

TEN YEARS OF

alternative THINKING™

THE MAHINDRA APPROACH TO SUSTAINABILITY

2008 - 2018



A DECADE OF REDEFINING RESPONSIBLE BUSINESS

Mr. Anand Mahindra represented the corporate world, at the 'Paris Agreement' signing ceremony

Adopted 300,000+ girl children through Nanhi Kali project

M&M is the first Indian company to announce internal Carbon Price

400+ million USD Green Business Portfolio for the Group

Tech Mahindra is part of DJSI World Index since 2015

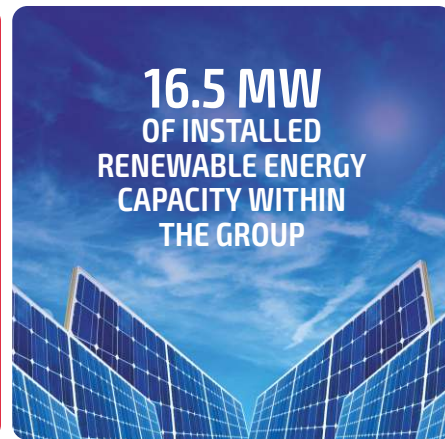
Rise
for Good

HIGHLIGHTS

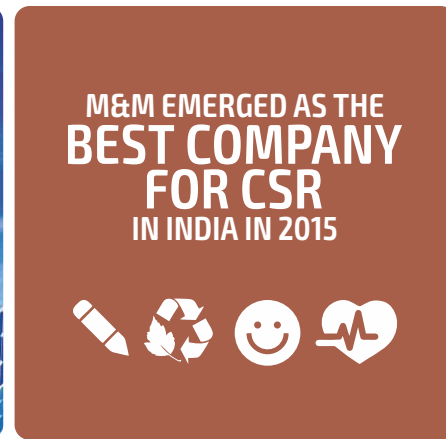


MR. ANAND MAHINDRA REPRESENTED THE CORPORATE WORLD AT THE **PARIS AGREEMENT** SIGNING CEREMONY IN 2017

16.5 MW OF INSTALLED RENEWABLE ENERGY CAPACITY WITHIN THE GROUP



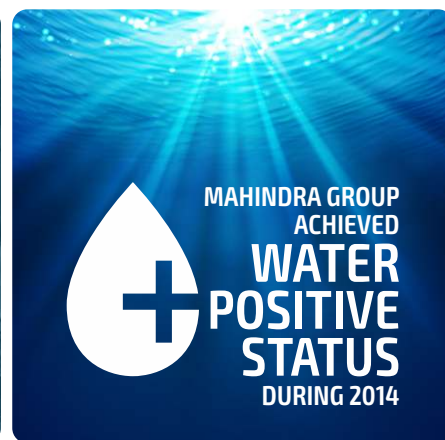
M&M EMERGED AS THE **BEST COMPANY FOR CSR** IN INDIA IN 2015



M&M BECAME THE FIRST COMPANY IN THE WORLD TO SIGN



MAHINDRA GROUP ACHIEVED **WATER POSITIVE STATUS** DURING 2014



15 MILLION TREES PLANTED SO FAR THROUGH PROJECT **HARIYALI**



3,00,000+ GIRLS SUPPORTED BY **Nanhi Kali**

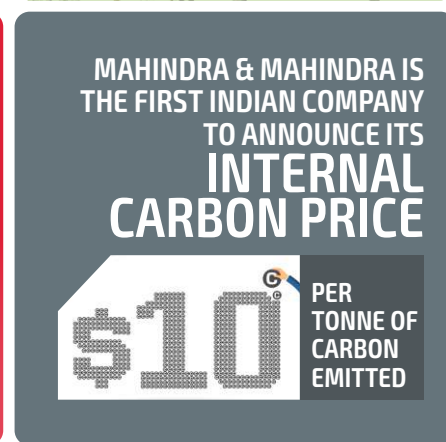


MAHINDRA EMPLOYS OVER **2,00,000** EMPLOYEES IN MORE THAN **100 COUNTRIES**



MAHINDRA & MAHINDRA IS THE FIRST INDIAN COMPANY TO ANNOUNCE ITS **INTERNAL CARBON PRICE**

\$10 PER TONNE OF CARBON EMITTED



REPORTED/DISCLOSED **BIODIVERSITY** PERFORMANCE ON THE **10 POINT** DECLARATION OF INDIAN BUSINESS & BIODIVERSITY INITIATIVE (IBBI)



THE FARM SECTOR ACHIEVED HIGHEST EVER MARKET SHARE OF **42.7%** IN SALE OF TRACTORS DURING 2017



IN THE AUTO SECTOR, WE RETAINED THE **NO. 1 POSITION** IN THE LCV CATEGORY WITH A MARKET SHARE OF **51.3%** DURING 2017



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MESSAGE FROM THE CHAIRMAN EMERITUS



Sustainability has always been a core component of Indian culture. Its philosophy and values have underscored a sustainable way of life. India is one of the least wasteful economies. While per-capita emissions in India are amongst the lowest in the world, it is also the third biggest generator of emissions. Because of its sheer size and rapid growth, sustainability is a challenge.

India has frequently been acknowledged by stakeholders for its cooperation and efforts to promote climate change mitigation and environmental sustainability; this has been through policy measures, dialogue facilitation between nations, and taking decisive steps, especially after India emerged as a key player in shaping the Paris Agreement, along with adopting energy-efficiency measures.

In spite of these challenges, India is a conscious aspirant. It has shown leadership in combating climate change and meeting the Sustainable Development Goals (SDGs).

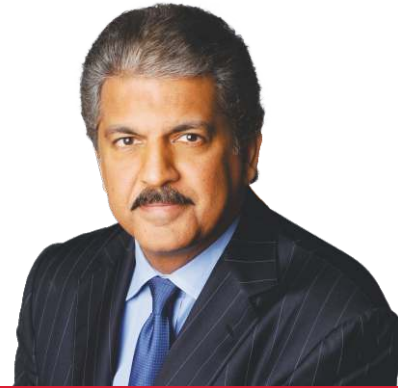
At Mahindra, our philosophy is based on responsibility towards our people, our customers, and communities around us, through innovative and responsible products, services and operations.

I am proud to note that Mahindra was the first Company worldwide to commit to doubling energy productivity by 2030. It is the first Indian Company to announce an internal carbon price, we are 12X Water Positive and five of its plants have received Zero Waste to Landfill certification for management of all kinds of waste. In a world with rising complexities, I am very happy that Mahindra started its sustainability journey a decade ago. Many challenges lie ahead, but the Mahindra Group is well equipped to meet them.

I wish the team all the very best in their endeavour on sustainability.

Keshub Mahindra
Chairman Emeritus, Mahindra Group

MESSAGE FROM THE CHAIRMAN



The Mahindra Group has always sought to do well and do good at the same time. **Whether it be off-road vehicles at a time when there were no roads, tractors at a time when the Green Revolution was taking off, IT when India was taking the first step towards leadership in that field or EVs and alternative energy today, we have always gravitated towards businesses that were profitable but also served a greater good.** By following the principles of good corporate citizenship, sound corporate governance, transparency, and accountability we have delivered holistic growth.

The last ten years have been particularly challenging for the world and for business. Since 2007, the world has been grappling with frightening issues of climate change, energy, food and water shortages, accelerated loss of biodiversity, persistent poverty and an ever-widening gap between the haves and the have-nots. In accordance with its DNA, the Mahindra Group took up the gauntlet ten years ago. For us, the challenge was to come up with new ways of articulating ancient wisdom. We knew that conventional thinking would not lead us into the future. But, by looking at these emerging challenges through the prism of Alternative Thinking we were certain we could turn them into emerging opportunities. Alternative Thinking became Mahindra's strategic approach towards integrating sustainability into our businesses. Alternative Thinking is one of the three brand pillars of Rise, (the other two being Accepting No Limits and Driving Positive Change) and our progress on sustainability is proof of its success.

We have come a long way in a decade, as this report demonstrates. Today, sustainability is an integral part of our business strategy. It is also one of the filters we apply, while deciding on new avenues of business.

While we commemorate our achievements, the urgency to address environmental and social challenges has grown exponentially and we need the might of all nations and organisations, the commitment of every individual and the ingenuity of science to create a world we would be happy to bequeath to future generations. I am optimistic that with a strong and continuing focus on sustainability, the next decade will bring us closer to that ideal world.

Anand Mahindra
Chairman, Mahindra Group

MESSAGE FROM MANAGING DIRECTOR



In today's hypercompetitive world, how organisations choose to conduct business will determine the state of the planet, that our future generations will inherit. Sustainability is no longer a checklist item, but a focus area for the leadership team. For us at Mahindra, sustainability is not just limited to changing light bulbs or buying carbon offsets, but is core to our business strategy. Over the past decade, sustainability factors have driven our investments and decision making.

From our manufacturing footprint, to our technology and product development, to our infrastructure and many more - we have ensured that sustainability becomes the norm.

Beyond investments, we believe in changing mindsets across our value chain towards social consciousness. Through various programmes and interventions, we have, and continue to sensitise our stakeholders - be it employees, suppliers and dealers - towards a sustainable way of life.

As we move forward, the ownership of sustainability rests with each one of us. With our collective commitment and efforts, we can set sustainability as a key enabler that drives positive change and enables our communities to Rise.

Dr. Pawan Goenka
Managing Director, Mahindra & Mahindra Ltd.

MESSAGE FROM CHAIRMAN, GROUP SUSTAINABILITY COUNCIL



Alternative Thinking is the engine that drives Mahindra's sustainability initiatives and this helps the Group to drive positive change - both internally and externally within society. As Mahindra moved up the sustainability learning curve, we decentralised and cascaded sustainability deeper into our individual businesses.

During this journey we crossed many milestones. The Mahindra Group turned water positive in 2014. Three companies - Mahindra & Mahindra, Tech Mahindra and Mahindra Finance have been featured in the Dow Jones Sustainability Index.

In 2016, M&M became the first global company to sign the EP100, a global energy campaign to double energy productivity and also the first Indian company to announce an internal Carbon Price.

That same year, our Group Chairman, Anand Mahindra had the honour of representing the corporate world at the signing of the Paris Agreement on Climate Change at the United Nations in New York. Most recently our Igatpuri plant became the first Indian manufacturing facility to get a 'Zero Waste to Landfill' certification.

We embarked on sustainability reporting, using the triple bottom-line approach, ten years ago. Along the way, we institutionalised frameworks, engaged employees, identified and addressed material issues at the Group Level, drew up Group-wide roadmaps with quantifiable goals and achieved most of them before the stated timeframe.

