

Sustainability Journey Foot on the pedal



GRI G3.1 A⁺ Level

**GRI Automotive Sector Supplement
National Voluntary Guidelines on
Social, Environmental & Economic
Responsibilities of Business**



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OUR VISION

THE LEADER IN INDIAN AUTOMOBILE INDUSTRY,
CREATING CUSTOMER DELIGHT,
AND SHAREHOLDERS' WEALTH;
A PRIDE OF INDIA.

OUR CORE VALUES

-  CUSTOMER OBSESSION
 -  FAST, FLEXIBLE AND FIRST MOVER
 -  INNOVATION AND CREATIVITY
 -  NETWORKING AND PARTNERSHIP
 -  OPENNESS AND LEARNING
- 





Sustainability Journey Foot on the pedal

A journey has a beginning and an end, and the end becomes a new beginning and it goes on. The cycle of time is ever moving and the process of evolution is continuous. In every new discovery, there is something yet to be discovered.

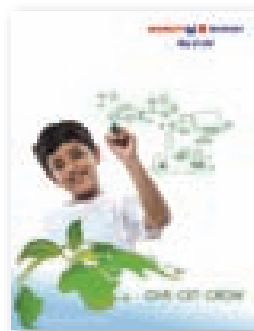
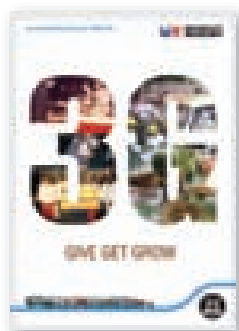
Maruti Suzuki's sustainability journey began at inception. While instilling values of team work, openness and continuous improvement in employees, the management's view regularly went beyond the factory walls. Developing a supplier network, putting in place sales and service outlets and working with the mission of offering an environment friendly, fuel efficient "people's car", sustainability was almost instinctive to the Company's behaviour. Environment and society were integral to the business and came into focus naturally in day-to-day functioning. There was a strong underpinning of Give, Get, Grow in the way the Company approached business.

In recent years, the Company has consciously transitioned from natural and instinctive sustainability to a more structured and measurable approach, aligned to GRI and incorporating best practices in the area. This approach is visible in the

way the Company is approaching engagement with local community, moving ahead on resource use and emission, planning and monitoring its road safety initiatives or indeed, in areas like safety, welfare and supplier relationships.

The Company believes that it is now ready to put the foot on the pedal, as it were. It is ready to scale up its community engagement programmes and is able to invest in environment friendly technology that will further bring down emission and resource use at its manufacturing operations while being economically viable in the long term. The Company's road safety initiatives, engagement with people and partnership with suppliers are all set for a step-up.

With the resolve to make the Company and its value chain more sustainable, Maruti Suzuki places the foot on the pedal in its onward journey.



Chairman's Statement



Dear Stakeholder,

I present to you our Sustainability Report for 2011-12.

The Company, since its inception, has been aware of the need to be sensitive to the legitimate interests of all its stakeholders. Suzuki Motor Corporation, our technology provider and partner in 1983, was fully in agreement with the approach that all stakeholders, including employees, customers, shareholders, vendors and dealers, should feel that they were partners in the Company and believe that the growth and prosperity of the Company would also bring benefits to them. Maruti learnt from the experience of Suzuki Japan and introduced many management practices to achieve this objective. The result was that the Company not only fulfilled the objectives set by Parliament when enacting the law to enable Maruti Udyog's creation, but exceeded them. The

Company became the industry leader and set many new standards for others. The Gurgaon plant became a model of how the management and workers could work together, to the mutual benefit of both.

Unfortunately, at the time of writing this, our Company is living through the aftermath of senseless and horrific violence at the comparatively new Manesar facility. We lost a valuable officer in Awanish Dev and nearly 100 managers and supervisors were injured in the attacks by large number of workers. This happened when all grievances had been addressed, a good communication system between workers and the management was functional and wage negotiations were going on. The violence has been widely condemned, as it should be. Groups of workers systematically attacking supervisors and managers is deplorable and cannot be justified by any industrial relations issue whatsoever. As the safety and security of our people was paramount, we had to declare a lockout at that facility. The State Government is dealing with the criminal acts of the workers. We are also pursuing all possible ways of ensuring that the safety of our people is assured when we restart work.

Our primary endeavour has always been to produce cars that meet the changing aspirations of the customers and to delight them with the best possible after sales service. The customers, in turn, have given an overwhelming response to the efforts of the Company. We remain the market leaders. Despite the disruption of supplies due to the labour problems, the customers have shown great understanding and loyalty. It is hard for us to find words to thank them adequately. We can only promise to try even harder to keep them satisfied and delighted. We hope that they will continue to rate us as the No. 1 Company in customer satisfaction in the future, as they have done for the past 12 years.



Sustainability Journey Foot on the pedal



We understand that rapid growth and industrialisation, including that of the automobile sector, can potentially impact society adversely through environment degradation. It is our collective responsibility to protect the environment for the present as well as future generations. The Company has always remained ahead of the environmental regulations and improved its products, manufacturing and supply chain operations to minimise environmental impact of its business operations on society. Use of natural gas in captive power plants, canal water in manufacturing operations, LED lights in plants, solar street lights, dual fuel vehicles, vehicle transportation through rail are some of the major initiatives undertaken by the Company in this direction.

Skilled manpower is critical to sustain industrial growth in the country. Although India has a large number of Industrial Training Institutes (ITIs), the disconnect between the industry and the institutes has, in the past, impacted the quality of education. There is a need to upgrade infrastructure, provide equipment and teaching aids as per the current industry requirements and to increase interface with the industry. In addition to the standard course curriculum and industry exposure, we also need to guide young students on aspects of discipline, team work, kaizen, order and cleanliness. We are enhancing our engagement with government ITIs and working towards a model that can be replicated across the country.

Another social issue that needs attention is road safety. Every year, over 100,000 people die in road accidents in India. While fatalities have, of course, to be minimised, it is also important to reduce stress levels and improve road behaviour. India lacks quality infrastructure to train people in safe driving. The process for issuing driving licences continues to be weak, poorly enforced and open to manipulation. We have to move

towards a system where structured and professional driving training becomes essential for obtaining a driving licence.

Maruti Suzuki has been working closely with dealers to make Maruti Driving Schools (MDSs) a viable venture and thus aid their expansion across the country. We have also enhanced the number and reach of Institutes of Driving and Traffic Research (IDTRs) in partnership with state governments. Over 1 million people have been trained by Maruti Suzuki in safe driving through its 206 MDSs and the 6 IDTRs. However, the need for driving training is enormous and many more driving schools are needed.

Local community is an important stakeholder of the Company. The growth and prosperity of the neighbouring communities is linked with the growth of the Company. Similarly, they are adversely impacted by disruptions in operations and abnormal situations. I thank the village communities around our Manesar plant for their courage in condemning the recent violence and its perpetrators, offering wholehearted support to the Company and making efforts to bring back normalcy. We will continue to work with vigour for the development of local communities around all our manufacturing facilities.

We strongly believe in the India growth story and the ability of the government to provide a positive environment for the industry to grow and flourish. There can be temporary setbacks and challenges. We are determined to overcome them and work for the growth and well-being of all our stakeholders and for the long term sustainability of the Company.

R. C. Bhargava
Chairman

Managing Director's Statement

Dear Stakeholder,

I am very happy to present Maruti Suzuki's Sustainability Report for 2011-12.

The past year has offered us many fresh insights on issues around sustainability. Economic growth slowed and, coupled with high interest rates and inflation, impacted the growth of India's passenger vehicle industry. Prices of gasoline went up in line with rising global crude prices, impacting demand for cars. Further, the wide gap between domestic prices of gasoline and diesel caused an imbalance, leading to unutilised capacity for petrol cars and shortage of diesel powered vehicles.

While this can be categorised and put away as "policy issues" external to the business, I believe these developments signal the need for fundamental shifts in our direction and approach. They convey to us that in an emerging economy like India, cyclicity and volatility are an integral part of growth. In future, volatility is likely to be more pronounced as India integrates rapidly with the global economy.

Some of the medium term solutions we are implementing include building more flexibility into our operations as well as for our suppliers, staggering our investments and investing in multiple fuel options.

While policy remains entirely the business of government, I believe businesses too have to appreciate the larger economic, social and

environment context in which policy has to be framed. In line with that, we have consciously stepped up dialogue with the government through industry bodies to understand better the policy makers' perspective and also convey our point of view. This will help us align our business and investment decisions with the priorities of the Nation and society.

Even where challenges to our business may be entirely external to us, it is possible to devise solutions to them. For example, currency trends have been adverse for some years. These worsened during 2011-12 and impacted our bottomline significantly. We have responded with a mix of initiatives: currency hedging for us and for our suppliers for the short term, leveraging exports as a natural hedge and, above all, putting in place a structured, medium term programme for higher localisation of components.

Offering better and relevant products continues to be our focus to sustain growth and leadership in a market that is turning increasingly competitive and discerning. Our growing investments in R&D infrastructure and people, our attention to enhancing the size and quality of our network, customer care and the focus on operational excellence are key strategies.

ENVIRONMENT PERFORMANCE

We realise that the automobile industry worldwide has a major impact on environment and resource use. India's industry is relatively young, but given the promise of rapid growth, we have to be vigilant and sensitive. There is, so far, a happy convergence in India between what is good for the environment and what the automobile customer desires. The overwhelming preference for small, fuel efficient cars among Indian buyers means that industry is able to meet customer needs with a relatively less impact on the environment. But we need to remain proactive.

The other notable trend is that certain eco-friendly technologies are proving increasingly viable for us with reasonable pay back periods.

This is encouraging us to invest in environment friendly technologies and work on waste minimisation to make the Company's operations greener and more eco-friendly going forward. For example, our second Manesar plant set up in 2011-12 uses LED lights almost entirely, making it the first car plant in the country to do so. Besides, a steam-driven system has been installed for power generation, which uses steam from the waste heat recovered from existing gas turbines in Gurgaon plant. A team has been set up to systematically identify equipment and machinery that has more environment friendly options.



Sustainability Journey Foot on the pedal

Solar power is another area where there is synergy between economics and environment. So far the Company has invested in solar street lighting at Gurgaon and Manesar plants. Going forward, we intend to commit ourselves more to solar power as a clean source of energy for our plant operations. To start with, a 1 MW solar power plant will be commissioned in Manesar plant. The waste heat recovery system implemented at Gurgaon plant for power generation will be implemented at Manesar plant as well.

On products, the Company's engineers are working relentlessly to deliver new models that are light weight, fuel efficient and emit less CO₂. The refreshed Swift and DZire launched in 2011-12 are more fuel efficient than the earlier versions.

The environmental impacts of business operations go beyond plant boundaries and products. From sustainability standpoint, the entire value chain is important. We are encouraging our suppliers and dealers to adopt environment friendly practices. Over 66% tier 1 suppliers have adopted ISO 14001 standard and we have requested rest of tier 1 suppliers to do so in a time-bound manner. Our energy experts have started auditing operations of joint venture companies from the point of view of identifying opportunities for energy conservation. Similarly, our service team has undertaken projects to make service workshops more environment friendly.

SOCIAL PERFORMANCE

On the social front, the Company faced labour unrest at Manesar plant during the year. The labour unrest impacted the entire value chain for a few months. I am grateful to the state government and the local community for supporting and helping the Company in resolving the issue. We have analysed the situation and taken certain counter measures to avoid such situation happening in future. The engagement practices with employees, especially the young ones, have been further strengthened.

Safety is given utmost importance at Maruti Suzuki. It touches and concerns all of us. Last year, the Company was certified with OHSAS 18001. This will impart structure and help us enhance our efforts in safety. The Company was awarded prestigious National Safety Award for its commitment to safety. We have taken steps to sensitise business partners and associates of the importance of safety.

I am personally concerned about traffic conditions on Indian roads. The increasing trend of road accident fatalities in India is alarming. Besides, frequent reports of rising stress levels, road rage, violation of pedestrian rights and bad driving habits cause

distress. Safe driving is the enabler that we have chosen to focus on. While it may contribute to lowering accidents, it will also create a healthy and positive ecosystem on Indian roads.

Our road safety efforts are, therefore, focussed on multiple categories of road users, including commercial vehicle drivers, public transport staff, corporate drivers and of course, families.

The Institute of Driving and Traffic Research and Maruti Driving Schools are being expanded to cater to the unmet need for structured driving training. We were able to train half-a-million people, as committed, in the last three years. We have taken a target to train 1 million people in safe driving in the next four years.

As the automobile industry, indeed Indian industry, grows, we need to have adequate skilled manpower to power that growth. While the government and industry bodies are sensitive to this fact and have created structured programmes to encourage skill development, we are also stepping up our contribution to the overall effort. Industrial Training Institutes, a major source of manpower, need ongoing industry support for upgradation. Maruti Suzuki is closely working with 10 government ITIs for their overall upgradation, including infrastructure, soft skills and job placement. The plan is to support 40 more ITIs going forward.

In areas where our manufacturing operations are located, the local community is directly impacted by our conduct. Considering that we will expand operations in new locations, we are focussed on developing our own robust models to engage with local communities. Our work with communities in Manesar has given us positive outcomes and plenty of learning on corporate-community interface. We are currently building the organisation and resources for a sound model of community engagement, which will include areas around our facilities in Rohtak and Gurgaon.

Maruti Suzuki has become member of UN Global Compact India chapter. This is our way of reinforcing commitment to the 10 principles of Global Compact and the National Voluntary Guidelines for the Social, Environmental and Economic responsibilities of business.

In my view, we have come some distance in our sustainability journey. We are now ready to place our foot on the pedal, as it were, and embark on the next phase of the journey. I look forward to your valuable feedback and suggestions.

S. Nakanishi
Managing Director and CEO



Board of Directors



MR. KEIICHI ASAI

Director & Managing
Executive Officer
(Engineering)

MR. KAZUHIKO
AYABE

Director & Managing
Executive Officer
(Supply Chain)

MS. PALLAVI
SHROFF

Director

MR. DAVINDER
SINGH BRAR

Director

MR. O. SUZUKI

Director

MR. R. C. BHARGAVA

Chairman



Sustainability Journey
Foot on the pedal



MR. S. NAKANISHI

Managing Director
& CEO

MR. KENICHI
AYUKAWA

Director

MR. TSUNEO
OHASHI

Director & Managing
Executive Officer
(Production)

MR. AMAL
GANGULI

Director

MR. MANVINDER
SINGH BANGA

Director

MR. KINJI SAITO

Director



Executive Management Team



MR. S. NAKANISHI
Managing Director & CEO

MR. S. Y. SIDDIQUI
Sr. Managing
Executive Officer
Administration
(HR, IT, Finance &
COSL)

MR. MAYANK PAREEK
Managing Executive
Officer
Marketing & Sales

MR. T. HASHIMOTO
Executive Officer
Marketing & Sales

MR. TSUNEO OHASHI
Director & Managing
Executive Officer
Production



Sustainability Journey Foot on the pedal



MR. M. M. SINGH
Sr. Managing
Executive Officer
Production

MR. KEIICHI ASAI
Director & Managing
Executive Officer
Engineering

MR. I. V. RAO
Sr. Managing
Executive Officer
Engineering

MR. KAZUHIKO AYABE
Director & Managing
Executive Officer
Supply Chain

MR. SUDAM MAITRA
Sr. Managing Executive
Officer
Supply Chain





Key Impacts, Risks, Opportunities



Automated manufacturing at Gurgaon facility

MANAGEMENT SYSTEMS FOR SUSTAINABILITY

Periodic assessment of sustainability risks helps the Company to respond proactively for the timely mitigation of such risks. The Company's risk management process is spearheaded by the Chief Risk Officer (CRO) through an Executive Risk Management Committee (ERMC). The composition of the committee includes the Managing Director, Business Heads and Divisional Heads. Risk management activities are reviewed regularly by the Audit Committee.

The Company's highest governing body is its Board of Directors. The Board of Directors provides strategic insights and direction to the Company's Management. At the functional level, a Business Review Committee monitors the implementation of sustainability parameters.

The cornerstone of the Company's sustainability approach is stakeholder engagement. Each division of the Company engages with stakeholders who are relevant to its functioning; the Divisional Heads report the stakeholders' concerns to the Business Review Committee and the Executive Risk Management Committee.

The Management Review Committee and ERMC regularly scan and identify challenges and risks to the Company. ERMC prioritises the challenges and develops ways and means of responding to them.

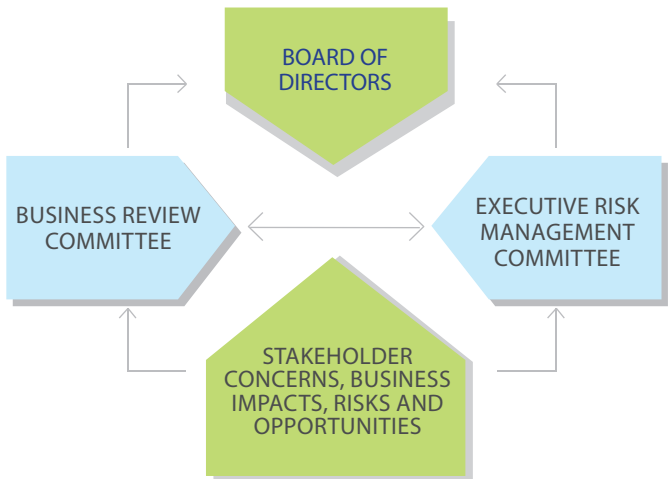
INFORMATION SECURITY AND DATA PRIVACY

The Company has robust internal control systems to ensure that all its assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

Maruti Suzuki depends on IT systems for its numerous internal and external business operations, such as its financial system, dealer management system and e-Nagare system. To ensure minimal disruption in business due to non-availability of IT services, the Company has adopted a Business Continuity Management and Disaster Recovery Plan for all critical IT resources.

An additional data centre has been set up in Bengaluru to ensure continuous availability of business-critical applications in the event of a disaster. Backup copies of all business-critical data are maintained at Chandigarh. A critical applications recovery drill is carried out on a yearly basis.

SUSTAINABILITY PERFORMANCE REVIEW PROCESS





RISKS AND OPPORTUNITIES

The Company's operations impact stakeholders in diverse ways and in turn are impacted by them. While this may create some risks for the business, addressing stakeholder concerns and delivering value creates opportunities for the Company.

1. ECONOMIC GROWTH AND RETURN ON INVESTMENT

The growth of the automobile industry globally is closely linked to economic growth. Accordingly, decisions on investment in additional capacity and in new models take into account projections of future GDP growth and trends in household incomes. A significant slowdown in economic growth, as evidenced in 2011-12, poses risks to growth and capacity utilisation.

The Company mitigates these risks in the following ways:

- Regular tracking of trends in the economy and the market to identify deviations from projections. It works closely with economic research agencies and experts to identify and anticipate trends. It collates detailed feedback from the field teams to effect course correction.
- Flexibility in its operations as well as machinery, equipment, skill development and processes. This enables it to change its product mix in line with customer demand.
- Staggering its investments. This allows more time for capacity-related decisions and helps in aligning them with changes in the economy.

2. CURRENCY CHANGES

The Company and its vendors together import parts and material to the tune of 22% of sales. The Company also has sizeable exports. To minimise currency risks, appropriate hedge instruments are used both for the Company as well as its vendors. There is also a phased plan for greater localisation of components by suppliers.

3. RECRUITING TALENT, MOTIVATION AND RETENTION

The automobile industry, by its very nature, requires highly specialised skills, as well as a high degree of teamwork and collaboration. With the growth of the Indian automobile industry and the Company's expansion plans, talent will continue to play a critical role.

The Company makes concerted efforts to remain an employer of choice. Besides offering fast-track growth, competitive remuneration, customised training and higher education opportunities, it attempts to safeguard its culture of empowerment and teamwork. Employee satisfaction surveys, two-way communication meetings and innovative "stay interviews" enable the Company to understand and appreciate employee expectations.

After the industrial relations problem in 2011-12, the Company has taken far-reaching measures to improve communication on the shop floor. It has created forums for employees to voice their aspirations, engaged them in dialogue and made them aware of business challenges while taking decisive steps to address their grievances.

The Company works with government-owned Industrial Training Institutes in a structured way across the country. Students trained at these institutes are ready for the manufacturing shop floor as well as service workshops.

4. WATER

The Company recognises the social and economic challenges posed by global water scarcity. It is also sensitive to the water needs in Haryana, where its manufacturing operations are based. It systematically recycles and reuses water to ensure zero water discharge.

Judicious use of water is embedded in the Company's operations and culture. This is reflected in the substantial decrease in its per vehicle water requirement over the last decade.

Canal water is used in the manufacturing process to conserve ground water. Aggressive focus on reducing per car water consumption is accompanied by constant innovation in processes at both the Company's manufacturing sites.



5. ENERGY

The Company requires an adequate and continuous supply of energy for its manufacturing operations. It also has to limit the emissions from its manufacturing processes.

Impact on the environment is minimised by the use of natural gas-based in-house captive power plants to meet the Company's energy requirements.

The Company is committed to increase investment in renewable sources of energy, such as solar energy, for long-term energy security. Presently, solar energy is used for street lights and water-heating. It will be used for process operations in the future.

Improvement in operational efficiencies and constant innovation also help to reduce the Company's carbon footprint.

6. EMISSIONS

The Company recognises the potentially polluting nature of its products and appreciates civil society's desire to balance growth with clean air.

It pays special attention to product design, composition and technology in order to achieve superior fuel efficiency in its models to improve the environmental footprint of the products. Its popular communication campaign ('kitna deti hai?') has received a resounding response from customers, while reinforcing its commitment to lower product emissions.

The Company offers factory-fitted CNG-powered cars with superior technology to encourage the use of clean fuel.

7. SUPPLY CHAIN

Nearly 80% (by value) of a car is outsourced; delivery of components at the right time and of the right quality and quantity is therefore critical to the business. To ensure this, the Company works closely with vendors on a wide range of issues, including quality, efficiency, management and environmental awareness.

Some initiatives taken by the Company to mitigate risk are localisation of components and development of alternative sources; hedging currency and commodities

wherever possible; engaging with suppliers on issues such as occupational safety to ensure smooth operations at their manufacturing sites; and spreading environmental concern amongst tier I suppliers through promotion of ISO 14001 certification.

8. SOCIETY

The Company's operations impact society in diverse ways. The most notable are: (a) communities in the neighbourhood of its manufacturing operations and (b) road users, including those who do not use Maruti Suzuki products.

The Company has a dedicated team to engage with local communities and a structured programme to address their needs in the areas of infrastructure, education and health. The Company also plans operations and facilities in a manner that minimises disruption to the neighbouring communities.

To reduce traffic congestion due to its in-bound and out-bound supply chain, the Company receives about 30% of its supplies during the night.

To mitigate the impact of the large number of cars on the road, the Company runs a nationwide road safety programme that focusses on driver training, awareness and advocacy.



Supporting school education in local communities

Sustainability Journey Foot on the pedal



MATERIALITY ANALYSIS

Besides the Business Review Committee and the risk management system that prioritises risks, challenges and opportunities for the Company, the materiality matrix is another means of prioritising material issues. The materiality matrix is a combination of stakeholder engagement and the Company's priorities and vision, and identifies relevant attributes on a three-point scale of high, medium and low importance.



