raw Material Use and Optimization

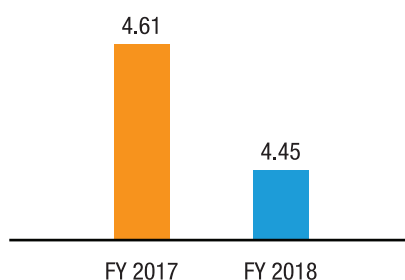
Our products primarily cater to the automobile industry. Understanding the nature of our operations, we utilize resources efficiently to reduce raw

material consumption and conserve natural resources. In purview of the market demand and resource conservation initiative, we continue our focus on reducing weight of our products through innovations in product development process.

Our raw materials comprise of metals, including different forms of steel, paints and thinners, oil and lubricants, and other composite materials. Our internal production processes include lubricants, welding consumables, etc. Currently raw materials and associated process materials are non-renewable materials. The packaging materials form very small quantity in our overall material consumption. We are in process of developing a mechanism to track and report usage of packaging material as part of the material consumption.

Material	Unit	FY 2017	FY 2018
Forging	MT	25,665	32,492
Casting (CI + SGI)	MT	19,755	23,118
Stamping	MT	5,794	7,955
Tubes	MT	3,289	5,146
Fasteners	MT	382	624

Specific Material consumption
(KG/unit of product and component)



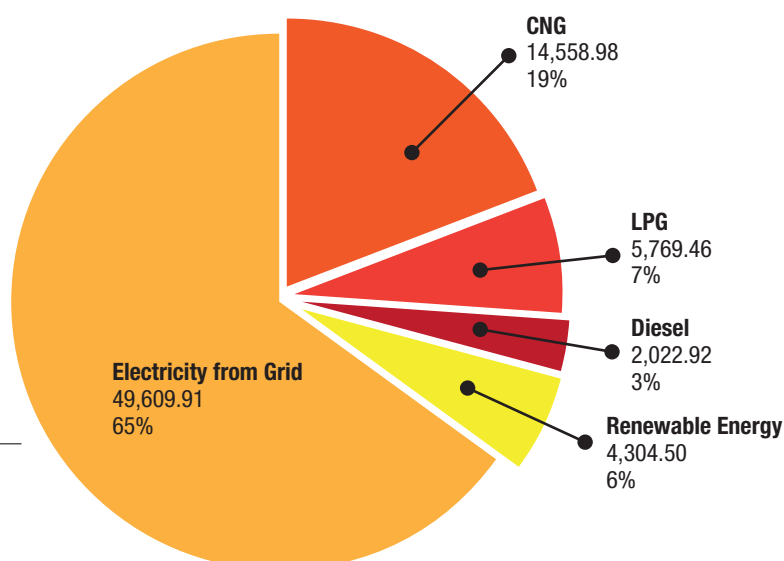
Energy and Emissions

Monitoring and managing energy consumption is one of the most important aspect of effective environmental stewardship. We understand the role of energy in global climate change scenario. We have taken initiatives to improve energy efficiency and increase the share of renewable energy in our operations.

During expansion of our plants, we ensure that the technology adopted is best in class with most efficient equipment. During the reporting period, we adopted low temperature baking pits, maintained the power factor greater than 0.99 consistently, carried out infrared thermography of electrical distribution to identify the losses etc. Further, we took many initiatives to reduce wastage of energy and improve the

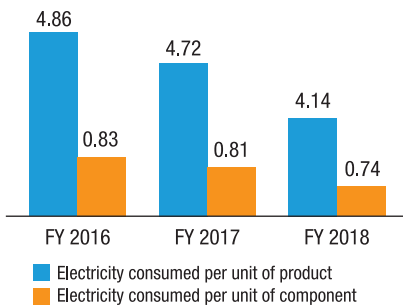
energy optimization. As part of our expansion activities, the construction of new buildings was carried out considering natural lighting and optimized space cooling requirements. We recorded increase in production during the reporting period, however our efforts to improve energy efficiency across operations have resulted in reduced specific electricity consumption during FY 2017-18 as compared to FY 2016-17.

Energy Mix (GJ)

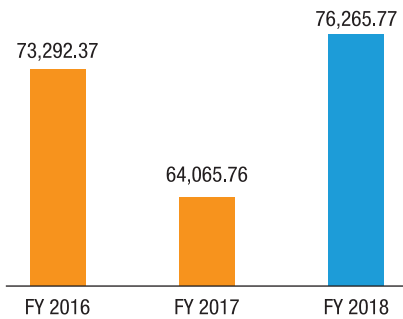


103-1 Explanation of materials topics and its boundary
301-1 Materials used by weight or volume
302-4 Reduction of energy consumption
302-1 Energy consumption within the organisation

Specific Electricity Consumption (kWh per unit of product/component)



Total Energy Consumption (GJ)



Our total energy requirements for our processes are met by combination of renewable and non-renewable sources. Non-renewable sources include conventional fuels like High-Speed Diesel (HSD), Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG), and Grid Electricity. Renewable energy sources include wind and solar power.

During the reporting period, we commissioned rooftop solar power generation at the Chakan plant. The solar power generated meets almost 10% of the plant's total energy consumption. Feasibility study of similar initiatives are in progress at Jodalli and Satara plants. While we are committed to maintain the share of renewable energy into our energy mix, we experienced technical difficulties in intake of wind power at our Jodalli plant during the reporting year. Our team worked hard to ensure that the issue was resolved and the plant was able to use the renewable energy again. However, in the meantime we continued our operations through purchase of grid electricity. As a result there was increase in the share of grid electricity in our operations and the absolute GHG emissions as compared to the previous reporting period. However the technical difficulties are now resolved and we will continue to consume the renewable energy as part of our overall energy mix in coming years.

