

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

S. No.	Particulars	
1	Corporate Identity Number (CIN) of the listed entity	L34103TN2004PLC054667
2	Name of the Listed Entity	ZF Commercial Vehicle Control Systems India Limited (ZF CVCS)
3	Year of incorporation	2004
4	Registered office address	Plot No.3, (SP) III Main Road, Ambattur Industrial Estate,
5	Corporate address	Chennai - 600 058.
6	E-mail	cvcs.info.india@zf.com
7	Telephone	+91 044 4224 2000
8	Website	https://www.zf.com/india/en/home/home.html
9	Financial year for which reporting is being done	2021-22
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai
11	Paid-up Capital	INR 948.38 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	M. Muthulakshmi Phone: +91 44 4244 9514 E-mail: muthulakshmi.m@zf.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures made under this report are made on a standalone basis for ZF CVCS.

II. Products / services

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

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Manufacturing of Automotive components and accessories	Air assist and full air actuation systems	77.67%
2	Spares	Spares	13.13%
3	Software services / Research and development / Business services	Software services / Research and development / Business services	8.36%

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

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

III. Operations

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

Locations*	Number of plants	Number of offices	Total
National	5	2	7

* ZF CVCS does not have any international locations

The Company's manufacturing locations are located in:

- Chennai: Plot No. 3, (SP) III Main Road, Ambattur Industrial Estate, Chennai 600058
- Jharkhand: Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832108
- Mahindra World City: Unit - 1 & Unit - 2 at: Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Natham Sub-Post, Chengalpeta, Kancheepuram District 603002
- Pantnagar: Plot No.11, Sector 4, SIDCUL, IIE Pantnagar, Udham Singh Nagar, Uttarakhand - 263 153

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

v. Lucknow: KH 159-162, 164 Village Dhakauli Nawabganj, Barabanki Dewa Road, Somaiya Nagar, Barabanki, Lucknow, Uttar Pradesh 225 123

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

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company operates across 25 states and 2 union territories
International (No. of Countries)	We export to 15 countries across the Americas, Europe and Africa

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

The contribution of exports as a percentage of total turnover of ZF CVCS is 46.18%

c. A brief on types of customers

The Company deals with multiple segments and categories namely Automotive Original Equipment Manufacturer (OEMs), distributors, government agencies and retailers.

IV. Employees

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

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1487	1295	87.09%	192	12.91%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1487	1295	87.09%	192	12.91%
WORKERS						
4.	Permanent (F)	469	463	98.72%	6	1.28%
5.	Other than Permanent (G)*	4163	3897	93.61%	266	6.39%
6.	Total workers (F + G)	4632	4360	94.13%	272	5.87%

*Note: refers to trainees, fixed term contractors and retainers

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	-	-	1	100%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	1	-	-	1	100%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	1	1	100%	-	-

19. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	3	1	33%

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in previous FY)			FY 2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	6.6	1	7.6	4.2	1	5.2	13	1	14
Permanent workers	2	–	2	2	–	2	2	–	2

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

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

VI. CSR Details

22.	(i)	Whether CSR is applicable as per Section 135 of Companies Act, 2013	Yes
	(ii)	Turnover (in ₹)	2,54,335.39 lakhs
	(iii)	Net worth (in ₹)	2,11,407.76 lakhs

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 22 Current Financial Year			FY 22 Previous Financial Year		
		(A)	(B)	(C)	(D)	(E)	(F)
Communities	No **	–	–	–	–	–	–
Investors (other than shareholders)	No	–	–	–	–	–	–
Shareholders	Yes As per SEBI Listing Regulations #	1	–	–	3	–	–
Employees and workers	Yes*	–	–	–	–	–	–
Customers	Yes&	–	–	–	–	–	–
Value Chain Partners	Yes*	–	–	–	–	–	–
Other (please specify)	Yes*	–	–	–	–	–	–

(A) & (D) refers to Number of complaints filed during the year

(B) & (E) refers to Number of complaints pending resolution at close of the year

(C) & (F) refers to Remarks

Note: *Whistle blower policy:

The Whistleblower mechanism provides a platform to report any concerns/ grievances pertaining to any potential or actual violation of the Company's code of conduct. Further individual policies by and large prescribe grievance redressal mechanisms for the concerned stakeholders.

weblink: https://www.zf.com/master/media/corporate/m_zf.com/company/bonds_relations/wabco_india_ir/18_policies_and_code_of_conduct/05-WABCO-India-Whistle-Blower-Policy.pdf & Customer satisfaction survey is conducted annually through which customer grievances are taken in the form of feedback.

Mechanism in place such as SEBI SCORES platform, stock exchanges.

https://www.zf.com/mobile/en/company/investor_relations/zf_cv_india_investor_relations/zf_cv_india_ir.html

** The Company focuses on improving the lives of the community who are seen as the drivers for the sustainability solutions of the Company. The Company intends to streamline the method of redressal mechanism on a go forward basis.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

24. Overview of the entity's material responsible business conduct issues

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

This year the Company undertook the first materiality assessment - with the help of an independent third party to facilitate the assessment.