Delighting customers, No.1 in JD Power Customer Satisfaction Index 12 times in a row

The material issues presented in the materiality matrix of the previous Sustainability Report have been reviewed considering the changing business environment and stakeholder expectations.

Materiality Matrix

SIGNIFICANCE TO THE STAKEHOLDERS	HIGH	• Scope 3 emission • Road safety • Skill development	• Customer satisfaction • Product safety • Grievance redressal & industrial relations • Employee wages & benefits • Occupational health & safety • Development & training • Corporate governance • Compliances • Business growth profitability • Local supplier development
	MEDIUM	• Child and forced labour • Indirect economic impact • Product labelling • Industrial relations at suppliers • Information security & data privacy • Non-discrimination & human rights	• Water management • Effluent waste • Material optimisation • Supplier safety, quality & energy management • Government policy & regulations • Local community development • Attrition
	LOW	Biodiversity • Process emission • End of life vehicle	• R&D capability • Energy conservation • Business ethics • Macro-economic factors
	LOW	MEDIUM	HIGH
SIGNIFICANCE TO THE COMPANY			

Organisation Profile



Maruti Suzuki India Limited (MSIL) is a leading manufacturer of passenger vehicles in India. A subsidiary of Suzuki Motor Corporation (SMC), Japan, the Company was formerly known as Maruti Udyog Limited and was incorporated as a joint venture between the Government of India and Suzuki Motor Corporation on 24th February, 1981. In terms of the number of cars produced and sold worldwide, the Company is the largest subsidiary of Suzuki Motor Corporation, Japan.



The Company's corporate office at New Delhi

In 2011-12, Maruti Suzuki sold 11,33,695 vehicles; of these, 10,06,316 were sold in the domestic market and 1,27,379 in the international market. Net sales stood at ₹ 3,47,059 million, a decline of 3.2% over the previous year. Total market capitalisation was ₹ 38,988 Crore as on 31st March, 2012. The Company has a workforce of 18,854 individuals, including contractual workers, who run its multi-locational operations. It has the largest sales and service network amongst car manufacturers in the country.

NATURE OF COMPANY OWNERSHIP

Maruti Suzuki India Limited is a public limited company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. SMC is the majority shareholder with 54.21% equity. For the shareholding pattern of the Company, please refer to the Corporate Governance section of the Annual Report (Page 51-66).

OPERATIONAL STRUCTURE

MSIL has a multi-tier management structure, comprising a Board of Directors at the top, followed by five business verticals whose heads report to the Managing Director.

The business verticals of the Company are:

Marketing & Sales

Engineering

Production

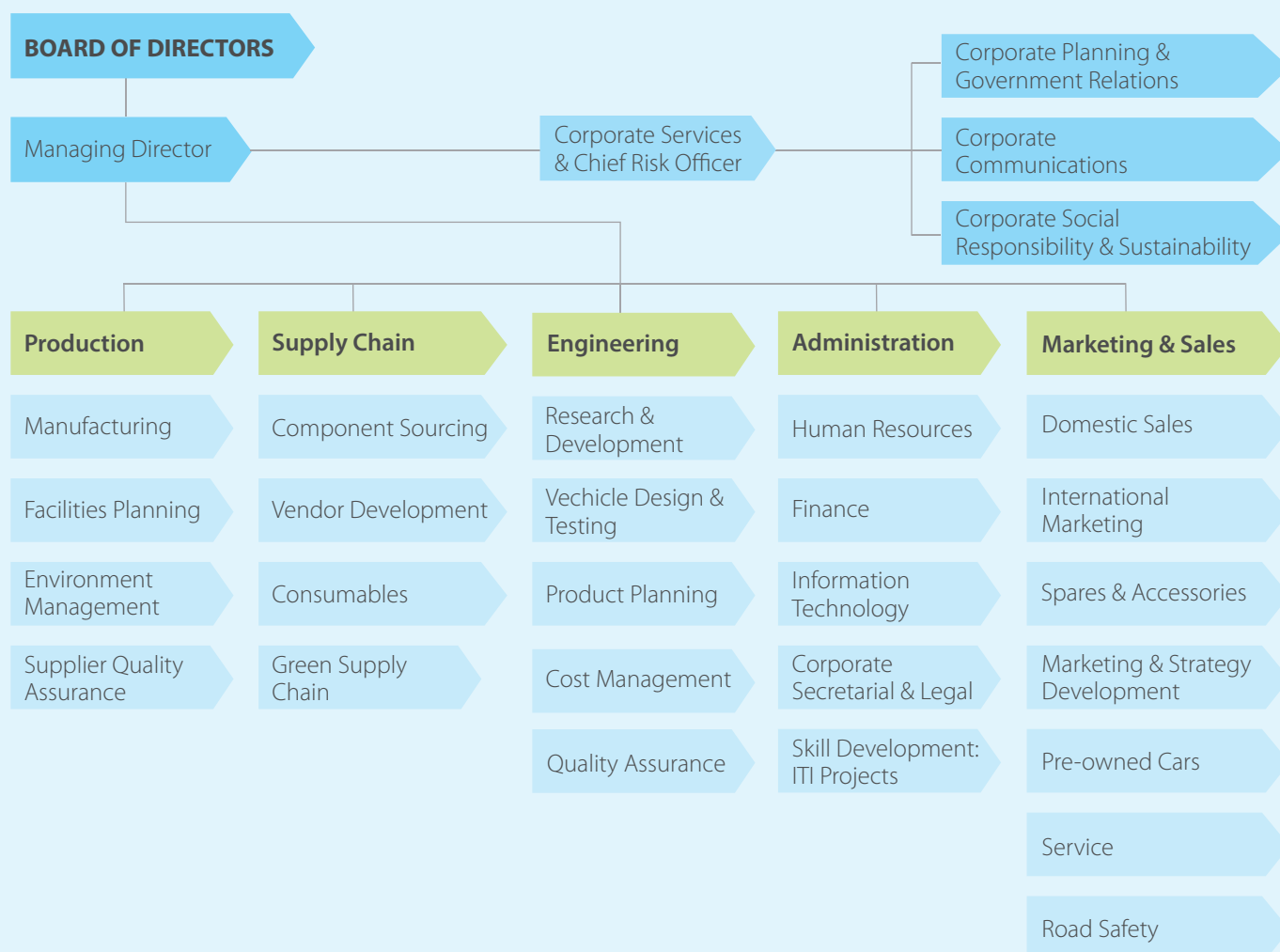
Administration

Supply Chain

Sustainability Journey Foot on the pedal



ORGANISATION STRUCTURE





Maruti Suzuki service network reaching out to over 1,400 cities

SPREAD OF OPERATIONS

The Company has manufacturing sites at Gurgaon and Manesar, both in Haryana. The corporate office is located at Vasant Kunj in New Delhi.

The Gurgaon facility has three fully integrated plants with a combined installed manufacturing capacity of over 7.10 lakh vehicles per annum. It also has a state-of-the-art K-series engine casting plant with a capacity of 7.80 lakh engines per annum.

The Manesar facility has two integrated plants with a combined installed capacity of 5.50 lakh vehicles per annum. The second plant at Manesar became operational in 2011-12 and a third plant is presently under construction.

By the year 2013, the combined capacity of Gurgaon and Manesar is projected at 1.75 million units per year.

The Company is investing heavily in R&D and is setting up a test course at Rohtak, Haryana. The Rohtak facility will have proving grounds, crash test facility and wind tunnel testing facility.

The Company has a large supplier base. The Company works with its suppliers to create new products, refresh existing ones and localise procurement. As on 31st March, 2012, the Company had a supplier base of 267 suppliers, including 20 joint venture companies where MSIL holds a strategic equity stake.

SALES AND SERVICE NETWORK

Maruti Suzuki India Limited has an extensive sales and service network to cover the length and breadth of the country. The Company has set up zonal offices, area offices and regional areas to support its large sales and service network. As on 31st March, 2012, it had 1,100 sales outlets in 801 cities and 2,958 service workshops in 1,408 cities. The Company's service network includes dealer workshops, Maruti Authorised Service Stations, Maruti Service Masters and Maruti Service Zones.

In addition to selling and servicing cars, the Company provides automobile finance, insurance, genuine spare parts and accessories, extended warranty and certified pre-owned cars. The Company had 409 True Value pre-owned car outlets in 237 cities as on 31st March, 2012.

Sustainability Journey
Foot on the pedal



Maruti Suzuki sales network covering the length & breadth of the country

MARUTI SUZUKI'S PRESENCE IN INDIA
(AS ON 31ST MARCH, 2012)

2,958
● TOTAL SERVICE NETWORK

1,100
★ TOTAL SALES NETWORK

17
● REGIONAL OFFICES

17
■ AREA OFFICES

04
▲ ZONAL OFFICES



GURGAON & MANESAR PLANT



CORPORATE OFFICE



Map is indicative, not to scale
Some states have more than one regional office and area office



The A-star, a popular export model

INTERNATIONAL MARKETING

While the Company's products are manufactured solely in India, they are sold all over the world. Since the export of the first batch of cars to Hungary in 1987, the export portfolio of the Company has consistently expanded and today it has markets in over 125 countries in Europe, Asia, Latin America, Africa and Oceania.

Cumulatively, the Company has exported 9,90,759 cars; of these, 1,27,379 cars were exported in 2011-12.

TOP TEN COUNTRIES BY EXPORT VOLUME

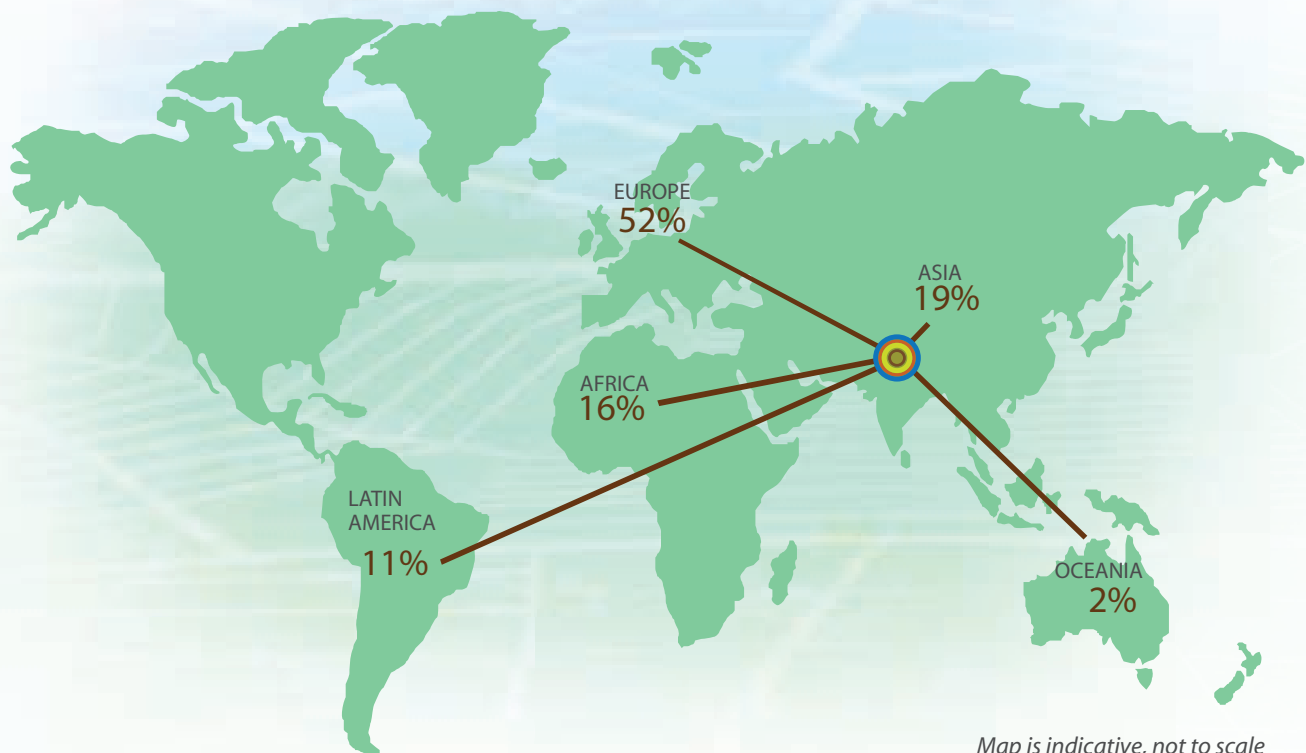
S. No.	COUNTRY	UNITS SOLD (AS ON 31 ST MARCH, 2012)
1	ALGERIA	1,00,879
2	THE NETHERLANDS	95,928
3	CHILE	65,852
4	SRI LANKA	56,862
5	ITALY	56,607
6	UNITED KINGDOM	56,428
7	GERMANY	44,880
8	INDONESIA	35,884
9	NEPAL	26,395
10	FRANCE	25,002



Sustainability Journey
Foot on the pedal



MARUTI SUZUKI'S GLOBAL PRESENCE
EXPORTS IN 2011-12



OUR PRODUCTS



Maruti Suzuki India Limited offers its customers the choice of a wide range of cars to meet their individual needs and preferences. Keeping in mind the need for fuel efficient, environment friendly mobility solutions, the Company is committed to optimising the fuel efficiency of its cars and is continuously improving their environmental performance.

The Company offers a variety of fuel options to meet various customer preferences.

The Company sells 15 car models with over 250 variants, ranging from the entry-level car, Maruti 800, to the sports vehicle, Kizashi.

In 2010-11, four out of five of India's highest selling models were from the Maruti Suzuki stable. They were Alto, WagonR, Swift and DZire.

SWIFT



RITZ



KIZASHI



WAGONR



OMNI



EECO



Sustainability Journey
Foot on the pedal

DZIRE



ESTILO



ALTO K-10



A-STAR



MARUTI 800



GRAND VITARA



SX4



GYPSY KING



ERTIGA*



*Ertiga was launched in April 2012



Awards and Accolades in 2011-12



TO THE COMPANY

- Ranked first in **JD Power Customer Satisfaction Index** for the 12th consecutive time.
- Ranked fourth in an index of thought leaders in India, published by the London-based communication agency **Globe Scan**.
- Won the '**Business World International Business Award, 2012 (Exports Auto and Engineering Category)**'.
- Bagged the '**National Safety Award**' for **Occupational Safety**.
- Received '**Gold Award**' by Reader's Digest for being the Most Trusted Brand.
- Received '**Golden Peacock Award**' 2012 for **Occupational Safety**.
- Received '**Green Tech Safety Award**' (gold) 2012 for **Occupational Safety**.

TO THE COMPANY'S PRODUCTS

- **Estilo** and **DZire** ranked as the '**Most Dependable Cars**' by customers in the **JD Power Asia Pacific 2011 India Vehicle Dependability Study (VDS)**.
- **Estilo** and **DZire** ranked highest in the **Compact and Entry Midsize Segments** respectively in the **JD Power IQS**.
- **Alto** and **Estilo** tied for the highest rank in the Compact Segment in the **JD Power APEAL Study**.
- **Swift** declared '**Car of the Year**' by **CNBC TV 18 Overdrive Awards**.
- **Swift** declared '**Premium Hatchback of the Year**' in the **NDTV Car & Bike Awards 2012**.
- **Swift** declared '**Small Car of the Year**' in the **BBC TopGear Magazine India Awards 2011**.
- **Swift** was adjudged '**Indian Car of the Year 2012**' in the **2012 Auto Expo**.
- **Swift** was declared '**Compact Car of the Year**' at the **Bloomberg UTV Autocar India Awards**.
- **Swift** received the '**Golden Steering Wheel Awards 2012**' by **Auto Bild India** and **CarWale**.
- **DZire** declared the '**No. 1 Entry Sized Car**' by **TNS Voice of The Customer**.
- **Swift** declared the '**No. 1 Upper Premium Compact Car**' by **TNS Voice of The Customer**.
- **A-star** declared the '**No. 1 Premium Compact Car**' by **TNS Voice of The Customer**.



Sustainability Journey Foot on the pedal



TO THE MARKETING CAMPAIGNS

- **Silver Award** by Indian Digital Media Awards 2012 for the best 'WAP/HTML/Other sites for Mobiles - Product/Service/Corporate'.
- **Bronze Award** by Indian Digital Media Awards 2012 for the best use of 'Web Gaming - Product/Services'.
- **Golden Mikes Award** for the best use of radio for long term effectiveness in the 'Maruti Suzuki Traffic Beat' programme.

TO COMPANY OFFICIALS

- **Chairman Mr. R. C. Bhargava** bestowed with 'The Order of the Rising Sun, Gold and Silver Star' by His Majesty Emperor Akihito of Japan.
- **Mr. Ajay Seth, CFO**, conferred the 'Business Today Best CFO' award.

CERTIFICATIONS:

- OHSAS 18001:2007
- ISO 9001:2008
- ISO 14001:2004
- ISO 27001:2005

Report Profile, Scope and Boundary



Maruti Suzuki's fourth Sustainability Report is for the period 1st April, 2011 to 31st March, 2012. The Company prepares its Sustainability Report on an annual basis.

The scope and boundary of the report with respect to economic, environmental and social aspects are mentioned in the table below. The scope remains the

same as last year, except on two accounts:

- The corporate office is now covered under OHSAS 18001:2007.
- The Manesar second plant became operational during the year and is included in the report.

Section	GRI Indicator	Coverage	Exclusions
Economic	EC	All Maruti Suzuki operations	
Environmental	EN	Gurgaon and Manesar manufacturing locations	Head office, regional/area offices and MSSD Naraina, Delhi Scope 3 of the WBCSD/WRI Protocol
Social			
• Human Resource	LA, HR	All Maruti Suzuki operations	
• Occupational Health and Safety	LA	Corporate office, Gurgaon and Manesar manufacturing locations	Regional/area offices and MSSD Naraina, Delhi
• Community Development and Employee Volunteering	SO	Gurgaon, Manesar and Delhi	Regional/area offices
• Road Safety and ITIs Project	SO	Across various states in India	
• Product Responsibility	PR	All products and services	

Notes:

- All operations include manufacturing facilities at Gurgaon and Manesar, Corporate office in Delhi, regional/area offices across India and MSSD – Service Workshop fully owned and operated by the Company in Delhi.
- The JVs of the Company are not covered in this report as the involvement of the Company in their day-to-day operations and decision-making is not significant.



MD felicitating the cross-functional team of Sustainability Report 2010-11

The report is prepared in accordance with the GRI G3.1 reporting guidelines and meets the A level requirements of the guidelines. The Company has also included certain performance indicators of the pilot version of the Automotive Sector Supplement that are material to it. Also, the Company has responded partially to the National Voluntary Guidelines of the Ministry of Corporate Affairs.

Det Norske Veritas AS (DNV), an independent assurance provider, has verified this report as per AA 1000 AS (2008) and the assurance statement is given in this report on page 94-95.

Preparation of the report has been an in-house endeavour. A cross-functional team was set up for this purpose with members drawn from various departments and levels. The report, including determining materiality, is an outcome of the combined efforts of all team members.



Unveiling of Sustainability Report 2010-11



Governance, Commitments and Engagement



CORPORATE GOVERNANCE

Maruti Suzuki believes that good corporate governance is essential for building trust between stakeholders, the management and the Board of Directors. Robust governance practices have been implemented at all levels of the organisation.

CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to practising sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, such as integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosures are ingrained in all its business dealings and shared by its Board of Directors, management and employees.

The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long term shareholder value.

MECHANISM FOR PROVIDING INFORMATION AND RECOMMENDATIONS TO THE BOARD

The constitution of the Board of Directors as on 31st March, 2012 is as under. One of the members on the Board of Directors is a lady. The Company has a clear demarcation of the role and responsibilities of Chairman of the Board and that of Chief Executive Officer.

Table I: Board of Directors

Names	Designation/Category	Audit Committee	Shareholders'/Investors' Grievance Committee
Mr. R. C. Bhargava	Chairman/Non-Executive	-	Chairman
Mr. Shinzo Nakanishi	Managing Director & CEO/Executive	Member	Member
Mr. Tsuneo Ohashi	Director & Managing Executive Officer (Production)/Executive	-	-
Mr. Shuji Oishi*	Director & Managing Executive Officer (Marketing & Sales)/ Executive	-	-
Mr. Keiichi Asai	Director & Managing Executive Officer (Engineering)/Executive	-	-
Mr. Osamu Suzuki	Director/Non-Executive	-	-
Mr. Kenichi Ayukawa	Director/Non-Executive	-	Member
Mr. Amal Ganguli	Director/Independent	Chairman	-
Ms. Pallavi Shroff	Director/Independent	Member	-
Mr. Manvinder Singh Banga	Director/Independent	-	-
Mr. Davinder Singh Brar	Director/Independent	Member	Member

* Mr. Shuji Oishi ceased to be Director on the Board on the close of business hours on 27th April, 2012.

* Mr. Kinji Saito joined the Board on 28th April, 2012.



Sustainability Journey Foot on the pedal



The Company has constituted an Audit Committee, the Shareholders'/Investors' Grievance Committee and Committee of Directors for Borrowing.

Please refer to Corporate Governance Report of the Annual Report for the year 2011-12 for details on the Board of Directors.

The Company has five business verticals viz. Administration, Production, Engineering, Supply Chain and Marketing & Sales. The Indian managers at the top management level of these verticals are designated as Sr. Managing Executive

Officer/Managing Executive Officer (Sr. MEO/MEO). The Board meetings of the Company mark the compulsory presence of all the Sr. MEOs and MEOs as they act as a channel between the Board and the employees. This structure not only allows easy and quick flow of information to the Board but also gives an opportunity to these verticals for making recommendations relevant to their business operations to the Board.

The Board has complete access to all information of the Company. The following information is provided to the Board and the agenda papers for the meetings are circulated in advance of each meeting:

Table II: Information provided to the Board of Directors

Economic	Environmental/Social	Compliance
Annual operating plans, capital and revenue budgets and updates	Fatal or serious accidents and dangerous occurrences	Materially important show cause, demand, prosecution and penalty notices
Financial results, details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement	Significant labour problems and their proposed solutions	Non-compliance of any regulatory/statutory nature
Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company	Any significant development in human resources, industrial relations and social issues	Issues involving possible public or product liability claims of a substantial nature
Sale of material investments, subsidiaries assets, which is not in the normal course of business	Any materially significant effluent or pollution problems	Minutes of meetings of committees of the Board
Status of funds invested by the Company, details of any JV or collaboration agreement		Recruitment and remuneration of senior officers just below the Board level including appointment or removal of CFO and Company Secretary



In addition to the above structure, the Company has a Business Review team, consisting of full-time directors, senior management and divisional heads. The Business Review Committee meets every week to review the operational performance of the Company.

The Company has a dedicated email id, investor@maruti.co.in, through which investors can give their recommendations and also ask queries.

In 2011-12, the Company implemented green initiative by sending the Annual Report and other relevant documents via email to investors who registered their email ids with the Company, thus reducing the cost of printing of the annual report. The Company convenes an Annual General Meeting (AGM) every year. The Board members, along with the chairman of the Audit Committee and SIGC, attend the meeting. The Board takes note of the shareholders' suggestions and accordingly responds to their queries.