We have also adopted a Sustainability Framework, which has become the driving force for our sustainability efforts across Group companies. Continuing our record of being early adopters, in 2016-17 we transitioned from 'sustainability reporting' to 'integrated reporting' which includes detailed information on resource allocation, outlook and details about our performance on additional capitals such as Manufacturing Capital and Intellectual Capital.

I wish to thank all the stakeholders who have been part of Mahindra's incredible sustainability journey over the past decade. Without their support we could not have reached this far. I urge them to continue and indeed enhance their engagement with us, so we can collaboratively drive sustainability and let its benefits cascade into all sections of society.

Ulhas Yargop
Chairman, Group Sustainability Council, Mahindra Group

MESSAGE FROM CHAIRMAN CSR COUNCIL



An integral part of the Mahindra Way is a commitment to the triple bottom line of profit, people and planet as the only way to ensure sustained competitive advantage. Sustainability as a concept has gained considerable momentum at the strategic, managerial and operational levels across the Mahindra Group.

Being personally involved in the sustainability journey at Mahindra since 2007 when we embraced the GRI reporting, it gives me great joy to see how far we have travelled including setting targets related to energy, water consumption reduction, waste recycling and installation of renewable energy products. The number of prestigious awards and accolades received by Group businesses in recognition for various sustainability initiatives are one of the results of this journey.

Over the last ten years the term "Sustainability" has grown from being an initiative to becoming a way of life, not only for our employees but also for members of the supply chain including dealers, suppliers and other stakeholders. Sustainability Champions drive and monitor initiatives across the Group, and targets for reducing the carbon footprint have been woven into the fabric of every one of our businesses.

The new Mahindra Sustainability Framework articulates this commitment to sustainable development.

There is a fair amount of evidence that the "Super Corporations" of tomorrow will be those that have aligned their businesses to the unmet needs and aspirations of the societies and communities that they operate in. As aspiring Green Warriors, we dare to dream of continually expanding our eco-friendly footprint in the fight against global warming and the creation of a sustainable world.

Rise for Good is a clarion call for us to give back more than what we take.



Rajeev Dubey

Chairman - CSR Council and Group President
(HR & Corporate Services) & CEO (After-Market Sector)
Member of the Group Executive Board, M&M Ltd.

MESSAGE FROM CHIEF SUSTAINABILITY OFFICER



Sustainability has been an abiding ethos in the Mahindra Group. In the last decade the scope of sustainability has widened as have the actions being taken by the Group. The effort to reduce the effect of climate change offers a massive opportunity for new products and businesses, and provides an important purpose in our lives.

The last decade has seen the initiation and intensification of actions that are formally recognised as belonging to the realm of sustainability. It has seen widening participation across management levels in the Group. We are now poised to deliver on goals and targets that will help the achievement of the landmark Paris Agreement.

We are humbled by the recognition we get because of our work in sustainability and are delighted that it is enhancing Mahindra Group's reputation of being a socially responsible corporation. We are grateful that we have the opportunity to drive positive change and are committed to make a meaningful difference.



Anirban Ghosh

Chief Sustainability Officer, Mahindra Group

AWARDS

DECADE OF
SUSTAINABILITY
REPORT



Mr. Keshub Mahindra is the Economic Time **'Lifetime Achievement Awardee'** in 2009.

TERI honours Mr. Anand Mahindra with the **'Sustainable Development Leadership Award'** in 2014.

Mr. Anand Mahindra represents the corporate world at the **'Paris Agreement signing ceremony'** in 2016.

Mr. V.S. Parthasarathy, Group CIO, M&M wins the prestigious **'Information Week GLOBAL CIO Award-2011'**

Parivartan Sustainability Leadership Awards recognizes Mr. Anirban Ghosh as **'Distinguished Chief Sustainability Officer'** in 2016.

Mahindra Finance wins **'Conscious Capitalist for the Year'** at Forbes India Leadership Awards 2016

World Innovation Summit for Education honours KCMET's Project Nanhi Kali for its work done in the field of education in 2009.

Mahindra Group ranks No. 1 in The Economic Times list of India's **'Best Companies for CSR'** in 2016.

M&M wins **'Golden Peacock Award for Sustainability'** for the year 2016 by Institute of Directors, UK.

Integrated Watershed Management Programme in Damoh wins **'Best Corporate Social Responsibility Practices'** at Golden Globe Tigers Awards, Malaysia in 2016.

M&M's path-breaking Fuel Smart system with Micro Hybrid technology bags **'Golden Steering Wheel for Technology'** award by Auto Build India in 2010.

M&M ranks second at **Financial Express FE-EVI Green Business Leadership Awards** in 2011.

Mahindra Vehicle Manufacturing Limited (MVML) receives **'Times of India - Earth Care Award 2011'** in the Innovation Category.

Mahindra Two Wheelers Limited receives **'State Level Award'** for its work on environment and pollution control in 2012.

Mahindra World City, Jaipur is **'Asia's first project to receive Stage 2 certification'** from the Cities Climate Leadership Group (C40 Cities) in 2016.

Mahindra Lifespace Developers Ltd. **'ranks 28th among Top 100 companies in Asia'** in Channel News Asia Sustainability Ranking 2016.

Mahindra Holidays & Resorts India Limited (MHRIL) receives **'Golden Peacock Sustainability Award 2016-17'** from Institute of Directors (IoD), New Delhi

Tech Mahindra Fight back Application receives **'Digital Humanitarian Award'** at the TM Forum World 2015

Mahindra Sanyo Special Steel Limited (MSSSPL) receives through the years 2015-18 **'Energy Efficient Unit'** in Metal & Steel Sector National Energy Conservation Award by CII

Mahindra Susten receives **'Global Sustainability Award'** in Platinum Category by Energy & Environment Foundation 2018

M&M Automotive Division (Igatpuri Plant) receives recognition as **'Sustainable Factory of The Year'** during India Manufacturing Excellence Awards (IMEA) in 2017 by Frost & Sullivan

M&M Automotive Division units receive honors through the years at **National Energy Conservation Awards** by CII in Kandivli (4 times), Igatpuri (12 times) and Zaheerabad (8 times)

M&M Automotive Division units receive honors through the years by **Bureau of Energy Efficiency (BEE)**: Zaheerabad (9 times), Kandivali (4 times) and Nasik (2 times)

M&M Automotive Division units receive honours through the years at **National Water Conservation Award** by CII: Igatpuri (2 times) and Nashik (9 times)

M&M features in the **Top 25 Fortune's global 'Change the World' list of companies** at rank 23 in 2018.

M&M ranked 7 in the list of **India's Top Companies for Sustainability and CSR** by FUTURESCAPE in 2018



The hardest part of any journey is to take the first step. At Mahindra we took the first step of our sustainability journey in 2007-08 when we decided to explore outside the conventional, rethink the regular, take a leap and evolve into a more sustainable and profitable business. This 'Alternative Thinking' became Mahindra's strategic approach towards integrating sustainability into our business. It involved proactive alignment of our business operations to the exponentially rising social and environmental demands, and new economic opportunities.

INTEGRATING SUSTAINABILITY

Mahindra being a confederation of different businesses is bound by a set of core values. Each business is diverse and at different levels of maturity, and hence, it was a challenge to integrate sustainability across all these businesses. For this, we divided the entire strategy into three phases: preparatory, operational and strategic, following which we had planned to get into deeper transformation. A governance structure for sustainability was devised and four commitments were articulated in the preparatory phase.

THE FOUR COMMITMENTS

- 100% awareness amongst all employees**
From our boardrooms to the shop floor, we will ensure that everyone is aware of the key information regarding environmental, social and economic issues. We see this awareness as an essential step in integrating sustainability into our management and processes.
- Enhance depth and breadth of sustainability monitoring**
We need to know where we are now, to plan our way ahead. Therefore, we will put in place robust measuring and monitoring mechanisms to improve the quality of our monitoring and expand its scope to encompass more companies.
- Create sustainability roadmap for 3 to 5 years**
To truly ingrain sustainability in to our values, each sector will outline a sustainability roadmap. Such an exercise will allow us to plan for opportunities and risks associated with sustainability and will lead us towards a more plentiful tomorrow.
- Set a target for reduction of non-renewable energy use**
Energy is integral to our manufacturing processes, office buildings, product functionality, office, profits, employee mobility, quality of life and planet's health.

TARGETS & ACHIEVEMENTS

2007-08 (TARGETS)	2008-09 (ACTUALS)	2009-10 (ACTUALS)
Achieve 100% awareness about sustainability amongst employees	75% awareness achieved	90% awareness achieved
Articulate a roadmap for the next 3-5 years for each sector	Sustainability roadmap articulated for each sector	On target to achieve all the goals
Set targets to reduce non-renewable energy use	Targets for reduction in energy consumption set	Carbon foot-printing carried out
Enhance breadth and depth of reporting.	84% of the Group's gross annual turnover covered in this report	92.1% of the Group's gross annual turnover covered in the second report
		93.8% of the Group's gross annual turnover covered in the third report

SUSTAINABILITY REPORTING

In our first sustainability report the focus was to document actions taken by our various business verticals towards:

Meeting global challenges of climate change



Nurturing our human resources in addition to our profits



Becoming dependable neighbours



EVOLUTION OF SUSTAINABILITY

From a gentle start in 2007-08 with the launch of our first sustainability report to being one of the front-runners in India to come up with the Integrated Report in 2016-17, we have come a long way. Our first report in 2007-08 was a bold step in being a responsible corporation. The last one (in 2016-17) is a step towards integrating the triple bottom-line. We have traversed a long distance, but for us sustainability is a journey and not a destination, and we continue to move ahead.



The first Sustainability Council of the Group was formed in August 2007 with Mr. Rajeev Dubey as the Chairman and Mr. Kavi Arya as Member Secretary.

Over the years, sustainability has been seeded into our business conduct. Sustainability started gaining momentum within the Group companies and the successful completion of a 5-year roadmap in just 3 years gave it a further boost. The focus was also on concentrating individually on high impact material issues that every Group company faced.

Mahindra has been recognised as a great place to work. We have been focusing on our employees and making efforts to create a work environment that engages and enables our people to reach their full potential. We have grown from 65,000 employees in 2007-08 to more than 200,000 in 2016-17.

Four of the Mahindra Group companies are recognised as "India's Best Company to Work For" according to a study done in 2017 by The Great Place to Work Institute which operates in more than 45 countries.