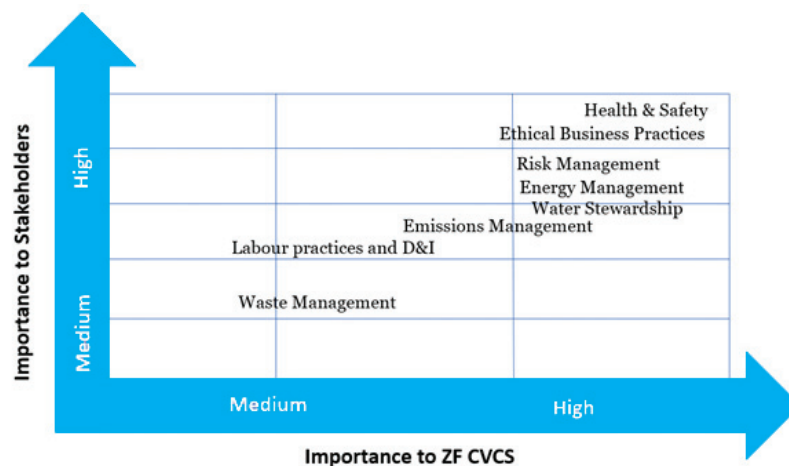
Recognising the value in integrating different stakeholder perspectives we reached out to our critical stakeholders: Investors, Customers, Suppliers, Community Partners and Employees.

Based on the results of the materiality assessment carried out, the Company identified 8 material issues that were most important for a company like ZF CVCS from a total 25 material issues relevant for our sector.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health & Safety	R	Exposure of employees into the risk area, SHE Failure Mode and Effects Analysis (FMEA) approach methodology	Failure Mode and Effects Analysis (FMEA) risk assessment methodology triggered to identify the risk and addressing the gaps and ensure safe workplace	Negative
2	Ethical Business Practices	O	<ul style="list-style-type: none"> * Code of Conduct implemented globally, including breach reporting mechanisms for unethical behavior * Whistleblowing hotline used to inform WABCO of breaches of Code of Conduct or other fraudulent conduct * Ethics Council reviews all complaints via the Whistleblower hotline and oversees investigations * Supplier terms and conditions require compliance with WABCO Code of Conduct 	<ul style="list-style-type: none"> # Annual employee and director certification with the Code of Conduct # Annual Ethics Training program # Resolution of employee or third party complaints via Ethics Council investigations # FCPA audits periodically conducted at sites to determine compliance with applicable anti-bribery regulations # Quarterly representations during global financial Audit 	Negative
3	Energy Management	O	Energy mapping in all energy usage areas and scope for improvement	Energy mapping in all areas and 8% energy savings in every year with addressing the improvements	Positive
4	Risk Management	O	Risk Management assessment	Through an periodic review concerning risks identified (52 risks) and impact of risks and level of vulnerability.	Negative

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Water Stewardship	O	Based on Risk & Opportunity assessment- the possibility of Water exploitation occurring in the region was identified	Water consumption monitoring and every year reducing water consumption with 2%	Negative
6	Emissions Management	O	Utilise natural resources in the form of solar energy to reduce the energy consumption from coal based	Roof solar installed in Ambattur site to draw 8% of solar energy and adding roof solar of 10% in Mahindra city is in pipeline	Positive
7	Labour practice and D&I	R	Risk that company's activities, its infrastructure or other resources (including personnel) may become targets for sabotage or terrorist acts.	Weekly meeting between Union members and the site leaders. Weekly call between Site HR team and the Central team involving HR leader for operations. Monthly HR review covers labor relations aspects, chaired by HR Leader India	Negative
8	Waste Management	R	Risk that the Company will be held responsible for the remediation of any hazardous substance contamination at past and present facilities and at third party waste disposal plants and will be held liable for damages to natural resources and any consequences arising out of human exposure to such substances and other environmental damage.	All manufacturing sites are ISO 14001 certified (environmental certification) for compliance. Hazardous waste is packed, stored in dedicated area and disposed in safe manner through government authorised agencies	Negative



ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

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

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	ZF Friedrichshafen AG Group's Code of conduct policy covering the various principles of the 9 NGRBC's principles. Weblink: https://www.zf.com/master/media/corporate/m_zf_com/company/corporate_governance/compliance/coc_all_languages1_ZF_Compliance_Code_of_Conduct_EN.pdf								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
4	Name of the national and international codes / certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has installed product safety management systems to ensure the safety characteristics 1 and 2 part of International Automotive Task Force (IATF) 16949 are met. All manufacturing facilities of the Company are ISO 45001:2018 certified (Occupational Health and Safety) All manufacturing facilities are ISO 14001:2015 certified (Environment Management System) Manufacturing facilities in Chennai, Jharkhand and Lucknow are also ISO 50001:2015 certified (Energy Management System), as per the Confederation of Indian Industry on Environmental task force and part of National safety council and part of Automotive Components Manufacturers Association The Company is also ISO 27001 to safeguard organisation data against security threats								

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has committed to be carbon neutral by 2040 and use 100% renewable energy by 2030. To achieve carbon neutrality the company will aim to reduce its Scope 1 & 2 emissions by 2% year on year compared to 2020. A focused effort on energy reduction initiatives, increase our renewable energy use by 5% year on year and reduce waste by 5% year on year
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company is in the process of establishing a Sustainability Committee in FY 2023 for board level oversight to monitor material ESG risks and performance to achieve its sustainability goals and roadmap

