

Sustainability



Sustainability at Maruti Suzuki refers to sum total of all the actions and initiatives undertaken by the Company for its long-term survival and growth.

To achieve longterm sustainability and prosperity the Company has nurtured a socially responsible behaviour towards its various stakeholders.

The Company is currently evolving a comprehensive Sustainability Policy and Guidelines to ensure that while working to enhance shareholder wealth, interest of stakeholders continues to act as a guide for actions and decisions in the future as well.

OUR CUSTOMERS

Sustainability begins with customers. The Company has a robust customer feedback system through which it



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assesses the changing aspirations and requirements of customers. Over the past two decades, the Company has been successful in bringing out products that not just meet but exceed customer's expectations.

The aspiration to give more for less to the customers has given the Company a competitive edge in competitive times. The VA-VE initiatives (Value Analysis & Value Engineering) pursued aggressively by the Company in partnership with suppliers have helped the Company reduce cost of making a car without compromising on quality. Every year the Company celebrates company wide *Quality Month* awareness programmes in association with its suppliers. While VA-VE efforts continue all through out the year, the Company also observes a *VA-VE month* every year, during which it is able to create more awareness and consciousness towards the cause.

A wide and deep service network spread across the country has helped

the Company reach customers not only in metro cities but also in semi-urban, Tier-2 and Tier-3 cities.

In addition, the Company introduced many new initiatives such as car pick & drop facility by service workshops for women car owners, *Maruti Mobile Support* to offer door step car servicing, *Express Service bays*, special bays that can offer maintenance service in less than 2 hours, and so on.

The Company has a stringent customer complaint monitoring system. Besides period syndicated surveys, the Company systematically compiles customer feedback and ratings on a daily basis. The findings are reported in the weekly Management Committee Meeting.

This has regularly led to improvements in product quality, features, processes and customer interface. For example, feedback that Maruti Suzuki cars were more prone to theft owing to high resale value led

the Company to develop and install an anti-theft device- the immobiliser system called i-CATS in all its new cars, much before regulatory requirement. The Company was first among all car manufacturers in the country to offer this safety device in compact cars.

OUR PARTNERS - SUPPLIERS

In manufacturing where a sizeable percentage of inputs are bought from vendors and suppliers, the ability to continuously improve quality and reduce costs is directly dependent on vendors doing the same.

In light of this statement, the Company guides suppliers in adopting latest technologies, and transfers its best practices in the areas of productivity improvement, quality enhancement and cost reduction.

The Company has set up *Maruti Centre for Excellence* (MACE) in collaboration with some of its suppliers to achieve these objectives.

Sustainability Contd.

With the help of MACE, now the Company is assisting its direct suppliers in upgrading their sub-suppliers or (Tier-2 suppliers).

Most of the suppliers and joint venture companies are located near Company's manufacturing facilities in Gurgaon and Manesar, which are sensitive areas from Industrial Relations perspective.

Therefore, the Company has identified Industrial Relations and Human Resource as two important areas of interventions with suppliers. The HR team of MSIL maintains very close interaction with them on almost regular basis.

OUR PARTNERS - DEALERS

The Company has been passionately building its sales and service network since its inception.

The Company has set up 16 Regional Training Centres across the country to continuously upgrade skills of dealer employees as per new technologies and customers' requirements.

In recent years, the Company has conducted a comprehensive national survey of its dealer employees to gauge their level of satisfaction. By many accounts, this is a rare initiative by any principal company. Based on the results of the survey, the Company formed a cross functional team of senior management from sales, network development and HR to identify an action plan to improve satisfaction levels of dealer employees. One of the initiatives, for instance, was providing car loans at low rates of interest for good performers with repayment guarantee provided by the dealer.

SHAREHOLDERS AND INVESTORS

The Company has put in place a strong mechanism for Corporate Governance to enhance confidence of its large number



of shareholders and investors in the Company. The Company complies with all guidelines of SEBI, Stock exchange, etc.

EMPLOYEES

The Company has enforced highly conducive working environment for its employees. MSIL does not support favouritism in recruitment, promotion, providing compensation, or termination based on caste, religion, gender or age. The Company offers equal opportunity for growth to all employees.

During the year, the Company finalised its policy on affirmative action as per the guidelines laid down by Confederation of Indian Industries.

SAFETY POLICY

In March, the Company celebrated a month long *Safety Awareness Drive*.

The drive aimed to sensitise employees and their families towards

importance of *safe working place, safer homes and need for safer traveling*. The drive coincided with the National Safety Month, and was led by members of the top management.

The theme of this year's Safety Drive was *Hum sab ka ek hi sankalp, suraksha pratham suraksha pratham*. (Together let us pledge Safety First, Safety First).

Giving high priority to work place safety, Maruti Suzuki firmly believes that a plant designed to be safe is far more productive than otherwise. In light of this fact, the Company has undertaken concerted initiatives to eliminate work place mishaps, over the last 25 years.

