



## Commercial Vehicle Solutions

ZF Group - ZF Commercial Vehicle Control Systems India Limited, Chennai 600058

Department Finance  
From Muthulakshmi M  
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Date September 22, 2023

The Manager  
Listing Department  
BSE Limited, Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001

**Scrip code: 533023**

Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G  
Bandra - Kurla Complex  
Bandra (E), Mumbai 400 051

**Trading Symbol: ZFCVINDIA**

Dear Sirs,

**Sub: Business Responsibility and Sustainability Report for the financial year ended  
31<sup>st</sup> March 2023**

Please find enclosed the Business Responsibility and Sustainability Report of the Company for the Financial Year 2022-23. The copy of the same is available on the website of the Company viz.,

[https://www.zf.com/mobile/en/company/investor\\_relations/zf\\_cv\\_india\\_investor\\_relations/zf\\_cv\\_india\\_ir.html#annual\\_report\\_acc\\_656411\\_0](https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html#annual_report_acc_656411_0)

Kindly take the above on record.

Yours sincerely,  
ZF Group

Muthulakshmi M  
Company Secretary  
ZF Commercial Vehicle Control Systems India Limited  
(Formerly known as WABCO INDIA Limited)

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

**MESSAGE ON SUSTAINABILITY FROM MD'S DESK**

Dear Stakeholders,

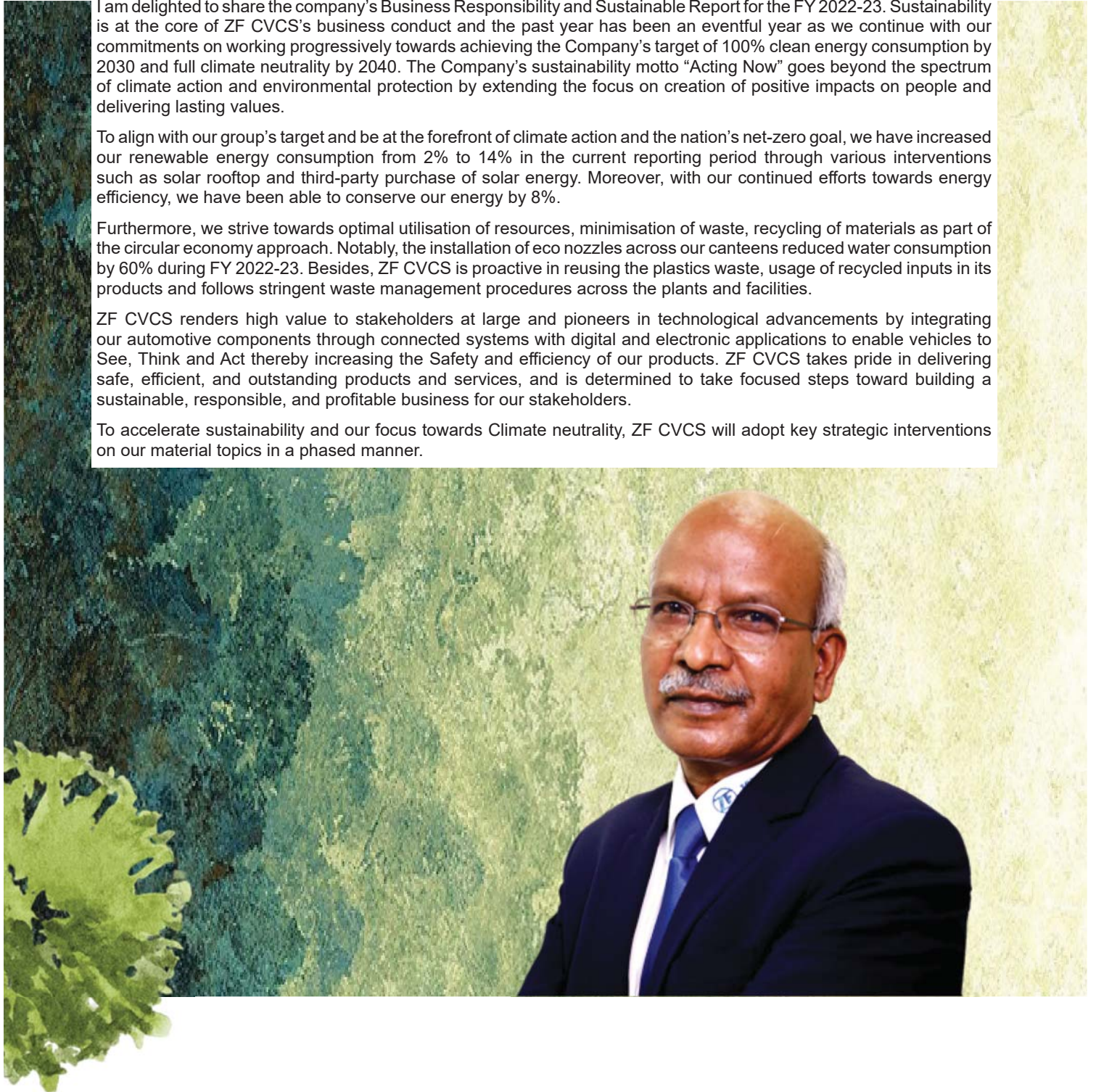
I am delighted to share the company's Business Responsibility and Sustainable Report for the FY 2022-23. Sustainability is at the core of ZF CVCS's business conduct and the past year has been an eventful year as we continue with our commitments on working progressively towards achieving the Company's target of 100% clean energy consumption by 2030 and full climate neutrality by 2040. The Company's sustainability motto "Acting Now" goes beyond the spectrum of climate action and environmental protection by extending the focus on creation of positive impacts on people and delivering lasting values.

To align with our group's target and be at the forefront of climate action and the nation's net-zero goal, we have increased our renewable energy consumption from 2% to 14% in the current reporting period through various interventions such as solar rooftop and third-party purchase of solar energy. Moreover, with our continued efforts towards energy efficiency, we have been able to conserve our energy by 8%.

Furthermore, we strive towards optimal utilisation of resources, minimisation of waste, recycling of materials as part of the circular economy approach. Notably, the installation of eco nozzles across our canteens reduced water consumption by 60% during FY 2022-23. Besides, ZF CVCS is proactive in reusing the plastics waste, usage of recycled inputs in its products and follows stringent waste management procedures across the plants and facilities.

ZF CVCS renders high value to stakeholders at large and pioneers in technological advancements by integrating our automotive components through connected systems with digital and electronic applications to enable vehicles to See, Think and Act thereby increasing the Safety and efficiency of our products. ZF CVCS takes pride in delivering safe, efficient, and outstanding products and services, and is determined to take focused steps toward building a sustainable, responsible, and profitable business for our stakeholders.

To accelerate sustainability and our focus towards Climate neutrality, ZF CVCS will adopt key strategic interventions on our material topics in a phased manner.



**HIGHLIGHTS**

**Principle 1- Ethics**

**100%** Board of directors and KMPs have undergone awareness program on the 9 NGRRC principles and Sustainability

**0** no. of. monetary / non-monetary fines, penalty and charges

**Principle 2- Product Stewardship**

**LCA** - Life cycle assessment (cradle to grave analysis) conducted for Pressure test connector, E compressor, Clutch near cylinder, Air Reservoir, Lift axle quick release valve, Tandem Master Cylinder, Compressor.

**Principle 3- Employee Well being**

**0.0** Lost Time Injury Frequency Rate for employees

**0.12** Lost Time Injury Frequency Rate for workers

**100%** of Employees provided with health insurance, accidental insurance and paternity benefits.

**100%** of the plants and offices assessed for Health and safety practices

**Principle 4- Stakeholder Engagement**

Stakeholder survey was conducted across the key stakeholder groups to identify key material topics for ZF CVCS India in the current reporting period.