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i> Sustainability is at the core of ZF CVCS's business conduct. We apply the principle of "See-Think-Act" through which we pioneer technological innovations to deliver high value solutions to the stakeholders at large. The Company's sustainability ideology "Acting Now" encompasses the Company's commitment to Acting for climate and nature, acting for all people and Acting for lasting values. The Company's commitment to climate related goals is aligned to the Group's goals to achieve carbon neutrality by 2040. The business responsibility and sustainability report illustrate the Company's efforts towards creating and enduring value for all stakeholders in a responsible manner.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies) The Company monitors the implementation of the business responsibility policies through a leadership team chaired by the Managing Director. Regular discussions are conducted to discuss the Environment, Social and Governance aspects
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details Yes, the Company involves a leadership team responsible for decision making on sustainability related topics. The team discusses, reviews and monitors periodically on any action plan if any. The team is chaired by the Managing Director with the functional heads comprising the team
10.	Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was under taken by Director / Committee of the Board / Any other Committee									Frequency (Annually (A)/ Half yearly(H)/ Quarterly(Q)/ Monthly (M) / Weekly(W) specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	A	M	Q	Q	M	A	W	M
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	A	H	Q	Q	*	A	*	M
11.	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency The internal audit team of the Company conducts regular reviews of our company policies. Some policies e.g Health and Safety and Quality are subject to both internal and external audits as certification process (ISO 45001, ISO 14001, ISO 50001, etc.) to evaluate the working of the policies. The certification process was carried out by DNV who are an accredited third-party certification body. No independent assessment of policies has been completed as yet.																	
12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:																	
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	Not applicable								
The entity does not consider the Principles material to its business (Yes/No)																		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																		
The entity does not have the financial or / human and technical resources available for the task (Yes/No)																		
It is planned to be done in the next financial year (Yes/No)																		
Any other reason (please specify)																		

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The Company has earned the recognition and trust of its customers through its responsible corporate governance, compliance, and outstanding products and services. The aim is to maintain the company's commitment and the high esteem it has earned in the future as well. Regarding behavioral norms for employees, the ZF Code of Conduct provides guidance when questions arise about proper behavior and compliance. ZF's Business Partner Principles require all suppliers and service providers to commit to abiding by law and relevant regulations at all locations worldwide. Suppliers and service providers must ensure that human rights are respected and human dignity is protected, for example, in all business processes.

Essential indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors and Key Managerial Personnel	5	During the year, the Board of Directors and KMPs of the organisation spent approximately 30 hours on various familiarisation programmes comprising Policy formation & Policy Deployment, Business, regulations, Economy and Environmental, social and governance parameters.	100%
Employees other than BoD and KMPs	75	The Company provides training to all employees equivalent to 12 man days per employee annually. Owing to the pandemic this year, trainings were conducted through virtual classroom initiatives, along with e-learning modules ranging from Compliance: 1. Prevention of Sexual Harassment at the Workplace 2. Code of Conduct Engineering: 1. Geometric Dimensioning and Tolerancing Training (GD&T) 2. Lab View 3. Process Failure Mode Effects Analysis (PFMEA) -AIAG- VDA Edition 1 4. Design failure mode and effect analysis (DFMEA) 5. 3D AutoCAD Management related trainings: 1. European Distribution System 2. Business Analytics Program 3. Futuristic Shopfloor Manager Course Pathway to Leadership (PTL) Development Program Other training conducted during the year focused on induction of new recruits, leadership soft skills and mental and physical well-being training were also provided.	100%
Workers	60	The Company provides 10 man-days for workmen training each year. For workmen, on the job training as well as off the job training were given on various topics. Safety: 1. Safety Awareness Training 2. Road Safety Awareness	100%

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

		Compliance: 1. Code of Conduct 2. POSH 3. Cyber Security Health: 1. Awareness on COVID, Nutrition & Hygiene Quality: 1. 5S Awareness 2. Product Knowledge 3. Defect Identification 4. Waste Management 5. Total Quality Management 6. Total Productive Maintenance 7. PDI Training 8. Lean Principles 9. Quality Control Circle training	
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2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure) Regulations, 2015 and as disclosed on the entity's website):

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

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

Case details	Name of the regulatory / enforcement agencies / judicial institutions
Not applicable	

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

Weblink:

https://www.zf.com/master/media/corporate/m_zf_com/company/corporate_governance/compliance/coc_all_languages/1_ZF_Compliance_Code_of_Conduct_EN.pdf

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

	FY 22	FY21
Directors	Nil	
KMPs		
Employees		
Workers		

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

	FY22 (Current financial year)		FY21 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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

Not applicable

Leadership indicators

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

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

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

Yes. The Company has processes in place to avoid / manage conflict of interests involving members of the Board.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

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

Essential indicators

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

	Current financial year (FY22)	Previous financial year (FY21)	Details of improvements in environmental and social impacts
R&D	Nil		
Capex	Nil		

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

Yes. Material Safety Data Sheet (MSDS's) and International Material Data System (IMDS) systems are adhered to for promoting safety, environmentally friendly & sustainable procurement. Integrated supply chain operations ensure sustainable and best use of available resources. The Company is continuing on the initiatives to periodically train & educate its suppliers, employees & other stakeholders for creating awareness about usage of renewable energy, reduced consumption of natural resources and on various aspects related to sustainability. The Company also works closely with its vendors to use returnable packaging modes to reduce usage of non-recyclable packaging wherever possible. Over the period of time the company has transformed itself in using digital technologies for exchange of information thereby considerably reducing the consumption of paper.

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

27%

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

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

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

Leadership indicators

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

NIC Code	Name of product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
29301	Clutch master cylinder, Air Reservoir, Lift axle quick release valve, Tandem Master Cylinder, Compressor	24%	Cradle-to-grave	No	No

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

Name of Product / Service	Description of the risk / concern	Action Taken
Air compressor	Oil carryover	The Compressor design has been improved to reduce engine oil carryover by about 30%.