We have been successful in reducing our specific electricity consumption of our operations through these years. Some of the key initiatives taken up towards energy efficiency are as follows:

- Usage of low pressure air to meet auxiliary requirements.
- Usage of solar lamps for premises lighting.
- Usage of new technology in shop floor lighting applications - use of energy saving TS/LED/Induction lighting.
- Replacement of high capacity motors with energy efficient motors of lower capacities and installation of variable frequency drives for optimizing energy consumption.

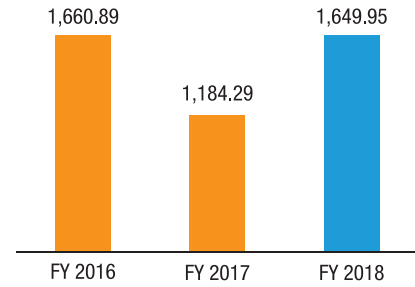
GHG Emissions

As part of our nation's initial commitment to Paris agreement, India plans to reduce its carbon emission intensity by 33-35% from 2005 levels by 2030. We understand our responsibility towards national commitment to reduce emissions. Being a responsible organisation, our focus is on having a low carbon value chain right from planning and designing to procurement and manufacturing.

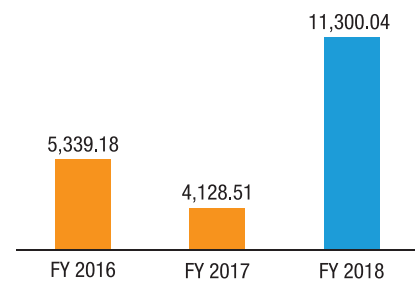
Air emissions

We are conscious of air emissions like SO_x, NO_x, and particulate matters through our operations and diligently monitor emission stacks. We also monitor the quality of ambient air to ensure all quality parameters are within limits as prescribed by respective statutory bodies from time to time.

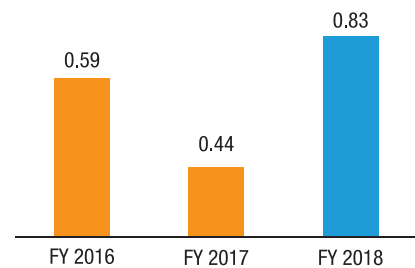
GHG Emissions (Scope-1) (tCO₂e)



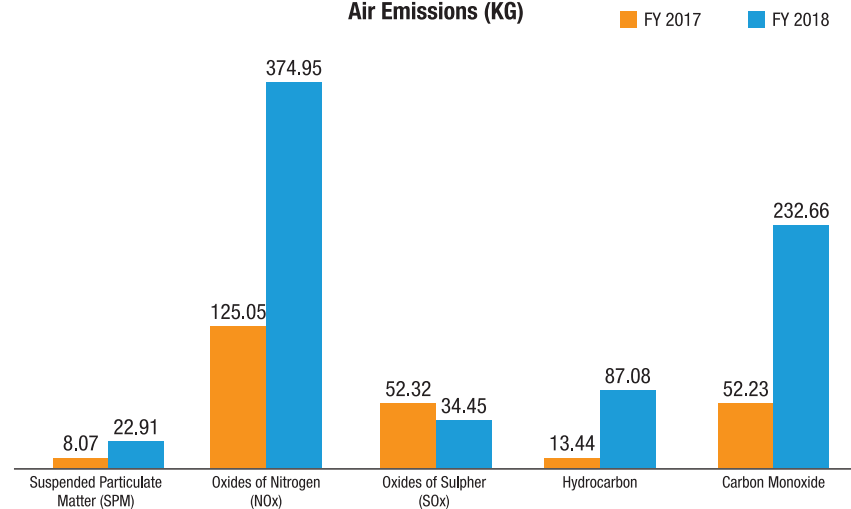
GHG Emissions (Scope-2) (tCO₂e)



Specific GHG Emission (kg of CO₂ / product & component produced)



Air Emissions (KG)



305-1 Direct (Scope 1) GHG Emissions

305-1 Indirect (Scope 2) GHG Emissions

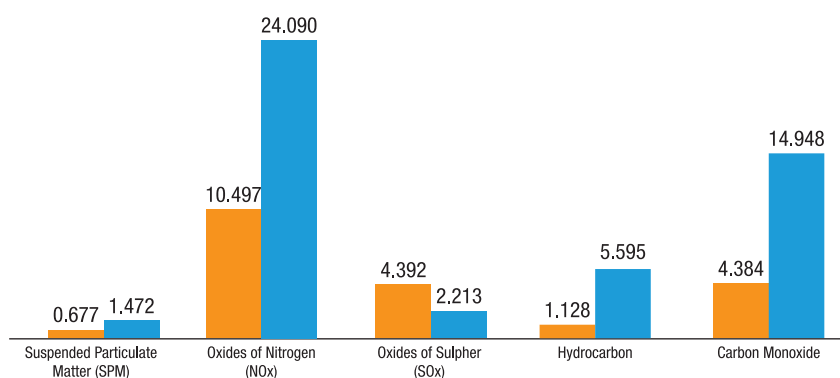
305-4 GHG Emission intensity

305-7 Nitrogen oxides (NO_x), Sulfur oxides (SO_x), and other significant air emissions

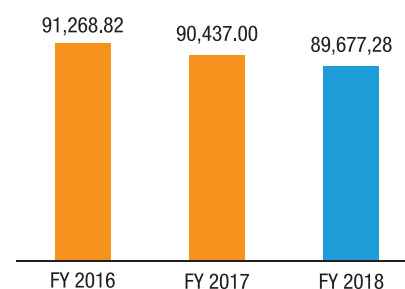
* Direct GHG emissions corrected for FY 2017.