**Principle 5- Human Rights**

**0** Child labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace and wages issue

**Principle 6- Environment**

**114746** Giga Joules of energy utilised in FY23

**86668** Kilo litres of water consumed in FY23

**20851** Metric tonnes of CO2 equivalent of green house gas emitted in FY23

**Principle 7- Public Policy Advocacy**

**0** case filed regarding unfair trade practices and anti-competitive behaviour

**9** associations in which ZF CVCS actively participates and engages responsibly for policy advocacies, welfare and development of chemical sector as whole

**Principle 8- Community**

**13%** Directly sourced from MSMEs / small producers

**54%** Sourced directly from within the district and neighboring districts of ZF's operations

**Principle 9- Customer relations**

**0** Forced Recall of product

**23%** Products carry information about safe and responsible usage

**BRSR OVERVIEW:**

**SECTION A** – General disclosures

**SECTION B** – Management and process disclosures

**SECTION C** – Principle-wise performance disclosure

<b>Principle 1</b>	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
<b>Principle 2</b>	Businesses should provide goods and services in a manner that is sustainable and safe
<b>Principle 3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains
<b>Principle 4</b>	Businesses should respect the interests of and be responsive to all its stakeholders
<b>Principle 5</b>	Businesses should respect and promote human rights
<b>Principle 6</b>	Businesses should respect and make efforts to protect and restore the environment
<b>Principle 7</b>	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
<b>Principle 8</b>	Businesses should promote inclusive growth and equitable development
<b>Principle 9</b>	Businesses should engage with and provide value to their consumers in a responsible manner

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

### SECTION A: GENERAL DISCLOSURES

#### Details

1.	Corporate Identity Number (CIN) of the Listed Entity	L34103TN2004PLC054667
2.	Name of the company	ZF Commercial Vehicle Control Systems India Limited ('ZF CVCS')
3.	Year of incorporation	2004
4.	Registered office address	Plot No.3, (SP) III Main Road, Ambattur Industrial Estate, Chennai - 600 058.
5.	Corporate address	Plot No.3, (SP) III Main Road, Ambattur Industrial Estate, Chennai - 600 058.
6.	E-mail	cvcs.info.india@zf.com
7.	Telephone	+91 044 4224 2000
8.	Website	<a href="https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html">https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html</a>
9.	Financial year for which reporting is being done	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	INR 948.38 Lakhs
12.	Name of contact details of the person who may be contacted in case of any queries on the BRSR Report	M. Muthulakshmi Phone: +91 44 4244 9514 E-mail: <a href="mailto:muthulakshmi.m@zf.com">muthulakshmi.m@zf.com</a>
13.	Reporting boundary	Standalone (Only for ZF CVCS India Ltd)

#### Products and Services

##### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Manufacturing of Automotive components	Air assist and full air actuation and accessories systems	78.32%
2	Spares	Spares	12.46%
3	Software services / Research and development / Business services	Software services / Research and development / Business services	8.41%

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	Automotive components and spares	29301	90.80%

#### Operations

##### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Manufacturing Unit(s)	Number of office(s)	Total
National	5	2	7
International	* ZF CVCS does not have any international locations		

The Company's manufacturing locations are located in:

- i. Chennai: Plot No. 3, (SP) III Main Road, Ambattur Industrial Estate, Chennai 600058
- ii. Jharkhand: Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832108
- iii. Mahindra World City: Unit - 1 & Unit - 2 at: Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Natham Sub-Post, Chengalpet, Kancheepuram District 603002
- iv. Pantnagar: Plot No.11, Sector 4, SIDCUL, IIE Pantnagar, Udham Singh Nagar, Uttarakhand - 263 153
- v. Lucknow: KH 159-162, 164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki, Lucknow, Uttar Pradesh 225 123

The Company has its ZF IT Center India and Technology Center Chennai situated at Porur, Chennai

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

### 17. Markets served by the entity:

The company operates in the following markets mentioned below:

#### a. Number of locations

Locations	Number
National (No. of States)	National- The Company operates across 28 states and 8 union territories
International (No. of Countries)	We export to 12 countries across the Americas, Europe, Asia and Africa

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

32.2%

#### c. A brief on types of customers

The Company has categories namely Automotive Original Equipment Manufacturer (OEMs), distributors, government agencies and retailers

Apart from conventional vehicles control systems, the company focuses on the fields of electric mobility, autonomous driving, connected solutions, electronics and embedded software.

### Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1724	1467	85%	257	15%
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total employees (D + E)	1724	1467	85%	257	15%
<b>WORKERS</b>						
4.	Permanent (F)	457	451	99%	6	1%
5.	Other than Permanent (G)	3191	2901	91%	290	9%
6.	Total workers (F + G)	3648	3352	92%	296	8%

##### b. Differently abled Employees and workers:

<b>Differently abled employees</b>						
S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	1	0	-	1	100%
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total differently abled employees (D + E)	1	0	-	1	100%
<b>Differently abled workers</b>						
4.	Permanent (F)	0	0	-	0	-
5.	Other than permanent (G)	8	7	88%	1	13%
6.	Total differently abled workers (F + G)	8	7	88%	1	13%

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel	3	1	33%

### 20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%	2%	14%	6.6%	1%	7.6%	4.2%	1%	5.2%
Permanent Workers	1%	0%	1%	2%	0%	2%	2%	0%	2%

### Holding, subsidiary and associate companies (including joint ventures)

#### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	ZF Friedrichshafen AG	Ultimate holding company	75%	-No-
2	WABCO Asia Pvt Ltd, Singapore	Holding company	75%	
3	ZF CVCS Manufacturing India Pvt Ltd	Wholly owned subsidiary	100%	

### CSR

#### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in Rs.) - INR 3,444.59 Cr.

(iii) Net worth (in Rs.) - INR 2,409.12 Cr.

#### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Overview of the entity's material responsible business conduct issues

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 23 Current Financial Year			FY 22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	Nil	Nil	-	Nil	Nil	-
Shareholders and Investors	Yes <sup>#</sup>	1	1	All complaints have been duly addressed and resolved	1	1	All complaints have been duly addressed and resolved
Employees and workers	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes <sup>&amp;</sup>	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Yes <sup>*</sup>	1	1	-	1	1	-
Other (please specify)	-	-	-	-	-	-	-

**Note:**

\*Whistle blower policy:

The Whistle blower mechanism provides a platform enabling employees, trainees, directors and Vendors of the Company, to report genuine concerns, unethical behaviour, actual or suspected fraud, violation of Company's Insider Trading Code, any unlawful act or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of the whistle blower and also provides for direct access to the Chairman of the audit committee in appropriate or exceptional cases or chief ethics officer of the Company as the case may be to report any concerns or unethical activities. Further individual policies by and large prescribe grievance redressal mechanisms for the concerned stakeholders.

Weblink: [https://www.zf.com/master/media/corporate/m\\_zf.com/company/bonds\\_relations/wabco\\_india\\_ir/18\\_policies\\_and\\_code\\_of\\_conduct/05-WABCO-India-Whistle-Blower-Policy.pdf](https://www.zf.com/master/media/corporate/m_zf.com/company/bonds_relations/wabco_india_ir/18_policies_and_code_of_conduct/05-WABCO-India-Whistle-Blower-Policy.pdf)

& Customer satisfaction survey is conducted annually through which customer grievances are taken in the form of feedback.

<sup>#</sup>Mechanism in place such as SEBI SCORES platform, stock exchanges.

[https://www.zf.com/mobile/en/company/investor\\_relations/zf\\_cv\\_india\\_investor\\_relations/zf\\_cv\\_india\\_ir.html](https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html)

**ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED**

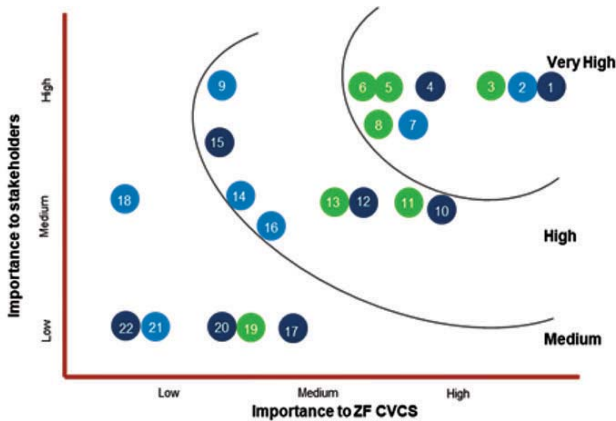
24. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health & Safety	R	As an OEM organization, we accord top priority to Occupational Health and Safety and have zero tolerance towards any incidences related to it. Our goal is to build an accident-free organisation, so that our employees can work comfortably in a safe and healthy environment. The exposure of employees into the risk area makes them vulnerable to adverse incidents.	The organization provides periodic safety trainings to promote employee wellbeing and to ensure safety at the workplace. The Company, as part of EHS management system, has introduced SHE FMEA (Safety, Health & Environment Failure Mode and Effect analysis). SHE FMEA is a methodology that identifies hazard and assess risk and is adopted to cover all activities & processes for the routine and non-routine activities in normal, exceptional & emergency situations and to identify the failure mode with respect to EHS. It also addresses the gaps because it is a quantitative risk assessment methodology.	Negative
2	Ethical Business Practices	O	Ethical business practices form the core of our business. The company's code of conduct clearly states the necessary compliance requirements and guidelines for internal stakeholders to perform the duties with highest standard of integrity and accountability.	<ul style="list-style-type: none"> <li>Annual employee and director certification with the Code of Conduct</li> <li>Annual Ethics Training program</li> <li>Resolution of employee or third party complaints via Ethics Council investigations</li> <li>FCPA audits are periodically conducted at sites to determine compliance with applicable anti-bribery regulations</li> <li>Quarterly representations during global financial Audit</li> </ul>	Negative
3	Energy Management	O	Diligent Energy Management in all usage areas will enable reduction in energy costs and helps to conduct business in an efficient and sustainable manner.	Energy mapping in all areas and 8% energy savings in every year can be achieved with implementing the improvements.	Positive
4	Risk Management	O	Risk Management aids in identification, evaluation and mapping the risk based on severity to prevent, control and mitigate through means of properly defined framework.	The Board has constituted a Risk Management Committee to review the aspects of risk management periodically, to ensure that executive management reviews and controls risk through means of a properly defined framework. There are 52 potential risks identified and mitigation measures are periodically checked by the internal audit team and are communicated to the Board of Directors.	Negative



**ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED**

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Water Stewardship	O	Water is a critical element in our operations and its seen as an opportunity to judiciously use our water resources and minimize our water costs.	Monitoring of Water consumption and yearly reduction of water consumption by 2%	Negative
6	Emissions Management	O	The organization is committed towards reducing its corporate carbon footprint and aims to achieve this by reduction and substitution. It is currently in the process of evaluating their emissions and works to adhere to the national and international goals of reducing carbon emissions	Energy Efficiency and avoidance of energy consumption are the top priority. A secondary focus is the transformation of energy consumption from fossil fuels to renewable resources, or a corresponding technology shift. city is in pipeline	Positive
7	Labour Practices and D&I	R	Labour Practices and D&I are fundamental to the success of the organization. Unrest in workforce can lead to disruption in the operations creating financial impacts. Additionally, companies infrastructure and other resources are prone to risk as a consequence of sabotage or criminal act.	There are periodic meetings held between the Union members and the site leaders. Weekly call is also arranged between the Site HR team and the Central team involving HR leader for operations. Monthly HR reviews are held which covers labour relations aspects, chaired by the India HR Leader.	Negative
8	Waste Management	R	Improper handling of the hazardous substance can result in deterioration of natural resources and environment. Ethical, reputational and legal risks arise owing to the adverse impacts on the flora and fauna caused by the ecosystem damage. (Check whether this is suitable to be replaced)	All manufacturing sites are ISO 14001 certified (environmental certification) for compliance. Hazardous waste is packed, stored in dedicated area and disposed in safe manner through government authorized agencies	Negative



Material issues for ZF CVCS	
<b>Very High</b>	<ol style="list-style-type: none"> <li>Employee Health &amp; Safety</li> <li>Ethical Business practices</li> <li>Energy Management</li> <li>Risk Management</li> <li>Water Stewardship</li> <li>Emissions Management</li> <li>Labour practices and D&amp;I</li> <li>Waste Management</li> </ol>
<b>High:</b>	<ol style="list-style-type: none"> <li>Employee Engagement &amp; talent development</li> <li>Anti-competitive behavior</li> <li>Opportunities in clean technology</li> <li>Policy Influence</li> <li>Climate change vulnerability</li> <li>Responsible Sourcing</li> </ol>
<b>Medium:</b>	<ol style="list-style-type: none"> <li>Supply Chain Management</li> <li>Customer Privacy</li> <li>Biodiversity &amp; Land usage</li> <li>Community Relations</li> <li>Opportunities in green building</li> <li>Board structure &amp; management</li> <li>Responsible Investment</li> <li>Customer Management</li> </ol>

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

### SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements of administering responsible activity.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Disclosures</b>									
1.									
a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web Link of the Policies, if available	ZF Friedrichshafen AG Group's Code of conduct policy covers the various principles of the 9 NGRBC's principles. <b>Weblink:</b> Code of Conduct : <a href="https://www.zf.com/master/media/corporate/m_zf.com/company/corporate_governance/compliance/coc_all_languages/1_ZF_Compliance_Code_of_Conduct_EN.pdf">https://www.zf.com/master/media/corporate/m_zf.com/company/corporate_governance/compliance/coc_all_languages/1_ZF_Compliance_Code_of_Conduct_EN.pdf</a> Business Partner Principles: <a href="https://www.zf.com/master/media/corporate/m_zf.com/company/corporate_governance/compliance/zf_bpc_en.pdf">https://www.zf.com/master/media/corporate/m_zf.com/company/corporate_governance/compliance/zf_bpc_en.pdf</a> ZF CVCS Investor Relations: <a href="https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html#policiesandcodeofconduct_acc_657742_0">https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html#policiesandcodeofconduct_acc_657742_0</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has installed product safety management systems to ensure the safety characteristics 1 and 2 part of International Automotive Task Force (IATF) 16949 are met. ISO 45001:2018 certified (Occupational Health and Safety): All manufacturing Facilities ISO 14001:2015 certified (Environment Management System): All Manufacturing Facilities ISO 50001:2015 certified (Energy Management System): Manufacturing facilities in Chennai, Jharkhand and Lucknow The Company is also ISO 27001 to safeguard organisation data against security threats								

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	<ul style="list-style-type: none"> <li>The Company has committed to be carbon neutral by 2040 and use 100% renewable energy by 2030.</li> <li>Zero Accident</li> <li>To achieve carbon neutrality the company will aim to reduce its Scope 1 &amp; 2 emissions by 2% year on year compared to 2020. A focused effort on energy reduction initiatives, increase our renewable energy use by 5% year on year and reduce waste by 5% year on year</li> </ul>
<b>6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.</b>	<p>In the current reporting period, our renewable energy consumption has increased from 2% to 14% as a result of increased solar energy adoption. Further, through our Y-o-Y initiatives around energy efficiency, 8% reduction in energy consumption was achieved. From a perspective of water conservation eco nozzles were installed across canteens that reduce around 60% of water consumption.</p> <p>The Company intends to continuously monitor the performance against specific commitments set out above and report in the forthcoming years against those targets.</p>
<b>Governance Leadership and Oversight</b>	
<b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Please Refer page 2</b>	
<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	The Company monitors the implementation of the business responsibility policies through a leadership team chaired by the Managing Director. Regular discussions are conducted to discuss the Environment, Social and Governance aspects
<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	Yes, the Company has a leadership team responsible for decision making on sustainability related topics. The team periodically discusses, reviews the issues and monitors the action plan. The team is chaired by the Managing Director along with the functional heads. Further the Risk management committee of the company is entrusted with the assessment of ESG risks and opportunities on periodic manner.

### Policy and management processes

#### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually (A)/ Half yearly(H)/ Quarterly(Q)/ Monthly (M) / Weekly(W))								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	A	M	Q	Q	M	A	W	M
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	A	M	Q	Q	M	A	W	M

#### 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide the name of the agency.

The internal audit team at the company conducts periodic reviews of the company policies.

Some policies e.g. Health and Safety and Quality are subject to both internal and external audits as a mandate for certification process (ISO 45001, ISO 14001, ISO 50001, etc.) to evaluate the ideal working of the policies.

The certification process was carried out by DNV which is an accredited third-party certification body. No independent assessment of policies has been completed as yet.