The Company implemented NSE's initiative of filing of Corporate Governance Report and Shareholding Pattern through NSE Electronic Application Processing System (NEAPS). This initiative was undertaken to enhance the quality and speed of submission of documents electronically to exchange. The Company also implemented SEBI Complaints Redress System ('SCORES'), SEBI's centralised web based complaints redress system.

REMUNERATION OF BOARD OF DIRECTORS

Besides salary and other perquisites received, the Managing Director and Whole-time Directors are paid bonus that is directly linked to their performance. The performance criteria for the payment of performance-linked bonus are defined by the Board for the Managing Director and Whole-time Directors. These performance criteria include financial performance and parameters related to the growth of the Company.

MANAGING CONFLICTS OF INTEREST AND EQUAL OPPORTUNITY

The Company has laid down a Code of Business Conduct & Ethics which is applicable to all its senior management personnel, including its directors, top management and functional heads (including management personnel with direct functional reporting to directors & top management personnel) who affirm compliance with the Code of Conduct on an annual basis. For Code of Conduct, please refer to the Company's website at <http://www.marutisuzuki.com/code-of-conduct.aspx>.

During the year, there were no transactions of material nature with the promoters, the directors or the management, their subsidiaries or relatives that had potential conflict with the interest of the Company. All disclosures related to financial and commercial transactions where directors may have a





Sustainability Journey Foot on the pedal



potential interest are provided to the Board and the interested directors do not participate in the discussion nor do they vote on such matters.

None of the transactions with any of the related parties was in conflict with the interests of the Company. All related party transactions are negotiated on an arm's length basis and are in the interests of the Company.

ENSURING LEGAL COMPLIANCE

The Board reviews the compliance report with all applicable laws as well as steps taken by it to rectify instances of non-compliance, if any. A comprehensive legal compliance scheduling and management software is being used, which helps to delegate and monitor all compliances across the Company. Reports are generated through the software for each department/location, providing a snapshot of all compliances.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has a comprehensive Code of Conduct for Prevention of Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 1992. It is applicable to its directors, officers (Company Secretary), designated employees and their respective dependent family members. It lays down guidelines which advise on procedures to be followed and disclosures to be made while dealing with shares of the Company and caution on the consequences of non-compliance.

WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy, which can be used by employees across all levels. The policy safeguards employees by helping them raise concerns about serious irregularities, unethical behaviour and actual or suspected fraud within the Company. Mr. Amal Ganguli, Chairman, Audit Committee, is the ombudsperson under the policy. The policy has been widely communicated to all the employees who have been provided the email id, postal address and telephone numbers of the ombudsperson for reporting any matter directly.

CEO/CFO CERTIFICATION

The Company has in place a well-defined and transparent control self assessment mechanism to evaluate the effectiveness of internal controls over financial reporting. To facilitate certification by CEO/CFO for the financial year 2011-12, key internal controls over financial reporting were identified and adequately assessed to provide sufficient comfort. To ensure complete transparency and effectiveness of the self-assessment, the whole process was carried out through an online web-based tool called "Controls Manager".

For more information on Governance, Commitment and Engagement, please refer to the Corporate Governance Report of the Annual Report for the year 2011-12.

MEMBERSHIPS AND PUBLIC POLICY POSITIONS

Maruti Suzuki participates actively in the committees set up by the automobile industry and the government to decide on future regulations, policies and implementation plans.

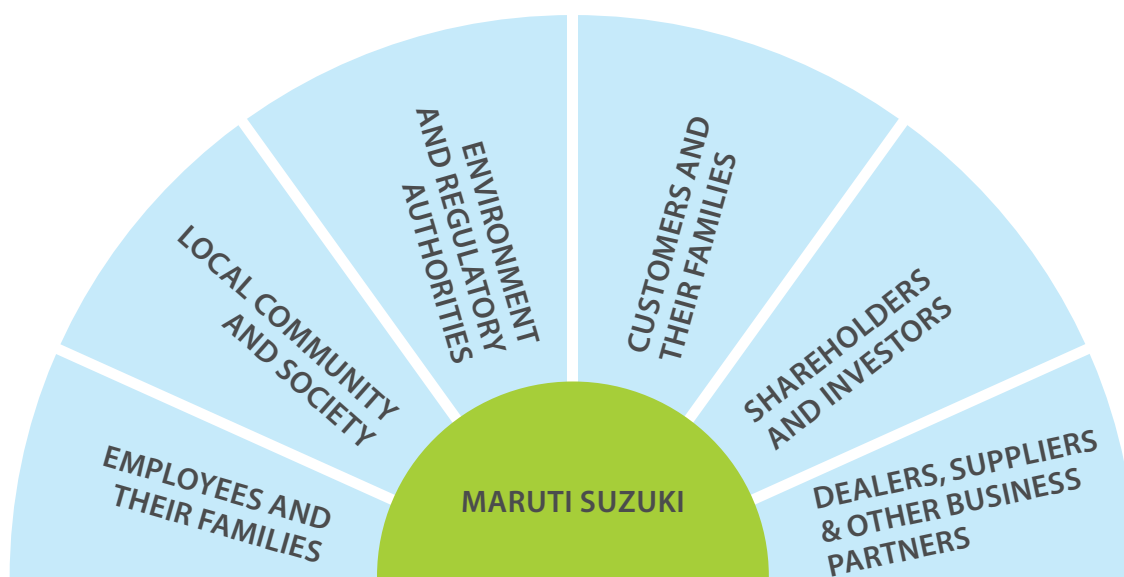
The Company is a member of the following organisations:

- Confederation of Indian Industry (CII)
- Society of Indian Automobile Manufacturers (SIAM)
- SIAM SAFE (Society for Automotive Fitness and Environment)
- Bureau of Indian Standards (BIS)
- Society of Automotive Engineers (SAE)
- Combat Climate Change (CCC)
- Advertising Standards Council of India (ASCI)
- The International Society of Automation (ISA)
- Media Research Users Council (MRUC)
- UN Global Compact India
- Symposium on International Automotive Technology (SIAT)

Stakeholder Engagement



Company officials engaging with community leaders at Manesar



Maruti Suzuki considers all organisations and individuals who are impacted by its operations and who can potentially impact its long term sustainability as its stakeholders. The Company has, over time, developed and fine-tuned its engagement with its various stakeholder groups. Stakeholder engagement is a continuously evolving, dynamic process and the Company considers its stakeholders as partners in its journey towards sustainability.

Details of stakeholder engagement are mentioned in the tables that follow. Here 'ongoing' refers to programmes/events conducted more than once a month.



Sustainability Journey Foot on the pedal



EMPLOYEES

Activity	Frequency
Divisional Communication Meetings to ensure uniform and structured communication flow to all employees	Monthly
Human Resources Initiatives Development Committee to ensure employees' participation in framing employee-related policies	Once in two months
Family Interaction	
a) Parivaar Milan for associates	Monthly
b) Family Connect for executives & above	Quarterly
c) Family Day function	Annual
Inter-Divisional Sports Tournaments and Motor Sports Events for building team spirit and for employees to pursue hobbies	Annual
Suggestion Schemes and Quality Circles for employees to implement their suggestions	Ongoing
360 Degree Feedback to improve leadership capabilities through direct feedback from peers and seniors	Annual
Stay Interviews to provide a structured platform for employees to share their concerns	Ongoing
Employee Relations Development Committee to ensure constructive discussions between workers' union and Company officials	Monthly
Employee Volunteering for employee engagement on social issues	Ongoing
Outbound Training for building team spirit among various levels and divisions of employees	Ongoing

CUSTOMERS

Activity	Frequency
Brand Track to gauge customers' perception of corporate brand and product brands	Ongoing
Customer Meets to gauge customer satisfaction with the Company's products and services	Ongoing
Customer Satisfaction Feedback Analyses to take suitable measures for upgrading products and services	Ongoing
Mega Service Camps to receive first-hand customer feedback and resolve complaints on the spot	Ongoing
Customer Care Cell for customers to register complaints on a 24x7 toll-free number (18001800180)	Ongoing
Product Clinics to collect product-specific feedback from customers	Before launch of product



SHAREHOLDERS AND INVESTORS

Activity	Frequency
Annual General Meeting for investors to interact directly with top management of the Company	Annual
Press Releases and Emails to disseminate information such as financial results, new model launches and price changes to investors	Ongoing
Investor Meets to update investors on current business environment and Company strategy to meet challenges	5-6 meets a year
One-to-one Meetings and Conference Calls to address investor-specific queries	Ongoing

Note: The Company has a dedicated Investor Relations team. Investors can contact the team at msilinvestorrelations@maruti.co.in or call 011-46781126/22.

SUPPLIERS

Activity	Frequency
Maruti Centre for Excellence (MACE) to upgrade suppliers by sharing of Company's best practices	Ongoing
Suppliers' Club to provide opportunity to select suppliers to discuss critical issues with the Company's top management	Ongoing
Quality Month to enhance quality consciousness amongst suppliers	Annual
Value Analysis and Value Engineering (VA-VE) Month to achieve cost competitiveness through a joint activity with suppliers	Annual
Quality Circle (QC) Competition promotes quality circle culture amongst suppliers	Annual
Joint Venture HR Meetings to review HR and IR issues and suggest necessary counter measures	Once in two months
Vendor Conference offers a platform for Company's top management and suppliers' CEOs to share their thoughts and best practices	Annual
Project Shikhar facilitates advancement of suppliers in quality, shop floor and people practices	Ongoing
Energy Audits at JV companies	Ongoing
Engagement and support for ISO 14001 certification for tier 1 suppliers	Ongoing
Safety Audits of suppliers to spread safety awareness	Ongoing



Sustainability Journey Foot on the pedal



DEALERS

Activity	Frequency
Balance Score Card A tool for sustained performance improvement of dealers in areas such as operations, sales, services and spares	Quarterly
Dealer Management System enables dealers across India to have seamless business transactions and build lasting relationships with customers	Ongoing
Dealer Conferences provide a platform to share best practices, offer future direction and receive feedback from dealers	Annual
Guidance on Business and Financial Matters for dealers	Ongoing

LOCAL COMMUNITY AND SOCIETY

Activity	Frequency
Community Development and Engagement through meetings with community leaders, regular interaction with villagers and implementation of development programmes	Ongoing
Skill Training for Youth through upgrading of government-run Industrial Training Institutes (ITIs) including infrastructure development, soft skills, placement, constitution of Institute Management Committee (IMC) Meeting and factory visits	Ongoing
Road Safety Promoting road safety through driving training at IDTRs, MDSs and Road Safety Knowledge Centre; road safety awareness for school children; dealer review meetings to review Maruti Driving Schools' performance	Ongoing

ENVIRONMENT AND REGULATORY AUTHORITIES

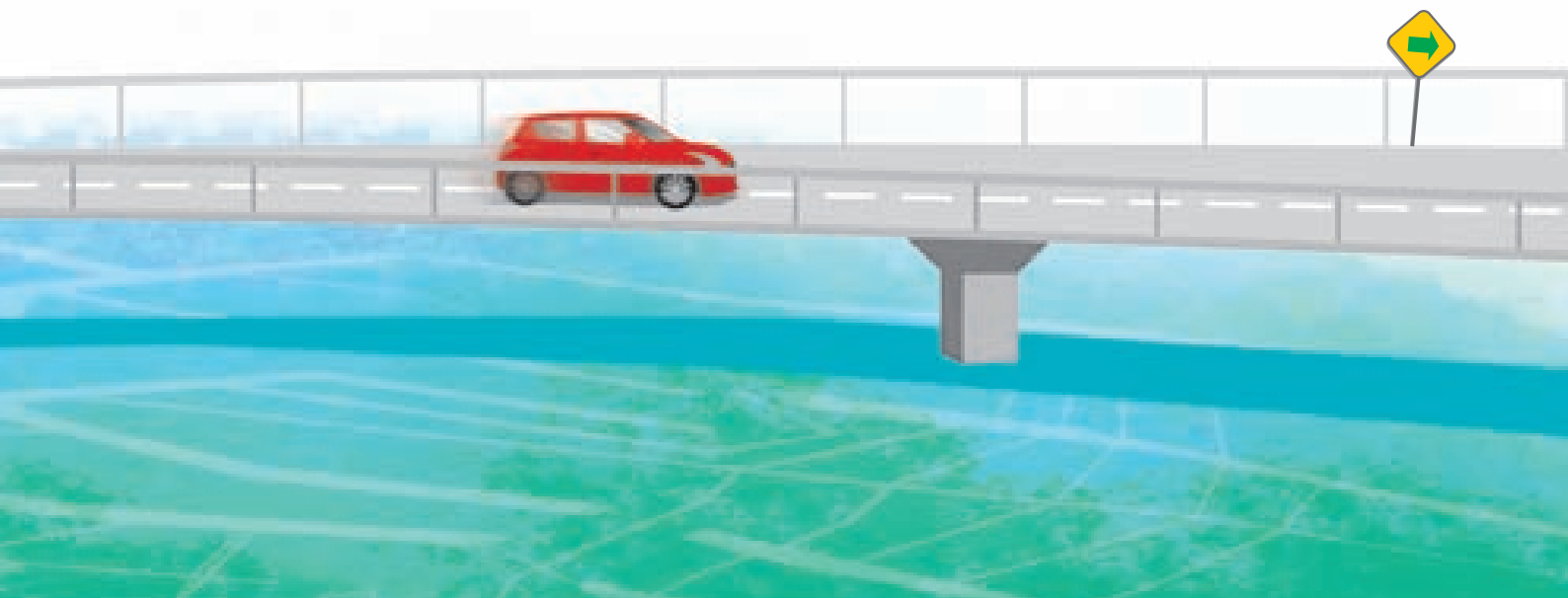
Activity	Frequency
Community Feedback to gauge environmental impact of the Company on the neighbouring community	Annual
Interaction with Regulatory Authorities such as Central and State Pollution Control Boards and Ministry of Environment and Forests officials to discuss environmental issues	Ongoing
Advocacy on Future Environmental Regulations and Policies by participating in the committees set up by SIAM and the government on future environment regulations, policies and implementation plans	As required
Working closely with the government on a suitable policy framework to encourage Hybrid and Electric Vehicles	Ongoing



ECONOMIC PERFORMANCE



Sustainability Journey Foot on the pedal



Maruti Suzuki reached the 10 million domestic sales mark and became the only automobile company in India to cross this milestone.

The Company continued its capacity expansion plans and commissioned its second plant at Manesar in the reporting year. The Company invested in stockyards across the country for faster delivery of vehicles to customers. The first stockyard at Bengaluru became operational in the year.

MANAGEMENT APPROACH

At Maruti Suzuki, investment decisions take into account unmet customer needs, market growth potential, upcoming regulations and the long term sustainability of the Company and its stakeholders. The Company believes in sustained business growth and in the financial well-being of its direct stakeholders. These investments in turn generate new opportunities for growth in the upstream and downstream value chain, fostering employment and contributing to the local economy.

Maruti Suzuki believes in financial prudence and refrains from investments for quick gains. The Company has a healthy balance sheet and investments for business expansion are met from internal accruals.

FINANCIAL PERFORMANCE IN 2011-12

The year 2011-12 was full of challenges and turbulence for the Indian passenger vehicle industry. There were many factors that affected markets and sales.

On a macro-level, the country's GDP growth fell from 8.4% in 2010-11 to 6.9% in 2011-12, impacting the overall economic growth of the country. Double digit inflation, coupled with the central bank's decision to hike interest rates to curb it, worsened the situation. High price differences between petrol and diesel led to a severe demand distortion for petrol and diesel cars. The impact of these factors was seen most on cost-sensitive compact cars. In 2011-12, the Indian passenger vehicle market grew by a meagre 4.7%. Sale of petrol cars declined by 13.7% in the domestic market; while diesel car sales went up by 37.4%. If the market were segmented on basis car size, the sales of bigger cars (A3 segment and above) grew by 17.5% and of utility vehicles by 16.5%; however, that of small and compact cars declined by 1.4%. Since Maruti Suzuki's business is predominantly in small petrol cars, it was affected more than the vehicle industry as a whole.

Domestic sales fell by 11.2% to 10,06,316 units. Net sales, including exports, stood at ₹ 3,47,059 million, a decline of 3.2% over the previous year. The Company's efforts to revive the market with higher discounts and sales promotion activities, along with higher commodity prices and adverse foreign exchange rates, adversely affected its profit. Profit After Tax declined by 28.6% to ₹ 16,352 million. The Company does not have long term debt as on 31st March, 2012; therefore its debt equity ratio is nearly zero.

The uncertainty in the global economic environment after a natural calamity in Japan, downgrading of the credit rating of the United States and the Eurozone sovereign debt crisis impacted the demand for cars in overseas markets. Therefore, exports to European markets declined. The Company made up for the fall in numbers to some extent by exporting to non-European markets. Total exports stood at 1,27,379 units in 2011-12, a decline of 8% from the previous year.

The Company has taken strong and concrete measures to enhance its revenues and profits:

- Diesel engine availability is expected to increase to about 4,00,000 units in the year 2012-13 from about 2,50,000 units in 2011-12. Realising the potential demand for diesel vehicles, a further capacity expansion is planned in phases.
- In order to mitigate adverse foreign exchange movement risk, the Company is making focussed efforts for localising import content and has created a dedicated organisation structure for this.
- The Company has received permission from the Reserve Bank of India to hedge risks arising from foreign exchange exposure due to its suppliers' imports. This will facilitate centralised and fast decisions on foreign currency hedges for the entire value chain.
- The Company has also constituted joint teams of Finance and Supply Chain functions to explore possibilities of hedging its commodity exposure in copper, aluminium and precious metals.



Customer interacting with sales executive at a dealership

- The Company continues its focus on VA-VE to expedite possibilities of cost reduction along with its various suppliers.

Despite the tough market conditions, the Company realised many landmark achievements in 2011-12.

- Maruti Suzuki reached the 10 million domestic sales mark and became the only automobile company in India to cross this milestone.
- The Company continues its capacity expansion plans and commissioned its second plant at Manesar. The plant has a capacity of 2,50,000 units.
- The Company is investing in vehicle stockyards across the country to deliver cars faster to customers. The first stockyard with a capacity of 9,000 cars became operational in Bengaluru in the reporting year.

The Company's dealer sales network reached 1,100 outlets, making Maruti Suzuki the only passenger vehicle manufacturer to have more than one thousand sales outlets in India.

- The Company launched two cars during the year, the refined versions of the Swift and DZire. Both cars were well received by the market.



Mr. S. Nakanishi, MD & CEO and Mr. Mayank Pareek, MEO (Marketing & Sales) unveiling the new DZire

Table 1: Financial performance

Performance Indicators	Units	2009-10	2010-11	2011-12
Domestic sales	Units	870,790	1,132,739	1,006,316
Export sales	Units	147,575	138,266	127,379
Total	Units	1,018,365	1,271,005	1,133,695
Net income	₹ million	301,232	371,272	364,139
Operating costs	₹ million	251,601	323,013	322,855
Employee wages and benefits	₹ million	5,456	7,036	8,438
Shareholders' fund	₹ million	118,351	138,675	151,874
Dividend paid	₹ million	1,733	2,167	2,167
Contribution to the national exchequer	₹ million	51,442	71,343	62,275

Note: Figures of 2010-11 are regrouped due to implementation of revised schedule VI as per Ministry of Corporate Affairs Guidelines.

Sustainability Journey Foot on the pedal



The Company launched two cars during the year, the refined versions of the Swift and DZire. Both cars were well received by the market.



Sales executives undergoing training at Maruti Suzuki dealership

DIRECT AND INDIRECT IMPACTS OF THE COMPANY

Despite the challenges faced by the Company in the reporting year, there was an expansion in the Company's network. The dealer sales network reached 1,100 outlets in 801 cities and total service points expanded to 2,958 workshops in 1,408 cities. The Company has the highest network penetration in the country. In terms of district coverage, over 82% districts are covered and rural sales made up for 25% of total domestic sales.

Maruti Suzuki has a large supplier base and over 80% of the value for the Company is generated at the suppliers' end. The Company has 267 suppliers, including 20 joint venture companies. During 2011-12, suppliers invested more than ₹ 1,000 Crore in capacity expansion, giving job opportunities to almost 2,000 people.

The Company gave impetus to localisation of components and set up a separate localisation group. Localisation will create fresh investment opportunities for suppliers, contributing to economic growth.

Expansion in the service and sales network and the supplier base will lead to creation of employment and income generation opportunities.

CRISIL RATING

The Company was awarded the highest financial rating of AAA/Stability (long term) and P1+ (short term) on its bank facilities by CRISIL. The rating underscores the financial stability and strength of the Company with respect to timely fulfilment of its financial obligations.



EMPLOYEE REMUNERATION AND BENEFITS

The employee remuneration and benefits of the Company increased by 20% from ₹ 7,036 million in 2010-11 to ₹ 8,438 million in 2011-12.

As a policy, the Company keeps the wages of its permanent and contract employees above the standard entry-level minimum wages fixed by the state government. The Company does not differentiate on the basis of gender in awarding wages.

The Company has the following benefit plans for its employees:

1. Employees' gratuity fund
2. Leave encashment
3. Retirement allowance

Table 2: Maruti Suzuki's Contribution to Employee Benefit Plan Obligation in 2011-12 (₹ million)

	Leave Encashment/ Compensated Absence	Employees' Gratuity Fund	Retirement Allowance
Present value of obligation as on 31 st March, 2012	850	848	37

Source: Note 28 (Employee Benefit Expenses) of Standalone Accounts 2011-12 of Annual Report.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT OF INDIA

In 2011-12, Maruti Suzuki did not receive any significant financial assistance from the Government of India.

FINANCIAL IMPLICATIONS & RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE

Taking in cognisance climate change and acting proactively to reduce the impact of its operations and products, Maruti Suzuki has taken certain concrete steps.

To promote the use of greener fuel amongst customers, the Company offers five CNG models – the Eeco, the WagonR, the SX4, the Alto and the Estilo. These come with the state-of-the-art i-GPI technology.

On the manufacturing side, the Company monitors all its emissions and resource consumption stringently. All emission levels are maintained within permissible levels as per government guidelines. The Company uses natural gas, a clean fuel, to generate electricity in its captive power plants at both its manufacturing facilities. Details of the Company's efforts towards green manufacturing are available in the Environmental Performance section of the Report.

EXPENDITURE ON SOCIAL INITIATIVES

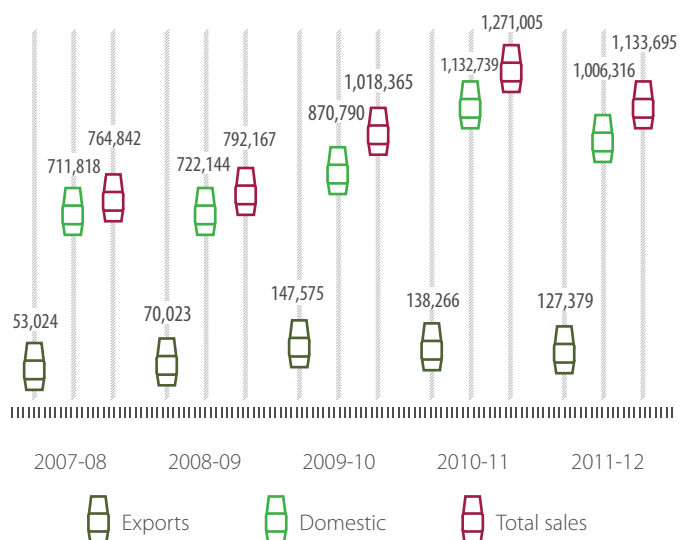
The CSR activities of the Company continued to expand. In the reporting year, the Company spent ₹ 120.3 million on social initiatives. This includes an expenditure of ₹ 2.41 million on infrastructure projects undertaken for public benefit.