* Increase in emissions is due to reduced use of renewals in one of the plants

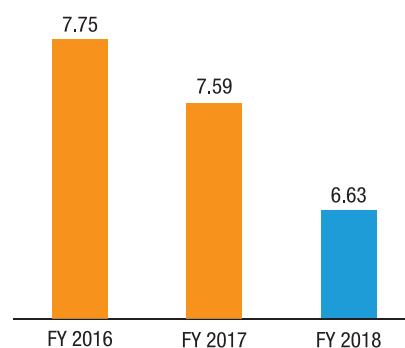
Specific Air emissions (mg/unit of product and component)



Total water withdrawal (KL)



Specific water withdrawal (Ltr/unit of product and component)



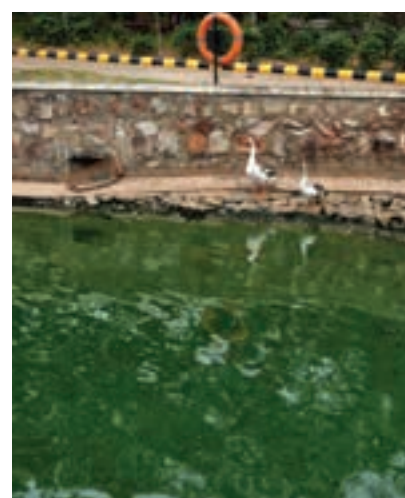
Water Management

We aim to achieve water security for our future generations through water stewardship initiatives. At all our locations, we have taken concerted efforts to reduce water consumption by continuing our water conservation initiatives. We aim to achieve zero effluent discharge for all our manufacturing locations in coming years.

The water consumed at our operations is primarily sourced from municipal supply, ground water and tanker water. In During FY 2017-18, our total water withdrawal was 103,219 KL, Our water conservation efforts resulted in decrease of about 13% in specific water consumption.

Total Water Withdrawal (in KL)			
Source \ Year	FY 2016	FY 2017	FY 2018
Municipal supply water consumption	54,049	59,706	56,453
Ground water consumption	32,204	27,519	25,890
Tanker water consumption	5,016	3,212	7,334
Total	91,269	90,437	89,677

Waste water reused			
Year	FY 2016	FY 2017	FY 2018
Waste water reused	8,266	19,716	18,308
Water reuse as % of water withdrawal	9.06%	21.80%	17.74%



Waste Management

Resource scarcity and accumulation of waste has become a global concern. Managing and judiciously treating the waste generated in our production processes is a priority area for us. Our operations and processes result in solid and liquid waste of both, hazardous and non-hazardous nature. The total waste generated in FY 2017-18 was 2,338.13MT, of which 384.51MT was hazardous and 1,953.62 MT was non-hazardous.



303-1 Water withdrawal by source
303-3 Water recycled and reused
306-2 Waste by type and disposal method

Hazardous Waste						
Category of Waste	Type	Unit	Disposal Method	FY 2016	FY 2017	FY 2018
Spent oil	Liquid	MT	Authorised Recycler	11.74	25.18	12.72
Grinding Muck / Sludge	Solid	MT	Authorised Incinerator	80.24	59.73	63.74
ETP sludge	Solid	MT	Landfill	55.51	65.54	50.77
Used paint / Thinner	Liquid	MT	Authorised Incinerator	0.22	0.68	0.929
Oil soaked cotton waste & Gloves	Solid	MT	Authorised Incinerator / Landfill	58.98	109.94	145.58
Glide coat powder +Glide coat shaving chips	Solid	MT	Authorised Incinerator	19.27	14.24	24.10
Waste glide coat powder / Primer	Solid	MT	Authorised Incinerator	0.74	0.73	2.44
Paint sludge	Liquid	MT	Authorised Incinerator / Landfill	48.13	92.23	80.25
Filter & filter material contaminants with organic liquids	Solid	MT	Authorised Incinerator	9.39	4.70	0.01
Phosphate sludge	Solid	MT	Authorised Incinerator / Landfill	6.20	3.07	5.19
Sludge from treatment of waste water arising out of cleaning/disposal of barrels/ containers	Solid	MT	Landfill	7.41	7.40	1.05
Sludge from scrubber	Solid	MT	Landfill	0.18	5.71	-
Oil and Grease Skimming Residue	Liquid	MT	Landfill	-	0.24	0.43
Bio-medical waste	Solid	KG	Authorised Incinerator	2.01	4.22	9.54
E-waste	Solid	MT	Authorised Recycler	-	-	0.12
Total		MT		298.00	344.07	384.51

Total number of discarded containers			
Reporting year	FY 2016	FY 2017	FY 2018
Number of containers	5600	4890	9281

Non-hazardous waste						
Category of Waste	Type	Unit	Disposal Method	FY 2016	FY 2017	FY 2018
Forge steel (SG boring scrap)	Solid	MT	Recycler	741.90	745.70	870.26
Turning scrap and MS solid scrap	Solid	MT	Recycler	408.31	483.28	415.49
Wooden Boxes	Solid	MT	Recycler	359.42	300.21	344.63
Paper, garbage, cardboard, plastic	Solid	MT	Recycler	222.67	205.26	297.37
STP sludge	Solid	MT	Recycler	35.88	40.91	-
Total		MT		1,768.18	1,775.36	1,953.62

Environmental Expenditure and Compliance

Our environmental expenditure comprises of environmental management expenses and expenditure on treatment & disposal of waste, and maintenance & operation of

pollution prevention and control equipment. During the reporting period, we incurred INR 16.85 million on environmental expenditure.