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12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	<i>Not Applicable</i>								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

### SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

**Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable**

The Company has earned the recognition and trust of its customers through its responsible corporate governance, compliance, and outstanding products and services. The goal is to continue doing ethical business with integrity and transparency. Regarding employee ethical and responsible behaviour, the ZF Code of Conduct is a key element which provides guidance regarding principles of ethically sound behaviour in day to day activities and with business partners. ZF’s Business Partner Principles require all suppliers and service providers to commit to abiding by law and relevant regulations at all locations worldwide. Suppliers and service providers must ensure that human rights are respected and human dignity is protected, for example, in all business processes.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
<b>Board of directors</b>	6	<p><i>During the year, the Board of Directors and KMPs of the organisation spent approximately 30 hours on various familiarisation programmes comprising of Policy formation &amp; Policy Deployment, Business, Regulations, Economy and Environmental, Social and Governance parameters.</i></p> <p><i>In addition, a monthly Town Hall Meeting was held with all the board members, KMPs &amp; Employees to share the developments in the business and future goals.</i></p>	100%
<b>Key managerial personnel</b>	3	<p><i>During the year, KMPs of the organisation spent approximately 30 hours on awareness programmes namely Policy formation &amp; Policy Deployment, Business, Regulations, Economy and Environmental, Social and Governance parameters.</i></p> <p><i>There were also part of the monthly Town Hall Meeting with all the board members, KMPs &amp; Employees to share the developments in the business and future goals.</i></p>	100%

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<p><b>Employees other than BoD and KMPs</b></p>	<p>75</p>	<p>All employees of the organisation undergo various training programmes throughout the year.</p> <p>The total training man days per employee was 12.</p> <p>Various key trainings were undertaken during the year such as:</p> <ul style="list-style-type: none"> <li>• Prevention of Sexual Harassment at the Workplace,</li> <li>• Code of Conduct,</li> <li>• Emotional Stability &amp; Wellness</li> <li>• ZF Office 5S Training</li> <li>• 7 Step lean Methodology</li> <li>• JH Awareness training</li> <li>• Product Knowledge - Basic and Advanced</li> <li>• Low Cost Automation</li> <li>• LOTO Awareness</li> <li>• SPC</li> <li>• FMEA</li> <li>• OS &amp; QCPC</li> <li>• Internal Auditor Training Program ISO14001 : 2015, ISO45001:2008</li> <li>• MSA</li> <li>• Bottleneck Change Management</li> <li>• Training on 7QC Tools</li> <li>• Leadership Initiative Program</li> </ul> <p>Other trainings included induction programmes for new recruits, leadership training and modules on soft skills, programmes on mental and physical well-being, amongst several others.</p>	<p>100%</p>
<p><b>Workers</b></p>	<p>60</p>	<p>For workmen, On the job training as well as off job trainings were given in various topics such as</p> <ul style="list-style-type: none"> <li>• Product Knowledge</li> <li>• Awareness 5S Audit</li> <li>• Awareness on Quality Defects</li> <li>• Waste Management</li> <li>• QMS</li> <li>• TPM</li> <li>• TQM</li> <li>• PDI Operators Training</li> <li>• Lean Principles (Strengthening Shop Floor Activities)</li> <li>• Awareness on SHE</li> <li>• Awareness on ZF PS</li> <li>• Awareness on Q Prime</li> <li>• 7 QC Tools</li> </ul>	<p>100%</p>

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2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Settlement	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Compounding fee	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Settlement	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Compounding fee	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
<i>Nil</i>	<i>Nil</i>

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, ZF Group Code of Conduct has covered anti-corruption or anti bribery. Weblink:

[https://www.zf.com/master/media/corporate/m\\_zf\\_com/company/corporate\\_governance/compliance/coc\\_all\\_languages/1\\_ZF\\_Compliance\\_Code\\_of\\_Conduct\\_EN.pdf](https://www.zf.com/master/media/corporate/m_zf_com/company/corporate_governance/compliance/coc_all_languages/1_ZF_Compliance_Code_of_Conduct_EN.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2022-23	FY 2021-22
Directors	<i>Nil</i>	<i>Nil</i>
KMPs	<i>Nil</i>	<i>Nil</i>
Employees	<i>Nil</i>	<i>Nil</i>
Workers	<i>Nil</i>	<i>Nil</i>

*There have been no complaints against our BOD, KMPs, Employees and Workers.*

6. Details of complaints with regard to conflict of interest:

	FY 2022-23	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	<i>Nil</i>	<i>Nil</i>
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	<i>Nil</i>	<i>Nil</i>

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

*Not applicable*

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### Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
5	<i>The Company conducts informative sessions for the suppliers on the various general management / quality principles to ensure supply of quality products. Some training topics provided are as follows: Quick response six sigma 8D Analysis 7 Quality Control Tools Pre-Production Approval Process Quality Tools</i>	Suppliers 100%
40	<i>Road awareness training sessions and Training on the product concerning upgradation and use</i>	Customer service team 100%

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

*Yes. The Company has processes in place to avoid / manage conflict of interests involving members of the Board. The Code of Conduct policy also has a mention about the actual or potential Conflict of Interest specifically of the Board Members and recommends the Directors or senior management personnel involved in any conflict or potential conflict situations to exclude themselves from any discussion or decision relating thereto.*

*Further signed declarations and commitment are received from Board of Directors and Senior Management personnel for not engaging with any activities or interests that may create conflict with company's interest.*

**Principle 2 – Businesses should provide goods and services in a manner that is sustainable and safe.**

*The Company strives to make a difference by protecting lives and safeguarding the environment and it intends to do so by offering our customers outstanding products and services that improve vehicle safety and efficiency. The Company manufactures and markets conventional braking products, advanced braking systems, and other related air assisted products and systems which contribute to increase in road safety, reduction in environment pollution and savings in energy consumption in Medium & Heavy Commercial vehicles*

### Essential Indicators

**1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively.**

	FY 23 (Current financial year)	FY 22 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	3.3%	1%	<b>FY23:</b> 5% of requirements in MWC plant through green energy 11.62 lakhs of power saved /year CO2 reduction by 780 tons <b>FY22:</b> 8.94 lakhs of power saved /year CO2 reduction by 706 tons

**2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) -**

*Yes. The Organization promotes sustainable sourcing and continually works towards increasing the value of purchases made from such suppliers. To support sustainable sourcing, we encourage*

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our suppliers and vendors to adopt suitable practices in their operations. Integrated supply chain operations ensure sustainable and best use of available resources. Further, Business Partner Principles ([https://www.zf.com/master/media/corporate/m\\_zf\\_com/company/corporate\\_governance/compliance/zf\\_bpc\\_en.pdf](https://www.zf.com/master/media/corporate/m_zf_com/company/corporate_governance/compliance/zf_bpc_en.pdf)) covers specific guidelines that are agreed to by our suppliers as part of terms of business.

**b. If yes, what percentage of inputs were sourced sustainably?**

31% (by input value material sourced) from the perspective of ZF sustainable sourcing standards.

Note: 99% of our suppliers have QMS coverage (this includes ISO 45001, IATF 16949, ISO 9001 etc.). Further, 44% of our suppliers have ISO 140001 certificate in place.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company has a robust design to increase the recyclability of its products and minimise the risk to the environment. The ZF group's environmental targets consider life cycle aspects of the products during its environmental improvements. The Company evaluates recycling aspects in the product design, to ensure there is efficient recycling of materials that are used in operations.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?**

Extended Producer Responsibility (EPR) is applicable to the Company's activities as the Company uses plastics for packaging purposes. The package of the product is designed with recyclability considerations to support waste reduction plans. Other plastic wastes that are not subject to recyclability considerations are ensured to adhere to the pollution control board norms.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain	If yes, provide the web-link.
29301	Pressure test connector, E compressor, Clutch master cylinder, Air Reservoir, Lift axle quick release valve, Tandem Master Cylinder, Compressor	25%	Cradle-to-grave	No	No	-

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Electric compressor for Electric vehicles	Fuel consumption	Power reduction has been done in the unloading condition to reduce the engine fuel consumption to 3 %
Automatic slack adjuster	Heat treatment - Nitriding	Nitriding heat treatment eliminated

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 23(Current financial year)	FY 22 (Previous financial year)
Aluminium	90%	We have set tracking mechanism from FY23 onwards.
Iron Castings	50%	



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4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Waste Details	FY 23 (Current financial year)			FY 22 (Previous financial year)		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	40% (Overall India business) 92% (Domestic OE business)	Nil	Nil	40% (Overall India business) 90% (Domestic OE business)	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Packaging relating to Air assist and full air actuation systems	92% (The Company has shifted from single time use cardboard cartons to collapsible metal-based cartons for packaging. Such collapsible metal-based cartons are reclaimed from the customers.)
Packaging received from suppliers	90% (The Company has shifted from single time use cardboard cartons to collapsible metal-based cartons for packaging. Such collapsible metal-based cartons are reclaimed from the suppliers.)

### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

The Company recognizes that helping employees achieve their full potential is crucial for the organization sustainable growth and success. The Company is committed to providing equal i.e., merit based opportunities both at the time of recruitment and during the course of employment irrespective of caste, creed, gender, race, religion, disability etc. At the workplace, the Company is committed to providing a safe and hygienic environment along with fair wages and focused towards zero occupational injuries and ill health. The organization has zero tolerance for any kind of workplace harassment, bullying or intimidation, including sexual, physical, verbal and psychological abuse. It aims to establish an inclusive culture which works for holistic growth of the employee by imparting training for skill upgradation and competency improvement. Through open communication channels, consultation and engagement with employees, the organization looks forward to nurturing a culture of mutual responsibility towards health and safety among colleagues, customers and business partners. The Company has a policy for health and safety and expects its suppliers to adhere to the same rigor. The Company provides subsidized food to its employees, medical insurance coverage including dependents, and has in-house medical centers with qualified medical practitioners. The Company conducts various programs concerning wellbeing of employees and strives to employ and empower women employees and fosters a friendly environment through its policy for prevention of sexual harassment and related grievance redressal mechanisms.

### Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by											
	Total (A)	Health insurance			Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
<b>Permanent employees</b>												
Male	1467	1467	100%	1467	100%	0	-	1467	100%	1467	100%	
Female	257	257	100%	257	100%	257	100%	0	-	257	100%	
Total	1724	1724	100%	1724	100%	257	15%	1467	85%	1724	100%	
<b>Other than Permanent employees</b>												
Male	0	0	-	0	-	0	-	0	-	0	-	
Female	0	0	-	0	-	0	-	0	-	0	-	
Total	0	0	-	0	-	0	-	0	-	0	-	

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### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total	Health insurance		Accident insurance		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)
<b>Permanent workers</b>											
Male	451	451	100%	451	100%	0	-	451	100%	451	100%
Female	6	6	100%	6	100%	6	100%	0	-	6	100%
Total	457	457	100%	457	100%	6	1%	451	99%	457	100%
<b>Other than Permanent workers</b>											
Male	2901	2901	100%	2344	81%	0	-	0	-	0	-
Female	290	290	100%	168	58%	290	100%	0	-	0	-
Total	3191	3191	100%	2512	79%	290	9%	0	-	0	-

Note: The above data is for permanent employees and workers.

### 2. Details of retirement benefits.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	40%	Y	100%	36%	Y
ESI	NA	49%	Y	NA	66%	Y
Others – please specify	NA	NA	NA	NA	NA	NA

### 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

*The Company strongly believes in equal and fair opportunities to disabled persons. Further, the company commits to assessing the requirements and intends to develop the premises/ offices accessible to differently abled employees and workers with modifications/ constructions compliant with safety regulations and emergency response*

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

*The Company believes that diversity and inclusion enhance our creativity, increase our innovation power, and are key to business success. We foster a culture that celebrates differences and promotes individuality, regardless of gender, age, ethnic background, sexual orientation, or physical and neurodiversity. The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. It does not unfairly discriminate on any ground including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law*

Weblink: [https://www.zf.com/master/media/corporate/m\\_zf.com/company/corporate\\_governance/compliance/coc\\_all\\_languages/1\\_ZF\\_Compliance\\_Code\\_of\\_Conduct\\_EN.pdf](https://www.zf.com/master/media/corporate/m_zf.com/company/corporate_governance/compliance/coc_all_languages/1_ZF_Compliance_Code_of_Conduct_EN.pdf)

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate %	Retention rate %	Return to work rate %	Retention rate %
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	(If Yes, then give details of the mechanism in brief)
Permanent workers	Yes, As per Company certified Standing order provides a mechanism to receive and redress grievances.
Other than permanent workers	
Permanent employees	The Company has a hotline through which employees could report their concerns to the management. The Group provides an anonymous grievance mechanism for compliance breaches on labour related topics and human rights. ZF CVCS's whistle blower policy provides a ethics hotline number (now available in regional languages) @ +91-11-71279026 and also at international number @ 0049-30 5892 0101
Other than permanent employees	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	NA					
Female	NA					
Workers						
Male	451	451	100%	463	463	100%
Female	6	6	100%	6	6	100%
Total	457	457	100%	469	469	100%

\* Not applicable to permanent employees as they are not part of Union

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No.(F)	% (F / D)
<b>Employees</b>										
Male	1467	1467	100%	1438	98%	1295	1295	100%	1282	99%
Female	257	257	100%	244	95%	192	192	100%	190	99%
Total	1724	1724	100%	1682	98%	1487	1487	100%	1472	99%
<b>Workers</b>										
Male	451	451	100%	442	98%	463	463	100%	458	99%
Female	6	6	100%	6	100%	6	6	100%	6	100%
Total	457	457	100%	448	98%	469	469	100%	464	99%

Note: The above data is for permanent employees and workers.

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### 9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1467	1467	100%	1295	1295	100%
Female	257	257	100%	192	192	100%
Total	1724	1724	100%	1487	1487	100%
<b>Workers</b>						
Male	451	451	100%	463	463	100%
Female	6	6	100%	6	6	100%
Total	457	457	100%	469	469	100%

Note: The above data is for permanent employees and workers.

### 10. Health and safety management system:

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?**

Yes, At ZF CVCS, the safety, health and well-being of the employees are core values integral to the corporate culture. As a company we feel responsible for our own employees but also for the people who work with us along the value -added chain safety. The Company has health and safety management systems as per ISO 45001, Occupational Health and safety management for reduction of occupational injuries and promoting physical and mental well-being, across all plants covering Design, Development and manufacturing activities

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

All ZF locations manage their EHS activities in alignment with the global EHA management system. The EHS management system focuses on preventing and minimizing environmental, health and safety risks. Company, as part of EHS management system, has introduced SHE FMEA (Safety, Health & Environment Failure mode and effects analysis). SHE FMEA is a methodology that identifies hazard and assess risk and is adopted to cover all activities & processes for the routine and non-routine activities in normal, abnormal & emergency and to identify the failure mode with respect to EHS. It also addresses the gaps because it is a quantitative risk assessment methodology.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, the Company has the Incident reporting system with 12 steps. The employees are empowered to report potential safety hazards through green fugai tag (safety abnormality tag). The supervisor will upload the green fugai tag (safety abnormality tag) into an online portal and the respective team will address it. Employees also participate in the Safety suggestion scheme, and they are rewarded for the participation. They also participate in the Quality circle to identify the EHS issues and help improve it.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?**

Yes, the Company has in-house Occupational health centres in all plants. There are full time medical officers in Ambattur & Mahindra City site locations and they can avail services and medicines at free of cost.

### 11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees*	0	0
	Workers	0.12	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

All employees engaged in production are mandated to complete 3D safety training, risk assessment (SHE FMEA). This financial year, as a proactive measure, The Company introduced another mandatory EHS induction training to empower employees to report incidents and provide suggestions for improvement through safety kaizens on the shopfloor. Ergonomic improvements with the support of engineering controls were implemented across high and medium risk jobs resulting in improved productivity and operator morale. This was aimed at reducing employee fatigue. For example, medium fatigue stations were identified for 99.5% low risk jobs.

The Company has also implemented ISO 14001 for Environmental Management system and ISO 45001 for Occupational health and safety management to ensure our workplaces are safer and healthy. This was rolled out in a systematic manner with a deep understanding of EMS of the scope and efficiency of the EMS. January to March was dedicated to Safety in an effort to enhance safety systems and raise safety awareness amongst employees. During the year, based on the theme "5S To the next level" as part of ZF integration, the Company also integrated ZF Production system 5S practices into our system and improved 5S in the shopfloor.

Safety & Health awareness programs were organized with the quote 'Safety should start from home' at the Ambattur site for employees and family members to increase awareness on themes like safety at home, happy home and prevention of lifestyle diseases among women & women security.

This was followed by competitions organised for employee spouses and kids related to the theme which received an overwhelming response. Approximately 500 family members participated in this event which was followed by a health camp organised for the family members.

### 13. Number of complaints on the following made by employees and workers

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

### 14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

*No significant risk/concerns were raised by statutory authorities. We also have an internal system to have routine audits on the shop floor and the gaps are addressed.*

#### Leadership Indicators

#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

*Yes, the extended life insurance is covered both for the employee as well as the workers.*

#### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

*The Company has safeguards and checks and balances in place to determine if the statutory dues have been deducted and deposited with respect of value chain partners to the extent applicable.*

#### 3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

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	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 23 (Current financial year)	FY 22 (Previous financial year)	FY 23 (Current financial year)	FY 22 (Previous financial year)
Employees	1	0	0	0
Workers	0	0	0	0

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, on case to case basis.