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

Indicate input material	Recycled or reused input material to total material	
	FY22 (Current financial year)	FY21 (Previous financial year)
Aluminium & Steel	4.7%	4.1%

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

4. Of the products and packaging reclaimed at end of life of products, in percentage reused, recycled, and safely disposed, as per the following format:

	FY22 (Current financial year)			FY21 (Previous financial year)		
	Re-Used (Packaging)	Recycled	Safely Disposed	Re-Used (Packaging)	Recycled	Safely Disposed
Plastics (including packaging)	40% (Overall India business) 90% (Domestic OE business)	-	-	40% (Overall India business) 90% (Domestic OE business)	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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

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

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

The Company recognizes without a doubt that helping employees achieve their full potential is fundamental to the company's continued success. The Company is committed to providing equal i.e. merit based opportunities both at the time of recruitment and during the course of employment irrespective of caste, creed, gender, race, religion, disability etc. At the workplace, the Company is committed to provide a safe environment and hygienic conditions. Training during induction and periodic training on usage of protective equipment, identifying and eliminating unsafe working conditions are top priority. Prevention of accidents is at the heart of what the company does in the commercial vehicle industry. That's also why "working safely" is a condition of employment. The Company leads by example and works hard to nurture a culture of mutual responsibility towards health and safety among colleagues, customers and business partners. The Company has a policy for health and safety and expects its suppliers to adhere to the same rigor. The Company continuously focuses and ensures skill development of employees through its structured training and competency development programs. The Company provides subsidized food to its employees, medical insurance coverage including dependents, and has in-house medical centers with qualified medical practitioners. The Company conducts various programs concerning well-being of employees and strives to employ and empower women employees and fosters a friendly environment through its policy for prevention of sexual harassment and related grievance redressal mechanisms.

Essential indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities*	
		Number	%(B / A)	Number	%(C / A)	Number	%(D / A)	Number	%(E / A)	Number	%(F / A)
Permanent employees											
Male	1295	1295	100%	1295	100%	-	-	1295	100%	NA	NA
Female	192	192	100%	192	100%	192	100%	-	-	NA	NA
Total	1487	1487	100%	1487	100%	192	13%	1295	87%	NA	NA
Other than Permanent employees											
Male	Not applicable										
Female											
Total											

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities*	
		Number	%(B / A)	Number	%(C / A)	Number	%(D / A)	Number	%(E / A)	Number	%(F / A)
Permanent workers											
Male	463	463	100%	463	100%	–	–	463	100%	NA	NA
Female	6	6	100%	6	100%	6	100%	–	–	NA	NA
Total	469	469	100%	469	100%	6	1%	463	99%	NA	NA
Other than Permanent workers											
Male	Not applicable										
Female											
Total											

* ZF CVCS does not have a day-care facility. However, the Company has tie-ups with third party run day cares, that the employees could avail.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY22 (Current financial year)			FY21 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity *	100%	36%	*Note	100%	36%	*Note
ESI	NA	66%	Y	NA	67%	Y
Others - please specify	NA	NA	NA	NA	NA	NA

* Note: Gratuity is a company contribution

3. Accessibility of workplaces

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

The Company staunchly promotes equal and fair opportunities to disabled persons. Further, the company commits to develop the premises/offices accessible to differently abled employees and workers.

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

The Company believes that diversity and inclusion enhance our creativity, increase our innovational power, and are key to business success. We welcome all different kinds of people to our teams around the globe and offer equal opportunities in a diverse working environment. We foster a culture that celebrates differences and promotes individuality, regardless of gender, age, ethnic background, sexual orientation, or physical and neurodiversity.

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

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

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, As per Company certified Standing order provides a mechanism to receive and redress grievances. The Company has a hotline through which employees could report their concerns to the management. The Group provides an anonymous grievance mechanism for compliance breaches on labor related topics and human rights. ZF CVCS's whistleblower policy provides a ethics hotline number @ +91-11-71279026 and also at international number @ 0049-30 5892 0101
Other than Permanent Workers	
Permanent Employees	

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

Category	FY22 (Current financial year)			FY21 (Previous financial year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees*						
Male	NA					
Female	NA					
Total Permanent Workers*						
Male	463	463	100%	453	453	100%
Female	6	6	100%	6	6	100%

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

Every location has a separate union except plant located at Pant Nagar.

8. Details of training given to employees and workers:

Category	FY22 (Current financial year)					FY21 (Previous financial year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No.(E)	%(B/A)	No. (C)	%(C/A)
Employees										
Male	685	685	100%	550	80%	685	685	100%	510	74%
Female	40	40	100%	30	75%	40	40	100%	25	63%
Total	725	725	100%	580	80%	725	725	100%	535	74%
Workers										
Male	2410	2410	100%	1978	82%	2300	2300	100%	1680	73%
Female	550	550	100%	406	74%	450	450	100%	335	74%
Total	2960	2960	100%	2384	81%	2750	2750	100%	2015	73%

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

Category	FY22 (Current financial year)			FY21 (Previous financial year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1295	1295	100%	1373	1373	100%
Female	192	192	100%	187	187	100%
Total	1487	1487	100%	1560	1560	100%
Workers						
Male	463	-	Not Applicable - As per Long Term Settlement (LTS)	453	Not Applicable - As per Long Term Settlement (LTS)	-
Female	6			6		
Total	469			459		