Sustainability Journey Foot on the pedal

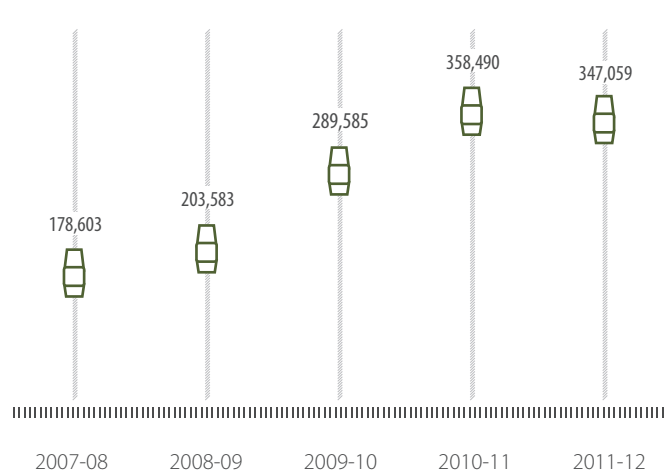


FINANCIAL PERFORMANCE AT A GLANCE

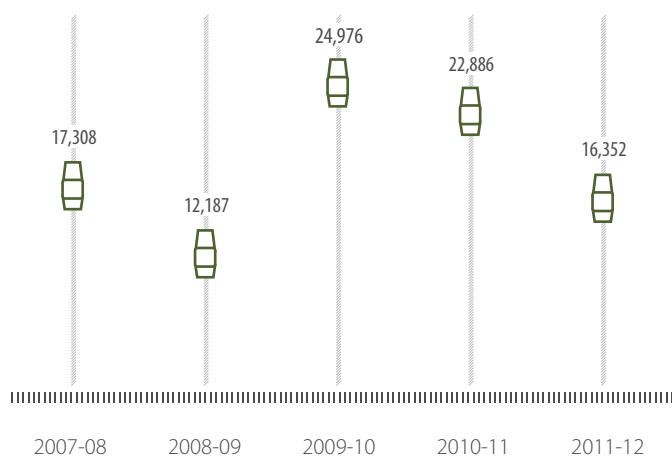
SALES (No. of Units)



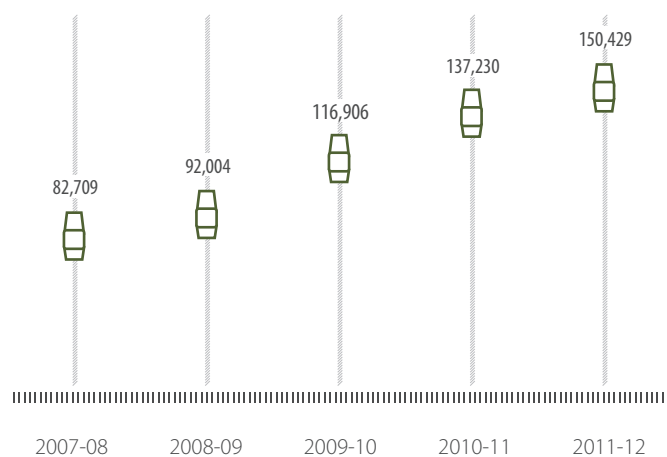
NET SALES (in ₹ Million)



PROFIT AFTER TAX (in ₹ Million)



RESERVES & SURPLUS (in ₹ Million)



For more information on financial performance please refer to Annual Report 2011-12
(<http://www.marutisuzuki.com/annual-reports.aspx>).



ENVIRONMENTAL PERFORMANCE



Sustainability Journey
Foot on the pedal



Maruti Suzuki is committed to continuously improve its environmental performance. Its per car power consumption has reduced by nearly 30% in the last decade at the Gurgaon facility and by about the same percentage during the last five years at the Manesar facility.



MANAGEMENT APPROACH

Maruti Suzuki strives to minimise the carbon footprint of its manufacturing facilities, products and supply chain operations. The Company believes that investing in environment friendly technologies makes business sense as it brings good returns in the medium to long term.

The environment policy of the Company promotes energy conservation, 3Rs (Reduce, Reuse and Recycle), green procurement, environment friendly mobility and environment consciousness among its direct stakeholders. Compliance with all environmental regulations is mandatory. Going beyond that, the Company works closely with its parent Company, Suzuki Motor Corporation, to introduce the latest environment friendly technologies in India, much ahead of statutory requirements.

Maruti Suzuki became the first automobile company in India to register a Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC)*.

In due course, the Company will earn tradable carbon credits. The Company sends all its hazardous waste to the cement industry for co-processing. All new vehicles are free of hazardous substances and comply with European End of Life vehicle regulations. The Company is working towards continuously improving the fuel efficiency of its cars.

* <http://cdm.unfccc.int/Projects/DB/DNV-CUK1287731579.41/view>



Water lagoon for rain water harvesting

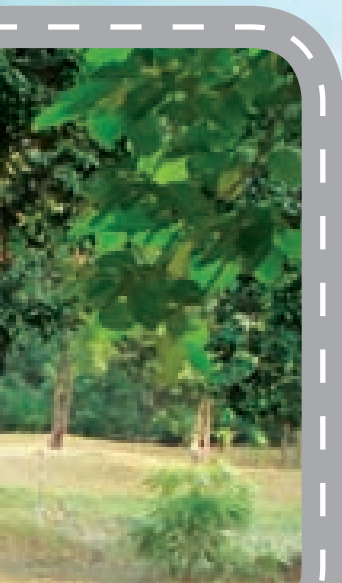
The Company has been able to use the Japanese concept Kaizen very effectively in energy management and water conservation. The Company has deployed some of the best technologies and global practices for resource conservation using the principle of Reduce, Reuse and Recycle.

The year 2011-12 was a challenging year for Maruti Suzuki. Low production volume affected per car water and electricity consumption. In addition to lower production, casting operations increased at the Gurgaon facility and a new manufacturing line became functional at Manesar. The new initiatives undertaken by the Company during the year will improve its environment performance in the medium to long term.

The Company works closely with its tier 1 suppliers to improve their environmental performance. Suppliers are encouraged to implement Environment Management System. Experts from Maruti Suzuki regularly visit joint venture companies to carry out energy audits and suggest



Sustainability Journey Foot on the pedal



Solar power is currently harnessed for street lighting and water heating purposes at both manufacturing units.



An effluent treatment plant

The Company has been able to use the Japanese concept Kaizen very effectively in energy management and water conservation.



Solar panels to harness solar energy

areas of improvement. The Company also aims to make all its tier 1 suppliers ISO 14001 compliant in a time-bound manner.

In the reporting year, the Company laid special emphasis on solar energy. Solar power is currently harnessed for street lighting and water heating purposes at both its manufacturing units. A one MW solar power plant will shortly be commissioned at the Manesar facility.



Captive power plant using clean fuel natural gas

Scrap generated in press and casting operations is sent to suppliers to manufacture child parts, thus conserving material.

GREEN MANUFACTURING

Maruti Suzuki follows SMC's basic philosophy of Smaller, Fewer, Lighter, Shorter and Neater in its manufacturing facilities. The Company has identified five focus areas for protection of the environment and optimal utilisation of natural resources:

- Material use and weight reduction
- Energy conservation
- Water conservation
- Air emissions reduction
- Waste management

MATERIAL USE AND WEIGHT REDUCTION

The major raw materials used in vehicle manufacturing are steel coils, ferrous and non-ferrous castings, paints and thinners. The Company sources finished components used in vehicles from various suppliers.

In the reporting year, the Company used 2,00,256 MT of steel coils, 16,831 MT of ferrous casting, 15,507 MT of non-ferrous casting and 6,043 MT of paint.

It is the Company's endeavour to improve its processes in a manner that conserves material. The Company continued with its "One Gram One Component" programme that aimed at reducing material consumption through re-engineering and design modification of existing vehicles.

The Company has undertaken various initiatives to optimise consumption of raw material. The scrap generated in press and casting operations is sent to suppliers to manufacture child parts or use in their processes for manufacturing relevant components. A total of 6,648 MT of metal scrap was sent to suppliers to make small components used in vehicle manufacturing.

Optimisation of material use is an integral part of component design and development for new models. Some examples of material optimisation in the new Swift and DZire are provided in the Green Products section.

The Company focusses on yield improvement to conserve critical resources. The scope of this activity was extended from the traditional sheet metal to plastics, electrical and casting operations. In 2011-12, 287 yield improvement proposals were implemented, resulting in a materials saving of more than 2,000 T.

ENERGY CONSERVATION

Maruti Suzuki's manufacturing sites at Gurgaon and Manesar run on captive power plants that use natural gas, a clean fuel. The total energy used in the plants for various processes in the reporting year was 59,16,312 GJ and the indirect energy used was 8,458 GJ.

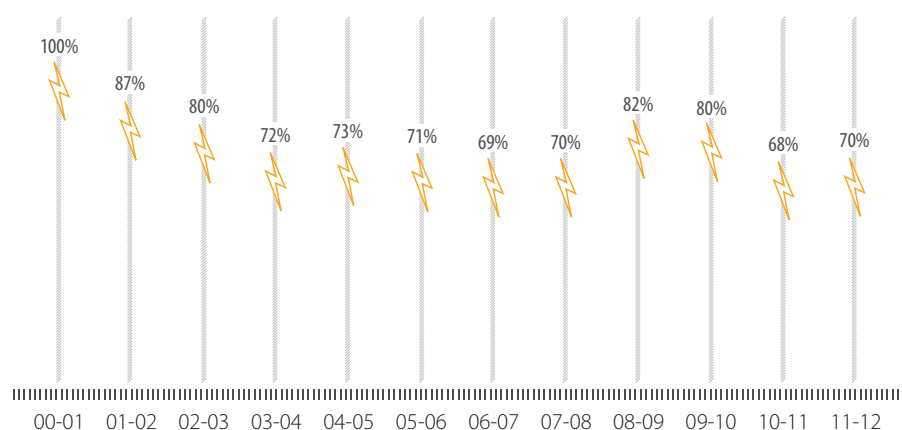
Maruti Suzuki's power consumption per car has reduced by nearly 30% in the last decade at the Gurgaon plant and by about the same percentage during the last five years at the Manesar plant.

Sustainability Journey Foot on the pedal



The charts below provide indexed figures on electricity consumption per car for the Gurgaon and Manesar plants over the years.

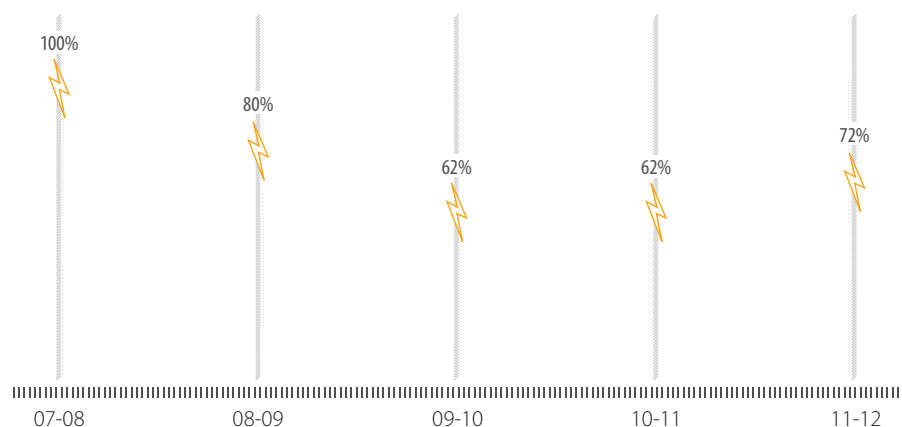
Electricity Consumption Per Car - Indexed to Base Year 2000-01: Gurgaon Plant



Note: The increase in per car power consumption in 2011-12 was on account of lower production volumes and increased casting operations compared with the previous year.

Maruti Suzuki's manufacturing sites at Gurgaon and Manesar run on captive power plants that use natural gas, a clean fuel.

Electricity Consumption Per Car - Indexed to Base Year 2007-08: Manesar Plant



Note: The increase in per car power consumption in 2011-12 compared to 2010-11 was on account of lower production volumes and additional plant commissioning.

The newly commissioned 2nd plant at Manesar was designed for maximum use of natural light, reducing the need for artificial lighting during the day.



The Company undertook several initiatives to conserve energy in the reporting year at its Gurgaon and Manesar facilities. These include:

GURGAON PLANT

- Installed waste heat recovery boilers and steam turbine generators to generate power from waste heat recovered from existing gas turbines at Gurgaon plant.
- Introduced a new generation electro-deposition (ED) paint coating that operates at low voltage and consumes less energy in paint operations.
- Aerodynamic energy-efficient fibre reinforced plastic (FRP) blades replaced the standard blades at the cooling towers for lower energy consumption.
- The voltage in the shops was optimised for lighting and motor loads.
- Desiccant-type air dryers were introduced to reduce energy consumption.

MANESAR PLANT

The Company introduced many pathbreaking initiatives at its newly constructed second plant at Manesar for optimal utilisation of energy. The following are the initiatives undertaken at the second plant.

- The newly commissioned plant was designed for maximum use of natural light, reducing the need for artificial lighting during the day.
- Only LED lights were installed at Manesar second plant, making it the first car manufacturing plant in India to use LED technology entirely. A normal tube light uses 50 watts of electricity and the initial purchasing cost is around ₹ 60. An LED light uses 22 watts of electricity and costs around ₹ 1,500. Through the initial investment is high, an LED light consumes half the electricity used by an ordinary fluorescent light. This initiative is being extended to the Gurgaon plant as well.

Only LED lights were installed at the 2nd plant at Manesar, making it the first car manufacturing plant in India to use LED technology entirely.

- Gravity conveyors were installed at the weld shop in the second plant, eliminating the need for electric motors for transfer of body panels.
- Energy efficient motors were used in utility equipment at the plant.
- The Company also works in its JVs to reduce their energy needs. In 2011-12, Energy Management Group of the Company carried out energy audits at JVs at Manesar. Through the audits, the Company is focussing on reducing energy cost of the suppliers by sharing its best practices and benchmarking.

WATER CONSERVATION

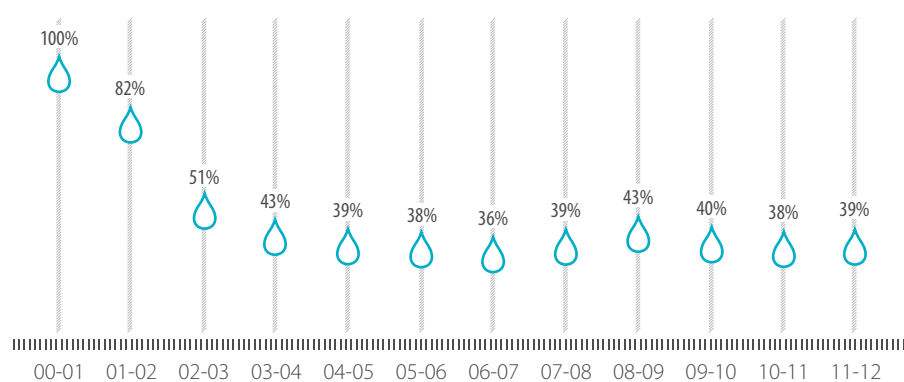
Water conservation is an integral part of the Environment Management System at Maruti Suzuki. The Company has achieved zero waste water discharge status (outside factory premises) since 2003-04 at its Gurgaon facility and since 2006-07 at its Manesar facility. The Company uses canal water for most of its manufacturing processes to conserve groundwater.

The total water consumption in 2011-12 for both the Gurgaon and Manesar plants was 1,801,322 m³, comprising 1,495,754 m³ canal water, 305,018 m³ tube well water and 550 m³ rain water.

Sustainability Journey Foot on the pedal



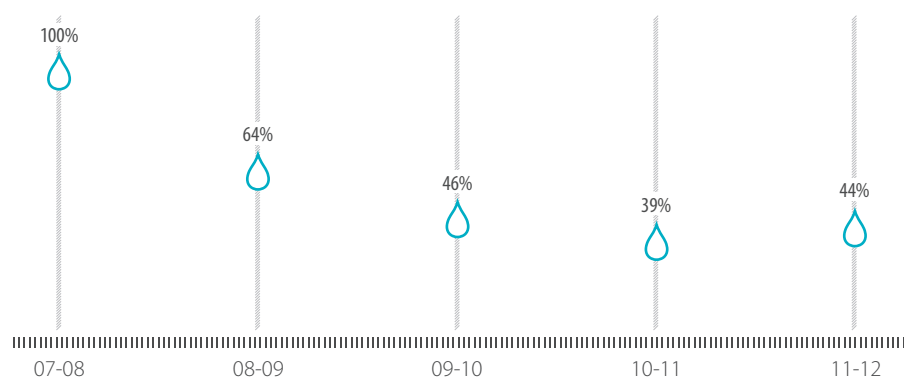
Water Consumption Per Car – Indexed to Base Year 2000-01: Gurgaon Plant



Note: The increase in per car water consumption in 2011-12 compared to 2010-11 was on account of lower production volumes and increased casting operations.

A total of 1,234,767 m³ of water was recycled and reused in 2011-12, accounting for 41% of the total water requirement of both manufacturing facilities.

Water Consumption Per Car - Indexed to Base Year 2007-08: Manesar Plant



Note: The increase in per car water consumption in 2011-12 compared to 2010-11 was on account of lower production volumes and commissioning of new plant.

The Company has achieved zero waste water discharge status at its manufacturing facilities.

A total of 1,234,767 m³ of water was recycled and reused in 2011-12, accounting for 41% of the total water requirement of both plants. Use of recycled water increased from 41% to 44% in the Gurgaon plant in the reporting year. The Company used 462,049 m³ of treated effluent water, after ensuring that it met the necessary water quality standards, for horticulture.

Waste minimisation and process innovation have enabled the Company to reduce per car water consumption by 61% in the last decade in the Gurgaon facility and by about 56% in the last five years in the Manesar facility. The charts above provide indexed figures on water consumption per car for both plants over the years.



Initiatives undertaken by the Company in 2011-12 to conserve water include:

- Introduction of direct cooling systems for air-conditioning.
- Use of air-cooled dryers instead of water-cooled dryers in the compressed air plant.
- Use of recycled water instead of raw water in paint shop in Gurgaon plant.
- Installation of air-cooled condensers in place of water-cooled condensers in Gurgaon and Manesar plants.

AIR EMISSION REDUCTION

The major source of greenhouse gas (GHG) emission at Maruti Suzuki is the combustion of fuel for power generation and process requirements, accounting for over 90% of the Company's total GHG emissions.

The total GHG of both plants was 3,14,355 T (CO₂) for 2011-12. GHG reporting has been done as per Scope 1 and 2 of the WBCSD/WRI Protocol.

Ambient air quality and stack emission parameters (SO_x, NO_x, SPM etc.) are monitored regularly by a government approved external agency. The monitored values are well within the prescribed limits of the Pollution Control Board.

Initiatives to reduce emissions that were undertaken in the reporting year include:

- A special fluidised bed type incinerator installed for cleaning of paint booth gratings instead of a direct burning type incinerator.
- Improvement in the operational efficiency of gas turbines.

WASTE MANAGEMENT

The hazardous wastes produced as by-products of manufacturing operations at Maruti Suzuki include paint, phosphate and Effluent Treatment Plant (ETP) sludge, incinerator ash and used oil. The used oil is sold to authorised recyclers. Maruti Suzuki has been sending paint sludge, phosphate sludge and ETP sludge to the cement industry for co-processing since 2010-11. This has eliminated the need for incineration and land filling. The saleable solid wastes such as metal scrap and glass waste are sold to recyclers. All in-process and vehicle related e-waste is disposed off through authorised recyclers only.

Maruti Suzuki has been sending paint sludge, phosphate sludge and ETP sludge to the cement industry for co-processing since 2010-11.

The hazardous waste generated during the reporting year was 4,227 T and used oil was 406 T. The existing landfill is being emptied out gradually by sending the waste to the cement industry. In the reporting year, 5,663 T of hazardous waste was sent to the cement industry for co-processing.

There has been no significant spill inside the plants, as secondary containments are provided wherever there is a possibility of spills.

USE OF ENVIRONMENT FRIENDLY REFRIGERANTS

Air-conditioning is limited to offices and to a few facilities where it is essential. All manufacturing facilities are cooled by air washers; therefore, the use of refrigerants by the Company is not significant.

The Company fills environment friendly refrigerant gas R134a in the vehicles it produces. The refrigerant gas is filled into the vehicles with advanced dispensing machines having automatic selection of vehicle type and filling quantity, to avoid any leakage at the time of filling.

In order to mitigate global warming risks by further reducing the use of HFC refrigerant, Maruti Suzuki has optimised the design of its heat exchangers. All new Maruti Suzuki vehicles are equipped with a compact and high heat transfer heat exchanger, which reduces the amount of refrigerant required to be filled in the vehicle.

No monetary fines were levied on the Company by environment regulatory authorities in 2011-12.

Sustainability Journey Foot on the pedal



Maruti Suzuki's fleet of CNG cars, cleaner technology for a greener tomorrow

GREEN PRODUCTS

The Company's R&D division is enhancing its capabilities in component and vehicle evaluation, benchmarking and design optimisation. The R&D manpower was increased from 1,070 engineers in 2010-11 to 1,210 in 2011-12. As a result, the Company has been able to introduce modern technologies and offer its customers environment friendly products at a faster pace.

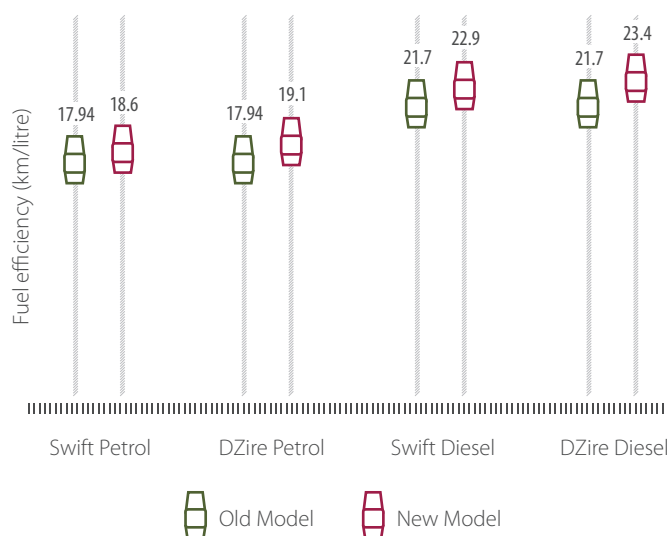
The Company has developed the full vehicle virtual validation capability (CAE) whereby the product development cycle time has been reduced by about 8.3%. Analysis such as vehicle crash worthiness, vehicle external aerodynamics, structural rigidity, power train performance improvement, emission reduction and passenger comfort improvement can be validated through virtual testing for improving the safety, comfort, durability, fuel efficiency and performance of the vehicles.