One of the most exciting exercise of this annual drive is that the employees themselves identify areas, activities and operations that could be unsafe or hazardous. Named as *Kekken Yuichi Training*, the end result of the exercise is that the employee suggests



measures that are appropriate to make the work place hazard free. The Company has a vigilant policy in place that monitors issues of work place safety on a weekly basis.

ENVIRONMENT

The Company has remained ahead of regulatory requirements in pursuit of environment protection and energy conservation at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly.

Total energy consumption at the facilities has come down by 26 percent compared to the beginning of the decade.

The Company credited the *Just-in-Time* philosophy adopted and internalised by the employees as the prime reason that helped to excel in this direction.

From the perspective of capacity expansion, 2007-08 was one of the busiest years for the Company.

The Company commissioned a new plant for KB series engines at Gurgaon facility and the annual capacity of the Manesar plant was enhanced from 100,000 units to 170,000 units during 2007-08.

Despite capacity enhancements the Company closely monitored its power and water consumption.

While power consumption was lower by 30 percent and the Water consumption stood 61 percent lower that the levels of 2000-01.

The CO₂ (Carbon Dioxide) emissions per vehicle (produced during manufacturing) are lower by 38 percent compared to 2000-01 levels.

ADOPTING ENERGY SAVING TECHNOLOGIES

While the Company continues to improve energy saving initiatives through numerous Kaizens (continuous improvements) on the shop floor, the thrust on adopting energy saving technologies has increased phenomenally.

Three-coat-one-bake painting system: The Company introduced the three-coat-one-bake system at its Manesar facilities.

In this state-of-the-art painting system, three wet-on-wet coats are applied and baked together. Conventional painting systems use two baking steps before the final finish. This facilitates lower energy consumption and yet improves the productivity levels.

The green co-efficient of this system is much better than that of the conventional system.

PRACTICING 3R (REDUCE, REUSE AND RECYCLE)

The Company has been promoting 3R since its inception. As a result the Company has not only been able to recycle 100% of treated waste water but also reduced fresh water consumption by 28%. The Company has implemented rain water harvesting to recharge the aquifers. Also, recyclable packing for bought out components is being actively promoted.

GREENING OF SUPPLY CHAIN

The Company has been facilitating implementation of Environment Management System (EMS) at its suppliers' end. Regular training programmes are conducted for all the suppliers on EMS. Surveys are conducted to assess the vendors who need more guidance. The systems and the environmental performance of suppliers are audited.

COMMUNITY INITIATIVES

The Company works closely with local communities around its manufacturing facilities to improve their quality of life. The Company has adopted four villages surrounding its Manesar plant - Kasan, Dhana, Alihar and Baas Kusla and launched sustainable livelihood programmes for under privileged communities. The initiatives are focused on four key areas: Health, Education, Employment Generation through Vocational Trainings & Basic Infrastructure Development.

ROAD SAFETY

The Company has been playing a leading role for many years now in promoting road safety and safe driving in the Country. The Company believes that in addition to monetary support, one of the best ways for corporates to fulfill their social responsibility is by offering their managerial skills to society.

In line with this, the Company manages two Institutes of Driving Training & Research (IDTR) in Delhi and Maruti Driving Schools across the country. Through these facilities, the Company has brought international standards in driving training and state-of-the-art training infrastructure in the country.

The first major step towards promoting road safety was in the year 2000 when Delhi Government invited the Company to manage the Institute of Driving Training and Research (IDTR) and start driving training courses. The Company introduced training facilities and infrastructure including world-class driving test tracks, advanced computer simulators and training modules as per international standards at the institute, which is spread over an area of 14.5 acres. Regular research in road safety and safe driving was also started at the Institute. In 2006, the second IDTR was set up to promote road safety by primarily targeting non-commercial drivers and impart driving training to them. This Institute is also equipped with the same facilities and infrastructure as made available in the first IDTR.

SETTING UP GUJARATI

In a landmark move, the Company signed an MoU with the Government of Gujarat, to set up, manage and run The Gujarat Regional Automobile Training Institute (to be referred as GUJARATI) at Gajadara village of Waghodia taluka in Vadodara district.

It is the first of its kind initiative in the country. The Institute will not only provide driving training to tribal youth, it will also offer automobile technical training to them and help their employability.

Several other state governments, such as Haryana, Bihar, Uttarakhand, Chattisgarh and West Bengal have also approached the Company to set up driving training institutes in their states. The Company has already signed an MoU with the Government of Haryana for setting up two driving training institutes at Rohtak and Bahadurgarh.

MARUTI DRIVING SCHOOLS

The Company has also involved its dealers across the Country in promoting road safety and safe driving. In collaboration with them, the Company has set up 34 Maruti Driving Schools in 32 different locations across the Country. These schools are equipped with world class, state-of-the-art driving simulators and offer beginners as well as refresher training programmes. Over 35,000 people have been trained so far.