The flagship company, **Mahindra & Mahindra Ltd.**, is rated the best amongst other manufacturing / automobile companies. Other companies in the list include Mahindra Lifespace Developers Limited, Mahindra Intertrade Limited and Mahindra Holidays and Resorts India Limited.



GREAT PLACE TO WORK



Over the last decade the success of the Mahindra Group has been united with the wellbeing and prosperity of the people the business touches through a powerful idea: Rise. This idea has been brought to life across the Group to drive sustainability through its products, services and operations. Many challenges lie ahead, but today the Mahindra Group is well equipped to bring new solutions for people to live well and enjoy clean energy and mobility, while keeping global temperature rise below 2 degrees.

Mr. Joe Phelan
Director India, World Business Council for Sustainable Development



RURAL HOUSING



Mahindra Rural Housing Finance Limited (MRHFL) has enhanced housing facilities for almost 5 lakh customers in rural India, across 60,000 villages in 12 states.

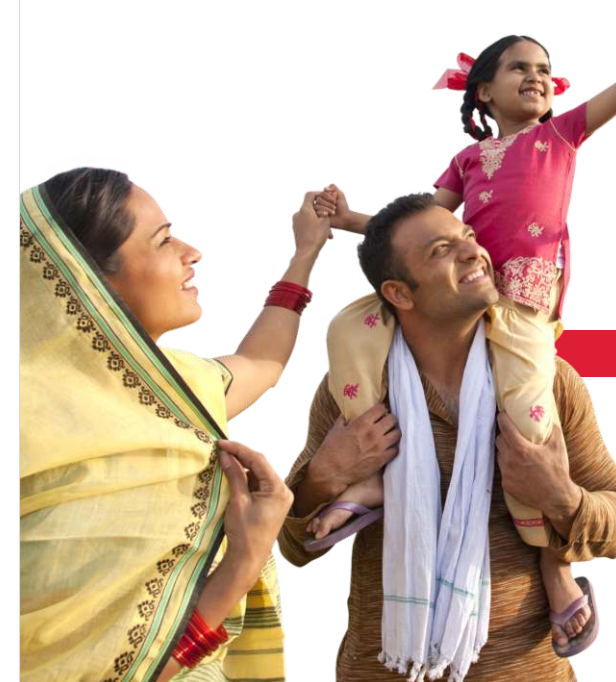
It has a unique business model. MRHFL addresses the issue of shortage of homes in rural and semi-urban areas only. The customer can avail of a loan for a new property or enhancement of an existing home. Its customers have an average household income of about INR 15,000 per month and INR 30,000 per month in rural areas and semi-urban areas respectively.

MRHFL recently won the Porter award for "Industry Architectural Shift."

The citation for the award reads, **"For your outstanding performance in the industry and to recognise you for redefining the industry structure by challenging the very basis of competition, creating new business models, challenging the status quo and exploiting change."**

We are proud that MRHFL makes lives better for people in areas where financial help at reasonable rates of interest is usually unavailable.

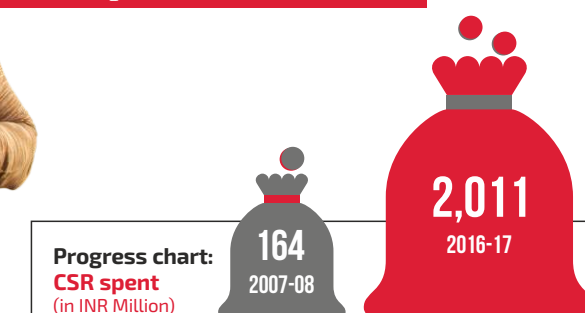
MAHINDRA FINANCE



Mahindra Finance pioneered the practice of giving loans to individuals who had the capacity to pay rather than to individuals who had assets to mortgage.

This approach was a huge change for the nation and **enabled small entrepreneurs to blossom.**

Many farmers who had small land holdings but could use their tractor to earn enough money to pay back the loan now had access to funds. Similarly, individuals could purchase small commercial vehicles and pay their loan back using the earnings from the same vehicle. This facility has radically changed the lives of more than 2 million Indians and their families.



Nothing gives us more pleasure than empowering people to Rise. The story of the educated girl child is particularly heart-warming.



Nanhi Kali

K.C. MAHINDRA
EDUCATION TRUST
Changing India, child by child

Mr. Anand Mahindra, the current Chairman of the Mahindra Group, founded Project Nanhi Kali in 1996. It is administered by the K. C. Mahindra Education Trust (KCMET).

It provides academic and social support to underprivileged girl children in India so that they can access quality education and do not need to drop out before completing their schooling.

It is a well-known fact that an educated woman has a major impact on the development of a nation across generations. **Project Nanhi Kali is working with 19 NGO implementation partners to make this change happen.**



THE PROJECT HAS GROWN FROM

1,000

NANHI KALIS IN YEAR 2000

127,603

NANHI KALIS IN YEAR 2017

TOTAL REACH OUT TO

3,00,000+

GIRLS SINCE INCEPTION



RURAL TRANSFORMATION

Mahindra & Mahindra Ltd. worked as a Programme Implementation Agency for the Integrated Watershed Development Programme of the Madhya Pradesh Government and

enabled the increase of per capita income of 20,000 villagers in 32 villages by 2.35 times over a period of 5 years.



Behind this massive overall impact are stories of harnessing water, increasing agricultural productivity and starting micro-enterprises. **50+ check dams, 300 kms of trenches and bunds, farm ponds and storage tanks have helped harvest more than 25,000 lakh litres of water.**



The additional water helped bring more than **100 ha. of land under cultivation**, increased irrigation on more than 2,000 ha. and enabled **5,844 farmers to move to multiple cropping**. In addition, **537 households adopted vegetable cultivation**. An extensive agri-doctor programme helped the adoption of new seeds and the spread of modern farming practices. All these inputs led to almost 25% increase in agricultural productivity on average, with higher priced variants of rice further increasing the income of the farmers.

2,000 women in almost 400 self-help groups set up micro-enterprises and the cumulative effect of this new income stream, additional income from agriculture and income from enhanced construction activities in the area, helped more than double the per capita income over 5 years.

This large inclusive development project is being replicated in more than 70 villages across 15,000 ha. of land and will impact the lives of more than 7,000 additional households.

ENABLING LIVELIHOOD THROUGH SKILL DEVELOPMENT

The Tech Mahindra Foundation has set up more than 100 Skills-for-Market Training (SMART) centres across the country.

The centres help socio-economically disadvantaged youth get trained in IT, Tally (accounting software), BPO, hospitality, retail and sales, technical skills like welding, two-wheeler/four-wheeler mechanics, AC/refrigerator mechanics among others.

Some of the centres also train persons with disabilities.



Tech Mahindra FOUNDATION
SMART ACADEMY

The SMART centres have grown from 3 centres in 2012 to 100 in April 2017. They have enabled more than 70,000 youth to become gainfully employed.



A study done by KPMG showed that every Rupee invested in a SMART Centre yielded a social return of ₹ 13.29, thus, proving the hypotheses that investing in skill development is very beneficial for society.

Tech Mahindra Foundation is also running 2 SMART Academies for healthcare, in which hundreds of youth are trained in different paramedical roles every year, and an academy for IT and logistics in Vishakhapatnam.

In addition, the Mahindra Pride Schools which have been in operation since 2007, have enabled more than 25,000 youth to get a source of income. Together with other smaller skill development programmes run in a decentralised manner across the Mahindra Group locations, the skill development programmes are helping as many as **100,000 households lead a better life.**



GREEN ARMY



Mahindra Lifespace Developers Limited (MLDL), the real estate and infrastructure development arm of the Mahindra Group, initiated the 'Green Army' in 2014, an outreach programme that identifies children as primary change agents of the future and aims to educate them on sustainable living habits and choices, while encouraging them to spread the word amongst friends and family.

The Green Army initiative is targeted to inspire, engage and nurture a young ecosystem to think responsibly. It aims to equip children with the knowledge that they can shape their future now, via environment-friendly choices made in their day to day lives.



The Green Army initiative focuses on the importance of conserving energy, water and other natural resources, by recycling/reusing materials and reducing waste.



The programme is based on the insight that children are the most influential harbingers of change and can significantly alter both their habits, as well as those of their families and friends, based on conscious understanding and creative action. Targeted at children studying in the 4th standard, the Green Army initiative leverages AVs, games, live demos, volunteering activity and a "green report card" to ensure that learning is fun and easily implementable.

Through this pioneering movement, Mahindra Lifespaces aims to create one million catalysts across the nation who will become the torchbearers of sustainable living. The first programme was rolled out across 13 schools in 2014 and engaged over 2,500 students.

TILL DATE THE PROGRAMME HAS REACHED OUT TO 100 SCHOOLS, 8,000 STUDENTS/FAMILIES AND OVER 32,000 CITIZENS. THIS IS HOW WE REACH OUT TO THE EXTERNAL AUDIENCE.

For our employees at Tech Mahindra we have Green Marshals which is a unique platform at Tech Mahindra to co-create innovative ways to spread awareness on environment conservation & climate change. **200+ associates are Green Marshals holding the baton to spread awareness on saving our environment, importance of recycling and reducing the pollutants in our nature within the company.**

Mahindra is an Enlightened Business Establishment for whom Environmental Rejuvenation is integral to building Sustainable Business.

Mr. Vijay Srirangan
Director General,
Bombay Chamber of Commerce & Industry



UJALA SCHEME

The sustainability movement will truly gather steam when every individual embraces a way of life filled with sustainable practices. This thinking led Mahindra to encourage its employees to adopt LED lamps, energy efficient fans as well as aerators for taps and thus Make Sustainability Personal.

Mahindra & Mahindra extended the Government of India programme called "Ujala" to 14 manufacturing sites across the country. A 9-watt LED bulb, 20-watt LED tube light and 50-watt 5 Star, energy efficient fan, was made available at about half the market price.

More than 24,000 LED bulbs, 4,000 LED tube lights and 1,500 energy efficient fans were purchased by Mahindra employees across the country within a 3-day period around World Environment Day and became one of the biggest corporate events under the Ujala programme.

This mass adoption of energy efficient devices by more than 20,000 Indians is estimated to save 14 lakh units of energy per annum, more than INR 1 crore in energy costs and 1,167 tons of carbon each year.

ELECTRICITY BILL COMPETITION

Mahindra wanted to encourage sustainable ways of life in the homes of its employees. A competition was announced to encourage employees of the Automotive and Farm Equipment Sector to consume less electricity at home. Employees had to register their electricity consumption from October 2013 to March 2014. They then took all the initiatives they could and logged in their electricity consumption from October 2014 to March 2015. More than 550 employees participated in the programme and the top 10 savers of electricity received an award equivalent to the billing amount for electricity in the October 2014 to March 2015 period and an appreciation certificate.