The Company actively engages in performance and career development reviews of employees where they review and discuss the performance, development and their career path. The discussion focuses on the employee's individual goals and aligning the Company's principles to achieve well-being of their employees.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?
Yes, the Company has health and safety management systems as per ISO 45001, Occupational Health and safety management for reduction of occupational injuries and promoting physical and mental well-being, across all plants covering Design, Development and manufacturing activities
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
The Company, as part of EHS management system, has introduced SHE FMEA(Safety, Health & Environment Failure mode analysis). SHE FMEA is a methodology that identifies hazard and assess risk and is adopted to cover all activities & processes for the routine and non-routine activities in normal, abnormal & emergency situation and to identify the failure mode with respect to EHS. It also addresses the gaps because it is a quantitative risk assessment methodology.
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
Yes, the Company has the Incident reporting system with 12 steps. The employees are empowered to report potential safety hazards through green fugai tag (safety abnormality tag). The supervisor will upload the green fugai tag (safety abnormality tag) into an online portal and the respective team will address it. Employees also participate in the Safety suggestion scheme and they are rewarded for the participation. They also participate in the Quality circle to identify the EHS issues and help improve it.
- d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Yes, the Company has in-house Occupational health centres in all plants. There are full time medical officers in Ambattur & Mahindra City site locations and they can avail services and medicines at free of cost.

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

Safety Incident/Number	Category	FY 22 Current Financial Year	FY 21 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers		
Total recordable work-related injuries	Employees		1
	Workers		
No. of fatalities	Employees		Nil
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

All employees engaged in production are mandated to complete 3D safety training, risk assessment (SHE FMEA.) This financial year, as a proactive measure, The Company introduced an another mandatory EHS induction training to empower employees to report incidents and provide suggestions for improvement through safety kaizens on the shopfloor.

Ergonomic improvements with the support of engineering controls were implemented across high and medium risk jobs resulting in improved productivity and operator morale. This was aimed at reducing employee fatigue. For example, medium fatigue stations were identified for 99.5% low risk jobs.

The Company has also implemented ISO 14001 for Environmental Management system and ISO 45001 for Occupational health and safety management to ensure our workplaces are safer and healthy. This was rolled out in a systematic manner with a deep understanding of EMS of the scope and efficiency of the EMS.

January to March was dedicated to 'Safety in an effort to enhance safety systems and raise safety awareness amongst employees. During the year, based on the theme "5s To the next level" as part of ZF integration the Company also integrated ZF Production system 5s practices into our system and improved 5s in the shopfloor.

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

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

13. Number of Complaints on the following made by employees and workers:

Category	FY22 (Current financial year)			FY21 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety	Nil					

14. Assessments for the year:

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

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

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

Leadership indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
Yes
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
ZF CVCS carries out periodical review of the tax master framed in its ERP system and updates the said tax master as and when there are amendments made in the tax and regulatory laws. ZF CVCS ensures that statutory dues are deducted and paid promptly. The related workings / computations are internally reviewed, and also reviewed by the appointed tax consultants. Further, ZF CVCS maintains the necessary reconciliation of the statutory dues payable and paid as per the books and the returns filed.
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Employees	Nil			
Workers				

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

5. Details on assessment of value chain partner:

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

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

To improve the safety, poka yoke (a mistake-proofing mechanism) implementation and machine assessment have been completed in all sites (121 stations identified and completed). Further the same have been augmented with engineering controls.

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

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

Essential indicators

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

The Company is in the business of providing vehicle actuation systems for commercial vehicles. The Company is aware that the products and services directly impact various stakeholders which includes users of commercial vehicles, its vendors, customers, community at large and investors. Thus, the company has programmes to directly interact with the stakeholders and provide value through economic returns and training to improve awareness thereby improving safety on roads and ergonomics.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, direct communication	Engagement at multiple frequencies was undertaken depending upon the purpose	Employee engagement activities, training, awareness and welfare programmes

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Email, newspaper advertisement, website, Annual General Meetings, intimation to stock exchanges, annual / quarterly financials and investor meetings / conferences	Engagement at multiple frequencies was undertaken depending upon the purpose	Annual General Meeting and the like, other purposes on need-basis
Customers	No	On a need basis through multiple channels like physical, digital, etc.	Engagement at multiple frequencies was undertaken depending upon the purpose	Business related discussions, awareness and training programmes, workshops and seminars.
Channel Partners and Key partners	No	On a need basis through multiple channels like physical, digital, etc.	Engagement at multiple frequencies was undertaken depending upon the purpose	Business related discussions, awareness and training programmes, workshops and seminars.
Communities and NGOs	No	Through CSR activities by WABCO foundation	Engagement at multiple frequencies was undertaken depending upon the purpose	Achieving the CSR purposes
Suppliers	No	On a need basis through multiple channels like physical, digital, etc.	Engagement at multiple frequencies was undertaken depending upon the purpose	Business related discussions, awareness and training programmes, workshops and seminars.

Leadership indicators

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

Engagements with the relevant stakeholders by the Company are discussed with the Board on the varying topics of economic, environmental and social issues on a regular basis.

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

The Company believes in continuous improvement in its objective to achieve sustainability under the environment, social and governance aspects. The Company conducts stakeholder surveys to identify material issues covering the aspects of environmental, social and governance. Based on the inputs, the Company improves and revises the policies and activities to better address the key issues.