ENVIRONMENT FRIENDLY ENGINE TECHNOLOGIES

Variable Valve Timing (VVT): VVT has been implemented in the petrol versions of the new Swift and Dzire to improve fuel efficiency and vehicle performance. VVT technology has helped in reduction of emissions and increase in fuel economy. The Company incorporated low friction valve train design and low viscosity oils in the diesel variants of these new cars.

Besides meeting the Bharat Stage IV Emission & OBD – II regulatory norms, new Swift and Dzire were launched with much improved fuel efficiency in both petrol and diesel variants. The fuel efficiency of old and new variants is given below:

Fuel efficiency of old and new Swift and Dzire



Source: Automotive Research Association of India (ARAI).



New Swift and DZire: Sustainable Technologies

LIGHT WEIGHTING

Light weight battery weighing 500 grams lesser than the earlier version.

LIGHT WEIGHT TORSION BEAM

Rear Torsion Beam lighter in weight by 21% without compromising the torsional rigidity.

NEW GENERATION ANTI-LOCK BRAKING SYSTEM (ABS)

Compact & light; weighing 15% less compared with ABS used in outgoing models.

LIGHT WEIGHT SPEAKERS

Weight reduction of 1kg per vehicle.

IMPROVED CABIN NOISE COMFORT LEVEL

Acceleration noise and road noise improved by 4dB (A). Overall NVH packaging improved to reduce the cabin noise and provide comfort to occupants. Full door opening trim sealing used instead of half door opening trim seal to improve the wind cutting and road noise by 3dB(A) at high speed driving condition.

STEERING LOCK MATERIAL CHANGE

Body material changed from conventional Zinc alloy to Magnesium alloy. Weight reduction of 400 grams per vehicle.

DETENT PIN TECHNOLOGY

To enhance the gear shift feel by reducing the frictional losses during gear shifting.

SKIRT SLIP TYPE OIL SEALS

To prevent entry of dust in seal lip area to prevent damage of the oil seal. Chances of oil leakage through the seals reduced.

LIGHT WEIGHT PLASTIC FUEL TANK

30% lighter than conventional sheet metal fuel tanks. Lower weight, better fuel efficiency, better corrosion and crash resistant properties.



Sustainability Journey Foot on the pedal



STEERING PERFORMANCE

New Swift and DZire have been equipped with latest EPS technology and advanced universal joints to enhance steering performance of the vehicle. Both the models come with lighter new generation front MacPherson Strut equipped with double pigtail spring optimised for Indian conditions.

FUEL EFFICIENCY

Fuel efficiency of Swift improved by 3.8% & 5.5% in petrol and diesel variants respectively. Fuel efficiency of DZire improved by 6.5% & 7.8% in petrol and diesel variants respectively.

THIRD GENERATION WHEEL BEARING

Over 20% reduction in weight. Additional advantages of controlled pre-loading, enhanced rigidity and improved bearing performance.

LOW NVH LEVELS WITH HYDRO MOUNT APPLICATION

For better damping, shock absorbing capability and vibration control.

END OF LIFE OF VEHICLES (ELV) COMPLIANT

Both cars are ELV compliant i.e. they do not contain hazardous substances such as mercury, hexavalent chromium and cadmium. ELV is an European norm.





D-VVT in A-star Export: To meet the stringent European emission norms, Dual VVT technology was introduced in the A-star export model. D-VVT further improves fuel efficiency and reduces emission. With the introduction of D-VVT, the CO₂ emission of A-star has dropped to as low as 99 gm/km.

OBD II Implementation: OBD is a tool to diagnose the health of a car with respect to its emissions. In the event of a malfunction of the emission control system, the OBD system lights up the engine check lamp on the speedometer. This helps in speedy identification and rectification of emission-related faults in the system.

In 2011-12, Maruti Suzuki became the first company in India to introduce OBD II compliance models with the launch of the new Swift and DZire. The Company is in the process of making all its models OBD - II compliant.

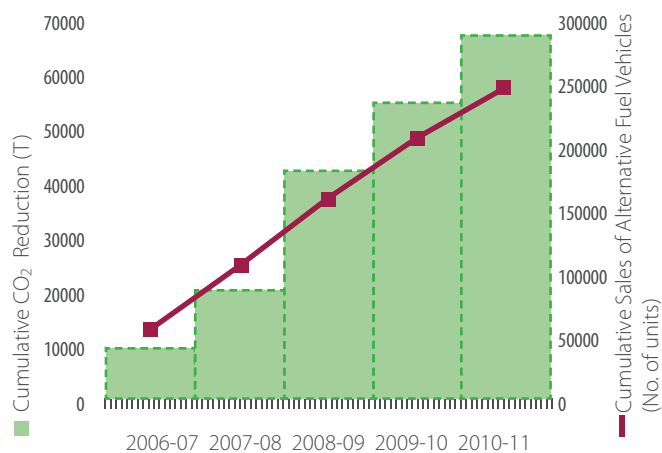
Cleaner Technologies: Maruti Suzuki is committed to developing alternative fuel vehicles with revolutionary i-GPI technology. The frequent escalation in fuel prices has made customers prefer cars that use alternative fuels. Environmental considerations, coupled with high demand for fuel efficient cars, have brought alternative fuel options such as CNG, LPG, hybrid and electric vehicles into sharp focus.

Maruti Suzuki has taken revolutionary steps in providing multiple fuel options for many of its models, simultaneously delighting customers and protecting the environment. The Company's alternative fuel vehicles incorporate the best-in-class technologies, are safe, eco-friendly and economically viable.

The Company has been working on the development of alternative fuel models since 2000. The Company has been able to sell around 2.5 lakh alternative fuel vehicles, cumulatively offsetting around 64,000T of CO₂ till April 2011.

Maruti Suzuki became the first company in India to introduce OBD II compliance models with the launch of the new Swift and DZire.

Cumulative CO₂ Reduction (Alternate fuel vehicles)

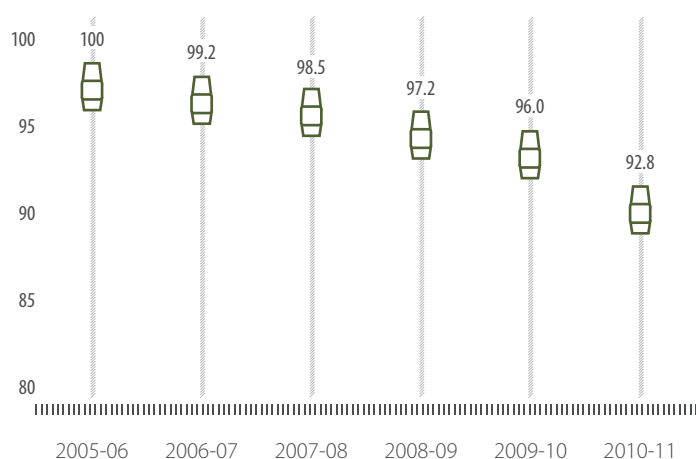


Maruti Suzuki has successfully reduced over 7% CO₂ emission compared to 2005 levels of CO₂ through fuel efficiency improvements, reduction of exhaust emissions and development of alternate fuel products during vehicle operation in last five years.

Sustainability Journey Foot on the pedal



Weighted Average CO₂ Percentage Improvement as compared with base year 2005 (Entire fleet)



All Maruti Suzuki vehicles, except the old models (M800, Omni and Gypsy), comply with European ELV norms.

Weight Reduction: Research in the area of new materials i.e. high strength steel and polymer usage for Body in White (BIW) and interior parts has helped in using stronger, lighter and safer materials. This has resulted in an increase in fuel efficiency and performance of vehicles without compromising on their safety. This is a step forward to meet the upcoming safety regulations and to produce lighter and fuel efficient vehicles.

Restriction of Hazardous Substances Elimination & Vehicle Recycling Initiatives: Maruti Suzuki has voluntarily taken the initiative to eliminate chemical substances of concern such as lead, cadmium, mercury, hexavalent chromium and asbestos. These substances are detrimental to the environment and human health. All Maruti Suzuki vehicles, except (M800, Omni and Gypsy), comply with European ELV norms.

Maruti Suzuki is supporting a new initiative undertaken by NATRiP, SIAM and MoHI to establish a dismantling

demonstration unit in Chennai, by providing a few of its older vehicles and offering guidance in environment friendly vehicle dismantling methods.

Hybrid and Electric Technology: Maruti Suzuki has taken up experimental projects in the field of hybrid and electric vehicles. Subsequent to the demonstration of SX4 Hybrid and Eeco Electric vehicles at the Common Wealth Games, R&D capability was further enhanced in HEV-EV by taking up study projects in areas such as HEV fuel efficiency, Idle Start Stop system, Range Extender etc.

GREEN SERVICE WORKSHOPS

Maruti Suzuki has a large network of dealer and service workshops. In order to minimise the environmental impact of sales and service operations, the Company works closely with its dealers and authorised service workshop teams on environmental projects.

Oil management is one of the key focus areas in the service workshops. The Company has facilitated implementation of an automated oil management system to minimise oil spillage. It monitors and controls oil quantities to identify and prevent wastage. The oil management system was implemented in 502 workshops as on 31st March, 2012.

Wind ventilators have been introduced to provide a cost effective and environment friendly alternative for the exhaust system in the service workshops. These ventilators do not consume external power, have very low noise levels and are highly productive in providing improved environment conditions in the workshops. More than 100 dealer workshops installed these ventilators as on 31st March, 2012.

Going forward, automated oil management systems and wind ventilators will be implemented at all other workshops in a time-bound manner. All new workshops being setup have these facilities as a mandatory norm.



Suppliers and joint venture companies, contributing to 86% (by value) of the components sourced by the Company, are located within a radius of 100 km from the Company's manufacturing facility.

Company commissioned a processing plant (a separate JV) in Manesar in 2011-12. This has eliminated transport of steel coils to processing units in Gurgaon and Bawal by individual suppliers, thereby resulting in a reduction of 16,700 km of vehicular movement, since most suppliers are located in the vicinity of the Manesar JV facility.

GREEN SUPPLY CHAIN

Maruti Suzuki has a supplier base of 267 suppliers, including 20 joint venture companies. Most of its suppliers and joint venture companies, contributing to 86% (by value) of the components sourced by the Company, are located within a radius of 100 km.

The Company took a slew of initiatives with its suppliers to improve environmental performance in the reporting year.

Lighter Weight: In 2011-12, Maruti Suzuki set up a new joint venture company with Inergy Corporation of France, to manufacture light weight plastic fuel tanks. It is amongst the first companies in India to manufacture these tanks. The Company has replaced the metal fuel tank with plastic fuel tanks in the new Swift and DZire. Similarly, improved paint process technology eliminates the need for primers in painted components like mirrors and handles that are supplied by vendors.

Optimisation of Logistical Operations: Maruti Suzuki is committed to reduce pollution caused by transport of material. Only supply vehicles with a valid 'Pollution Under Control' certificate are allowed to enter the Company's premises.

The central steel purchasing cell of the Company buys all imported steel on behalf of its vendors. This consolidation reduces movement of material significantly. Further, to reduce movement of steel coils for processing, the

The Company started exporting components to other Suzuki facilities in Thailand and Indonesia. Inland movement from the Maruti Suzuki facility to the port is planned through rail to avoid road congestion and minimise pollution during transportation. Similarly, the inbound transport of kits from the port to the Company facilities is slowly being transferred from road to rail. Currently 30% of inbound kits arrive by rail.

The milk run system for Faridabad based supplies, where a single logistics provider manages logistics for the Company, entered its 2nd year of operation and will be taken to the next phase next year.

The traffic within the Company's JV facility in Gurgaon is managed by security staff, enhancing efficiency of movement.

Packing Improvements: Supplies for all new models come in 100% reusable bins. The Company is also making efforts to reduce non-recyclable waste in its existing models. In 2011-12, around 23 T of polythene and around 300 kg of boxes were recovered from the packing waste of regular components.

Additionally, paper and cardboard packing for butyl tape were replaced with recyclable plastic spools, resulting in a saving of 20 T of cardboard. Similarly, 60 T stone guard coat has been recycled. The oil used in paint shop was transported through oil tankers, eliminating the use of around 2,000 barrels in 2011-12.

Sustainability Journey Foot on the pedal

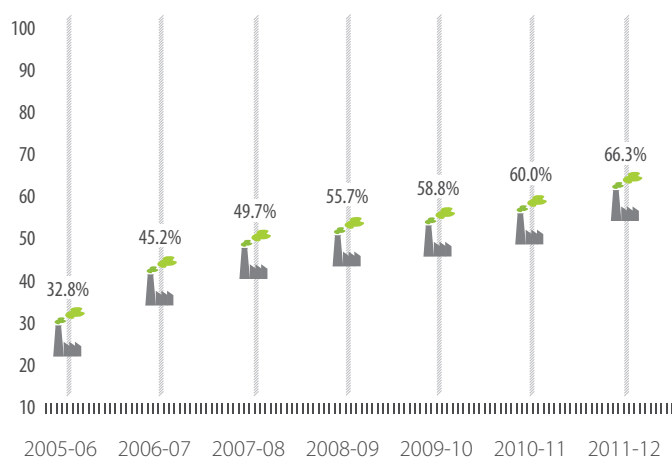


In 2011-12, 52 energy saving projects were implemented by 11 Maruti Suzuki suppliers, resulting in 15% reduction in their energy costs.

Environment Management System: The Company is working with all its tier 1 suppliers to implement Environment Management System at their facilities. As on 31st March, 2012, 66.3% of the Company's suppliers were ISO 14001 compliant. The Company has set a target for all its tier I suppliers to get ISO 14001 certification in a time-bound manner.

Maruti Suzuki has pioneered a unique concept of 'Maruti Production System' (MPS). This system has helped the Company eliminate in-process wastage and improve productivity. The Company is now enabling its suppliers to adopt MPS. Recently, energy saving projects were added to the MPS. Experts from the Company visit the suppliers, audit their processes and identify opportunities for saving energy. In 2011-12, 52 energy saving projects were implemented by 11 suppliers, resulting in 15% reduction in their energy costs.

Supplier plants certified for ISO 14001 (in percentage)



Sustainability Parameters in Vendor Rating:

In 2011-12, the Company included sustainability parameters such as ISO 14001 compliance and occupational safety in its Vendor Rating System. The Vendor Rating System is an effective tool for improving vendor performance in various parameters and is one of the most important tools for promoting sustainability at suppliers' end.

GREEN IT

The sheer scale and complexity of the automobile industry makes it heavily dependent on IT. With the increase in business operations, the role of IT in the Company has become critical. While there are enormous benefits of using IT systems, the environmental impact of such systems during use and at the time of disposal at the end of their usable life cannot be overlooked. The Company uses the best-in-class IT equipments that consume less energy, replaces existing equipment with more energy efficient ones and has a buy-back arrangement with IT equipment suppliers.

The DR IT data centre has been relocated from Manesar to Bengaluru. The centre is state-of-the-art and hosts the business-critical IT & Telecom equipments and applications.

Some initiatives undertaken by the Company to minimise the environmental impact of IT during the year include.

- Replacement of 250 old desktops, 150 laptops and 105 workstations with energy efficient equipments.
- A user-wise accounting system tracks and reduces the amount of paper used in printing. Users are educated about the need to conserve resources such as paper, electricity and ink.
- The IT Data Centre of the Company has been designed to consume less energy. The temperature of the servers is maintained continuously through ducts at floor level.



Children from schools supported by Maruti Suzuki plant trees for a greener tomorrow

ENVIRONMENTAL PERFORMANCE

Environmental Dimensions	Key Areas	Targets 2011-12	Achievements 2011-12	Targets 2012-13
Green Manufacturing	CO ₂ emission	• Installation of solar panels for power generation • Use of LED lights • Further promote reduction of CO₂ emission during manufacturing by energy efficiency • Tree plantation	• 100% LED lights installed at newly constructed Manesar 2nd plant • 1,500 trees planted in community	• 1 MW solar plant at Manesar • Continue using LED lights • Extensive tree plantation at upcoming Rohtak facility and in the community
	Reduction of landfill waste	Co-processing of hazardous waste in cement plants to continue	• 5663 T hazardous waste sent to cement plants for co-processing	• Continue co-processing hazardous waste to eliminate the need for landfills
	Reduction of ground water consumption	Promote reduction of water consumption	• Optimisation of utilisation of cooling towers • Optimisation of air pressure in machine shops • Installation of air cooled condensers	• Continue efforts to reduce, recycle and reuse water to conserve it

Sustainability Journey
Foot on the pedal



Environmental Dimensions	Key Areas	Targets 2011-12	Achievements 2011-12	Targets 2012-13
Products	Improvement in fuel efficiency	To further improve fuel efficiency of vehicles	- Fuel efficiency of Swift improved by 3.8 & 5.5% in Petrol & Diesel respectively - Fuel efficiency of Swift DZire improved by 6.5% & 7.8% in Petrol & Diesel respectively	- To further improve fuel efficiency of vehicles - Undertake development work to introduce diesel and CNG variant for CO₂ reduction and fuel efficiency improvement
	Development of ELV compliant products	All new/minor facelift models to be ELV compliant from introduction	All models launched in 2011-12 were ELV compliant	All future MSIL models to be ELV compliant
	Development of alternate fuel vehicles	Develop HEV/EV technologies	Undertaken study projects in areas such as HEV fuel efficiency, Idle Start Stop system, Range Extender etc	Continue benchmarking, testing and evaluation of HEV/EV technologies to further understand India's requirement
	Adherence to emission norms	- Development work for adherence to OBD-II norms - Preparation to meet future emission norms	Swift & DZire launched with OBD-II compliance	Continue development work for adherence to OBD-II norms in other models
Supply Chain	Facilitation of EMS implementation at suppliers' end	Further implementation of EMS at suppliers' end	66.3% tier 1 suppliers are ISO 14001 certified, up from 60% last year	80% tier 1 suppliers to be ISO 14001 certified
	Reduction of packaging material	Further efforts to reduce amount of packaging material used by suppliers	- Paper & cardboard packing for butyl tape replaced with recyclable plastic spools - Oil used in paint shop transported through oil tankers, eliminating the use of around 2000 barrels	Continue efforts to further reduce packaging material used by suppliers
Information Technology	Reduction of energy consumption	500 old desktops/laptops will be replaced with new energy efficient models - Old servers will be considered for replacement with new energy efficient server models	250 old desktops, 150 laptops and 105 workstations replaced with energy efficient equipment	550 old desktop/laptop will be replaced with new energy efficient models

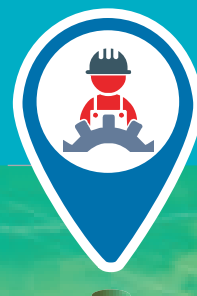


SOCIAL PERFORMANCE

Sustainability Journey
Foot on the pedal



Maruti Suzuki's social performance addresses concerns of internal and external stakeholders. The Company's CSR focuses on programmes for the benefit of the larger society such as safe driving training, skill training and community development activities.





LABOUR PRACTICES AND DECENT WORK

MANAGEMENT APPROACH

Maruti Suzuki endeavours to create a conducive work culture in which employees get ample opportunity to grow professionally and feel motivated to align their interests with the interests of the Company. The Company engages with employees in multiple ways to understand their concerns and tries to address them through progressive policy interventions.

Maruti Suzuki has adopted Japanese work practices such as Kaizen, Suggestion Scheme, Quality Circles, 5S, 3G and 3K. The open office culture ensures transparency, speedy communication and fosters a boundary-less organisation. All employees eat in a common canteen, wear the same uniform and are entitled to similar medical entitlements. Oneness and teamwork are central to the Company's work culture.

Health and safety are vital to the Company's functioning. All necessary systems are in place to ensure a safe and healthy work environment for all employees and visitors. These systems are reviewed and modified from time to time. Regular training programmes and awareness sessions are organised to reinforce safety consciousness and a healthy lifestyle.

In recent times, the Indian auto industry grew at an unprecedented rate and the market became increasingly competitive with the entry of other car manufacturers. In addition to creating exciting opportunities for business growth, this also posed some challenges for the Company. A large number of young employees were recruited to meet the sudden increase in demand and fulfil the Company's expansion requirements. Despite best efforts, there was unfortunate labour unrest at the Manesar facility in the reporting year. The unrest occurred in three phases from June to October, 2011. During this period, production at the Manesar facility was affected. A mutual agreement was reached by the management and the workers with the intervention of the state government in October, 2011.

The Company undertook various steps to engage with the employees and build mutual trust. The Company

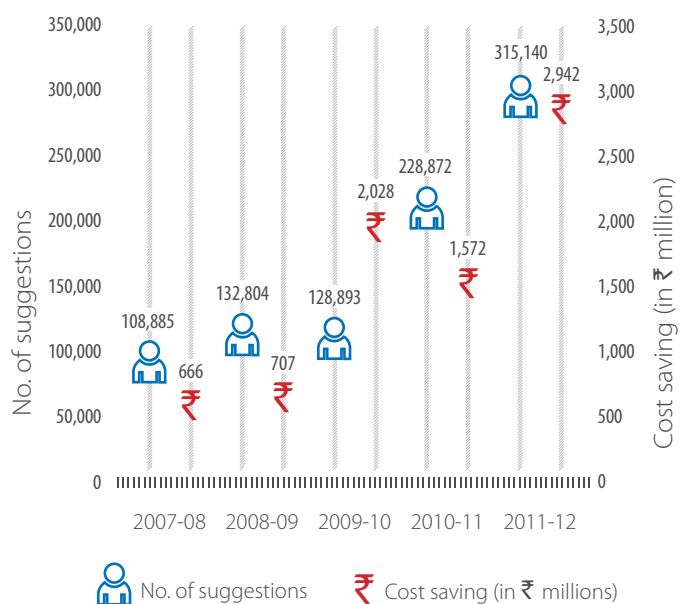
will continue to make concerted efforts to engage with employees to assess their needs and aspirations and will address them through policies and practices that ensure sustained operations and business growth.

PEOPLE POLICIES

Maruti Suzuki has adopted people oriented policies to meet the changing aspirations and needs of its employees. Employees are involved in formulating HR policies and the Company has set up a permanent committee called Human Resource Initiatives Development Committee. All HR policies are communicated to new employees at the time of induction; these are also available on the Company portal. Special communication sessions are organised whenever there is a major change in policy.

The Company has a robust Suggestions Scheme that empowers employees to drive change and promotes continuous improvement. Each year, the Suggestions Scheme creates a large number of process and practice improvements and also results in cost saving for the Company. The employees are suitably recognised and rewarded for their contribution.

Employee Suggestion Scheme





Sustainability Journey Foot on the pedal



Diversity, Equal Opportunity and Non-discrimination

The Company ensures that there is no discrimination against any employee on grounds of race, colour, religion, caste, sex, age, marital status, disability, nationality or any other factor under applicable laws and contemporary practices at the workplace.