In 2016-17 the competition received 650 entries with cumulative **energy saved being 11,200 Kwh.**

ENERGY EFFICIENCY

The race to keep temperature rise to within 2°C is dependent on how well the world reduces its energy consumption and how quickly it moves to renewable energy. Mahindra & Mahindra was the first company in the world to commit to double energy productivity by 2030 and signed on to the EP100 programme of The Climate Group. Mahindra Holidays and Resorts India Ltd. soon became the first hospitality company in the world to sign up as well.



Both companies have taken strong action in the energy efficiency space. The initiatives taken include:

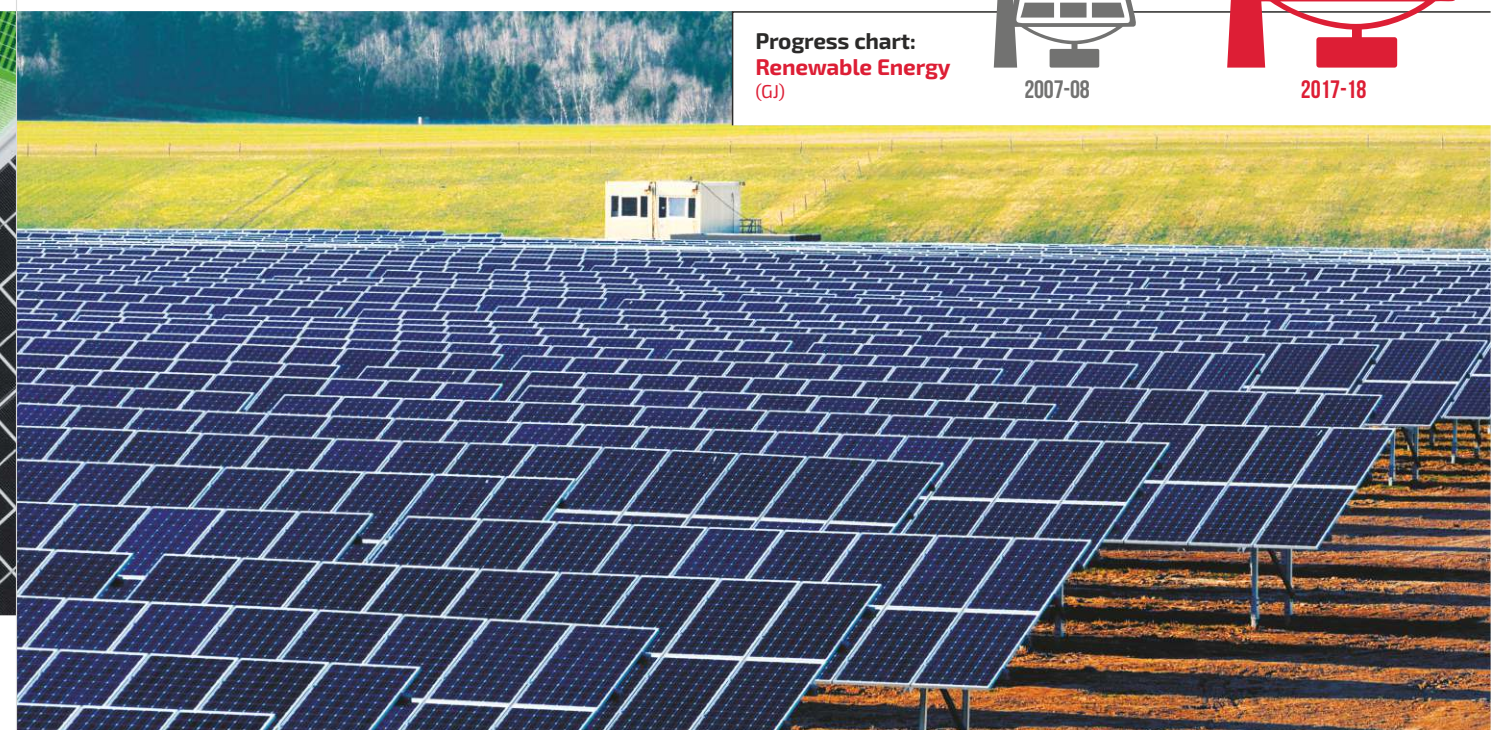
Replacing CFL lights with LED lights at offices, factories and resorts.	Optimising the timing of operation of heavy machinery at all resorts and factories, e.g., kitchen exhaust and kitchen fresh air, water body pumps and laundry machines.	Optimising pressure of hydro-pneumatic pumps.
Optimising hot water and air conditioning temperatures.	Installation of VFD (Variable Frequency Drives) on pumps to optimise energy consumption.	Installation of sensors and timers for external lighting.
Maintaining power factor of 0.99 at all resorts and factories.		Extensive heat recovery programmes to try and ensure that no generated energy is wasted, and no superfluous energy is consumed.

As a result of the actions taken, a vehicle requires 63% less energy to produce today than it did 8 years ago. Similarly, a tractor takes about 33% less energy to produce and Mahindra Resorts have experienced energy savings of approximately 18%.

RENEWABLE ENERGY

Mahindra & Mahindra and Mahindra Holidays and Resorts Ltd. have started their transition to renewable energy in earnest. From a negligible renewable energy footprint, a decade ago,

Mahindra & Mahindra has an installed capacity of 7.7 MWp which caters to 6% of its energy demand. Mahindra Holidays has already installed 3.67 MWp of renewable energy.



The carbon savings due to installation of renewable energy from both the businesses is also impressive with M&M Ltd. saving 9,403 Tons and MHRIL saving 4,482 tons per year.

The businesses have leveraged the synergy of having one of India's largest solar EPC companies, Mahindra Susten, in the Group and set up extensive facilities in locations including Mumbai, Delhi, Shahpur, Hyderabad, Bikaner, Jodhpur and Trichy.

M&M Ltd. has also installed two wind turbines of total 4.2 MWp capacity and has started using wind energy from the year 2017.

Other Group companies like Tech Mahindra & Mahindra Intertrade have also adopted renewable energy. Yet, this is only the beginning.

It is not inconceivable that most businesses of the Mahindra Group will be powered by 100% renewable energy in the second half of the century.

SAVING AND GENERATING ENERGY FROM SEWAGE

In the process of development, sewage has become both an energy guzzler as well as a major pollutant since only a small part of the sewage is treated. This has caused havoc to many water bodies. It is estimated that proper treatment of sewage in India can yield 3 million tons of compost, saving in foreign exchange could be in excess of ₹ 5,000 crores. The subsidy burden of the government could come down by another ₹ 5,000 crores. It can also reduce fertiliser imports by 30% and prevent the tragedies inflicted on our precious water bodies.

There are technologies by which sewage can be treated without using electricity. This technology treats sewage using nascent oxygen and does not need aeration. The Mahindra Group has adopted bio-sanitiser technology at three locations.

The Mahindra World City at Chennai has adopted a technology to treat sewage and food waste to produce compressed natural gas for vehicles at scale. This enables World City to not send food waste to landfills and also keep adjacent water bodies pristine.



About 8 tons of food waste is converted to 1000 m³ of bio-gas and 4 tons of fertiliser. The bio-gas is converted into 400 m³ of compressed natural gas to run buses, tractors and generators.

The experiment has been very successful, and the Mahindra Group has entered the WASTE TO ENERGY business to help municipalities tackle the sewage and food waste treatment problem effectively.

I am happy that we could spread the message that sustainability is not only good to do but it is a lucrative business as well. It gives very good return, more than some businesses. I am thankful to my sustainability team & entire fraternity including topmost management for the journey so far.

Mr. Umesh Joshi
General Manager (Sustainability), M&M



HARIYALI

Carbon sequestration is critical in the effort to keep temperature rise below 2°C. Trees are the best way to sequester carbon on land. The Mahindra Group has a long-standing tree plantation programme called Hariyali to enhance the tree cover of the nation.

Started in 2007, Mahindra Hariyali's goal was to plant a million trees a year.



In 2016-17 the number of trees planted each year crossed 2 million and the overall number of trees planted crossed 13 million.

One of the highlights of the programme is the high rate of survival of the trees planted. With more than 75% trees surviving, the Hariyali programme helps sequester tons of carbon each year and will play a crucial role in the journey of the Mahindra Group to become carbon neutral.



CARBON PRICING

It is known that there is already too much carbon in the atmosphere and carbon compounds will lead to further warming in the future. Research states that the current rate of carbon emission will exhaust the planet's carbon budget in less than two decades. We are in a bind because the technologies we use are largely carbon intensive and there are few incentives to make the transition to a low-carbon economy.

Carbon Pricing is an internationally recognised business tool, promoted by the international non-profit, The Climate Group, that enables companies to create resources which are invested in low carbon technologies to help reduce future emissions and lower operating costs.



Mahindra joined the World Bank's Carbon Pricing Leadership Coalition which was launched at COP21 in Paris, and became the first company in the country and one of the first in the world to adopt a carbon price in its business. By committing to invest US\$10 per ton of carbon emitted into low carbon technologies, Mahindra made its intent to fight climate change clear to all.



In 2016 Mahindra made a promise to reduce its carbon and water footprint by 25% over 3 years.

The funds generated from the carbon price are invested and the business is well on the way to achieve its goal. For more ways on how we have spent the money generated by carbon pricing, read our sections on energy efficiency and renewable energy.



Mahindra & Mahindra's new internal carbon price is an excellent example for companies in India-and around the world-of how smart companies are taking advantage of low-carbon investment opportunities while managing carbon risk.

Tom Kerr
Director, Carbon Pricing Leadership Coalition, The World Bank Group

IN A DECADE, WE HAVE ACHIEVED SIGNIFICANT MILESTONES IN OUR JOURNEY



This is just the beginning and we are ready to leapfrog to a whole new world of converting global crises into business opportunities.