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

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

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

PRINCIPLE 5: Businesses should respect and promote human rights

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

Essential indicators

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

Category	FY22 Current financial year			FY21 Previous financial year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	725	725	100%	725	725	100%
Other than permanent	25	25	100%	25	25	100%
Total employees	750	750	100%	750	750	100%
Workers						
Permanent	2690	2690	100%	2750	2750	100%
Other than permanent	60	60	100%	55	55	100%
Total workers	2750	2750	100%	2805	2805	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY22 Current financial year					FY21 Previous financial year				
	Total (A)	Equal to Minimum Wage		More than minimum wage		Total (D)	Equal to Minimum Wage		More than minimum wage	
		No. (B)	%(B/A)	No.(C)	%(C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Employees										
Permanent										
Male	1295	-	-	1295	100%	1373	-	-	1373	100%
Female	192	-	-	192	100%	187	-	-	187	100%
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	463	-	-	463	100%	453	-	-	453	100%
Female	6	-	-	6	100%	6	-	-	6	100%
Other than permanent										
Male	3897	-	-	3897	100%	3836	-	-	3836	100%
Female	266	-	-	266	100%	253	-	-	253	100%

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

3. Details of remuneration/salary/wages, in the following format:

	Male Number	Median remuneration / salary / wages of respective category	Female Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	13,89,500	1	22,20,000
Key Managerial Personnel (KMP)	2 (*MD is included in BoD also)	8,33,333	1	210
Employees other than BoD and KMP	1,717	1,21,721	35	92,653
Workers	4,396	26,180	273	18,606

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

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

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

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

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

Category	FY22 Current financial year			FY21 Previous financial year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment			Nil			
Discrimination at workplace						
Child labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issues						

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

The Company uses mechanisms such as grievance redressal portal and POSH Act to address adverse consequences to the complainants.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, the company's code of conduct, ethics and policies contain aspects of human rights. All existing and new suppliers sign the Company's Supplier Code of Conduct.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company places strong reliance on compliance with laws and regulations. The Company internally monitors all compliance and there have been no adverse observations by local statutory / third parties during the year.
Forced /Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

Not applicable.

Leadership indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
Nil
- Details of the scope and coverage of any Human rights due diligence conducted.
Nil
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
Nil
- Details on assessment of value chain partners:

	% of value chain partners were assessed (by value of business done with such partners)
Sexual harassment	ZF's code of conduct includes human rights issues in the supply chain. As part of the ZF group, the Company is in the process of placing mechanisms to assess human rights issues of the value chain partners.
Discrimination at workplace	
Child labour	
Forced Labour/Involuntary Labour	
Wages	
Other human rights related issues	

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

Not applicable.

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

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

Essential indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Total electricity consumption (A)	84,715.20	69,411.60
Total fuel consumption (B)	5,162.40	3,315.60
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	89,877.60	72,727.20
Energy intensity per rupee of turnover (<i>Total energy consumption/turnover in rupees</i>)	0.35	0.38

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

No, there has not been any independent assessment/ evaluation/assurance carried out by an external agency.

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

No, the PAT scheme is not applicable to the Company.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	–	–
(ii) Groundwater	10,573	11,075
(iii) Third party water	51,769	50,631
(iv) Seawater / desalinated water	NA	NA
(v) Others	–	–
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	62,342	61,706
Total volume of water consumption (in kilolitres)	62,342	61,706
Water intensity per rupee of turnover (Water consumed / turnover)	0.01	0.01

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

No, there has not been any independent assessment / evaluation / assurance carried out by an external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Company has installed wastewater treatment systems in three sites in which waste water is generated and then it is taken into an Effluent Treatment Plant (ETP), for treatment and reuse. Rejected water that does not meet applicable reclaimed water standards after treatment is sent for evaporation.

The Company also treats its Domestic wastewater (water used inside the Company's office premises) which is reused for gardening and toilet flushing purposes. Water release after treatment has increased by 5.26% from the previous FY, 2021. The Company also ensures that no untreated water is being let into ground and drain to ensure Zero Liquid Discharge (ZLD).

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
NOx	Metric Ton	0.77	0.321
Sox	Metric Ton	0.0001	0.00003
Particulate Matter (PM)	Metric Ton	0.015	0.008
Persistent Organic Pollutants (POP)	Metric Ton	NA	NA
Volatile Organic Compounds (VOC)	Metric Ton	0.014	0.014
Hazardous Air Pollutants (HAP)	Metric Ton	NA	NA
Others - please Specify	Metric Ton	BDL	BDL

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

No, there has not been any independent assessment/ evaluation/assurance carried out by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 22 (Current Financial Year)*	FY 21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1046	961
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	18,858.1	15,888.2
Total Scope 1 and Scope 2 emissions per rupee of Turnover	Metric tonnes of CO ₂ equivalent	19,904.10	16,849.20
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity			

* Note: - F22: Emission data was tracked and computed using the Air/GHG Emissions software by Sphera by recording the activity data activity data (quantity of fuel/ refrigerants/ electricity etc. consumed) in the software.

- F21: The activity data (quantity of fuel/ refrigerants/ electricity etc. consumed) was tracked and multiplied by the emission factor based on the standard databases such as CEA grid emission factor and DEFRA emission factor etc.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

No, there has not been any independent assessment/ evaluation/assurance carried out by an external agency.

7. Does the entity have any projects related to reducing Green House Gas emission? If Yes, then provide details.

The Company is committed to transitioning to renewable energy starting with Ambattur and Mahindra City in Tamil Nadu. In 2022, the Company is in the process of setting up a solar rooftop plant with a capacity of 650KWp (kilowatts peak) at Mahindra city. This will reduce carbon emissions of 10% CO2 emissions starting this year at this location.

Starting January 2022, The Company began procuring 1MW of solar energy annually from a third party for the Ambattur & Mahindra City plant. This resulted in CO2 reduction of 623 tonnes in Q1 2022.