We ensure compliance with all applicable

Environmental Expenditure		
Sr. No	Expenditure Head	Expenditure (in INR Million)
1	AMC-ETP/STP	1.98
2	Treatment (ETP) Chemicals	0.85
3	Environment Monitoring Charges	1.79
4	Hazardous waste disposal cost	8.27
5	Gardening Consultation	3.97

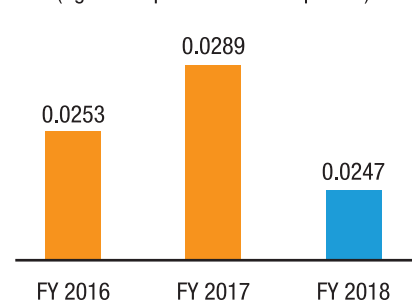
307-1 Non-compliance with environmental laws and regulations

* ETP sludge values have been corrected for previous years

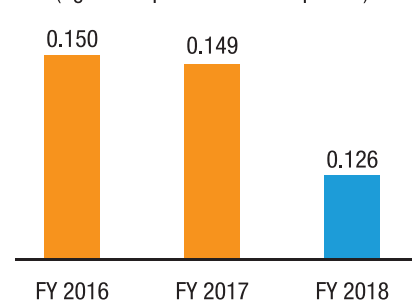
environmental regulatory requirements.

These include requirements from the Ministry of Environment, Forest and Climate Change (MoEFCC), Central Pollution Control Board, and State Pollution Control Boards. During the reporting year, no monetary fines or forms of non-monetary sanctions were levied upon us for any non-compliance with environmental regulations.

Specific hazardous waste
(Kg/unit of product and component)



Specific non-hazardous
(Kg/unit of product and component)



SPICER
Banjo Axle HT (4.88)
ANAND

SPICER
Banjo Axle HT (4.88)
ANAND



WORKFORCE MANAGEMENT



At Spicer India Private Limited, we are trying to achieve high performance culture and continuously strive towards excellence. Productivity improvement is driven by Dana Operating system (DOS) and JISHUKEN and is one of the key KPIs across all manufacturing locations. These KPIs are being integrated in to Employees Performance Measurement System to sustain operational excellence and continuous improvement. Workforce diversity, Optimum Cultural mix and Women Empowerment are few of the key highlights of our Human Capital development. As a result, we have been able to raise a strong and committed workforce across all our operational locations.

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Training and Development	35
Business Ethics and Human Rights	36
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Grievance Mechanism	36
Occupational Health and Safety	36

We believe that our success is the outcome of skills, knowledge, experience and commitment of our employees and therefore, their satisfaction and overall wellbeing is of paramount importance.

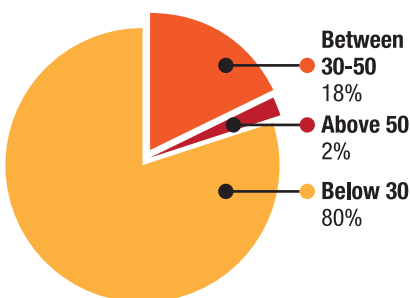
The Human resource agenda for the reporting period was focused on enhancing the productivity, strengthening the OE growth model, and capability development of Human Capital talent pool.

Our three pillars - Employee Prosperity, Enriching Skills and Employee Engagement aim at providing a work environment that promotes continuous development and employees' welfare. We engage our employees through various platforms. Some of the initiatives during the reporting period are:

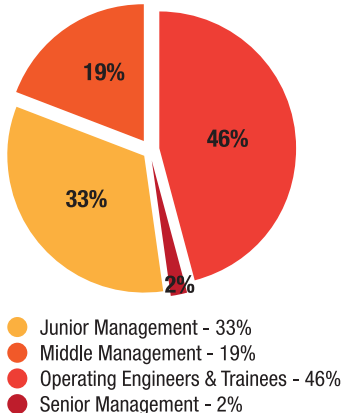
- Anand Leaders Development Program (ALDP),
- Visionary Leaders for Manufacturing Program (VLFM).
- Spicer Internship program (SIP),
- Job enrichment and career development through internal transfer (Internal Job Posting-UP)
- Team Leadership Development Program (TLDP) for operating Engineers.
- OE Growth Model.
- Working toward minimum 30 % women employment on shop floor & development programs such as NEW (Nurturing and empowering women).

Workforce Dashboard

Total workforce (age-wise) 2018

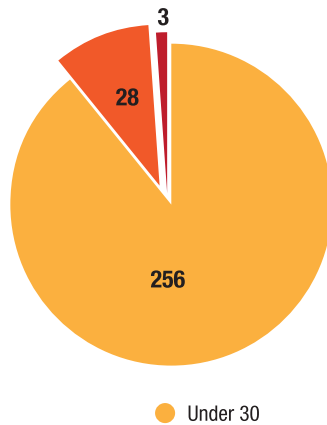


Total workforce by Employee Category

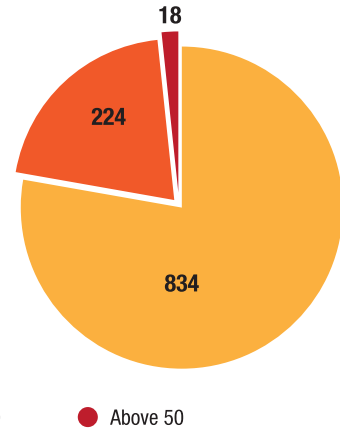


The workforce data presented in the report has been collected from our respective locations (as on 31st March 2018) and is being compiled at HO.