2007-08

New governance structure

A 360-degree awareness campaign to mainstream sustainability across the organisation



Articulated four commitments

First group level Sustainability Report (A+ level) as per GRI framework



2009-10

Inventorisation of GHG Emissions using WRI/WBCSD protocol

Reported on GHG Scope 3 emissions

Awarded Best Governed Company 2009 (M&M Ltd.) from Indian Chamber of Commerce

Introduced micro-hybrid technology in the LCV segment

State-of-the-art green manufacturing plant MVML - Chakan



2010-11

Acquired Reva Electric Vehicles Limited

Forayed into farm equipment and rural housing finance

Empowered farmers through agri-support information from Mahindra Samridhi Centres

Forayed into solar business

Reinforced focus on alternative propulsion technology

Spearheaded sustainable construction business

State-of-the-art green manufacturing plant with a phased investment of over USD 1 billion

Inaugurated fully-integrated R&D facility Mahindra Research Valley (MRV) in Chennai

Made 'Alternative Thinking' one of the 3 pillars of Mahindra Rise

Awarded exemplary farm professionals with Mahindra Samridhi India AgriAwards

Launched 15 HP Yuvraj tractors for small & marginal farmers

2012-13

Reduced specific energy consumption by 17.13% against the target of 2% in three years and 5% in five years

Reduced water consumption by 13.45% against targets of 2% in three years and 5% in five years

Achieved 41 certifications related to environment management, green business, health and safety against the target of 10 certifications over five years.

Instituted a Green Supply Chain Policy for all suppliers of the Group

Created a holistic Water Management Strategy

Listed on the DJSI Emerging Market Index

Featured in Top 10 in Carbon Disclosure Leadership Index (CDLI)

Mahindra ranked 10th in TLG Thought Leadership Index

Mahindra featured in Forbes Global 2000 list



2015-16

LAUNCHED Mahindra & Mahindra Ltd. launched a digital campaign - 'Seed the Rise', a crowdfunding initiative for farmers.

Smart Shift - a technology enabled load exchange platform. Smart Shift will act as an exchange platform for cargo owners and transporters.

M&M Ltd. emerged as the Best Company for CSR in India amongst 115 companies covered under a first-of-its-kind study of 'The Best Companies for CSR' by Futurescape and IIM Udaipur, commissioned by The Economic Times.

M&M was assigned Baa3 foreign currency and local currency issuer rating with stable outlook by Moody's Investors Service, a global credit rating agency. With this, M&M is now amongst the few Indian corporates who enjoy 'Investment Grade' ratings.

M&M became the first Indian Company to join 'EP100', a global energy campaign led by 'The Climate Group', an international non-profit group.



The Auto & Farm Sector (AFS) signed an MoU with Govt. of Maharashtra (MSRDC) in partnership with SaveLIFE Foundation for the Zero Fatality Corridor Initiative.



PROGRESS ON SUSTAINABILITY



Institutionalised sustainability across businesses

Fulfilment of 4 commitments of 2007-08

Formulation and meticulous implementation of sustainability SOPs

Trained 250 personnel in sustainability

Continued to contribute 1% of Profit After Tax (PAT) for CSR

Added more businesses in the scope of sustainability reporting

Signed mission on Sustainable Growth with CII-GBC

Participated in external disclosure - CDP on Carbon Emissions

2008-09



LAUNCHED

Asia's first 100% Bio-diesel SUV

India's first hydrogen powered three-wheeler

India's first compact, low maintenance, high mileage and affordable trucks

India's first IGBC Platinum pre-certified residential green building

Corporate India's first operational Special Economic Zone (SEZ)

Installed 5 MW solar power plant with one of the highest output per MW in the country



Awarded first ECOTEL® certification for resorts in the industry

Widened rural finance reach with 547 branches mainly in semi-urban and rural areas

Surpassed 5-year goals in 3 years in majority of the commitments from Phase 1 Sustainability Roadmap

2011-12



Instituted Mahindra Group Sustainability Awards to encourage sustainability efforts of the Group companies and employees.

Conducted water footprinting study and identified water conservation projects

Asian Sustainability Rating (Financial Analyst - Singapore) rated M&M No.2 out of 100 Indian companies

Scored higher than the industry average in first DJSI disclosure



Rehabilitated the flood-devastated Pattori village to an eco-friendly model village

Transformed a 343-acre semi-arid region into a green belt at AS Zaheerabad through a comprehensive 10-year water management exercise

2013-14

Supported rural prosperity through our unique finance business model and farm-support solutions including agri-mechanisation, micro-irrigation, and farm productivity information & counselling

The Mahindra Group has been ranked No. 3 in The Economic Times list of India's Best Companies for CSR 2014

Mahindra & Mahindra Ltd., Tech Mahindra & Mahindra Finance were amongst 22 companies that featured in the Carbon Disclosure Leadership (India) Index 2014

Mahindra & Mahindra Ltd. has been named as one of India's Best Boards by The Economic Times - Hay Group survey

Anand Mahindra became the first Indian to receive the prestigious Harvard Medal in 2014 for his dedication, generosity and service to the University

Fortune Magazine named Anand Mahindra as one among the world's 50 greatest leaders

2014-15



+

Mahindra added value to every share EPS (Basic) grew by 14.5% to INR 63 in FY 17 (M&M+MVML)

Mahindra & Mahindra became the first Indian company to announce its internal Carbon Price of US\$ 10 per ton of carbon

Continued focus on innovation and efficiencies increase in our top-line & a 16% surge in PAT (M&M+MVML)

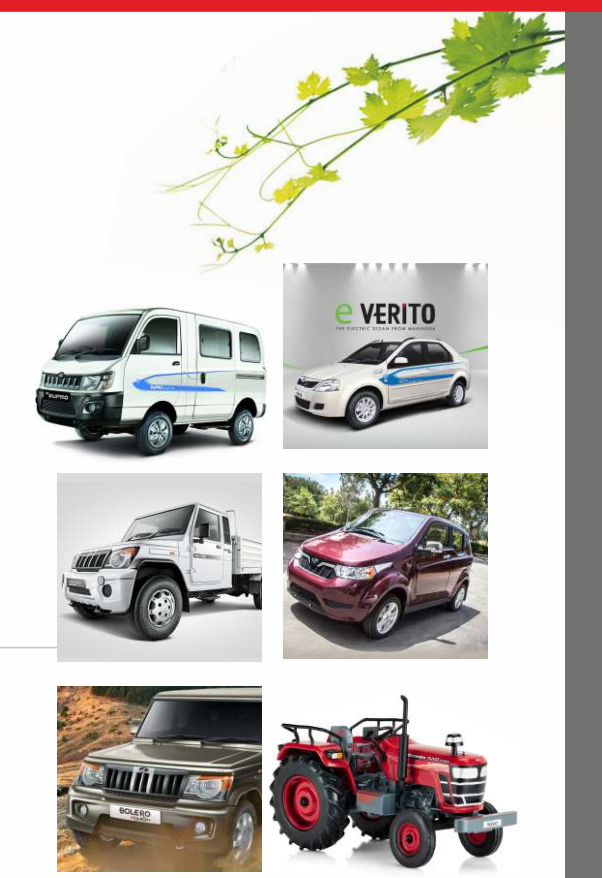
Launched e-Verito, e20+ and e-Supro (Passenger & Cargo Van) Mahindra Yuvo, Swaraj 742 FE, Mahindra 585 DI and Mahindra Arjun Novo 49.9, NuvoSport, Big Bolero Pickup, Bolero Power+ and Supro Range 26 HP Electric Vehicle

Mahindra Leadership University partnered with IMD, Yale SOM, Harvard Business School, University of Michigan

Introduced Young CEO Programme

Launched Women Leaders Programme

2016-17



LIVING BUILDING STUDY

As per studies, buildings are known to cause between 30 and 40% of all emissions. In India 70% of all buildings needed by 2050 are yet to be built. The transition to green buildings where energy consumption is reduced by more than one-third is very critical.

Mahindra Lifespaces has, since its inception, only built green buildings. It is a pioneer in this respect and continues intrepidly on this journey. The team at Mahindra Lifespaces wanted to know if the technologies adopted in design and construction did indeed have the positive impact that it was supposed to have.

Driving sustainability is critical to business operations now and in times to come and Mahindra is championing sustainability through 'alternative thinking'.

Mr. Dilip Chenoy
Director General, FICCI

The business commissioned a Living Building Assessment of one of its projects, Mahindra Splendour, in 2013-14. The assessment analysed the environmental performance of the building when occupied in comparison to a similar, regular building. The results showed that green buildings actually delivered the promised benefits when they were occupied.



KEY HIGHLIGHTS



Assumptions: Building life - 50 years | Water consumption - 135 litre/person per day | Family size of 4 persons
Total square feet - 699,791 | Total apartments - 496 | Emission factor - 0.9 tCO₂/MWh

ACHIEVING WATER SECURITY

Harnessing water is one component of the water security solution. Water efficiency is the other. The paint shop is a major consumer of fresh water in an automotive plant. The Nashik plant adopted the '3R' principle and systematically looked at ways to reduce, reuse and recycle each and every resource that entered and left the paint shop.

Over the period of FY 2012-13, total cost savings accrued by this project stood at INR 2.78 crores per annum and material reduction was 108 KL of liquid waste and 368.8 ton of solid waste. All the efficiency measures helped the Nashik team to run the paint shop for more than 85 days of the year using only rainwater.



RIVER WATER

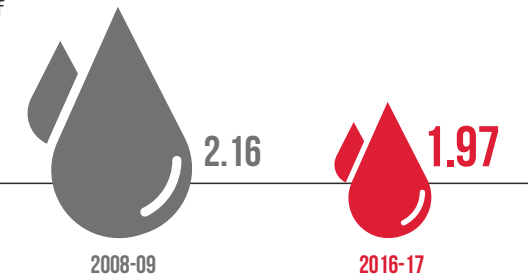
The Mahindra Sanyo Special Steels plant at Khopoli has two major sources of water - uptake from the river and harvested water in its premises. As a user of water from the adjacent river, it competes with the neighbouring villages.

The team at MSSSPL set about reducing its dependence on river water uptake. It undertook a slew of efficiency measures, reuse and recycling of waste water and rain water harnessing.

These are all a part of the journey towards water neutrality by 2020.

A check dam on the stream that flows through the plant and carries copious amounts of water during the monsoon ensured that no water needed to be taken from the river during the monsoon months. All toilets in the colony and the industrial area have been connected

Progress chart:
Specific Water Consumption
(m³/unit production in M&M AD)



These and other efficiency measures helped reduce the fresh water uptake from the river from 657,228 m³ in 2013-14 to 624,654 m³ in 2016-17. From 2008 onwards, the total reduction of water uptake has gone down by 70%.

to the STP which recycles the domestic effluent and uses it for horticulture.