Recruitment, placement, promotion, transfer, compensation, training and other benefits are based on the merit and competency of the individual and the business needs of the Company.

The Company makes all efforts to include employees from different ages, backgrounds and genders in its various committees and governing bodies.

No substantiated or unresolved incidence of discrimination was reported in 2011-12.

Prevention of Sexual Harassment at the Workplace

The Company has instituted an anti-sexual harassment policy. The responsibility of ensuring adherence to the policy lies with the top management, directors, divisional heads, senior management as well as all employees. The Company has instituted a committee for the prevention of sexual harassment at the workplace in accordance with the directive by the Supreme Court.

No incidence of sexual harassment was reported in 2011-12.

Non-discrimination of People with HIV/AIDS at the Workplace

The Company has instituted a policy to ensure non-discrimination of employees infected or affected by HIV/AIDS and offers support to such employees. This policy applies to all employees and contract workers and covers all aspects of formal and informal work.

No incidence of HIV/AIDS related discrimination was reported in 2011-12.

Bribery and Corruption

The Company's Code of Business Conduct and Ethics lays down guiding principles for all employees to follow

while dealing with their stakeholders. The Code provides guidelines on bribery and corruption among other elements. Employees are required to act in accordance with the highest standards of integrity, honesty, fairness and ethical conduct while representing the Company.

The Code of Conduct is signed by all Board members and Senior Management every year. All employees sign the Code of Conduct at the time of joining the Company.

No incidence of corruption was reported in 2011-12.

Forced and Child Labour

The Company abides by the Government of India legislation with regard to forced and child labour. The Company has also formulated an Anti-Forced and Child Labour Policy that covers its operations. Minimum age of recruitment is 18 years for all categories of employees.

No incidence of forced or child labour was reported in any of the Company's units in 2011-12.

Maruti Suzuki's policies on Anti-Child Labour and Anti-Sexual Harassment are shared with all its suppliers. The suppliers are encouraged to adopt these policies at their end.

TOTAL WORKFORCE

The Company draws a large workforce of various qualifications, skill sets and capabilities to meet the wide range of its manpower requirements. For the Company, 'local' denotes India operations.

Table 1: Manpower Breakup as on 31st March, 2012

Manpower Category	2009-10	2010-11	2011-12
Regular manpower			
Assistant Supervisor & above	3,334	3,759	4,178
Associates/technicians	2,160	2,991	3,098
Trainees	2,138	1,812	1,872
Total regular manpower	7,632	8,560	9,148
Apprentices	509	799	625
Contractual manpower	6,556	7,909	9,081
Total manpower	14,697	17,268	18,854



Table 2: Manpower Category

Category	2009-10	2010-11	2011-12	Percentage for 2011-12
Regular manpower	7,632	8,560	9,148	48.52%
Apprentices	509	799	625	3.31%
Contractual manpower	6,556	7,909	9,081	48.16%
Total manpower	14,697	17,268	18,854	

Table 3: Gender Breakup of Regular Employees

	2009-10	2010-11	2011-12
Total regular	7,632	8,560	9,148
Male	7,407	8,304	8,874
Female	225	256	274
Female to male ratio	3.04	3.08	3.08
Percentage of female employees	2.94%	2.99%	2.99%

Table 4: Age Profile of Regular Manpower

Age	Up to 30 Years	30 - 50 Years	Above 50 Years
No. of regular employees	5,027	3,446	675

Table 5: New Hires by Category and Gender, 2011-12

Category	Male	Female	Total
Management Trainees	13	1	14
Graduate Engineer Trainees	283	29	312
Executive Trainees	8	4	12
Junior Engineer Trainees	144	10	154
Technical Trainees	322	0	322
Laterals	250	9	259
Total			1,073

Table 6: Attrition: April 2011 - March 2012

Level Category	Resignations	Manpower as on 31 st March, 2012	Attrition Percentage
Resignations			
Assistant Supervisors and above	361	4,178	8.64%
Technicians	50	3,098	1.6%
Trainees	40	1,872	2.1%
Total	451	9,148	4.93%
Other separations: death, retirement, termination	105	-	1.2%
Grand Total	556	9,148	6.1%

Table 7: Attrition by Gender

Gender	No. of Resignations in 2011-2012	Resignation from employees recruited in 2011-12
Female	32	1
Male	419	31
Total	451	32

Table 8: Attrition by Age

Age Group	No. of Resignation in 2011-2012	Percentage of Resignations
Up to 30 years	320	71.0%
30-50 years	130	28.8%
Above 50 years	1	0.2%
Total (excluding other separations)	451	



Employees celebrating birthday at Gurgaon plant



Employees participate in sports tournaments

BENEFITS PROVIDED TO EMPLOYEES

Other than the wages, the Company provides several benefits to its regular and contractual employees. All regular employees get food at 50% subsidised rates, while for contract employees, food is free. The medical centre within the factory premises is equipped with qualified doctors and necessary facilities and caters to the medical requirements of all employees including contract employees. All contractual workers are provided with personal protective equipments and health check-ups are carried out depending upon the nature of their work.

Benefits like medical insurance (ESI), PF, uniform and other benefits are taken care of by the manpower supplier in case of contractual employees.

RETURN TO WORK AFTER PARENTAL LEAVE

Maruti Suzuki has a maternity leave policy for its employees. The policy entitles female employees to benefits under the Maternity Benefit Act, 1961. From April 2011 to March 2012, six female employees went on maternity leave and all re-joined service after the leave period.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The Company has internal and independent labour unions at its plants. All major policy changes affecting workers are discussed with union representatives and their suggestions incorporated after being examined for feasibility as per statutory requirements. All such changes are communicated to the workers directly and through union representatives. The certified standing order with regard to the minimum notice period for operational changes is followed.

All regular associates are covered under collective bargaining.

After the unrest at Manesar, the Company has enhanced its focus on training and engagement with shop floor employees. This is being done through effective induction, total involvement, training and mentoring of young team members. One of the initiatives is the outbound training where a diverse population of associates, supervisors, young and middle managers are trained through outdoor group exercises.



Employees are also sent abroad on AOTS and OVTA training to further improve their job-specific skills. They are also sent to SMC, Japan, to work on live projects and to learn from experienced SMC engineers.

The objective of such initiatives is to build mutual trust, understand mindsets and foster healthy relations that extend beyond the Company's boundaries. So far, 14 such programmes have been conducted, covering over 300 employees. Going forward, more shop floor employees will be covered under this initiative. With strong growth and expansion of the business, more members are likely to join the team; the Company plans to emphasise a positive work culture, good internal communication and continuous training and mentoring.

LOCAL HIRING, REMUNERATION AND PERFORMANCE APPRAISAL

All senior level appointments are made on the basis of the Company's need, vacancies and merit of individuals. For hiring workers (skilled, semi-skilled, unskilled and apprentice), equal weightage is given to candidates from across the country.

The Company does not discriminate on the basis of gender with regard to basic salary and remuneration. At the time of recruitment, new employees are offered salaries as per the category they fall in. Subsequent revisions in the salary and remuneration are based on performance appraisals and promotions. All regular employees, except those on sabbatical, education leave or long leave, undergo a mid-year and annual appraisal irrespective of gender.

TRAINING, REWARD AND RECOGNITION

Maruti Suzuki considers employees as its most valuable capital and understands that the prosperity and well-being of the Company are aligned with that of its employees. The Company provides extensive learning opportunities through well-designed and customised training programmes that are rolled out throughout the year.

In 2011-12, the Company achieved 5.15 training man-days

per employee as against the annual target of 5.0 training man-days.

Table 9: Category-wise Training Achievement

Category	Training Achievement (Man-days)
Executives and above	6.46
Supervisors	4.46
Associates	4.27
Overall	5.15

Employees are also sent abroad on AOTS and OVTA training to further improve their job-specific skills. They are also sent to SMC, Japan, to work on live projects and to learn from experienced SMC engineers. SMC is assisting Maruti Suzuki in a concerted way in establishing R&D facilities and developing the skills of the R&D engineers.

Some employee friendly initiatives undertaken by the Company include:

- **Higher Education Scheme:** The objective of this scheme is to meet the aspirations of employees, especially young managers, to get higher education. The scheme includes full time executive MBA and part time MBA programmes. The scheme is applicable for cadres from assistant manager to senior manager and has well defined eligibility and selection criteria.
- **Mentoring of New Joinees:** All new joinees are covered under this scheme. Seniors play the role of mentors for all new recruits. This helps the new entrants settle effortlessly in the organisation.
- **Buddy System:** Graduate Engineer Trainees are associated with senior team members who act as their buddies to help, motivate, guide and hand-hold them to settle smoothly in the organisation.

Sustainability Journey Foot on the pedal

- **Rewards and Recognition:** The policy on rewards and recognition is driven by individual performance. Eligibility is based on remarkable performance during defined time intervals.
- **Employee Induction & Orientation:** The engagement with an employee in Maruti Suzuki starts from the first day. New recruits are given a warm welcome, followed by structured induction training at the corporate and functional levels.

All security personnel are trained by the security agency on functional and behavioural aspects, including non-discrimination while dealing with people.

At Maruti Suzuki, the absentee rate for employees is low and overall attendance in 2011-12 was over 85%.

The Company observes two maintenance shutdowns during the year; these are timed with the school holidays to facilitate work-life balance for the employees. Evening yoga classes are organised every day in the factory premises. To inculcate team spirit and promote recreational activities, sports activities and outbound training programmes are organised at regular intervals.

MANAGING END OF CAREER

The Maruti Centre for Excellence (MACE) was formed in 2004 in collaboration with 21 suppliers. The activities of MACE include providing training, support and consultancy to tier 1 and tier 2 suppliers and the sales network to help them achieve world class standards in quality, cost, service and technology. MACE staff mostly comprises retired Maruti Suzuki employees having relevant technical experience.

A list of all employees nearing retirement is circulated amongst the JVs of the Company to explore the possibility of their deployment at the JVs.

The Company's higher education scheme helps in grooming and retaining managers with high potential and fulfils their career aspirations.



Employees undergoing technical training at the TTC



Employees on an outbound training, mixing learning & fun

The Company observes two maintenance shutdowns during the year; these are timed with the school holidays to facilitate work-life balance for the employees.



Taking care of ergonomics at the shop floor

The Company lays emphasis on ergonomics at the workplace. Manufacturing processes are modified and automation introduced to minimise fatigue for the worker caused by activities such as bending, heavy lifting and excessive carrying of loads.

HR INITIATIVES WITH SUPPLIERS

The vendor HR initiative aims at strengthening HR practices at the suppliers' end. A cluster of 17 suppliers were engaged with various HR knowledge partners in 2011-12 to enhance their HR management. These knowledge partners are identified by Maruti Suzuki. Through continuous interaction with its JV partners in monthly HR meeting, the Company has tried to ensure basic medical facilities like dispensary, medical staff at the JV premises.

In 2011-12, some suppliers were impacted due to discontent amongst contract workers. The Company's supply chain and HR functions jointly conducted social audits of contract worker handling at 15 suppliers' establishments. Action plans, based on the findings of these audits, were initiated to improve the situation.

In order to build functional capability of HR managers of joint venture companies, a unique programme was launched in 2011-12, in which 25 HR Managers from 15 companies were given exposure to Maruti Suzuki's HR practices through a 3-day process workshop that focussed on key HR and IR practices. At the end of the workshop,

specific improvement projects in each vendor area were identified and execution plans prepared.

OCCUPATIONAL HEALTH

Maruti Suzuki strongly believes that a healthy and safe work environment is essential for optimal manpower productivity and to keep employee motivation high. Its manufacturing facilities and offices are designed to ensure safety and comfort of employees. The Company lays emphasis on ergonomics at the workplace. Manufacturing processes are modified and automation introduced to minimise fatigue for the worker caused by activities such as bending, heavy lifting and excessive carrying of loads.

The Company has a team of qualified medical officers and paramedics and a well-equipped medical centre to provide medical assistance to employees in both shifts at both its manufacturing sites. Medical surveillance is conducted in hazardous areas in the manufacturing facilities to monitor parameters that can adversely affect employees' health, and to ensure that they are within the permissible limits. In 2011-12, in-house facilities for lung function test and audiometry were set up to test employees working in areas of high noise, fumes and smoke. All workers operating in



Sustainability Journey Foot on the pedal

The Company received the National Safety Award for its safety practices and commitment towards achieving zero accident and injury and also the Golden Peacock Award -2012 and GREEN TECH Safety Award -2012 (Gold Award).

hazardous areas undergo a bi-annual medical examination and necessary medical tests.

Identification and prevention of seasonal and chronic diseases at the initial stage was given high importance in the reporting year. The Chief Medical Officer issued advisories on prevention of seasonal and infectious diseases throughout the year and organised health talks by specialists. Lectures on hypertension, diabetes, eye care and refraction, hepatitis, breathing disorders, kidney diseases, posture and back pain were held. The Company organised programmes for education, counselling, prevention, and risk-control of serious diseases. Special international health days such as World TB Day, World Heart Day, World Sight Day, World Obesity Day, World Diabetes Day and World Cancer Day were also observed. In the reporting year, 26 programmes on various health issues were organised in the Company. Besides, monthly diabetes and vaccination clinics and a fortnightly cardiac clinics were organised.

Health awareness and check-up camps were organised routinely at the plant in association with reputed hospitals. Vaccinations were given to employees at discounted

prices. Yoga classes were held every day at the plant and corporate office in the evenings.

All Maruti Suzuki employees over 40 years of age are entitled to annual health check-up. The Company has tie-ups with reputed hospitals for this.

No significant occupational disease was reported in 2011-12.

OCCUPATIONAL SAFETY

Safety is the key pillar of manufacturing excellence at Maruti Suzuki. The Company has adopted Japanese safety practices such as HHT and KYT to inculcate safety consciousness among shop floor employees and has achieved significant improvement in safety consciousness and safety parameters. Over the years, the Company has institutionalised robust systems for proactive identification of hazards, safety audits and mitigation of safety risks.

In order to standardise safety practices across various functions and locations, the Company successfully implemented OHSAS 18001:2007 in 2011-12. The Occupational Health and Safety Policy was also reviewed and revised as per OHSAS requirements. The Company received the National Safety Award for its safety practices and commitment towards achieving zero accident and injury and also the Golden Peacock Award -2012 and GREEN TECH Safety Award -2012 (Gold Award).

The Company designed and implemented various initiatives to achieve zero injury and fatality. These included a rigorous work permit system and an online incident reporting system called Work Safe Online, through which





Employees undergoing safety training

incidents including near-miss cases are captured and reported. The Company has a dedicated Safety and Welfare Department responsible for occupational safety. It also has 150 safety coordinators representing all functional areas. The Safety and Welfare Department ensures workplace safety, undertakes awareness and training programmes and executes a safety activity plan that is planned and rolled out each month. In addition to plant level safety committees, departmental safety committees have been formed. The Central Safety Leadership Council (CSLC) comprises top management from all business verticals and reviews safety performance of the Company on a quarterly basis.

All contractors and service providers working within the Company premises are required to observe 'Safety, Health and Environment' conditions. Separate training and awareness sessions are organised to sensitise them about occupational safety.

Table 10: Occupational Safety

S. No.	Parameter	2009-10	2010-11	2011-12
1	Injuries (Nos.)	10	9	7
2	Injury rate (Per 100 Employees)	0.049	0.043	0.026
3	Lost days (Nos.)*	2	2	0
4	Lost days rate* (Per 100 Employees)	0.0098	0.0095	0.0000
5	Fatalities (No.)*	0	0	0
6	Man hours worked (Million Hours)	44.42	45.63	59.24

* Accident data as per IS 3786

Going beyond its own boundaries, the Company initiated safety audits at JV companies in 2011-12, to ensure compliance to basic safety measures. The Company has also formulated a three-year safety audit plan for non-JV companies and appointed third party consultants to carry out safety audits.

Sustainability Journey Foot on the pedal

SOCIETY

The local community and indeed, society at large, is an important stakeholder for Maruti Suzuki. The Company engages with this stakeholder group to assess its needs and addresses them through various CSR initiatives. The social initiatives of the Company include nationwide road safety and skill development programmes and community development activities around manufacturing locations. The Company also encourages its employees to contribute their time and skill for social benefit through its employee volunteering programme.

The Company's CSR activities are guided by its CSR Policy. Stakeholder engagement is given utmost importance in the CSR Policy.

ROAD SAFETY

Maruti Suzuki runs a nationwide road safety programme. The programme was initiated in 2000 with the establishment of the first Institute of Driving and Traffic Research in New Delhi.

Road safety is a major social concern in India. Considering its magnitude and impact on society and the economy, road safety is an issue that concerns all. India has only 1% of the world's vehicles but contributes 6% of the world's accidents and 10% of the world's fatal road accidents. Majority of road accident fatalities occur in the age group of 15 to 55 years, leading to a loss of productive and earning members of society. Drivers' fault is the principal cause of road accidents; it is therefore imperative to focus on proper driving training. Maruti Suzuki's road safety programme provides formal and holistic driving training to novice and existing drivers. In addition to imparting driver skills, the programme also focusses on road signs, traffic rules, traffic laws, behavioural aspects and drivers' health.

Maruti Suzuki has developed two models for imparting driving skills: the Institute of Driving and Traffic Research (IDTR) and the Maruti Driving School (MDSs).

Institutes of Driving and Traffic Research are large-scale driving training institutes set up on areas as large as 10



Nukkad Natak to create health awareness in communities

The Company's CSR activities are guided by its CSR Policy. Stakeholder engagement is given utmost importance in the CSR Policy.

acres. Established in partnership with the government, the IDTRs offer training for passenger car and commercial vehicle drivers. Scientifically designed driving tracks and simulators are used for practical training. An additional component of health check-ups and soft skills training is also offered to commercial vehicle drivers. Trained and certified instructors undertake theory and practical sessions.

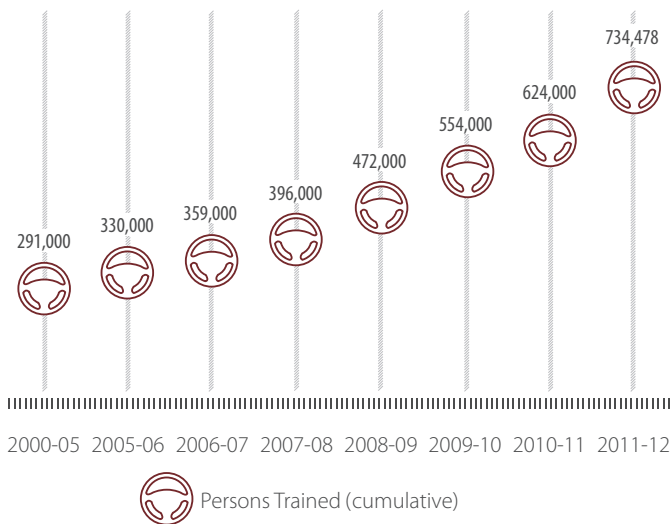
In addition to driving training, the IDTR at Gujarat also focusses on technical training of tribal youth, most of whom use this skill to earn their livelihood. The youth trained at IDTR are assisted in getting employment post-training. About 70% of the trained youth are gainfully employed. Some are also employed at Maruti Suzuki dealerships and workshops.



Inauguration of RSKC at Gurgaon

Maruti Suzuki has set up 6 IDTRs - two each in Delhi and Haryana and one each in Gujarat and Uttarakhand.

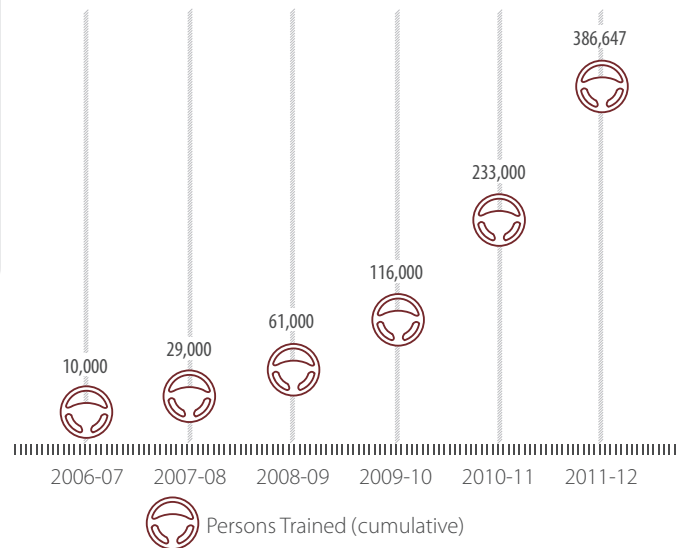
IDTR training



Maruti Driving Schools are a smaller version of training schools, set up in partnership with dealers. These schools offer training for driving passenger vehicles. The curriculum at the MDSs is the same as that at IDTRs, except that the practical driving training is imparted on the road instead of on test tracks. All instructors at MDSs are trained at IDTRs. The unique feature of MDSs is that they provide female instructors for lady trainees. The MDSs are therefore popular amongst women and about 50% of their students are women.

Currently, there are 206 MDSs spread across 127 cities.

MDSs training



The Road Safety Knowledge Centre is a new addition to the Company's road safety initiatives that was introduced in the reporting year.

Centres have been set up in the offices of the Traffic Police at Panipat, Gurgaon, Karnal and Faridabad in Haryana. The centres conduct a two-hour training session on road safety and traffic rules for all traffic violators.

The Company's National Road Safety Mission was launched as a time-bound programme in December 2008. The

"I am a school teacher and I drive a moped. In today's heavy traffic and especially in bad weather, I feel scared and unsafe while commuting to school. Though we had a car at home, I couldn't drive. I was considering learning to drive for quite some time. I came across the Maruti Driving School and enrolled there. I am very impressed with the driving simulator. It helped me to learning driving with confidence, without any road fear"

Mrs. Magan Kanwar from Sirsa, the 500,000th person trained under the NRSM in November 2011.

Sustainability Journey Foot on the pedal

Company made a commitment to train 5,00,000 persons in safe driving over three years. This programme was completed as per schedule in the reporting year. Of the 5,00,000 people trained, over 1,47,000 were from economically weaker sections. Their training was sponsored by Maruti Suzuki.



MD at Jagriti programme for truck drivers

IN-HOUSE EFFORTS ON ROAD SAFETY

The Company's cars are transported across the length and breadth of the country by a large fleet of trailers and trucks. About 90% of Maruti Suzuki's cars are transported by road to the dealerships. In 2011-12, over a million cars were transported by a fleet of 9,100 trailers and trucks. Around 20,000 truck drivers and support staff are involved in the fleet operations.

The Company runs a driver training programme for the drivers employed by its transport partners. A Driver Education Centre (DEC) has been set up at its manufacturing sites at Gurgaon and Manesar. The DEC offers a two-hour training capsule on safe driving in all weather conditions.

In the reporting year, 20,064 drivers underwent training in safe driving and health care at the DEC. The primary

training module was developed at IDTR and additional modules on relevant topics are added from time to time.

As a result of the training and awareness, the number of transit return vehicles due to accidents has come down from 51 vehicles per lakh vehicles transported in 2009-10 to 47 in 2010-11 and 37 in 2011-12.