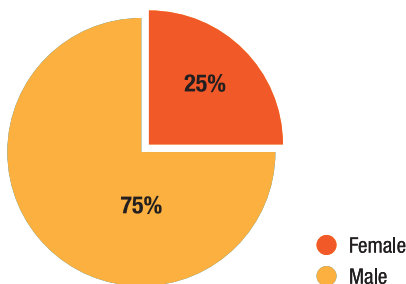
Female - (Age wise) 2017-18



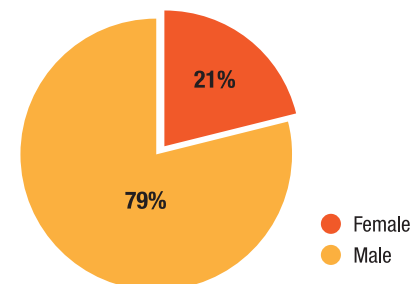
Male - (Age wise) 2017-18



Workforce diversity on the shop floor



Overall Workforce diversity



Training and Development

We at Spicer realize significance of capacity development of our talent pool. We provide multiple development opportunities to our employees through effective training plans. Every employee has access to e-learning modules for both behavioral, and technical training.

During the reporting period, selected employees were sent abroad for training at Dana manufacturing facilities and technical centers, thus helping them to acquire knowledge on the latest technologies in the sector. Some senior management employees were sponsored for prestigious Leadership Development program at Oxford University, UK. We also provide opportunity to employees to develop professional skills through sponsorship for certain professional courses.



Our efforts towards training and development help us to build the Human Capital in long term. Summary of training and development efforts is as provided in the following table

102-8 Information on employees and other workers.
404-2 Programs for upgrading employee skills and transition assisted programs.
404-1 Average hours of training per year per employee.

Average hours of training per year per employee by gender and by employee category							
Category	Criteria	Male			Female		
		No of employees	Total Man-hours	Average hours	No of employees	Total Manhours	Average hours
Senior Management	L3, PH & Above	27	671	24.852	0	0	0.000
Middle Management	L2 & L1	152	6965	45.822	24	1702	70.917
Junior Management	L0, L0(OES), TL & SOC	94	2460	26.170	10	761	76.100
Trainees	L, OE, OET, ESM	422	14698	34.829	144	4423	30.715
Contractual (FTA/Consultant/Advisor)	All contractual	182	1205	6.621	2	0	0.000

Some of our training and development initiatives are as follows:

ANAND scholar scheme for higher education	ANAND leadership development Programme
ANAND U - home corporate university	Team leader development Programme
Leadership grid, Star, Disha	Human capital development

Business Ethics and Human Rights

Business ethics play a major role in building an organisation's reputation thus, making it more appealing to the stakeholders. Our code of conduct has been approved by our Board of Directors and embodies our policy to act in a fair manner and respect the dignity of every individual.

We also provide training to our employee on different policies and procedures concerning code of Conduct and human rights. 100% of our employees are trained on aspects related to business ethics and human rights.

Diversity and Inclusion

In today's evolving business dynamics, bringing in a diverse perspective to arising challenges is key to an organisation's success. Being a part of the workforce, women employees can bring significant positive changes to the business and therefore, gender equality is one of our prime focus areas.

We are an equal opportunity employer with remuneration ratio of 1:1 for males and females. Strict adherence is being followed to statutory and regulatory norms for the payment of wages at all entry levels. We strive to provide a bias-free work environment to all our employees. Our focus has always been to recruit people from diverse backgrounds. Our employees represents a mixture of cultures with people coming from different parts of the country. During the reporting period, no cases with regard to discrimination at the workplace were reported.

All our recruitments, placements, promotions, transfers, compensations, training and other benefits are based on the merit, competency of the individual and the business needs of the Company. We provide wages as per applicable regulatory requirements for minimum wage.

Grievance Mechanism

We have a robust grievance mechanism in place. In case of any violation of the code or

an event of misconduct, act of misdemeanor or act not in interest of the company, every employee has complete freedom to report such incidents. Various options such as, reaching out to the supervisor and/or third party ethics helpline are available for reporting the incident. Further employee can also reach out to management via Plant head or COO and MD connect boxes at locations.

Our code of conduct also enables employees to make protected disclosures. We ensure complete protection to the employee making the disclosure and any attempt to intimidate the employee is treated as a violation of the code. During reporting period, no concerns were reported on ethics helpline and same were resolved

Occupational Health and Safety

We acknowledge the fact that a safe and healthy work environment is a basic

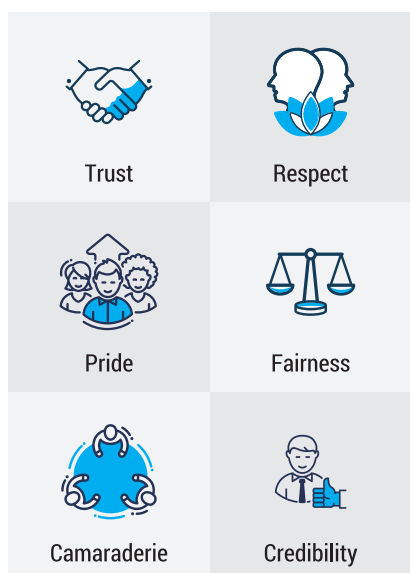


Parental Leave

Description	Employees entitled to maternity leave	Employees who took maternity leave (FY 2018)	Employees who returned back to work after maternity leave ended (FY 2018)	Employees returning from maternity leave in FY 2017	Employees who took maternity leave in FY 2017, returned to work and employed for 12 months after return
Male	1,076	30	30	6	
Female	287	2	1	4	
Total	1,363	32	31	10	

412-2 Employee training on human rights policies or procedures
405-2 Ratio of basic salary and remuneration of women to men

406-1 Incidents of discrimination and corrective actions taken
401-3 Parental Leave



requirement for ensuring employee well-being and that best practices in occupational health & safety enhance the organisation's overall performance. We continuously work towards ensuring that our health and safety standards meet all regulatory requirements and benchmarked with best practices across the globe.