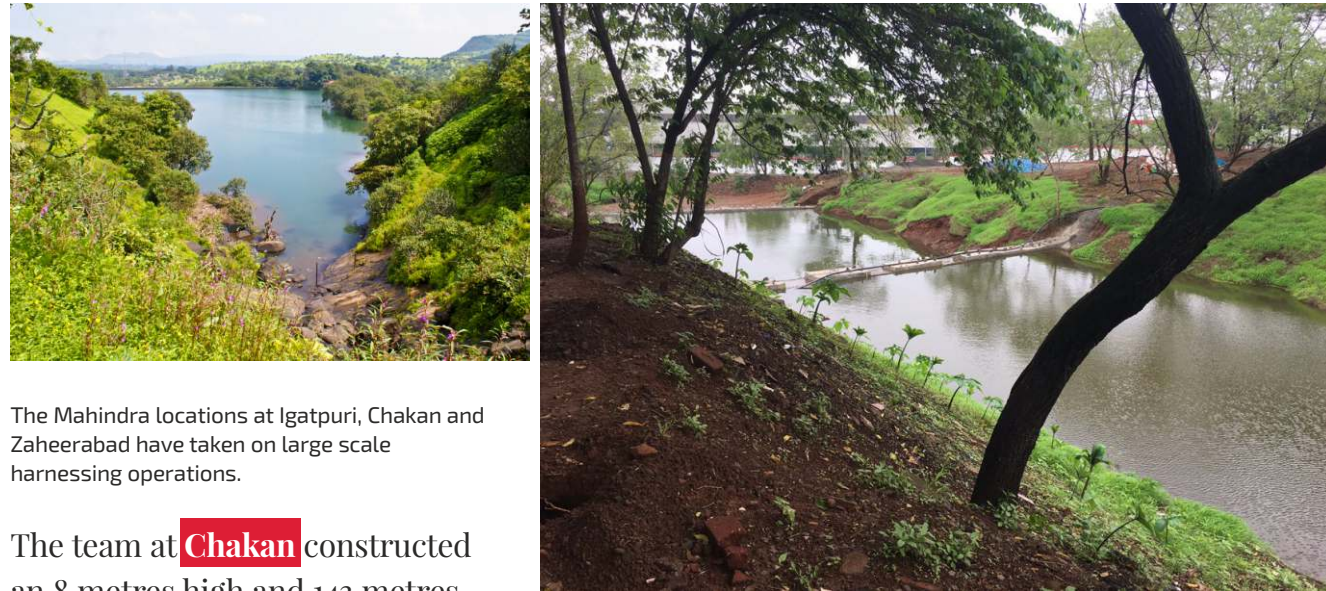


RAINWATER HARVESTING

The per capita availability of water in India has gone down from more than 5,000 to around 1,000 litres per annum with the prognosis for the future being dire. Since water for industries comes after water for agriculture and for drinking, industries must use water carefully.

The Mahindra Group is more than 12 times water positive

because of the water harnessing work done in Madhya Pradesh and water saved through its micro-irrigation business, but local water shortages can still create challenges for factories.



The Mahindra locations at Igatpuri, Chakan and Zaheerabad have taken on large scale harnessing operations.

The team at **Chakan** constructed an 8 metres high and 143 metres long structure in a low lying natural gorge. The structure currently stores 50,000 m³ of rain water and has the potential to store 150,000 m³ of water after its height is raised to 13 metres.

The water harnessed by the structure not only helps the factory be water resilient, it also helps recharge ground water downstream and attract birds to what was a barren landscape earlier.

At **Igatpuri** the team harnesses water from 24,100 sq. metres of its roof, 40% of its roof area, through 110 down takes and diverts it to rainwater harvesting ponds.

The different ponds at the plant are Bolero (6,300 KL capacity), Scorpio (5,300 KL) and XUV 500 (1,690 KL).

The Zaheerabad plant faced severe water crisis in 1997-98. Both open & bore wells had dried up and the water table had dropped to 450 ft. With rainfall being scanty, the plant had to resort to purchasing of water in tankers and was not able to manage water for its paint shop. This affected production.

The team at **Zaheerabad** made a multi-pronged effort as mentioned below.

Constructed rain water harvesting pits and percolation tanks	Constructed underground water reservoirs	Undertook massive plantation of trees that needed less water	Adopted drip irrigation to conserve water	Ensured reuse and recycling of waste water	Identified new locations for wells
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These initiatives have had a huge impact on the way the factories operate. Igatpuri is independent of the municipal water supply for more than 200 days of the year. Chakan is not only less dependent on water from the municipality but also helps surrounding villages get water and production has gone up at Zaheerabad from 6,000 units in FY 2000 to 60,000 units at present. The housing colony and school are no longer starved of water.

One of the most heart-warming stories in Mahindra's sustainability journey is that of a pilot flying small planes to the nearby Bidar airport. He remarked how it was an ordeal trying to locate the runway of the airport because of the barren landscape and that once the trees became bigger, the clump of vegetation made the location of the runway much easier. The luxurious vegetation was a result of a water table that is almost 400 feet higher than the time the water harnessing work started.

But perhaps the largest work in water harnessing has been at the **Mahindra World City at Chennai**. The Kolavai lake is the lifeline for Mahindra World City, Chennai. It spreads across 802 hectares and has the capacity to hold nearly 476 million cubic feet of water. It is fed by 25 tanks located upstream and has a catchment area spread over 53 sq. km. As the lake is located in a rocky region, the ground water recharge is not high.



Chennai was experiencing a long spell of low rainfall. The two year average one-day rainfall in the project location of 12.1 millimetre/day was inadequate to replenish the lake. Replenishment and resurrection of the Kolavai lake was taken up in the financial year 2013-14.

The team at Chennai constructed a network of storm water drains along all the roads & buildings and connected them to the lake. Besides the storm water drains, the team made rain water harvesting pits at the MWC admin block and school building. The project recharges 100% of storm water run-off. The total run-off from roof and non-roof areas of the residential sector including administrative building,

school building, roads and open areas with green cover is over 15,000 cubic metre/day.

The lake itself received a lot of attention. It was de-silted, de-weeded, its catchment area was treated, its embankments were strengthened, cleaned, deepened, widened & stabilised, and a number of erosion control measures were put in place. The shoreline of the lake was demarcated and protected. The site established an on-site common STP to avoid the waste water stream running into the lake. Water is discharged into the lake only after proper treatment and testing and the use of xeriscaping techniques reduces the need for water for landscapes.

Today, the Kolavai lake holds nearly 275 million cubic feet of water, making it the tenth largest lake among the 14,000 odd water bodies maintained by the public works department (PWD) across the state of Tamil Nadu.

Mahindra Group is an exemplary role model in sustainability. It has demonstrated leadership through its strategy of future proofing its businesses by investing in carbon neutrality and integrating biodiversity and natural capital conservation.

Ms. Seema Arora
Deputy Director General, Confederation of Indian Industry

ZERO WASTE TO LANDFILL

The fires on the Bellandur lake in Bengaluru and the Deonar landfill in Mumbai and the collapse of some landfills around the country has put the focus firmly on the need to manage waste responsibly. As the country becomes more and more urban, the burgeoning scourge of waste is a real threat to a civilised way of life.

The incidents highlighted that almost 60% of the landfill was in the form of food waste and could be converted to energy and more than 25% of the contents could be recycled. Clearly landfills are a preventable phenomenon.

The Mahindra Group has adopted "No waste to landfill" as a cornerstone in its Sustainability Framework. The team at Igatpuri has been the first off the blocks.



As a result of these actions more than 99% of the waste generated has been diverted from landfills in 2017 and the plant has been the first in the country and second in the world to be certified Zero Waste to Landfill by Intertek, USA, a Total Quality Assurance provider.

Actions taken by the plant include reprocessing grinding mud to recover metal, oil and carbon black, recovering energy by incineration of cotton waste, replacing wood and cardboard with returnable packaging, converting food waste to bio-energy and using treated canteen waste water for gardening.

WASTE TO WEALTH

The idea of looking at waste not as waste but as a by-product, led Mahindra Accelo to use the leftovers from cutting metallic sheets as stampings to make transformers. Vendors have been developed at

each Mahindra Accelo location to take the leftover material and convert them into cold rolled grain oriented (CRGO) laminations.



This is just the first of many waste to wealth projects that are likely to come up in the Mahindra Group.



BIODIVERSITY CONSERVATION

Club Mahindra has resorts in parts of India that are rich in bio-diversity.

The teams at the resorts are careful about maintaining their environment both as an environmental measure and as an experience for their guests.



The Club Mahindra Backwater Retreat in Kerala is located at Ashtamudi - the second largest and deepest wetland ecosystem in the state of Kerala after the Vembanad estuary ecosystem. The 61,400 hectare lake maintains the hydrological and ecological balance of the area. The lake receives fresh water from the Kallada river and drains into the Lakshadweep sea thereby acting as a filter between the sea and the river. Other than supporting various mangrove species, the lake is home to 57 species of birds, 97 species of fishes and endangered species like Syzygium travancoricum (Black plum) and Calamus rotang (Cane). The Ashtamudi wetland is included in the list of wetlands of international importance, as defined by the Ramsar Convention, for the conservation and sustainable utilisation of wetlands.



In an effort to check the depleting mangroves and protect such a vibrant and delicate ecosystem, Club Mahindra along with the local community planted over 10,000 saplings in these areas.

In addition, the team

- provided safeguards for trees where birds & bats come to roost
- created a butterfly garden with suitable plants
- maintained a cave-like structure at the resort to provide sanctuary for the Indian leaf-nosed bat (Hipposideros Indus).

These initiatives make the Club Mahindra resort at Ashtamudi a haven for flora and fauna.

Club Mahindra's work has been featured at international conferences on bio-diversity such as Bio-fin 2018 at Mahabalipuram, India.

Other Club Mahindra resorts have successful bio-diversity conservation projects too. The resort at Munnar conserves sparrows in 9 villages with 1,950 pots being provided to shops, schools and homes to serve as places for sparrows to nest. The resort has implemented bee farming at the organic vegetable garden. The guests will get an experience of natural honey extraction, the bees will enable better pollination in the garden and help keep away elephants and monkeys from the resort!