The Company is also proposing to procure solar energy (5MW) from group captive sources at the Ambattur and Mahindra city sites which can help reduce emissions by 30% Co2 annually.

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

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	27.80	24.60
E-waste (B)	2.60	5.00
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	–	–
Battery waste (E)	–	–
Radioactive waste (F)	–	–
Other Hazardous waste. Please specify, if any. (G)	4,374	3,454
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	–	–
Total (A + B + C + D + E + F + G + H)	4,404.40	3,483.60
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3,978.24	3,517
(ii) Re-used	–	–
(iii) Other recovery operations	–	–
Total	3,978.24	3,517
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	13.23	14.40
(ii) Landfilling	17.60	12.70
(iii) Other disposal operations	Recyclers (Aluminium, paper, GI, plastics)	Recyclers (Aluminium, paper, GI, plastics)
Total	30.83	27.10

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

No, there has not been any independent assessment/ evaluation/assurance carried out by an external agency.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. The Company has adopted a strong waste management system that supports the operations of the company to properly segregate the waste at source & adopt recycling, with an increase in recycling by 13%. Since the previous financial year, the Company collects waste from the source, segregates it and stores it in the dedicated places allotted for waste management, which includes the disposal of hazardous waste. The disposal of the hazardous waste is done to pollution control board's authorised vendors. The other waste reduction measures adopted by the Company includes converting carton packages into reusable packings for our product packaging.
10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

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

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is in compliance with the applicable laws and regulations.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format: The Company's renewable energy consumption contributed for about 5% of the total energy consumption in 2022. The same was contributing to about 3% in 2021. This is a reflection of the Company's initiative to protect and restore the environment which aligns with the goal to promote sustainable energy consumption.

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	4,845.60	2,120.40
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A + B + C)	4,845.60	2,120.40
From non-renewable sources		
Total electricity consumption (D)	79,869.60	67,291.2
Total fuel consumption (E)	5,162.40	3,315.60
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D + E + F)	85,032.00	70,606.80

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

No, there has not been any independent assessment/ evaluation/assurance carried out by an external agency.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

2. Provide the following details related to water discharged:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment - please specify level of Treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of Treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of Treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment - please specify level of Treatment	146,400	139,080
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of Treatment	-	-
Total water discharged (in kilolitres)	15,659	13,284

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

No, there has not been any independent assessment/ evaluation/assurance that has been carried out by an external agency.

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

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

Name of the area: Lucknow, Jamshedpur, Chennai and Chengalpet

Nature of operations: Manufacturing of automotive components and accessories

Water withdrawal, consumption and discharge in the following format:

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater *	11,255	10,745
(iii) Third party water #	51,454	52,611
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	62,709	63,356
Total volume of water consumption (in kilolitres)	62,342	61,706
Water intensity per rupee of turnover (Water consumed / turnover)	0.01	0.01
Water intensity (optional) - the relevant metric may be selected by the Entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

Water withdrawal, consumption and discharge in the following format: - *continued*

Parameter	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
Total water discharged (in kilolitres)	15,659	13,284

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

* Water is used through groundwater in Lucknow and Jamshedpur plants.

Water is sourced from third parties for Chennai and Chengalpet plants.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	The Company is yet to track this information and is in the process of evaluating and deciding its future course on this on a go forward basis.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (<i>optional</i>) - the relevant metric may be selected by the entity			

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

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

Not applicable

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

The Company has introduced innovative technologies to reduce the impact on the environment. In the entire chain of manufacturing, the emphasis is on preserving natural resources. Processes designed by the Company are designed to minimize the use of raw materials, to conserve water and energy. Power consumption is tracked and reviewed periodically. Replacement of old pumps, optimization of energy consumption, elimination of redundant processes and machines resulted in significant energy savings.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Implementation of centralized energy management system	The implementation aims to reduce non-working energy and compressor utilization to reduce energy consumption.	Reduces energy consumption by 20%
2	Anodizing Chiller heat exchanger design change	Anodizing Chiller heat exchanger design change using direct titanium coil which reduces the energy consumption	Reduces 150 KWH/day at Maraimalai Nagar plant
3	Energy efficient motors to reduce energy consumption	Replaced IE2 motor to energy efficient IE3 motor in 45 places	Resulted in 40K units savings in energy consumption
4	Replaced air-to-air cooler with replacement panel coolers	Replaced the coolers in 25 places in CNC machines	Resulted in annual savings of 150 Kunits

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
5	Modifying the chillers	Plasma chillers modified from 50 KW to 18KW based on improved pulsar and rectifier with reduced heat generation components	Savings of 175K units per year
6	Changing from compressed air to air blowers	Air Blowers to be used instead of compressed air in all applicable washing machines	Savings of 100K units per year

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

Yes, the Company has Risk Assessment Process. The committee comprises of site leadership team with the process owner being the Integrated Supply Chain (ISC) leader.

The operating procedures involves identifying the existing processes, identify risk/ opportunities factor, analyse what are the potential effect for risk/ opportunities factor, evaluate severity, occurrence and risk number and then decide on the action to be taken and the frequency of review.

Risks addressed include natural calamities, IT security risks, production related risks, supply chain related risks. However, due to the COVID-19 global pandemic, the Company has focused on employee health and Safety and potential safety issues arising from prolonged shutdown. The Company considers this a critical plan wherein additional measures are placed at different sites, additional preventive measures like thermal screening, social distancing, fumigation of identified work places, use of masks by employees, use of natural ventilation, avoid use of biometric, modify seating arrangement in canteens etc, release of 10 Golden Rules to Help Safeguard ZF CVCS INDIA Employees from COVID-19 and increase awareness to employees, vaccination for all employees and monitoring across all sites and departments wise by SHE team and restricted to entry' in to office.