**5. Details on assessment of value chain partner:**

Details on assessment of value chain partners:	% of Tier 1 Suppliers and Customers (by value of business done with such partners) that were assessed
Health and safety practices	For suppliers: 32% (Overall Approved suppliers PM - 148; ISO 45001 Certificates in place - 48)
Working Conditions	For Customers: 85% (The customers TATA, Ashok Leyland, VECV and DICV with whom we are having 85% of business are ISO 45001 / OHSAS 18001 Certified.

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

None

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

*The Company is a part of the Commercial Vehicle Solutions (CVS) division of the ZF Group. The vision of the company is to help shape the future of commercial transport systems in India. By leveraging synergies with ZF group the Company is uniquely positioned to offer the next generation of solutions and services for commercial vehicles and fleets in India and the world over. The Company through its products and services will support to make them more efficient, safe, connected, intelligent and automated. Under the umbrella of ZF's Vision for Next Generation Mobility, the Company leverages its capability to innovate, integrate and advance CV vehicle controls systems and set the pace to address the challenges of the commercial transportation industry in India, thereby creating sustainable value for the customers, employees and stakeholders. By mobilizing commercial vehicle intelligence, the Company contributes to ZF Group's 'Next Generation Mobility' corporate strategy.*

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

*A Core Stakeholder is any individual or group of individuals or institutions that adds value to the business chain of the corporation or is materially affected by entity's decision. The Company is in the business of providing vehicle actuation systems for commercial vehicles and is aware that the products and services directly impact various stakeholders which includes users of commercial vehicles, its vendors, customers, community at large and investors. At present, the given stakeholder groups identified have immediate impact on the operations and working of the company. At ZF CVCS, we recognize stakeholder engagement as an integral part of our operations. We strive to create long-term sustainable value for all our stakeholders including employees, customers, investors, suppliers, and communities. In order to do so, we regularly engage and collaborate with our stakeholders to develop an understanding of their needs and expectations. Thus, the company has programmes to directly interact with the stakeholders and provide value through economic returns and training to improve awareness thereby improving safety on roads and ergonomics*

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### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<i>Intranet Portal, Senior Leader's Communication / Talks/ Forums, Town Hall briefings, Emails, Regular Employee Communication Forums</i>	Ongoing	<i>Employee engagement activities, Training, awareness and welfare programmes, Brand communication, Health, Safety and Engagement initiatives</i>
Shareholders/ Investors	No	<i>Email, Newspaper, Advertisement, Website, Annual General Meeting, shareholder meets, email, Stock Exchange (SE) intimations, investor / analysts meet / conference calls, Annual report, quarterly results and investor meetings / conferences, media releases, Company website,</i>	Ongoing	<i>Share price appreciation, dividends, profitability and financial stability, robust ESG practices, climate change risks, cyber risks, growth prospects</i>
Customers	No	<i>On a need basis through multiple channels like physical, digital, etc.</i>	Ongoing	<i>Product quality and availability, responsiveness to needs, aftersales service, responsible guidelines / manufacturing, climate change disclosures, life cycle assessment, Business related discussions, Awareness and training programmes, workshops and seminars.</i>
Channel Partners and Key partners	No	<i>On a need basis through multiple channels like physical, digital, etc.</i>	Ongoing	<i>Business related discussions, awareness and training programmes, workshops and seminars.</i>
Communities and NGOs	No	<i>Meets (of community / local authority), community visits and projects, partnership with local charities, volunteerism, seminars / Conferences, Community surveys and consultations, CSR Initiatives, Community Events</i>	Ongoing	<i>Community development, Self-sustainability, Livelihood support, Disaster relief</i>
Suppliers	No	<i>Supplier and Vendor meets, Face-to-face and electronic correspondence , Supplier Audits</i>	Ongoing	<i>Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and digitalisation opportunities</i>

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.

The Company regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees, etc. Engagements with the relevant stakeholders by the Company are discussed with the Board on the varying topics of economic, environmental and social issues on a regular basis. Further, various aspects of the risk related to ESG are discussed in our risk management committee.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

The Company believes in continuous improvement in its objective to achieve sustainability under the environment, social and governance aspects. The Company conducted a stakeholder surveys to identify material issues covering the aspects of environmental, social and governance. Based on the inputs, the Company identified key material topics as focus areas from ESG perspective to improve and revises the policies and activities to better address the key developments across the identified topic.

3. Provide details of instances of engagement with, and actions are taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company promotes equal opportunities to the vulnerable / marginalised stakeholder groups. The Company conducts training and development camps for drivers, to promote awareness on road safety. The Company also facilitates health check-ups and supplies medical equipment to hospitals to provide health care support to marginalised communities. The Company also engages in infrastructure development for schools to upgrade the basic facilities to help enhance skill development for the vulnerable groups.

### Principle 5: Businesses should respect and promote human rights

The Company ensures to act in accordance with human rights regulations. As part of the ZF group, the Company strongly believes in fostering human dignity and equality, mutual respect, trust, tolerance and fairness. We focus our efforts to create a climate between our employees and our business partners that is characterized by mutual respect, trust, tolerance, and fairness. Upholding human rights is our social responsibility through compliance with the laws and regulations.

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1467	1467	100%	1295	1295	100%
Other than permanent	257	257	100%	192	192	100%
Total employees	1724	1724	100%	1487	1487	100%
<b>Workers</b>						
Permanent	451	451	100%	463	463	100%
Other than permanent	6	6	100%	6	6	100%
Total workers	457	457	100%	469	469	100%



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### 2. Details of minimum wages paid to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	1724	-	-	1724	100%	1487	-	-	1487	100%
Other than permanent	-	-	-	-	-	-	-	-	-	-
Total employees	1724	-	-	1724	100%	1487	-	-	1487	100%
<b>Workers</b>										
Permanent	457	-	-	457	100%	469	-	-	469	100%
Other than permanent	3191	-	-	3191	100%	4163	-	-	4163	100%
Total workers	3648	-	-	3648	100%	4632	-	-	4632	100%

### 3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	3,820,000	1	2,680,000
Key managerial personnel*	2	40,876,025	1	2,843,220
Employees other than BoD and KMP	1467	1,595,000	245	1,595,000
Workers	451	402,382	6	251,386

MD is included in BoD also.

### 4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has a very detailed human rights self assessment undertaken by all the sites including GBS & TCI and the output of the assessment is certified by the respective Site HR and plant Head. The Internal Committee is there to oversee and address the human rights impacts or issues.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has set in place a certified standing order which states the procedures to redress grievances related to human rights.

### 6. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	-	-	Nil	-	-
Discrimination at workplace	Nil	-	-	Nil	-	-
Child labour	Nil	-	-	Nil	-	-
Forced labour/ Involuntary labour	Nil	-	-	Nil	-	-
Wages	Nil	-	-	Nil	-	-
Other human rights-related issues	Nil	-	-	Nil	-	-

## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

*ZF CVCS strives to maintain a healthy, safe and productive work environment that is free from discrimination or any form of harassment for all internal and external stakeholders. Further our Code of Conduct and the mechanism under the Prevention of Sexual Harassment Act ensures that any discrimination and harassments are avoided. As part of Whistle blower Policy and POSH Act, the Company ensures that the identity of the complainant is not divulged. All such matters are dealt in strict confidence*

*The company provides an anonymous grievance mechanism for breaches such as, labor related topics, human rights and other values. All submissions made in good faith can be done so without fear of retaliation.*

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

*Yes, the Company's code of conduct, ethics and policies contain aspects of human rights. All existing and new suppliers sign the Company's Supplier Code of Conduct. Further the business partner principles applies to our value chain*

**9. Assessments of the year**

	<b>% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)</b>
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

*There were no audit concerns in the above areas from assessments in FY 2022-23.*

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

*No business processes have been modified due to Human Rights as there were no grievances in the reporting period.*

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

*Due diligence is conducted as part of the statutory audit every month.*

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

*Yes, the premise is accessible to differently abled visitors.*

**4. Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	100%
Discrimination at Workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	-

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

*No assessment has been carried out.*

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### Principle 6: Businesses should respect and make efforts to protect and restore the environment

*The Company operates responsibly as a business and manufacturer of products by constantly striving to comply with legal requirements and internal standards on a global scale. In the context of environmental management, compliance is a core issue. Due to various local requirements, legal developments are pursued and evaluated and - where necessary - measures are implemented at all locations*

#### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) MJ	96,541,168	94,723,220
Total fuel consumption (B) MJ	18,775,014	22,706,415
Energy consumption through other sources (C) MJ	-	-
Total energy consumption (A+B+C) MJ	115,316,182	117,429,635
Energy intensity per rupee of turnover KJ/Rupess (Total energy consumption/ turnover in rupees)	3.3	4

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

*No, independent assessment/ evaluation/assurance has been carried out.*

#### 2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

*Not applicable.*

*There are no sites/facilities that have been identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.*

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	19796	10745
(iii) Third-party water (municipal water supplies)	66872	52611
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	86668	63356
Total volume of water consumption (in kilolitres)	86668	63356
Water intensity per rupee of turnover (water consumed / turnover) KL/ Cr. INR	25.1	24.9

#### 4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

*Yes. The Company has installed wastewater treatment systems in three sites in which waste water is generated and then it is taken into an Effluent Treatment Plant (ETP), for treatment and reuse. Rejected water that does not meet applicable reclaimed water standards after treatment is sent for evaporation. The Company also treats its Domestic wastewater (water used inside the Company's office premises) which is reused for gardening and toilet flushing purposes. Water release after treatment has increased by 5.26% from the previous FY, 2021. The Company also ensures that no untreated water is being let into ground and drain to ensure Zero Liquid Discharge (ZLD).*

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**5. Please provide details of air emissions (other than GHG emissions) by the entity:**

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	0.819	0.77
SOx	MT	BDL	BDL
Particulate matter (PM)	MT	0.012	0.015
Persistent organic pollutants (POP)	MT	0	0
Volatile organic compounds (VOC)	MT	0	0
Hazardous air pollutants (HAP)	MT	0	0
Others – ozone-depleting substances (HCFC - 22 or R-22)	MT	0	0

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1503.42	1668.81
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	19348.54	21221.1
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent/ Cr. Rupees	6	9

**7. Does the entity have any project related to reducing greenhouse gas emission? If Yes, then provide details.**

*The core of ZF's Climate strategy is the commitment to reduce its corporate carbon footprint until 2030 by an absolute figure of 80% regarding Scope 1 and Scope 2 and by 40% related to sales with regard to Scope 3 emissions. Energy Efficiency and avoidance of energy consumption are the top priority. A secondary focus is the transformation of energy consumption from fossil fuels to renewable resources ,or a corresponding technology shift. Regarding Scope 3 emissions ,the strategy focuses on improving product design, material selection ,electrification and supply chain structures. The company's path towards climate neutrality is defined considering the UN Sustainable Development Goals (SDG's) and in accordance with the requirements of the SBTi( Science Based Targets initiative) ,the CDP (formerly the Carbon Disclosure Program) and the TCFD (Taskforce on Climate-related Financial Disclosures)*

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total waste generated (in metric tonnes)		
Plastic waste (A)	119.17	72.67
E-waste (B)	6.4	2.6
Bio-medical waste (C)	0.05066	0.045
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	48.6	47.76
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	4175.8	4326.2
Total (A+B + C + D + E + F + G + H)	4350.10	4449.3
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	4301.45	4401.51

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Parameter	FY 2022-23	FY 2021-22
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	4301.45	4401.51
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	29.3	13.23
(ii) Landfilling	15.467	17.60
(iii) Other disposal operations	<i>Recyclers (Aluminium, paper, GI, Plastics)</i>	<i>Recyclers (Aluminium, paper, GI, Plastics)</i>
Total	44.767	30.83

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

*The Company has adopted a strong waste management system that supports the operations of the company to properly segregate the waste at source & adopt recycling, with an increase in recycling by 13%. Since the previous financial year, the Company collects waste from the source, segregates it and stores it in the dedicated places allotted for waste management, which includes the disposal of hazardous waste. The disposal of the hazardous waste is done to pollution control board's authorised vendors. The other waste reduction measures adopted by the Company includes converting carton packages into reusable packings for our product packaging.*

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
<i>No locations in operation near ecological sensitives areas</i>			

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (yes/ no)	Relevant Web link
<i>Not applicable</i>					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
<i>None</i>				

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### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

	Unit	FY23	FY22
<i>From renewable sources</i>			
Total electricity consumption (A)	MJ	14,594,400	4,845,600
Total fuel consumption (B)	MJ	-	-
Energy consumption through other sources (C)	MJ	-	-
Total energy consumed from renewable sources (A+B+C)	MJ	14,594,400	4,845,600
<i>From non-renewable sources</i>			
Total electricity consumption (D)	MJ	81,946,768	89,877,600
Total fuel consumption (E)	MJ	18,775,014	22,706,415
Energy consumption through other sources (F)	MJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	MJ	100,721,782	112,584,015
<b>Total P+R (MJ)</b>	MJ	115,316,182	117,429,615

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, independent assessment/ evaluation/assurance has been carried out.

2. Provide the following details related to water discharged:

	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)	0	0
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	27,339	38,529
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
No treatment	0	0
With treatment – please specify level of treatment	20,687	13,549
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	48,026	52,078

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, independent assessment/ evaluation/assurance has been carried out.

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### 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) For each facility / plant located in areas of water stress, provide the following information:

(ii) Name of the area: Lucknow, Jamshedpur, Chennai and Chengalpet

(iii) Nature of operations: Manufacturing of automotive components and accessories

	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	18407	10745
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)	18407	10745
Total volume of water consumption (in kilolitres)	18407	10745
Water intensity per rupee of turnover (Water consumed / turnover)	5.3	4.2
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
No treatment		
With treatment – please specify level of treatment	11398	13284
(ii) Into Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) Into Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency is being carried out

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**4. Please provide details of total Scope 3 emissions & their intensity:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	<i>We are in the process of assessing our scope 3. We plan to report the Scope 3 figures from the next financial year (FY24).</i>	
Total Scope 3 emissions per rupee of turnover	tCO2e/INR		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

*No assessment by external agency has been carried out*

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

*We have ecologically sensitive areas near our manufacturing area , R&D centre and offices. No impact assessment is being carried out at this point*

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives:**

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy efficiency improvements	<i>50 projects are identified to improve energy efficiency across the sites in few area like compressed air, motor efficiency, improving power factor, Thyrositer &amp; VFD</i>	<i>9% achieved</i>
2.	Installing roof solar	<i>Installing 636KwP solar panel in Mahindra city site in the month of Feb 2023, to reduce the carbon emission and moving towards to goal 100% renewable energy by 2025</i>	<i>Feb '2023 producing energy and feed into line, 2800 units /day production</i>

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

*Yes, The Company has Risk Assessment Process and defines risk as any externally or internally occurring event or development that may result in a negative deviation from the business plan. committee comprises of site leadership team with the process owner being the Integrated Supply Chain (ISC) leader. The operating procedures involves identifying the existing processes, identify risk/ opportunities factor, analyse what are the potential effect for risk/ opportunities factor, evaluate severity, occurrence and risk number and then decide on the action to be taken and the frequency of review.*

*The Company conducts an annual review of the complete risk assessment process.*

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

*No significant impact have been identified in the current reporting period. Various measures like CO<sup>2</sup> reduction target, green electricity, Product Carbon Footprint calculation (PCF) are being implemented to prevent any adverse impact on the environment.*

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

*Sustainability assessment during supplier selection and periodic EHS assessment are carried out.*

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

*ZF CVCS is a part of several industry and trade associations and actively contributes to these forums to enable sharing of best practices, represent industry concerns and support in implementing measures to foster growth of industry and larger communities. We pursue our policy advocacy work by collaborating with various trade and industry associations, government bodies, as well as other comparable collective platforms, and we drive efforts to ensure policy advocacy positions support ethical business practices, environmental stewardship, social well-being, and respect for human rights.*



## ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

*ZF CVCS is affiliated to the following 9 industry chambers and associations.*

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries (CII)	National
2	Automotive Components Manufacturers Association (ACCA)	National
3	Society of Automobile Engineers (SAE)	International
4	Madras Management Association (MMA)	State
5	Madras Chamber of Commerce and Industry (MCCI)	State
6	Indo-German Chamber of Commerce	International
7	Indo-American Chamber of Commerce	International
8	Quality circle forum of India	National
9	National Institute of quality & reliability	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
<i>No case was filed by any stakeholder against ZF CVCS regarding unfair trade practices and anti-competitive behaviour during the Financial years.</i>		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
1	<i>ABS for Commercial Vehicles (2013)</i>	<i>Public event, Technology Demonstration at Test Track</i>	<i>No</i>	<i>NA</i>	<i>PressReader.com - Digital Newspaper &amp; Magazine Subscriptions</i>
2	<i>Electronic Stability Control (ESC) - 2017</i>	<i>Public event, Technology launch at Test Track</i>	<i>No</i>	<i>NA</i>	<i>WABCO INDIA Showcases Control Electronic Stability Control (globenewswire.com)</i>
3	<i>Intelligent Trailer Program (ITP) - 2018 (to promote trailer ABS)</i>	<i>Public event, Technology launch at Test Track</i>	<i>No</i>	<i>NA</i>	<i>Intelligent trailer program: Wabco launches Intelligent Trailer Program in India, Auto News, ET Auto (indiatimes.com)</i>

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S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board  (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
4	<i>Advanced Driver Assistance Systems like Lane Departure Warning, Collision Mitigation system ,Collision Avoidance System ,etc.</i>	<i>Representing ZF Group in AISC (Automotive Industry Standards Committee), CMVR TSC (Central Motor Vehicle Rules Technical Standing Committee), TED (Transport Engineering Department) to share technical know how for preparing various standards suitable for India</i>	Yes	NA	NA
5	<i>Technology Road Maps for India</i>	<i>Representing ZF Group at TSR Committee (Technical, Safety and Regulations committee) of Automotive Components Manufacturers Association (ACMA) to define and align technology roadmaps</i>	Yes	NA	NA

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

*As a responsible corporate entity, ZF believes in fulfilling its responsibility towards the community and society through its socio-economic activities for the benefit of the underprivileged sections. The company aims to leverage its position and resources to make a difference for local communities to elevate their quality of life.*

**Essential Indicators**

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency  (Yes/No)	Results communicated in public domain  (Yes/No)	Relevant web link
-	-	-	-	-	-

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2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

*The Company undertakes various CSR activities that address the needs of the community in and around the factory premises. The Company reaches out to the communities, especially the vulnerable groups and addresses their grievances by implementing required CSR activities.*

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	13%	11%
Sourced directly from within the district and neighbouring districts	54%	53%

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
<i>Not Applicable</i>	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
-	-	-	-
-	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) – *No, The Company follows a standardised procurement policy across all suppliers and vendors*

(b) From which marginalized /vulnerable groups do you procure? - *Not Applicable*

(c) What percentage of total procurement (by value) does it constitute? - *Not Applicable*

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

*Nil*

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
<i>Not applicable as there were no adverse orders in intellectual property related disputes</i>	-	-

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### 6. Details of beneficiaries of CSR projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Aanganbadi Centre- Building repair and maintenance at Barabanki	120 students benefitted	-
2	High Mast Solar light in KD Singh Churaha at Women Police Station, Barabanki	-	-
3	Provision of High mast solar LED lights at Casa Grand Junction ,Athipet	-	-
4	Greenery development in ITI,ITI Ambattur	-	-
5	Rainwater harvesting collection with pit provision - 42 Nos, in and around Ambattur	-	-
6	Driver Training through' RTO	5100 drivers/ technicians are getting benefitted by this training program	-
7	Driver Training at STUs		
8	Technician Training at STUs		
9	Driver Training at Transportnagar		
10	Skill development training to Women's Polytechnic students	200 students benefitted	-
11	Skill Development Center - Phase 1 &2	500 Students benefitted	-
12	Skill Lab set up at ITI institute , Barabanki	400 Students benefitted	-
13	Smart class at Junior high school Dhakauli, Barabanki	40 Students benefitted	-
14	Computer lab to be set up Govt Polytechnic	240 students benefitted	-
15	Tree saplings 8000 nos across Chennai and other manufacturing locations	-	-
16	Basic infrastructure (boundary fencing with wire mesh, toilet and furniture's for 2 class rooms)	60 students benefitted by the furniture and 168 students benefitted with the toilet and furniture.	-
17	Renovation of Toilet	472 students benefitted	-
18	Provision of High mast solar street lights in the streets & junctions as below- 7nos a. Chennai, Ambattur estate, telephone exchange junction – 2nos b. Chennai, Kalaivanar nagar junction , vanagram – 1 nos c. Tiruvallur, Alinchivalkam main road junction – 1nos d. Chennai ,Avadi main road close to bus stop– 2nos	-	-
19	Provision of 30 nos of solar street lights in the Avadi main road near bus stop	-	-
20	Solar based traffic lights in Ambattur	-	-
21	Smart Class room at Govt ITI Ambattur Industrial estate.	Per month 50 teachers are getting trained	-

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Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
22	Ladies Toilet facility and drinking water arrangement at Mahila Thana, Barabanki	Per day 40 to 50 victims of domestic abuse and socially deprived women are getting benefitted by drinking water facility and toilet facility	-
23	Rejuvenation of Vaipur Lake near our Oragadam Plant		-
24	ECO Park		-
25	COE for Analytics at Rajalakshmi Institute of Technology	300 students studying in the institute	-

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

The Company has earned the recognition and trust of its customers through its responsible corporate governance, compliance, and outstanding products and services. The aim is to maintain the company's commitment and the high esteem it has earned in the future as well. The Company considers customers as partners or marketplace team members - essential to the growth and success of the Company.

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company conducts a customer satisfaction survey annually to capture both complaints and feedback. The responses are then grouped into attributes like Supplier relationship management, logistics, quality, innovation, competitiveness and programme projects to analyse the responses and score the performance. This analysis is then used for identifying the reasons for the deterioration of scores, if any, and to address the correct course of action. Apart from this we have regular Interaction meeting with the Customers with various stakeholders and get feedback on the progress and performance in QCD and New Product Development activities.

**2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:**

	As a % to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	23%
Recycling and/or safe disposal	-

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Receive during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil			Nil		
Advertising	Nil			Nil		
Cyber-security	Nil			Nil		
Delivery of essential services	Nil			Nil		
Restrictive trade practices	Nil			Nil		
Unfair trade practices	Nil			Nil		
Other						

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### 4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for Recall
Voluntary Recalls	0	N/A
Forced Recalls	0	N/A

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.

Yes, ZF CVCS has a global framework and policy on cyber security. This policy covers Corporate Security Incident & Emergency Management, Cyber Security Crisis Response Process, Crisis management, Information security management policy, etc. In addition RM policy includes the periodic review of RM policy

Link to Policy:

[https://www.zf.com/master/media/en/corporate/m\\_zf\\_com/meta/eu\\_data\\_protection/zf\\_eu\\_notice\\_for\\_customers\\_and\\_business\\_partners\\_de.pdf](https://www.zf.com/master/media/en/corporate/m_zf_com/meta/eu_data_protection/zf_eu_notice_for_customers_and_business_partners_de.pdf)

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

Not applicable

### Leadership Indicators

#### 1. Channels/platforms where information on products and services of the entity can be accessed.

Details could be found as follows:

Website: <https://www.zf.com/products/en/cv/home/cv.html>

LinkedIn: <https://www.linkedin.com/showcase/cv-at-zf/>

Customer Helpline (AM): 1800 - 102 – 4770

#### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company has maintained its position as a trusted partner in the value chain due to its focus on quality delivery of customer services as prime positioning. The Company conducts 40 road awareness training sessions each month on road safety across Authorised Service Centres, Wholesale Distributors, State Transport Undertaking offices, fleet operators, army workshop / office on the products and services. The Company ensures timely communication with the customers on any risk of disruption / discontinuation of essential services.

#### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable

#### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) -

As per regulations, The Company adheres to displaying the mandatory legal information across its products. This is approved by the Customers during the development process. The Company also provides weblinks to its aftermarket products and parts finder. Online Product Catalog - Aftermarket: <https://aftermarket.zf.com/en/aftermarket-portal/services-and-support/catalog/#/>

Parts Finder (Retailers can place orders through Wholesale Distributors):

[https://www.wabco-customercentre.com/catalog/en\\_IN?cclcl=en\\_IN](https://www.wabco-customercentre.com/catalog/en_IN?cclcl=en_IN)

#### 5. Provide the following information relating to data breaches:

##### a. Number of instances of data breaches along-with impact.

ZF CVCS reported zero data breaches for FY 21-22 and FY 22-23

##### b. Percentage of data breaches involving personally identifiable information of customers.

Nil