We have defined roles and responsibilities for occupational health and safety from plant level to the corporate level. We also perform



hazard identification and risk assessment for every task and ensure implementation of necessary controls. It is the outcome of our efforts that our plants at Chakan and Jodalli have completed 10 and 4 million working hours respectively without any loss time incidents (LTI). Similarly, our Manesar plant, Pantnagar plant and Hosur warehouse have completed 3 years, 2 years and 3 years respectively without any LTIs.

We have also bagged various recognitions for implementing safety practices across the organisation. This includes, winning Golden Peacock and National Safety Council award by Chakan plant and National Safety Council Karnataka chapter by Jodalli plant. OHSAS certification for Chakan, Satara, Pantnagar and Jodali plant is testimony of our efforts towards building an organisation wide safety culture.

Our safety committee is responsible for ensuring compliance and updating standards on Environment, Health and Safety, comprising equal number of worker and management representatives. During the reporting year, there were Zero fatalities within the company boundary. There were 8 recordable injuries and no cases of occupational diseases were reported.

Safety Performance		
FY 2018	Male	Female
Injuries	7	1
Lost days	0	1
Injury recordable lost time	7	1
Total recordable case rate	0.52	0.29
Recordable lost time case rate	0.00	0.29
Severity rate	0.00	0.29
Man-hours worked	2,707,292	686,952

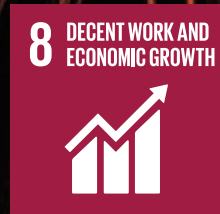
*Above mentioned data is combined data fo permanent and contractual workforce.

Note: -

- Recordable and Lost time cases are as defined in Occupational Health & Safety Administration, USA
- Total recordable case rate = (No. of recordable cases* 200000)/ Total man-hours worked
- Recordable lost times cases = (No. of lost time cases* 200000)/ Total man-hours worked
- Severity rate = (No. of days lost* 200000)/Total man-hours worked
- Lost time case in FY 2017 is happened out of company premise at dealer workshop in Cuttack, Odisha.

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.

SUPPLY CHAIN MANAGEMENT



Supply Chain Management plays a crucial role in our nationwide operations. We are taking efforts to have our manufacturing facilities and warehouses near to customer locations in India. Thus having a well-functioning chain of commands in terms of materials movement and effective resource management is necessary. Our supply chain management has focus on empowering our supplier base and help them align with our goals of sustainable development.

Engaging with Suppliers	39
supply chain integration.....	39

We are committed to ensure manufacturing excellence at suppliers end for improving quality, cost and delivery. Supply chain plays an important role for smooth functioning of our operations. We continuously explore opportunities to align our sustainable growth agenda in supply chain operations. Supply chain management is an integral part of our customer relationship management, demand management, financial and information flow, logistics, operational efficiency and risk management.

During the reporting year, various steps were taken to reduce stress on the overall supply chain. This includes our flagship initiative - North to North/South to South

We have a Supplier System Assessment (SSA) for on-boarding and managing our suppliers. It covers different evaluation criteria including compliance to safety and environmental norms. We follow Dana Code of Conduct for our suppliers.

We adhere to best practices in the industry with regard to preserving the integrity, dignity and rights of employees at our and supplier's end. Accordingly, Clauses for Child and



forced labor are inhibited in all our supplier agreements.

Engaging With Suppliers

We have various forums to engage with our suppliers. Out of total 152 suppliers nearly

92% are local i.e. based in India. We use platforms like regular annual suppliers meetings, e-mail communications, Quarterly update calls and participation in supplier industry association events for engaging with suppliers. Further we have active

North to North / South to South integration of the supply chain

As part of our journey towards sustainable goals, we are taking steps to optimize supply chain operations. North-to-north & South-to-south is an effort towards optimizing our supply chain. We have operations spread around Pantnagar in north part of India, and around Jodalli in south part of India. We analyzed the material travel from our suppliers and also the material travel between our plants, and have re-aligned the supply chain as part of the initiative.

As part of the north-to-north initiative, we have established linkages with suppliers in northern part of India for our operations in Pantnagar. Similarly we are creating a supplier base near our Jodalli plant. This involves partnering with some new suppliers as well as supporting some key suppliers to develop their capacity near our plant.

As a result of the initiative, we expect to reduce approximately 200 to 300 MT / day of material movement. This will eventually help us reduce fuel consumption and emissions across our supply chain. Also, concentrating efforts to sourcing from near our plant locations will boost the local economy at respective plant locations.



engagements such as Value Analysis and Value Engineering (VAVE) and Visionary Small and Medium Enterprise (VSME) initiative. With this we have maintained smooth dialogue with our suppliers and ensured that they have systems in place for continuous supply of materials. This helps us reduce the risks associated with supply chain.

102-9 Supply Chain

102-10 Significant changes to the organisation and its supply chain



COMMUNITY DEVELOPMENT



We continue our commitment to society as part of our growth approach with sustainable goals. Our Corporate Social Responsibility (CSR) initiatives are integrated into our strategy for inclusive growth. Our The CSR policy serves as guiding principle for our CSR activities. The CSR committee regularly reviews the progress of initiatives and provides valuable feedback from time to time. We continued our focus on three developmental areas – infrastructure development, education, and healthcare.