An annual road safety and health awareness programme, 'Jagriti', is organised for truck drivers. As the drivers travel long distances and spend a great deal of time on the road, special health tips are given to help them cope with occupational hazards. Multiple media such as films, games, quizzes and nukkad natak are used to spread the message. Voluntary HIV/AIDS testing and general health check-up facilities are also made available at the event.

"Sometimes my eyes trouble me but I have never visited a doctor. In fact, I haven't visited a doctor since I entered this profession. 'Jagriti' gave me an opportunity to undergo a general and eye check-up. The doctor advised me to wash my eyes regularly and take breaks on long driving stretches. These are simple solutions and I will definitely implement them."

Satish, a truck driver transporting Maruti Suzuki cars



Young boys learn engine technology at an ITI supported by Maruti Suzuki

In the Jagriti programme, drivers who follow safe driving practices and transport vehicles without accident during the year are duly rewarded by the Senior Management of the Company. Their families are also invited to the award ceremony. This is an effort to encourage truck drivers to drive safely and to boost their self-esteem.

SKILL DEVELOPMENT

Skill training is essential for economic development. While on the one hand there is unemployment and underemployment, on the other the industry is constantly on the lookout for skilled manpower. Bridging this gap is possible only through proper skill training. Towards this end, Maruti Suzuki is partnering with the state governments for upgrading the Industrial Training Institutes (ITIs). Most of these ITIs were established many years ago and have limited links with industry. Students graduating from these institutes are mostly trained on old machinery and have little industry exposure.

The Company is presently working with ten government-run ITIs, one each at Kerala, Tamil Nadu and Maharashtra, two at Goa and four at Haryana, to upgrade these institutes. As a part of its affirmative action programme, Maruti Suzuki has deliberately chosen to work with the ITIs at Elathur, Kerala, which specifically caters to the Scheduled Caste and Scheduled Tribe (SC/ST) community and the women's ITIs at Gurgaon and Jhajjar.

Under the ITIs upgradation programme, the Company has taken up initiatives that collectively improve the quality

The curriculum at the Institutes is augmented with additional modules such as spoken English, interpersonal skills and work ethics. Technical modules such as shop floor practices, advanced technologies, automobile systems, safety and quality are also included.



Sustainability Journey Foot on the pedal



of education offered to the youth and prepare them for industry. These initiatives include basic infrastructure improvements and maintenance of classrooms and workshops, repair and maintenance of machines and tools, provision of teaching materials and factory visits for students and faculty.

The curriculum at the Institutes is augmented with additional modules such as spoken English, interpersonal skills and work ethics. Technical modules such as shop floor practices, advanced technologies, automobile systems, safety and quality are also included. Special 'Train-the-Trainer' sessions on motivation and behavioural change; communication skills and personality development; technical knowledge; and current technologies are also organised for the faculty. They are also given industry exposure.

Under the ITIs upgradation programme, the Company has taken up initiatives that collectively improve the quality of education offered to the youth and prepare them for industry.

Table 11: Scope of Impact

	2010-11	2011-12
ITIs adopted (Nos.)	7	10
Student strength (Nos.)	3,151	4,950
Staff strength (Nos.)	253	488

Table 12: Student and Teacher Training

	2010-11		2011-12	
Training	Nos.	Man-days	Nos.	Man-days
Student training	1,337	6,306	2,484	14,355
Teacher training	168	203	429	733

Besides completely overhauling the ITIs, the Company is also engaged in supporting the automobile trade at several ITIs across the country. Currently, the Company is working with 47 ITIs under this initiative. Several students who qualified from these Institutes with specialisation in the automobile trade have been absorbed in the Maruti Suzuki service network.



Girls from ITI Gurgaon display their creations at a fashion show



Health camps for children



Foundation Day celebrations at Kasan School, Manesar

COMMUNITY DEVELOPMENT

Since 2007, Maruti Suzuki has been regularly engaging with four neighbouring communities in Manesar. The Company works in partnership with the community on issues relevant to them.

The Company believes in working collaboratively with the government to support and improve the existing social infrastructure, services and facilities. In the selected localities, the government schools are of critical importance to the villagers. These schools lacked basic infrastructure. The Company identified school infrastructure development as a critical need and concentrated on its upgradation. The Company made large investments in infrastructure development of village schools and provided drinking water facilities, toilets, pathways, boundary walls and teaching aids. As a result of the improvement in infrastructure, the government upgraded two schools, Government School, Alihar-Dhana and Government School, Baas, from primary to middle level.

Computer education is important today for upward social mobility. The villagers were keen on exposing their children to basic computer education. The Company runs a

computer education centre that provides basic computer literacy to the children at Alihar village. Teachers from the village have been trained and employed to run the centre. In 2011-12, another computer learning centre was set up at Government School, Alihar-Dhana. Over 130 school children benefited from this centre during the year.

To support first generation learners, the Company runs evening classes at Baas and Kasan villages. During the reporting year, over 100 children benefited from this support.

A sewing and tailoring centre was set up in the village on the request of the women. The women learn the basics of sewing and tailoring in classes held every afternoon. The centre is run by a local lady trainer. During the year, 50 women undertook the course at the centre. Another centre is being planned on the request of the community at Alihar village.

Under its skill development programme, the Company sponsored driving training of over 100 village youth at Maruti Driving School during the year. Most of the trained young men are using this newly acquired skill to earn a living.

Sustainability Journey Foot on the pedal



A story of change: Kasan School, Manesar

Kasan Senior Secondary School is one of the government schools supported by Maruti Suzuki in Manesar. Since the Company began supporting the school, the enrolments and academic performance have consistently improved. In 2011-12, the students from this school did exceptionally well in the board examinations for class X and class XII. In the class XII exams, the girls performed extremely well and captured merit positions.

School Principal Mr. Dharam Pal was delighted at the school's performance. "The school's outstanding results are surely an outcome of the students' hard work and mentoring by the teachers. Maruti Suzuki has contributed significantly in making our school a model government

school in the region. The impact of infrastructure improvements undertaken by Maruti Suzuki can be best gauged in terms of improvement in enrolment and academic performance."

"In the rural areas, infrastructure plays a critical role. A few years ago, parents were reluctant to send their daughters to our schools due to lack of simple amenities such as girls' washrooms. After the construction of proper toilets, parents don't hesitate in sending their daughters to the school."

"In 2007-08, the school's class X top score was 63.1%. In the reporting year, it was 79%. Similarly, in 2007-08, the class XII top score was 75.8%; this has now shot up to over 90.2%."

The trend of academic performance of the school is given in the table below:

Class	Top Score (%)				
	2007-08	2008-09	2009-10	2010-11	2011-12
10 th	63.1	64.2	77.8	78.6	79
12 th	75.8	78.6	84.4	83.4	90.2

The trend of enrolment in the school is given in the table below:

2007-08	2008-09	Enrolment (No. of Students)			2011-12	% increase in 5 years
		2009-10	2010-11			
279	336	371	413	535		92%

"My father works as a labourer and I have 6 siblings. I was always keen on studying. I forced my mother to get me admitted into school. My school is supported by Maruti Suzuki.

I have done so well in my studies with the help of my teachers. My school teachers have always supported me as they know I have no academic support at home. My family and school teachers are very happy that I have scored 90.2% in the board exams. I have enrolled in the DIET now. I wish to become a teacher myself. I wish to become a teacher in my own school."

Pooja, a resident of Kasan village and a topper at the Kasan School.





EMPLOYEES TURN CHANGE AGENTS

Maruti Suzuki runs an in-house volunteer programme for its employees. The programme runs in partnership with local NGOs. In the reporting year, employees contributed 4,142 volunteering hours for the benefit of the community. Cumulatively, employees have contributed 13,191 hours since the start of programme in November 2008. In a new initiative, union and shop floor workers also took part in volunteer activities in the reporting year.

During the year, employees participated in several innovative and engaging volunteer activities such as 'Paint my Classroom Drive', 'Joy of Giving Week', 'Book Donation Campaign' and 'Wish Tree Campaign'.



In the reporting year, employees contributed 4,142 volunteering hours for the benefit of the community.



Sustainability Journey Foot on the pedal



PRODUCT RESPONSIBILITY

CUSTOMER HEALTH & SAFETY

All Maruti Suzuki vehicles meet the prevailing safety regulations of the country. The active and passive safety devices provided in the vehicles ensure driver and vehicle safety in the event of an accident. Market research activities are periodically conducted to capture customer voice and incorporate customer feedback in existing and future products.

Focus has been on vehicle fit and finish and interior quality as per changing customer preferences. The quality and feel of the plastic parts, interior upholstery like carpets and automotive fabrics have been improved in all Maruti Suzuki vehicles.

The Company undertook design projects to gain capability in the field of pedestrian performance requirements. These were taken up with the aim of minimising pedestrian injuries and preparing cars to meet future pedestrian regulations in India. Design projects to gain capability in crash compliance were also taken up in readiness for future regulatory requirements in India.

The Company enhanced its focus on vehicle ergonomics and human engineering. Ergonomic research gained impetus with the digitisation of ergonomic solutions during the concept stage, using 'Virtual Human Ergonomics Simulation Software'.

In 2011-12, a new generation compact and light ABS system was introduced to enhance the safety of vehicle occupants. Airbags work as a passive safety system provided to ensure customer safety in the event of a collision. Airbags are available not only in premium hatchbacks and sedans but also as an optional feature in cars such as WagonR, Estilo and A-star. Airbags would be provided across the fleet in the near future. Anti-theft alarm has also been provided in our vehicles except for Alto, Gypsy, Omni and Eeco.

Capability enhancement has resulted in the design and development of new technologies like EDC (engine drag control) and new design callipers with improved NVH



performance. For customer comfort, the Company offered Automatic variants in SX4 and A-star.

All vehicles launched by the Company comply with applicable regulatory requirements and are tested and certified by ARAI/ICATS/VRDE for road worthiness. No significant fine was levied on the Company for non-compliance with laws and regulations concerning the use of its products and services in 2011-12.

PRODUCT AND SERVICE INFORMATION

The Owner's Manual and Service Booklet is provided to each customer with the purchase of a car and contains all information relating to safety, operation and maintenance of the vehicle. At the time of vehicle delivery, technical features of the vehicle are explained to the customer. Product-related information is also available on the Company's website. Critical information on product use (e.g. AC gas, tire pressure and brake fluid etc) is displayed on the labels and provided with the products for information and education. Display material is provided to the dealer workshops for customer awareness/education on safety issues related with the use of domestic LPG, retro fitment of CNG/LPG kits, non-genuine parts & accessories etc. In addition, periodic customer meets are organised at dealer workshops for customer education and awareness on product use.



PRACTICES RELATED TO CUSTOMER SATISFACTION

The Company is committed to providing its customers with the best experience in all areas of interface and interaction. The customer satisfaction philosophy is well defined in the Quality Policy of the Company.

The service network of the Company covers over 1,408 cities in 559 districts. The Company makes continuous efforts to provide its customers with the best service facilities. To provide flexibility to customers for getting their vehicles serviced at their convenience, many workshops work seven days a week with extended working hours. At present, 945 workshops operate throughout the week; 150 workshops operate on extended (12 to 16 hours per day) shifts; and 12 workshops operate on the 2nd shift.

To provide service to customer anywhere and anytime 'Maruti On-Road Service' is available across the country. In the reporting year, 1.10 lakh calls were attended within average time of 41 minutes.

Vehicle tracking in workshops has been further strengthened by equipping more than 325 workshops with Vehicle Tracking System to enhance workshop productivity. This system also adds to customer convenience by providing real time status of the vehicles to the customers at workshop.

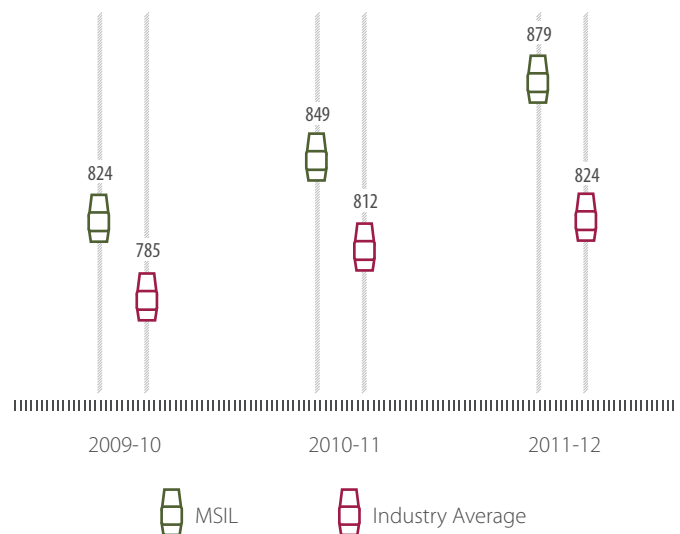
Customer Relationship-building

Customer relationship-building activities like mega free check-up camps and family day celebrations are conducted at different locations to strengthen the Company's bond with its customers. In 2011-12, 410 free check-up camps were conducted across 330 cities and attended by 3.15 lakh customers.

Pre-monsoon check-up camps & PUC check-up camps are also organised for the customers; this ensures safe driving and helps to maintain a clean environment.

In the reporting year, customers rated Maruti Suzuki as No. 1 for the 12th time in a row in the JD Power Asia Pacific Customer Satisfaction Index (CSI) Survey.

CUSTOMER SATISFACTION INDEX (JD POWER ASIA PACIFIC CSI SURVEY)



Service Network

The Company has created efficient service infrastructure, equipped with world class service facilities, standardised processes and skilled manpower to service over 12.65 lakh customers per month. The Company has a strong service network for better customer approach; its 2,958 service outlets in 1,408 cities are within easy reach of customers across the country.

Faster Service through Express Service Bays

Cars that have covered up to 20,000 km and require only minor repair jobs are serviced and handed over to customers within 2 to 3 hours. As on 31st March, 2012, 1,166 express service bays were activated. The concept of 'express body repair' has been introduced in 156 body shops to provide faster service.

Emergency Road Assistance

Maruti Suzuki provides 24-hour assistance to customers in case of vehicle breakdown through the "Maruti On-Road Service" available across the country. This "anywhere and anytime" service was provided to 1.10 lakh customers last year through 175 'Maruti On-Road Service' vans.

Sustainability Journey Foot on the pedal



Mobile Workshops

Maruti Suzuki provides a vehicle servicing facility at the doorstep of the customer, using a mobile vehicle equipped with tools required for regular service and minor repairs; this facility is offered mostly in areas away from its existing service infrastructure. A total of 121 mobile service workshops were operational in 86 cities as on 31st March, 2012.

Workshop Staff Skill Enhancement

Maruti Suzuki has set up regional training centres at 15 locations in India and a central service training centre at Gurgaon, to provide training and upgrade the technical skills of workshop staff. The Company provides technical and soft skill training to service advisors for better customer interaction, understanding and fulfilling of customer requirements.

The Company has tied up with 47 technical institutes (government & private) to source quality manpower at the dealerships. In all 1,430 students were placed in the MSIL service network in 2011-12.

Grievance Redress System

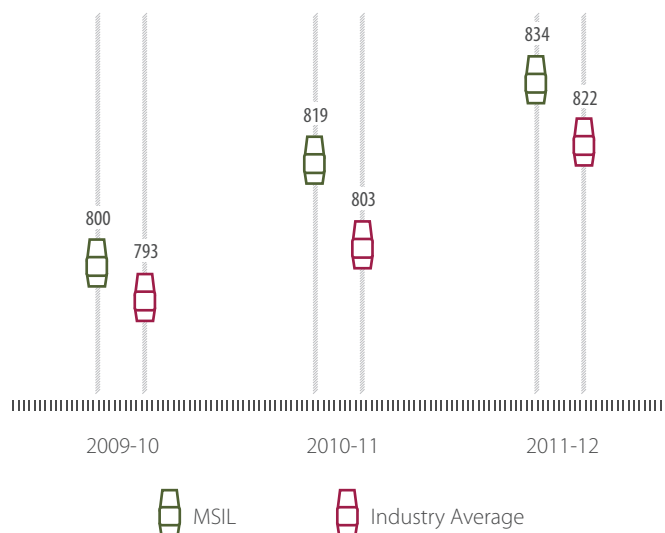
Maruti Suzuki has instituted a robust customer complaint and grievance redressal management system. This comprehensive customer complaint handling system has been developed to capture customer concerns at the workshops with proper recording and a strong resolution process. Feedback on customers' experience of the services availed of at the workshops is collected frequently through feedback cards and telephonic surveys. Feedback mechanisms have been further strengthened through an electronic feedback system and introduction of an interactive kiosk in over 70 workshops, for instant feedback from customers.

In addition to excellent service experience, the Company is focussed on giving its customers the best experience at the time of car purchase. The Company has consistently improved its sales satisfaction performance and remained ahead of the industry average.



Technicians working at a service workshop

SALES SATISFACTION INDEX (JD POWER ASIA PACIFIC SSI SURVEY)





CUSTOMER VOICE

Hello Mr. Mahesh

With reference to the breakdown of Maruti Wagon-R, Initially I would like to appreciate and specially thanks for your work strategy and devotion regarding the work.

I want to Illustrate the entire case as what all things happened on the date of 28th November, 2011 (of which some parts would be unknown to you).

On the certain date of 28th November, there was a sudden breakdown of the illustrated vehicle near Shahdol district, which was fetched by some local mechanic, the issue was fixed and resolved.

Later, when vehicle reached near Jaitahri which is in Anuppur District, it again faced the failure of engine. This happened around 4 p.m. My relatives fetched some local mechanic, who extended the process of recovering the issue till some local garage, but he failed to do so till 9 p.m.

Thereby my relatives (who were with the car) called to the Maruti Suzuki On-road Service No. 18004200 at around 9.20 p.m. For some half hour they did not get any call; Later on I called by myself to the no. and got the information as there is the issue of some wrong data. I corrected the data around 10.15 p.m. and got a call from the Territory Service Manager from Indore around 10.30 p.m.

To my knowledge some special things which cannot be expected were done from your end, which are really appreciable.

1. Your quick response that too within 5 min to the sufferer in the car and parallelly to me.

- 2. The greatest of all issue; that you asked the ladies in the vehicle to move to the secure place, first of all, as the breakdown was caused in the middle of a jungle.*
- 3. Your spontaneous contact to the nearby dealer and enforcement to take the case seriously, spontaneously and safely, that would be the reason according to me why the Maruti mechanics were ready to move at around 11.30 p.m.*

Later some special thanks giving work was also done by mechanic and engineer of Shubh Motors as well. I am failing to recall the name, (I think Mr. Suresh) They fixed the issue in only 15 min, that too some such works which needed the vehicle to be brought to the workshop and to fix the issue in ECM machine.

And special of all the things that they charged only ₹ 700, every they fixed the issue in the middle of the road and jungle. Special thanks to Maruti On Road Assistance, The team who worked, and very special thanks to you Mr. Mahesh, who made every thing done. And made us easy to continue the journey till Nagpur.

PS: This mail is in regards for the quality of work, which may boost the performance of other employees as well. Literally, I would try to rewrite the entire content to the feed back section of the Maruti Suzuki Limited so that your work should be appreciated and be a lesson to other employees (specifically of the managerial level) of how to work.

Thanks once again. Your work has increased my belief on Maruti Suzuki.

Regards

*Prashant
Bangalore*

Sustainability Journey Foot on the pedal



RESPONSIBLE ADVERTISING

Maruti Suzuki is a member of the Advertising Standards Council of India (ASCI) and follows its Code for Self-Regulation in Advertising and Marketing Communications. Maruti Suzuki makes sure that its advertising content does not depict anti-competitive behaviour and intentions. The Company abstains from any kind of sexually explicit, malicious, offensive or anti-social content in all its marketing communications at the mass and local levels.

Advertisements which contain performance stunts required for the brand image of the car are always shown with a clear disclaimer and caution statement. The Company also releases communications in the public interest to promote safe driving. Print advertisements include safety mnemonics.

No notice for investigation under Section 19 of the Competition Act, 2001, was received in 2011-12.

CUSTOMER PRIVACY DATA

Maruti Suzuki exercises utmost care in handling customer data. The Company has installed a dealer management system across its sales and service network to store and control data centrally. It has an agreement with dealers, Maruti Service Zones and Maruti Authorised Service Stations to safeguard the confidentiality of customer data.

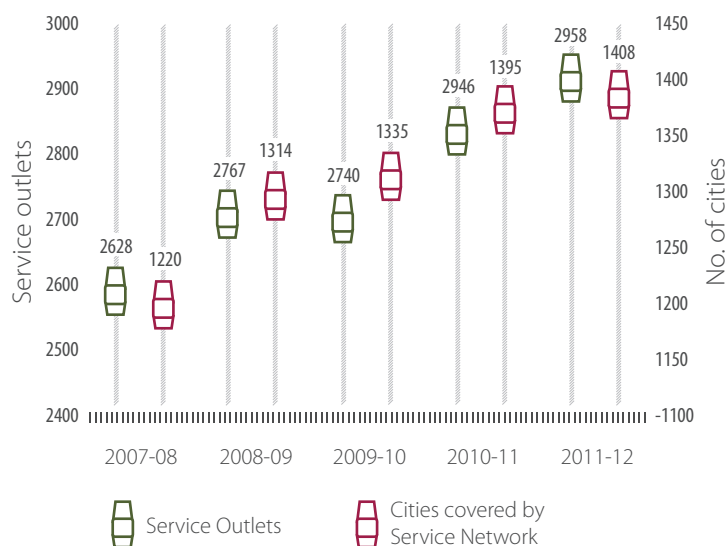
The Company has a well laid out business continuity and disaster recovery plan for critical data security, including customer information, wherein all major and critical systems are mapped and a detailed contingency action plan chalked out.

There have been no complaints regarding breach of customer privacy and loss of customer data in 2011-12.

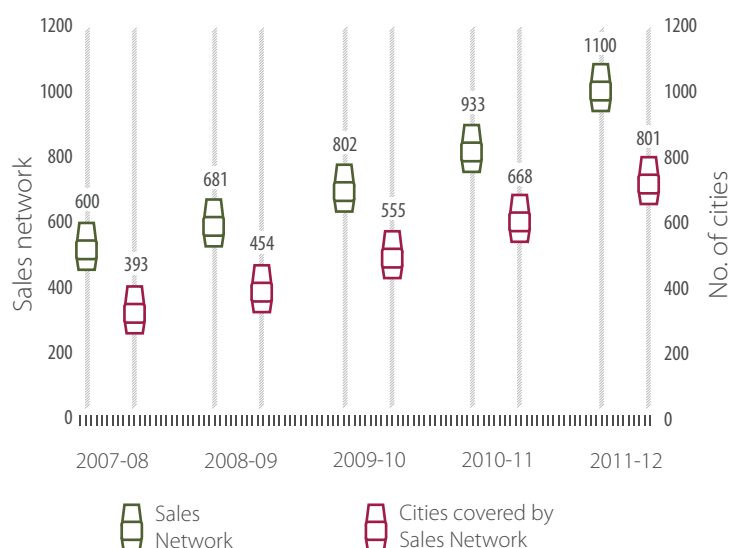
The Company's extensive sales and service network and supply chain create wealth and employment across the value chain.