GREEN BUILDINGS

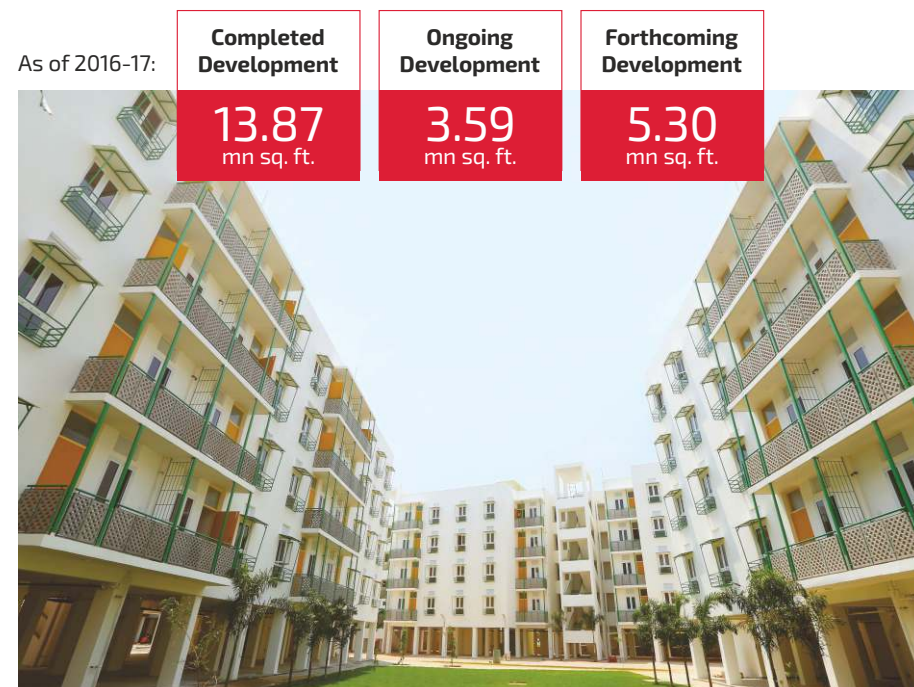
Emissions from buildings account for almost 40% of all emissions. 70% of the built environment required in India by 2050 is yet to be built. This is a wonderful opportunity for green construction in the country and reduce emissions by 30%. When Mahindra Lifespaces was set up 24 years ago, climate awareness was a lot less than it is today. Yet Mahindra Lifespaces showed exemplary leadership in choosing to pioneer the green building movement in India.

It's been a long journey. The green building movement has gathered momentum and Mahindra Lifespaces has kept up the good work. It has broken the myth that affordable construction cannot afford green construction by

building the first platinum rated green affordable housing project in Avadi, Chennai.

A living building study validated the hypotheses that residents of green buildings experience higher energy efficiency and better living conditions.

Every Rupee earned by Mahindra Lifespaces is a testament to the fact that climate change is the biggest business opportunity in this century. It proves that it is possible to make a positive contribution to people, planet and profit simultaneously dispelling the myth that there is a trade-off between profit and development.



WORLD CITIES

It is estimated that more than 60% of India will live in urban environments by 2050. The crumbling urban infrastructure all around us makes this a scary prospect, with the prognosis of urban quality of life looking dire in the not so distant future. In the middle of this doom and gloom flowers two model examples of what is possible.

The Mahindra World Cities at Chennai and Jaipur show what sustainable, integrated cities in India can be like. Built on the philosophy of building a harmonious blend of 'Livelihood, Living & Life', these developments together span 4,600 acres, house over 137 reputed global companies that have invested more than INR 74 billion, employ around 49,000 people, generate exports of more than INR 104 billion and provide tremendous economic opportunities for the neighbouring communities, rural and urban.

Mahindra World City, Chennai, the pioneer in successful integrated cities in India has many firsts to its credit. It is the first such development to send no food waste to landfill. It is the first to adopt a railway station and make it a model station that serves as a gateway to the city for the thousands of people who come to the city to work. It is the first to revive a lake which is the heart of the water ecosystem and take steps to extensively harness water to nourish the lake and prevent water stress even when experiencing below average precipitation.

Mahindra World City Jaipur has been selected as one of the 16 green projects worldwide by the Clinton Climate Initiative (CCI). At full development it will generate direct employment for more than 200,000 people. But the real story is the oasis like environment that it has created in a hot, water scarce, barren region. It is seen that the average temperature in the World City area is actually 2°C lower than adjacent spaces because of the vegetation that is carefully nurtured.

The journey to build sustainable spaces continues with the acquisition of 268 acres for an industrial cluster near Ahmedabad which, it is fair to expect, will be far superior to industrial cluster built thus far and will deliver on the triple bottom line.



CLINTON CLIMATE INITIATIVE



MICRO-IRRIGATION

EPC Irrigation, a Mahindra Group Company is a pioneer in micro-irrigation in India. Started in 1986, initially with the support of French technology, EPC now designs and develops irrigation products on par with international standards, satisfying the needs of Indian farmers. **EPC provides complete solutions for agriculture, choosing to focus on micro-irrigation, pumps, inter-related requirements for fertigation and agronomic support.** With plans to enter other allied business activities in the future, EPC has a strong and extensive network of channel partners and is supported by offices at strategic locations. At Buldhana, a district of Maharashtra, EPC has launched Agri Showroom, a first of its kind one-stop-shop for agro products, services and solutions.



SOLAR POWER

The energy transition from fossil fuel to renewable sources of energy is proceeding rapidly. Mahindra Susten has been one of the pioneers in this journey boldly striding into an unknown space five years ago. As India strives to deliver on its commitment to ensure 40% of energy from non-fossil fuel sources, Mahindra Susten, the company with the largest Indian footprint in solar power, is prepared to make a significant contribution.

As Mahindra Susten takes its footprint beyond 1GWp of installed solar PV and becomes the fastest business in the Mahindra Group to achieve profitability, it displays a remarkable ability to innovate. Some examples include an innovative, water efficient system to clean the photovoltaic cells and a novel way of using the land under and around the panels for agriculture.

Mahindra Susten's services include turnkey solar EPC services - both utility scale solar and rooftop solar, solar-diesel hybrid generator solutions, solar car charging stations, telecom tower solarisation, solar PV O&M and analytics, engineering services, energy management services and industrial build solutions.

With its activities being firmly in the domain of climate mitigation, its products and services enabling millions to lead a better life and a business model that is profitable, Mahindra Susten is a prime example of a business that delivers on all three bottom-lines.

WASTE TO ENERGY

Mahindra has entered two new energy businesses that not only provide alternative forms of energy to households and transportation but also help keep the air and water clean. A happy amalgam of positive benefits for people and planet as the businesses uses its profits to grow.

A catastrophic combination of altered rainfall patterns, change in type of crop and agriculture equipment that was rendered ineffective because of the change in crop type, has led farmers to burn crop residue post-harvest to clear the land for the next produce. Weather patterns at the time of crop burning have created a debilitating pollution scenario in Northern India in general and the capital city of New Delhi in particular.



Mahindra, in partnership with Indraprastha Gas Limited, has formed Mahindra Waste to Energy Solutions Limited to gather the post-harvest crop residue and convert it into bio-gas that can be used as fuel in households and in vehicles. In this way a new green business has been born which will, at one fell swoop, address one burning environment issue and provide an alternative for another one. In addition, it will make useful fertiliser, add to farmers' income and make the air cleaner for millions of Indians.

The second new business is another novel model where urban sewage and food waste which either creates landfills or, in most part, pollutes water bodies will be used to generate bio-gas. The first such plant is operational in Bengaluru and many more are on the anvil.

The uniqueness I see in the 10 years journey has been the way you institutionalised sustainability. Be it the way it started with a wide internal campaign, to measuring the progress, the chairman's award and the associated evaluation process, etc. Congratulations to the team.

Mr. Santhosh Jayaram
Partner & Head, Sustainability and CSR Advisory, KPMG

RESPONSIBLE RECREATION

Club Mahindra, India's largest timeshare operator, is known for promoting the cause of responsible recreation. The resorts are not only beautiful but also green. They provide a wonderful holiday experience for guests while also providing a very large opportunity for livelihood for local communities. **In many locations, Club Mahindra is the largest employment provider of the area.**

The Club Mahindra resorts are known for their greenery and natural beauty. Local species are conserved in every location. For instance, at one of the resorts built in an old, defunct coffee plantation, the Company ensured that they protected and preserved all the old trees on the premises. **The organisation is the first hospitality company in the world to commit to doubling energy productivity by 2030 and is well on its way to achieving the goal ahead of its deadline. It is aggressively growing its renewable energy footprint within the boundaries of the regulations and engages its guests in activities that build awareness about conserving natural beauty and sustainability issues.**



The Club Mahindra Resorts support local entrepreneurs. The Kumarakom resort encouraged local farmers **to practice organic farming and grow vegetables and mushrooms** which were often bought by the resort. **Rural women in Cherai have been taught** to make jute bags and their creations are sold in the shop at the resort and used at supermarkets in the vicinity.

Women below the poverty line in Kumbhargarh harvest and sell eggs from poultry farms. Areca leaf plate making, fish farming, apiculture and honey farming (Coorg) are some of the other micro-enterprises promoted by the Club Mahindra teams near their resorts.

The hospitality business of the Mahindra Group is a true catalyst for change. It rejuvenates the environment, fosters inclusive development and provides a salubrious environment for responsible recreation.

ELECTRIC VEHICLES

One of Mahindra's most prescient acquisitions was that of Reva, an electric mobility company. The acquisition was made at a time when there were few takers for electric mobility beyond the die-hard climate enthusiasts and the technology was too expensive to be mainstreamed.

But dogged pursuit of better solutions, radical change in the business environment and a huge social push to move away from fossil fuel vehicles to non-polluting mobility alternatives makes the future look bright for the business which is now called Mahindra Electric.



The e2O, e2Oplus, eVerito and eSupro are true forerunners of an electric mobility revolution in the country.

The first salvo was fired by Energy Efficiency Services Limited through a tender for 10,000 units of electric vehicles and Mahindra Electric has become an able partner in the future of mobility. The cars are among the first truly connected cars and are an integral part of electric vehicle fleets around the country and are paving the way for wider adoption of the technology by consumers.

Mahindra Electric is bringing clean, convenient, connected and cost-effective mobility solutions to consumers. It already boasts of having provided more than 200 million kilometres of emission-free mobility across 24 countries even though the journey has just started.



Tech Mahindra's sustainability journey focuses on responsible business growth. As a company while we continue to grow rapidly, we have ensured that sustainability is the cornerstone of our strategies across all dimensions-social, economic and environmental. Our vision is to not only be a sustainable company, but to encourage personal sustainability leading to sustainable communities.

Mr. Sandeep Chandna
Tech Mahindra



SHARED MOBILITY

Studies show that the new generation of consumers prefer mobility as a service over car ownership. At the same time there is a techno-social movement towards non-fossil fuel vehicles. It is a time to discover new mobility solutions.



This led Mahindra to partner with Ola, the country's largest shared mobility platform, to run a pilot in the city of Nagpur where the cars being used are all electric vehicles.

Diverse members of the electric mobility ecosystem such as the car manufacturer, the mobility aggregator, drivers, the Government, charging station providers are all part of the pilot.