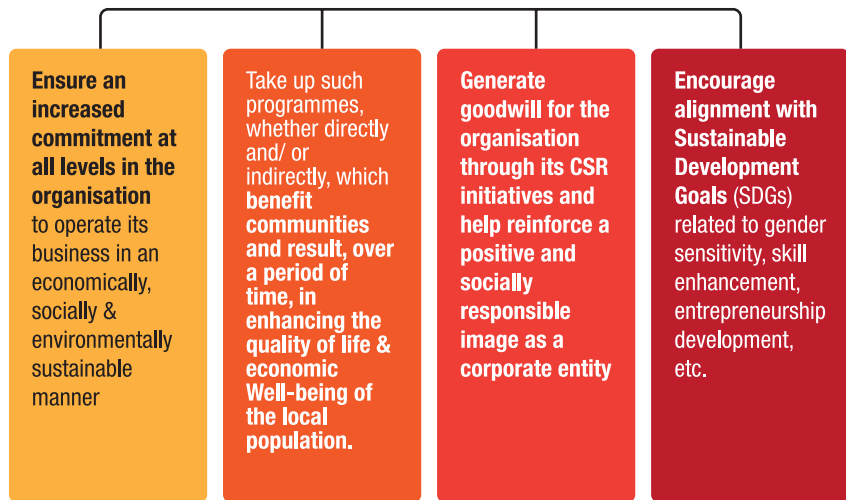
CSR Aims and Objectives 41

Our community development initiatives are guided by the organisation wide CSR policy. We have a board level CSR committee responsible for governance and execution of CSR programmes. The committee regularly reviews progress of our CSR activities. Inputs received from the committee are incorporated for continual improvement of our programmes and activities.

To provide both targeted and long-term sustenance of our CSR projects we work under the umbrella of SNS Foundation : the CSR wing of ANAND Group. We also encourage our workforce to volunteer for community development initiatives from time to time.

CSR Aims and Objectives:

For implementation of CSR programmes we follow the process of identifying the needs of the community through a participatory approach. Our programmes are then structured accordingly. We ensure that the initiatives are carefully executed, and monitor the progress through a robust monitoring and evaluation framework. We also perform an impact assessment to assess if goals are being achieved or not.



Infrastructure Development

We are putting concerted efforts towards infrastructure development to support local communities. During the reporting period, our focus has primarily been on developing educational infrastructure.

Education

We understand the role of education in development of the society. Our inclusive growth philosophy has education as one of the prime focus areas. During the reporting period, we supported skill development of

youth to help them earn an employment. A part of the group was youth with speech and hearing impairment. We successfully trained them and supported them with employment opportunities.

Healthcare

We contribute our efforts towards healthcare of community. During the reporting period, we have focused on improving hygiene and sanitation for urban slums. We catalyzed our efforts along with government departments to improve hygiene and sanitation facilities.

Infrastructure Development	Education	Healthcare
<p>Developed digital education facilities and provided teachers for academically weak students. also worked towards improving infrastructure of government schools</p> <p>Supported an NGO in Gurugram that is working towards quality enhancement of primary education.</p>	<p>Organised vocational training courses for speech and hearing impaired youth.</p> <p>Life skills sessions and supported development of science lab at Government senior secondary school.</p> <p>Conducted capacity building sessions for factory operations ANAND-Spicer-SNS-Nutan JIVICA Kendra.</p>	<p>Continued support to low income colonies for healthcare, sanitation, and education.</p> <p>Engaged with relevant Government departments for slum development initiatives.</p>



GRI INDEX

GRI Content Index

Spicer India Private Limited has adopted the GRI Standards which are the first global standards for sustainability reporting. The GRI Content index for “In Accordance” Core Option depicts the linkages of the content in the sustainability report for FY 2017-18 with the GRI Standards Disclosure.

Spicer India Private Limited SR 17-18: GRI Content Index				
GRI Standard	Disclosure	Page Number	Chapter	Omissions
General Disclosures				
Organisational Profile				
GRI 102: General Disclosures 2016	102-1 Name of the organisation	3	Empowering Growth With Sustainable Goals	
	102-2 Activities, brands, products, and services	13	Organisation Profile	
	102-3 Location of headquarters	13	Organisation Profile	
	102-4 Location of operations	13	Organisation Profile	
	102-5 Ownership and legal form	13	Organisation Profile	
	102-6 Markets served	13	Organisation Profile	
	102-7 Scale of the organisation	3	Empowering Growth With Sustainable Goals	
	102-8 Information on employees and other workers	35	Workforce Management	
	102-9 Supply chain	39	Supply Chain Management	
	102-10 Significant changes to the organisation and its supply chain	39	Supply Chain Management	
Strategy				
	102-14 Statement from senior decision-maker	8, 9	Message from the leadership team	
Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	17	Corporate Governance	
	102-17 Mechanisms for advice and concerns about ethics	17	Corporate Governance	
Governance				
	102-18 Governance structure	17	Corporate Governance	
	102-22 Composition of the highest governance body and its committees	17	Corporate Governance	
	102-23 Chair of the highest governance body	17	Corporate Governance	
	102-29 Identifying and managing economic, environmental, and social impacts	19	Stakeholders Engagement and Materiality Analysis	
	102-30 Effectiveness of risk management processes	17	Corporate Governance	
	102-33 Communicating critical concerns	17	Corporate Governance	
Stakeholder engagement				
	102-40 List of stakeholder groups	19	Stakeholders Engagement and Materiality Analysis	
	102-42 Identifying and selecting stakeholders	19	Stakeholders Engagement and Materiality Analysis	
Reporting Practices				
	102-46 Defining report content and topic Boundaries	11	About the Report	
	102-47 List of material topics	19	Stakeholders Engagement and Materiality Analysis	
	102-50 Reporting period	11	About the Report	
	102-51 Date of most recent report	11	About the Report	