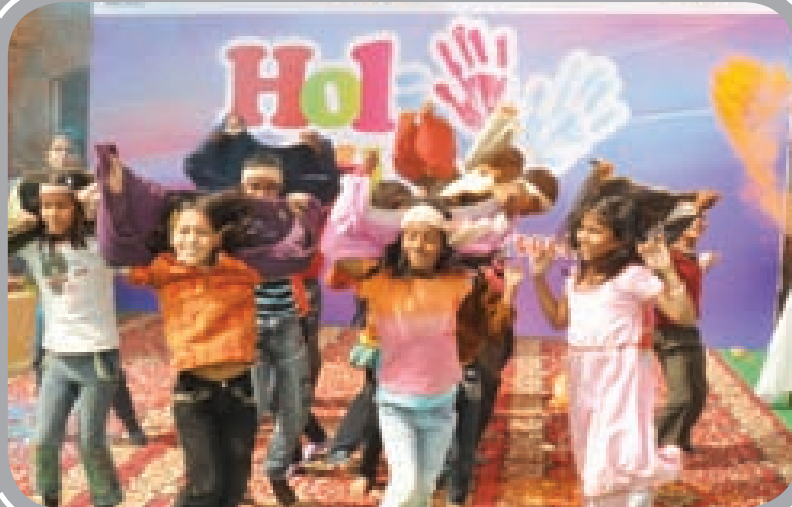
In 2011-12, Maruti Suzuki became the first automobile company in India to set up a Maruti Authorised Service Station at Kaza, at an altitude of 3,740 metres above sea level. It also activated the most remote and farthest workshop in the country in the Andaman and Nicobar Islands.

Service Network



Sales Network





Children enjoying themselves at an employee volunteering event of the Company

SOCIAL PERFORMANCE

Social Dimensions	Key Areas	Targets 2011-12	Achievement 2011-12	Targets 2012-13
Customer Satisfaction	Sales and service satisfaction	Retain No.1 position in customer satisfaction	Retained No.1 position in customer satisfaction in JD Power Survey	Maintain No.1 position in customer satisfaction
Employees' Development and Welfare	Attrition	Maintain attrition at single digit level	Attrition in 2011-12: 4.93%	Maintain attrition at single digit level
	Training man-days	Over 5 man-days per employee	Training achievement of 5.15 man-days	Over 5 man-days per employee
CSR				
Road Safety	Persons trained in safe driving	2,00,000	Over 2.6 lakh persons trained	3 lakh persons to be trained
	IDTRs	To operationalise two newly constructed IDTRs in Haryana	IDTRs at Rohtak and Bahadurgarh operationalised	Work on 1 new IDTR to be initiated
	MDSs	To establish 250 MDSs	Total number of MDSs reached 207 in 2011-12	100 new MDSs to be opened
Skill Training	Training for ITIs faculty	250 man-days to be dedicated	733 man-days dedicated	750 man-days to be dedicated
	Training for ITIs students	6,500 man-days to be dedicated	14,355 man-days dedicated	15,000 man-days to be dedicated

Sustainability Journey
Foot on the pedal



Social Dimensions	Key Areas	Targets 2011-12	Achievement 2011-12	Targets 2012-13
	MSIL-adopted ITIs	2 new government ITIs to be adopted to take cumulative number to 9 government ITIs	3 new ITIs adopted, taking the cumulative number to 10 government ITIs	40 new ITIs to be adopted in 3 years
	Technical tie-ups with ITIs (nos.)	12 government ITIs	19 ITIs	70 additional ITIs to be adopted
Employee Volunteering Programme	Volunteering hours contributed by employees for social work	To further promote employee volunteering	4,142 volunteer hours achieved	To further promote employee volunteering
Community Development	Education support classes and computer classes for children	Continue running support classes and computer centre	New computer centre set up at Dhana village middle school, Manesar	Continue these activities to benefit more children
	Vocational training to unemployed village youth in Manesar	Train over 100 persons in driving & other vocations	100 unemployed village youth trained in driving profession	50 unemployed youth to be trained in driving
	Expand community development activities	-	-	Initiatives to be expanded to Gurgaon & Rohtak localities

G3.1 Content Index

PROFILE INDICATOR		Reporting Status	Page	Automotive Supplement	Remarks
1. Strategy and Analysis					
1.1	Statement from senior most decision-maker of the organisation.	R	4-7		
1.2	Description of key impacts, risks, and opportunities.	R	12-15		
2. Organisational Profile					
2.1	Name of the organisation.	R	16		
2.2	Primary brands, products, and/or services.	R	18, 22-23		
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	R	17		
2.4	Location of organisation's headquarters.	R	19		
2.5	Number of countries where the organisation operates	R	20-21	√	
2.6	Nature of ownership and legal form.	R	16		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	R	18-21	√	
2.8	Scale of the reporting organisation.	R	18		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	R	26		
2.10	Awards received in the reporting period.	R	24-25		
3. Report Parameters					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	R	26		
3.2	Date of most recent previous report	R	26		
3.3	Reporting cycle (annual, biennial, etc.)	R	26		
3.4	Contact point for questions regarding the report or its contents.	R	26		
3.5	Process for defining report content.	R	Inside back cover		
3.6	Boundary of the report	R	26		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	R	26-27		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities.	R	26-27		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	R	52-72		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	N.A.			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	R	26		
3.12	Table identifying the location of the Standard Disclosures in the report.	R	16-23, 26-27 28-35		
3.13	Policy and current practice with regard to seeking external assurance for the report.	R	27		
4. Governance, Commitments and Engagement					
4.1	Governance structure of the organisation, including committees.	R	28-29		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	R	28		
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	R	28		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	R	28-29		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organisation's performance.	R	30		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	R	30-31		
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	R	28		
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	R	1, 73		For policies not covered in the report, refer to company website www.marutisuzuki.com
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance.	R	12		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	R	12, 29-31		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	R	53-57, 81-83		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	R	25		
4.13	Memberships in associations and/or national/international advocacy organisations	R	31		
4.14	List of stakeholder groups engaged by the organisation.	R	32		
4.15	Basis for identification and selection of stakeholders with whom to engage.	R	32		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	R	33-35		
4.17	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns.	R	33-35		

PERFORMANCE INDICATORS		Reporting Status	Page	Automotive Supplement	Remarks
Economic					
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	R	40, 43		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	R	42		
EC3	Coverage of the organisation's defined benefit plan obligations.	R	42		
EC4	Significant financial assistance received from government.	R	42		
Market presence					
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	R	42	√	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	R	41		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	R	68		
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	R	42		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	R	41		
Environmental					
Materials					
EN1	Materials used by weight or volume.	R	48		
EN2	Percentage of materials used that are recycled input materials.	R	48		
Energy					
EN3	Direct energy consumption by primary energy source.	R	48		
EN4	Indirect energy consumption by primary source.	R	48		
EN5	Energy saved due to conservation and efficiency improvements.	R	49-50		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	R	53-57		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	R	49-50		
Water					
EN8	Total water withdrawal by source.	R	50		
EN9	Water sources significantly affected by withdrawal of water.	R	50		Our operations are not water intensive and minimal ground water is used for our processes
EN10	Percentage and total volume of water recycled and reused.	R	50		
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	N.A.	-		Our manufacturing facilities are not close to any protected or sensitive area of high biodiversity value
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	N.A.	-		
EN13	Habitats protected or restored.	N.A.	-		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	N.A.	-		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	N.A.	-		
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.	R	52		
EN17	Other relevant indirect greenhouse gas emissions by weight.	R	52		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	R	52		
EN19	Emissions of ozone-depleting substances by weight.	R	52		
EN20	NOx, SOx, and other significant air emissions by type and weight.	R	52		
EN21	Total water discharge by quality and destination.	R	52		
EN22	Total weight of waste by type and disposal method.	R	52		
EN23	Total number and volume of significant spills.	R	52		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	N.A.	-		No transboundary transportation of waste is carried out by MSIL
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	N.A.	-		

PERFORMANCE INDICATORS		Reporting Status	Page	Automotive Supplement	Remarks
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	R	53-59	√	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	R	57	√	
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	R	52		
Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	NR	58		Scope 3 of the WBCSD/ WRI Protocol not covered in the report
Overall					
EN30	Total environmental protection expenditures and investments by type.	NR	-		
Social: Labor Practices and Decent Work					
Employment					
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	R	65	√	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	R	66		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	R	67	√	
Labour/management relations					
LA4	Percentage of employees covered by collective bargaining agreements.	R	67-68		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	R	67-68	√	
Occupational health and safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	R	70-71		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	R	72		
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	R	70-71		
LA9	Health and safety topics covered in formal agreements with trade unions.	R	70-71		
Training and education					
LA10	Average hours of training per year per employee by gender, and by employee category.	R	68	√	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	R	69	√	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	R	68		
Diversity and equal opportunity					
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	R	65		
Equal remuneration for women and men					
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	R	68		
LA15	Return to work and retention rates after parental leave, by gender.	R	67		
Social: Human Rights					
Investment and procurement practices					
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	N.A.	-		No significant investments were made outside Maruti Suzuki's own business operations in 2011-12.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	R	70-71		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	R	68		
Non-discrimination					
HR4	Total number of incidents of discrimination and corrective actions taken.	R	65		
Freedom of association and collective bargaining					
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	R	67	√	
Child labour					
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	R	65		
Prevention of forced and compulsory labour					
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	R	65		

PERFORMANCE INDICATORS		Reporting Status	Page	Automotive Supplement	Remarks
Security practices					
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	R	69		
Indigenous rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	N.A.	-		Company doesn't operate in areas with indigenous people.
Assessment					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	R			Maruti Suzuki has become a part of the Global Compact-India & will be addressing these issues in a structured manner
Remediation					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	R			Maruti Suzuki has become a part of the Global Compact-India & will be addressing these issues in a structured manner
Social: Society					
Local communities					
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	R	74-80	√	
SO9	Operations with significant potential or actual negative impacts on local communities.	R	74-80		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	R	74-80		
Corruption					
SO2	Percentage and total number of business units analysed for risks related to corruption.	R	65		
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	R	65		
SO4	Actions taken in response to incidents of corruption.	R	65		
Public policy					
SO5	Public policy positions and participation in public policy development and lobbying.	R	31		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	N.A.	-		No donations were given to politicians & related institutions
Anti-competitive behavior					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	R	85		
Compliance					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	R	85		
Social: Product Responsibility					
Customer health and safety					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	R	81	√	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	R	81	√	
Product and service labelling					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	R	81		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	R	81		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	R	82-83		
Marketing communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	R			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	R	85		
Customer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	R	85		
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	R	82-85	√	

R: (Fully/ partially) Reported/Responded

NA: Not applicable

NR: Not reported

Additional indicator
Core indicator

National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business

Part	Particulars Required	Page No.	Remarks
A1	Basic details of the business		
	Name	16	
	Nature of ownership	16	
	Details of the people in top management	8-11	
	Location of its operations - national and international	18-21	
	Products and services offered	18	
	Markets served	18-21	
	Economic and Financial Data (2011-12)	40	
	Sales (No. of Units)	40	
	Net Profit	43	
	Tax Paid	40	
	Total Assets		Refer to Annual Report 2011-12
	Market Capitalisation(for listed companies)	16	
	No. of employees	16	
A2	Management's Commitment Statement to the ESG Guidelines	4-7, 38, 45, 64	
	Priorities in terms of Principle and Core Elements	-	Will be reported in subsequent reports.
	Reporting Period/Cycle	26	
	Whether the report is based on this framework or any other framework	26	
	Any Significant Risk that the business would like its stakeholders to know	12-15	
	Any Goals and Targets that were set by the top management for improving their performance during the Reporting Period	60-61, 86-87	

Part	Principle	Particulars Required	Page No.	Remarks
B1	Principle 1 – Ethics, Transparency and Accountability	Governance structure of the business, including committees under the Board responsible for organisational oversight. In case no committee is constituted, then the details of the individual responsible for the oversight	28-29	
		Mandate and composition (including number of independent members and/or non-executive members) of such committee with the number of oversight review meetings held.	28	
		State whether the person/committee head responsible for oversight review is independent from the executive authority or not. If yes, how.	28	
		Mechanisms for shareholders and employees to provide recommendations or direction to the Board/ Chief Executive.	29	
		Processes in place for the Board/ Chief Executive to ensure conflicts of interest are avoided.	30	
		Internally developed statement on Ethics, Codes of Conduct and details of the process followed to ensure that the same are followed	31	
		Frequency with which the Board/ Chief Executive assess BR performance	29-30	
B1	Principle 2 - Products Life Cycle Sustainability	Statement on the use of recyclable raw materials used	48, 50	
		Statement on use of energy-efficient technologies, designs and manufacturing/ service - delivery processes	48-52	
		Statement on copyrights issues in case of the products that involve use of traditional knowledge and geographical indicators	-	Not Applicable
		Statement on use of sustainable practices used in the value chain	58-59	

Part	Principle	Particulars Required	Page No.	Remarks
B1	Principle 3 – Employees' well – being	Total number of employees with percentage of employees that are engaged through contractors	65	
		Statement on non-discriminatory employment policy of the business entity	65	
		Percentage of employees who are women	66	
		Number of persons with disabilities hired	-	Nil
		Amount of the least monthly wage paid to any skilled and unskilled employee	42	
		Number of training and skill up-gradation programmes organised during the reporting period for skilled and unskilled employees	68	
		Number of incidents of delay in payment of wages during the reporting period	-	Nil
		Number of grievances submitted by the employees	-	Grievances addressed at HRIDC forum
B1	Principle 4 – Stakeholder Engagement	Statement on the process of identification of stakeholders and engaging with them	32	
B1	Principle 5 – Human Rights	Statement on significant issues on which formal dialogue has been undertaken with any of the stakeholder groups	32-35	
		Statement on the policy of the business entity on observance of human rights in their operation	-	Evolving structure for HR concerns. Company has joined Global Compact India
		Statement on complaints of human rights violations filed during the reporting period	-	
B1	Principle 6 – Environment	Percentage of materials used that are recycled input materials	48	
B1	Principle 7 – Policy Advocacy	Total energy consumed by the business entity for its operations	48	
		Statement on use of energy saving processes and the total energy saved due to use of such processes	48-50	
		Use of renewable energy as percentage of total energy consumption	-	Solar energy is used for street lighting & water heating at manufacturing locations
		Total water consumed and the percentage of water that is recycled and reused	50	
		Statement on quantum of emissions of greenhouse gases and efforts made to reduce the same	52	
		Statement on discharge of water and effluents indicating the treatment done before discharge and the destination of disposal	50-51	
		Details of efforts made for reconstruction of bio-diversity	-	Not Applicable
B1	Principle 8 – Inclusive Growth	Statement on significant policy advocacy efforts undertaken with details of the platforms used	31	
		Details of community investment and development work undertaken indicating the financial resources deployed and the impact of this work with a longer term perspective	42, 73-79	
		Details of innovative practices, products and services that particularly enhance access and allocation of resources to the poor and the marginalised groups of the society	73-79	
B1	Principle 9 – Customer Value	Statement on whether the labeling of their products has adequate information regarding product-related customer health and safety, method of use and disposal, product and process standards observed	81	
		Details of the customer complaints on safety, labeling and safe disposal of the products received during the reporting period	81-83	.
C1	Any negative consequences of its operations on the social, environmental and economic fronts	Social		No significant impact
		Environmental		
		Economic		
C2	Brief on Goals and Targets in the area of social, environmental and economic responsibilities that the business entity has set for itself for the next Reporting Period	Social	86-87	
		Environmental	60-61	
		Economic	-	• Atleast 40% market share • Leadership position • Customer delight

Independent Assurance Statement



Introduction

Det Norske Veritas AS* ('DNV') has been commissioned by the management of Maruti Suzuki India Limited ('MSIL' or 'the Company') to carry out an assurance engagement on the Company's 2011-12 Sustainability Report ('the Report') in its printed format. This engagement focussed on qualitative and quantitative information provided in the Report, and underlying management and reporting processes. The engagement was carried out against AccountAbility's AA 1000 Assurance Standard 2008 (AA 1000AS), the DNV Protocol for Verification of Sustainability Reporting (VeriSustain) including confirmation of application level and adherence to principles of the Global Reporting Initiative (GRI) 2011 Sustainability Reporting Guidelines Version 3.1 (G3.1).

DNV is a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward any people interviewed. DNV expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

The intended users of this assurance statement are the readers of MSIL's 2011-12 Sustainability Report. The Management of MSIL is responsible for all information provided in the Report as well as the processes for collecting, analyzing and reporting that information. DNV's responsibility regarding this verification is to MSIL only, in accordance with the agreed scope of work. The assurance engagement is based on the assumption that the data and information provided to us is complete and true.

The reporting boundary is as set out in the report and during the assurance process, we did not come across limitations to the scope of the assurance engagement except the entities excluded by MSIL as stated in its scope and boundary section. The verification was carried out in June, July & August, 2012.

Scope of Assurance

The scope of the assurance included the review of Economic, Environment and Social information in the MSIL Sustainability Report 2011-12 i.e.:

- Activities undertaken by MSIL over the reporting period 1st April 2011 to 31st March 2012 and reported in this Report;

- Evaluation of the AccountAbility principles and specified performance information (Type 2) with a Moderate Level of assurance, according to AA1000AS (2008);
- Information relating to Company's sustainability issues, responses, performance data, case studies and underlying systems for the management of such information and data;
- Information relating to Company's materiality assessment and stakeholder engagement processes;
- GRI G3.1 Confirmation of Application Level as declared by MSIL in the Report.

The boundary of the Report is as stated in the Report.

Verification Methodology

This assurance engagement was planned and carried out in accordance with the AA1000AS (2008) i.e. Type 2, Moderate and the DNV Protocol for Verification of Sustainability Reporting¹. The report has been evaluated against the following criteria:

- Adherence to the principles of Inclusivity, Materiality and Responsiveness, as well as Reliability of specified sustainability performance information, as set out in the AA1000AS (2008),
- Adherence to additional principles of Completeness and Neutrality, as set out in DNV's Protocol,
- The GRI G3.1 and its Application Level A+
 - As part of the engagement, DNV has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. For example, we have:
 - Examined and reviewed documents, data and other information made available to DNV by MSIL;
 - Visited the Head Office at New Delhi and manufacturing unit located at Gurgaon to conduct on-site verification;
 - Conducted interviews with key representatives and senior managers in various functions;

* www.dnv.com/cr

- Performed sample-based checks of the processes for generating, gathering, managing the quantitative data mechanisms for implementing the Company's sustainability related policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report.

Opportunities for Improvement

The following is an excerpt from the observations and further opportunities for improvement reported to the management of MSIL; however, these do not affect our conclusions on the Report:

- Progressively expand the boundary to include Joint Ventures and other entities in its sphere of control and influence.
- Strengthen/ expand the existing risk management process to include sustainability aspects related to Labour, Human Rights and Supply Chain.
- The Sustainability performance may be benchmarked to establish medium and long term sustainability objectives and targets.

Conclusions

In our opinion, and based on the scope of this assurance engagement, the MSIL Sustainability Report 2011 – 2012, provides a fair representation of the Company's sustainability policies, objectives, management approach and performance during the reporting year. In accordance with the AA1000AS (2008) requirements for a Type 2, moderate level assurance engagement, we conclude that the specified sustainability data and information presented in the Report is generally reliable. The Report contains data that is measured and estimated and some of the errors in data compilation, which were attributable to transcription and aggregation, were corrected.

For Det Norske Veritas AS



Ramesh Rajamani
Lead Verifier
Det Norske Veritas AS, India
17th Aug' 2012, New Delhi, India



We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

AA1000AS (2008) principles

Inclusivity: Good. The Company engages in dialogue with selected stakeholders only to identify emerging issues through different channels. The material issues emerging from the stakeholder engagement were collected and prioritised, and the results are reflected in the Report.

Materiality: Acceptable. The Company has reported its material issues of significance, of which the majority are addressed in the Report; however the materiality determination exercise may include the aspects beyond GRI guidelines to which MSIL subscribes like IFC guidelines.

Responsiveness: Acceptable. We consider that the Company's response to key stakeholder concerns, through its policies and management systems are fairly reflected in the Report.

Additional principles as per DNV's protocol

Completeness: Good. The Report has fairly attempted to report performances against the GRI G3.1 core indicators that are material within the Company's reporting boundary; and has committed to report some of the partially reported with definite timelines.

Neutrality: Good. The Company has reported its sustainability issues and performance in a neutral tone, in terms of content and presentation.

The Company has self-declared that it meets the requirements for GRI Application Level A+ and we confirm that the GRI Application Level A+ has been met.



Antonio Astone
Global Manager, CR Services
Det Norske Veritas AS.

Acronyms



ABS	Anti-Lock Braking System
AGM	Annual General Meeting
ARAI	Automotive Research Association of India
CDM	Clean Development Mechanism
CEO	Chief Executive Officer
CNG	Compressed Natural Gas
CSLC	Central Safety Leadership Council
CSR	Corporate Social Responsibility
DEC	Driver Education Centers
ELV	End of Life Vehicles
ERMC	Executive Risk Management Committee
ESI	Employees State Insurance
ETP	Effluent Treatment Plant
GDP	Gross Domestic Product
GHG	Green House Gas
GJ	Gigajoules
HEV	Hybrid Electric Vehicles
HFC	Hydro Fluoro Carbon
HHT	Hiyari Hatto Training
IDTR	Institute of Driving and Traffic Research
I-GPI	Intelligent Gas Port Injection
IMC	Institute Management Committee
IR	Industrial relations

ISO	International Organisation of Standardisation
ITI	Industrial Training Institutes
JV	Joint Venture
KYT	Kikken Yochi Training
LPG	Liquefied Petroleum Gas
MACE	Maruti Centre for Excellence
MDS	Maruti Driving School
MoHI	Ministry of Heavy Industry
MT	Metric Tonnes
NSE	National Stock Exchange
NVH	Noise Vibration and Harshness
OVTA	Overseas Vocational Training Association
R&D	Research and Development
SEBI	Securities and Exchange Board of India
SMC	Suzuki Motor Corporation
UNFCCC	United Nations Framework Convention on Climate Change
VRDE	Vehicle Research and Development Establishment
WBCSD	World Business Council of Sustainable Development
WRI	World Resources Institute

CONVERSION TABLE

Amount	Conversion	
100,000.00	100 Thousand	1 Lakh
1,000,000.00	1 Million	10 Lakh
10,000,000.00	10 Million	1 Crore
100,000,000.00	100 Million	10 Crore
1,000,000,000.00	1 Billion	100 Crore

Contact person for further details:

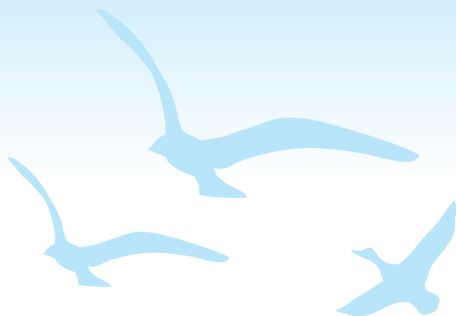
Mr. Ranjit Singh

DGM CSR & Sustainability

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