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

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

No such instances noted by the Company in the value chain due to the company's product.

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

None

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

The Company ensures that utmost care is considered when engaging in government affairs and public policy advocacy. The Company has internal teams that coordinate these efforts. Strategic decisions on advocacy are involved by employees from top management and only approved personnel participate in this process. The Company may engage in policy discussions that matter to the Company's business and its customers, in areas including privacy, intellectual property, and sustainability. The Company strives to help policy makers at every level of government understand our products, our innovations, and our business.

Essential indicators

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

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

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

Not applicable, as there were no adverse orders from regulatory authorities.

Leadership indicators

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

The Company does not engage in policy advocacy. However, as a responsible corporate citizen it is committed to promoting growth, technological progress, energy conservation, sustainability and road safety.

As part of the industry, the Company makes recommendations, provides views and opinions to regulators and associations.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others - please specify)	Web Link, if available
1	ABS for Commercial Vehicles (2013)	Public event, Technology Demonstration at Test Track	No	NA	PressReader.com - Digital Newspaper & Magazine Subscriptions
2	Electronic Stability Control (ESC) - 2017	Public event, Technology launch at Test Track	No	NA	WABCO INDIA Showcases Electronic Stability Control (globenewswire.com)
3	Intelligent Trailer Program (ITP) - 2018 (to promote trailer ABS)	Public event, Technology launch at Test Track	No	NA	intelligent trailer program: Wabco launches Intelligent Trailer Program in India, Auto News, ET Auto (indiatimes.com)
4	Advanced Driver Assistance Systems like Lane Departure Warning, Collision Mitigation System, Collision Avoidance System, Etc.	Representing ZF Group in AISC (Automotive Industry Standards Committee), CMVR TSC (Central Motor Vehicle Rules Technical Standing Committee), TED (Transport Engineering Department) to share technical know how for preparing various standards suitable for India	Yes	NA	NA
5	Technology roadmaps for India	Representing ZF Group at TSR Committee (Technical, Safety and Regulations committee) of Automotive Components Manufacturers Association (ACMA) to define and align technology roadmaps	Yes	NA	NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

As a responsible corporate citizen, the Company engages in social responsibility and community development activities. This year the activities were conducted through internal engagement of employees and resources, driving activities which would help the needy sections of the society as per the Company's CSR policy with specific focus towards areas surrounding the company's plant locations. The activities during the year were largely directed towards skill development, promoting education, preventive healthcare, safety education, support on fighting COVID 19 etc.

Essential indicators

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

Not applicable as there were no projects undertaken that required an SIA in the current financial year.

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

Not applicable as there were no projects requiring an R&R.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

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

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

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

	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	4.26%	5.66%
Sourced directly from within the district and neighbouring districts	36%	42%

Leadership indicators

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

Details of negative social impact identified	Corrective action taken
Not applicable	

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

The Company focuses on CSR activities as specified in Schedule VII of the Companies Act, 2013. CSR projects are recommended by the CSR Committee and approved by the Board.

Environmental sustainability and social wellbeing, amongst others, are in the forefront when implementing CSR projects. The projects predominantly support communities in and around the Company plant and office locations. For further information, please refer to our annual report on CSR activities for the year.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, The Company follows a standardised procurement policy across all suppliers and vendors

- (b) From which marginalized /vulnerable groups do you procure?

Not applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not applicable

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

Nil

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

Not applicable as there were no adverse orders in intellectual property related disputes.

6. Details of beneficiaries of CSR Projects

Refer to annual report on CSR activities.

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

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

Essential indicators

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

The Company conducts a customer satisfaction survey annually to capture both complaints and feedback. The responses are then grouped into attributes like Supplier relationship management, logistics, quality, innovation, competitiveness and programme projects to analyse the responses and score the performance. This analysis is then used for identifying the reasons for the deterioration of scores, if any, and to address the correct course of action.

ZF COMMERCIAL VEHICLE CONTROL SYSTEMS INDIA LIMITED

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about environmental and social parameters relevant to the product, safe and responsible usage, Recycling and/or safe disposal:

Safety is our top priority. Our products on the SBA and air processing constituting about 24% of our total turnover in 2022 carry safety instructions.

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

	FY 22 (Current Financial Year)			FY 21 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil			Nil		
Advertising						
Cyber-security						
Delivery of essential Services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

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

There are no product recalls on account of safety issues.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.
Yes, ZF CVCS has a global framework and policy on cyber security. This policy covers Corporate Security Incident & Emergency Management, Cyber Security Crisis Response Process, Crisis management, Information security management policy, etc.

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

Nil

Leadership indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

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

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

Customer Helpline (AM): 1800 - 102 - 4770

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

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

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

The Company is involved in continuous communication with the customers to inform any risk of disruption of any essential services. Dedicated sales and customer support teams have consistent communication to keep the customers abreast of any issues in the supply chain.

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

As per regulations, The Company adheres displaying the mandatory legal information across its products. This is approved by the Customers during the development process. The Company also provides weblinks to its aftermarket products and parts finder.

Online Product Catalog - Aftermarket: <https://aftermarket.zf.com/en/aftermarket-portal/services-and-support/catalog/#/>

Parts Finder (Retailers can place orders through Wholesale Distributors): https://www.wabco-customercentre.com/catalog/en_IN?cclci=en_IN

5. Provide the following information relating to data breaches:

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

Nil

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

Nil