GRI Standard	Disclosure	Page Number	Chapter	Omissions
	102-52 Reporting cycle	11	About the Report	
	102-53 Contact point for questions regarding the report	11	About the Report	
	102-54 Claims of reporting in accordance with the GRI Standards	11	About the Report	
	102-55 GRI content index	43	GRI Index	
Material Topics				
GRI 201: Economic Performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23	Economic Performance	
	103-2 The management approach and its components	23	Economic Performance	
	103-3 Evaluation of the management approach	23	Economic Performance	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	23	Economic Performance	
	203-2 Significant indirect economic impacts	23	Economic Performance	
	204-1 Proportion of spending on local suppliers	23	Economic Performance	
Anti-Competitive Behavior				
GRI 206: Anti-Competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	17	Corporate Governance	
Materials				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29	Environmental Excellence	
	103-2 The management approach and its components	29	Environmental Excellence	
	103-3 Evaluation of the management approach	29	Environmental Excellence	
GRI 301: Materials	301-1 Materials used by weight or volume	29	Environmental Excellence	
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	29	Environmental Excellence	
	103-2 The management approach and its components	29	Environmental Excellence	
	103-3 Evaluation of the management approach	29	Environmental Excellence	
GRI 302: Energy	302-1 Energy consumption within the organisation	29	Environmental Excellence	
	302-3 Energy intensity	30	Environmental Excellence	
	302-4 Reduction of energy consumption	Page No 29	Environmental Excellence	
Water				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	31	Environmental Excellence	
	103-2 The management approach and its components	31	Environmental Excellence	
	103-3 Evaluation of the management approach	31	Environmental Excellence	
GRI 303: Water Emissions	303-1 Water withdrawal by source	31	Environmental Excellence	
	303-3 Water recycled and reused	31	Environmental Excellence	

GRI Standard	Disclosure	Page Number	Chapter	Omissions
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30	Environmental Excellence	
	103-2 The management approach and its components	30	Environmental Excellence	
	103-3 Evaluation of the management approach	30	Environmental Excellence	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	30	Environmental Excellence	
	305-2 Energy indirect (Scope 2) GHG emissions	30	Environmental Excellence	
	305-4 GHG emissions intensity	30	Environmental Excellence	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	30	Environmental Excellence	
Effluents and Waste				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	31	Environmental Excellence	
	103-2 The management approach and its components	31	Environmental Excellence	
	103-3 Evaluation of the management approach	31	Environmental Excellence	
	306-2 Waste by type and disposal method	31	Environmental Excellence	
Environmental Compliance				
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	32	Environmental Excellence	
Employment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	35	Workforce Management	
	103-2 The management approach and its components	35	Workforce Management	
	103-3 Evaluation of the management approach	35	Workforce Management	
	401-3 Parental leave	36	Workforce Management	
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36	Workforce Management	
	103-2 The management approach and its components	36	Workforce Management	
	103-3 Evaluation of the management approach	36	Workforce Management	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	37	Workforce Management	
Training and Education				
GRI 103: Management Approach 2016 GRI 404: Training and Education	103-1 Explanation of the material topic and its Boundary	35	Workforce Management	
	103-2 The management approach and its components	35	Workforce Management	
	103-3 Evaluation of the management approach	35	Workforce Management	
	404-1 Average hours of training per year per employee	35	Workforce Management	
	404-2 Programs for upgrading employee skills and transition assistance programs	35	Workforce Management	

GRI Standard	Disclosure	Page Number	Chapter	Omissions
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36	Workforce Management	
	103-2 The management approach and its components	36	Workforce Management	
	103-3 Evaluation of the management approach	36	Workforce Management	
	405-2 Ratio of basic salary and remuneration of women to men	36	Workforce Management	
	406-1 Incidents of discrimination and corrective actions taken	36	Workforce Management	
	412-2 Employee training on human rights policies or procedures	36	Workforce Management	
Customer health and safety				
GRI 416: Customer health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	25	Customer Centricity	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	25	Customer Centricity	

GLOSSARY

ALDP	ANAND leadership Development Programme
ASCI	Advertising Standards Council of India
CO ₂	Carbon Dioxide
CSR	Corporate Social Responsibility
DOS	DANA Operating System
EMS	Environmental Management System
ETP	Effluent Treatment Plant
FY	Financial Year
GHG	Greenhouse Gas
GJ	Giga Joule
GPTW®	Great Place To Work®
GRI	Global Reporting Initiative
HSD	High Speed Diesel
INR	Indian Rupee
IRDU	Rear Drive Unit
ISO	International Organisation of Standardization
Kg	Kilogram
KL	Kilo Liter
KPIs	Key Performance Indicators
LPG	Liquefied Petroleum Gas
MoEF&CC ...	Ministry of Environment and Forest & Climate Change
MT	Metric Ton
NO _x	Oxides of Nitrogen
OE	Operating Engineer
OEMs	Original Equipment Manufacturers
OH&S	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PM	Particulate Matter
R&D	Research & Development
SDGs	Sustainable Development Goals
SIPL	Spicer India Private Limited
Sox	Sulphur Dioxide
SPM	Suspended Particulate Matter
SSA	Supplier System Assessment
STP	Sewage Treatment Plant
TS	Technical Specification
UN	United Nations
USA	United States of America
VAVE	Value Analysis and Value Engineering
VMC	Vertical Machining Centre
VOC	Volatile Organic Compound
VSME	Visionary Small and Medium Enterprise



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