This could well turn out to be a seminal pilot in the history of electric mobility in India in which the likely issues and success factors get discovered and addressed.

Mahindra has also entered into partnerships with Zoomcar, India's largest self-driven car hire company and UBER to extend its footprint in the shared mobility space.



Mahindra's shared mobility footprint extends beyond the shores of India. Its electric two-wheeler, GenZe, is a part of the fleet of Scoot Networks, an urban mobility solution provider in San Francisco, California. Mahindra Partners, the private equity division of the Mahindra Group, has provided Scoot Networks with

500 Mahindra GenZe electric scooters.



Mahindra TRRINGO is another Mahindra venture in the sharing ecosystem. The primary purpose of TRRINGO is to make tractors and implements available on rent for farmers who do not have their own equipment. The business was launched in Maharashtra in 2016, starting with two hubs at the Koregaon and Karad talukas of Satara district. The service is particularly useful for small and marginal farmers and helps them enhance farm productivity.



TRRINGO generates employment in rural India, bridges the gap between equipment requirement and availability and builds prosperity.



SUPPLIER ADOPTION OF LED PROGRAMME

Mahindra's sustainability work stretches beyond the walls of its locations. There is a close relationship with the suppliers and this is reflected by the fact that **more than 274 suppliers have adopted the 100% LED programme espoused by Mahindra & Mahindra.**

MSETU

The Mahindra Supplier Engagement and Transactional Universe (MSETU) is a communication portal that makes doing business with Mahindra simple and convenient. SETU, a Hindi word meaning bridge, connotes communication, relationship and cooperation and thus captures the spirit of Mahindra's close engagement and partnership with its suppliers. **The portal captures years of work done to build awareness and share best practices so that the OEM and its partners travel the path to fight climate change together and make their businesses sustainable as well.**



OUR JOURNEY OF GREENING THE SUPPLY CHAIN

2016-17

Green Supply Chain has a greater focus with annual supplier's meet on sustainability and capacity building on different aspects including energy and water



2013-14

Sustainable product expo launched by M&M where many suppliers participated



2010-11

M&M released Green Supply Chain Management (GSCM) Policy and it was being adopted by Group companies with their own customisation



2008-09

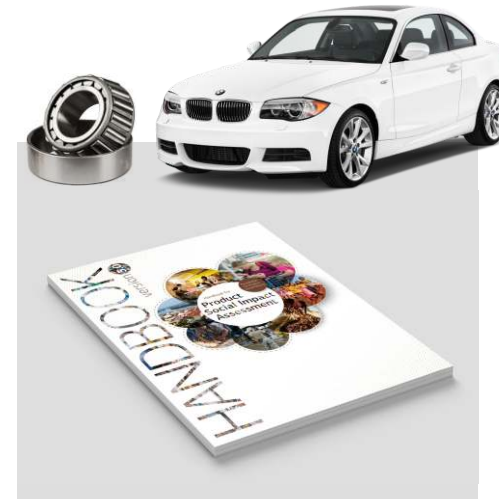
Being aware of the core labour conventions of ILO and human right issues of the supply chain, Mahindra drafted a policy on human rights in economic decision-making process.

SOCIAL LCA

The Mahindra Sanyo Special Steels Ltd. team were keen to understand the impact of their business on society.

In collaboration with BMW, the team conducted a pilot in 2015-16 to develop, verify and test a methodology for social impact assessment of a steel ring that goes as a bearing in the BMW 1 Series.

The handbook and methodology developed during the pilot is now available in the public domain for reference and ISO standardisation is being sought for the process. This is one of the first such attempts by a corporate in India.



Mahindra and BMW involved all relevant companies in the supply chain. These companies are located in Germany, Hungary and India, and not all of them are members of the Roundtable for Product Social Metrics. It took more than 3 months to explain the value of social assessment, raise awareness on its importance, clarify the goal of the project and the need for primary data collection. Once the target of the project and the importance was clear, the collection of data took 4 weeks.

The companies who were willing to participate involved their Human Resource Department, and either their Product Sustainability Department or, if applicable, their Life Cycle Assessment Department. At BMW and Mahindra, the procurement departments were also involved at the beginning of the project to connect with the relevant stakeholders at the companies. When the assessment was finalised, the results were presented to the companies and the departments involved in the data collection, to demonstrate the importance and the potential of the methodology in supporting decision-making.

In our Tier 1 Supply chain there is no threat of 'child labour' or 'forced labour'. Issues like 'freedom of association for collective bargaining', and 'training & education' were areas of improvement on the employee front.

SUSTAINABLE HOUSING LEADERSHIP CONSORTIUM (SHLC)

Green homes are imperative in the effort to combat climate change. With 40% of emissions coming from buildings and 70% of buildings required by India by 2050 yet to be built, a quick transition to green buildings is a great step forward for the country.

To enable this to happen Mahindra partnered with Godrej Properties, Mahindra Lifespace Developers, Shapoorji Pallonji Real Estate, Tata Housing and VBHC Value Homes under the Eco-Cities programme of the International Finance Corporation (a member of the World Bank Group). The programme is also supported by the European Union and HDFC Limited, and PNB Housing Finance Corporations have joined the founding members.

Launched in 2016, SHLC is a voluntary, private sector-led initiative that aims to mainstream green homes in India.

The short term aim is to ensure at least 20% of India's new housing developments goes green by 2022 and the long term aim is to ensure that all construction in India is green.



ANAND MAHINDRA AT UN, DAVOS

Mahindra has played a key role in advocating the spread of sustainability actions around the world.

It was the first Indian company to join World Bank's Carbon Pricing Leadership Consortium to advocate the use of carbon price to enable emission reduction and played an active role at COP 21 in Paris which led to Mr. Anand Mahindra representing the entire corporate world at the signing of the Paris Accord at the UN Headquarters on 22nd April 2016.



In September 2017, **Mr. Anand Mahindra was made the Co-Chair of the Global Climate Action Summit** in California in 2018. In preparation, at a climate panel discussion at Davos, he issued a call to action to corporate leaders to join the Science Based Targets initiative and align their companies' climate action with the Paris Accord.



Over the last decade the Mahindra Group has made its business greener, entered green businesses and worked beyond the boundaries to enable stakeholders to Rise.

EHS CENTRE

Sustainability needs to go well beyond the boundaries of the corporation and a large number of people from the value chain need to become well-versed into in the concepts of climate change and the actions they can take. For this purpose, Mahindra partnered with the Institute for Sustainable Communities to set up an EHS+ Centre at the Symbiosis Institute of International Business. **USAID, The Walt Disney Company, General Electric Foundation and MacArthur Foundation** are other supporters of the programme. The programme started in 2016.



It aims to train 350-500 factory managers annually in EHS+ principles with a goal to train 1,500 people by 2020-21.



FRAMEWORK & WAY FORWARD

THE JOURNEY CONTINUES

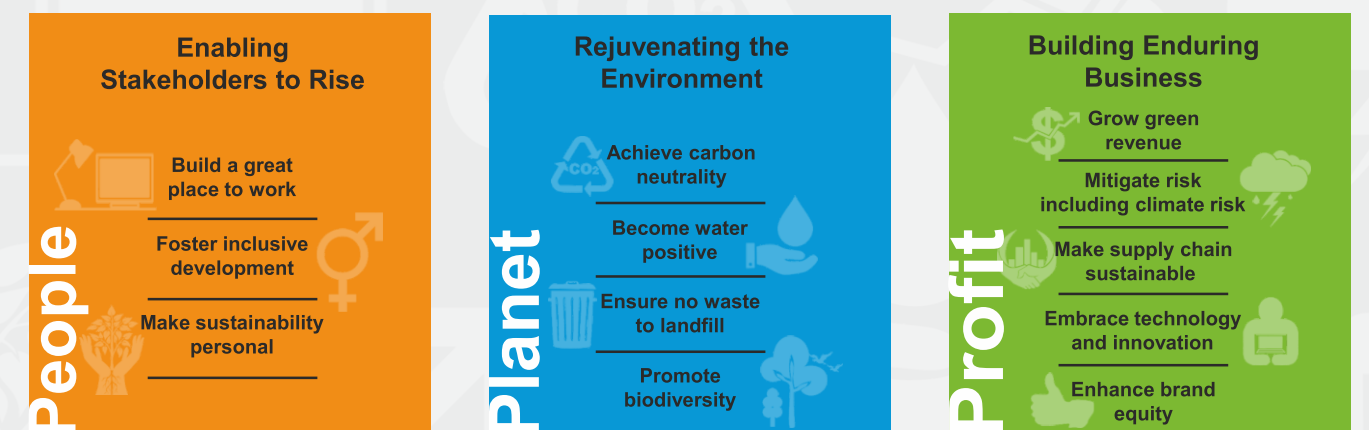
This report is about Mahindra's 10-year Sustainability Journey. As we celebrate 10 years, we reminisce the programmes, achievements, setbacks and milestones. This journey has culminated into a Sustainability Framework. All our dreams, plans, roadmaps are based on this framework.

The Mahindra Sustainability Framework was released in 2017 to demonstrate the commitment of our Company towards sustainability. It has been adopted by all businesses and it is the key driver behind all our actions.



Mahindra Sustainability Framework

Building enduring businesses by rejuvenating the environment and enabling stakeholders to Rise



Partnering. Learning. Sharing.

Giving back more than we take.

I have been closely associated with the sustainability journey of Mahindra Group since the beginning and it gives me immense pleasure that through our decade long work we have been able to make a difference to the businesses and society. After the humble beginning, we are now seen at the leadership position. Some of the remarkable moments that I have witnessed are the press release of our first sustainability report by Mr. Anand Mahindra, Mahindra Group announcing four sustainability commitments in the first year itself, developing the sustainability roadmap in 2009, achieving 5 years targets given to us within 3 years, Mahindra becoming water positive, development of guideline for Business Responsibility Reporting and release of the first Integrated Report.

Mr. Naresh Patil
Dy. Chief Sustainability Officer

LINKING SUSTAINABILITY FRAMEWORK WITH SDGS

1 NO POVERTY 	Foster inclusive development Page: 07, 08, 18-21, 32, 35	2 ZERO HUNGER 	Foster inclusive development Page: 07, 08, 18-21, 32, 35	3 GOOD HEALTH AND WELL-BEING 	Build a great place to work Page: 07, 08, 11, 12
4 QUALITY EDUCATION 	Foster inclusive development Page: 07, 08, 18-21, 32, 35	5 GENDER EQUALITY 	Build a great place to work Page: 07, 08, 11, 12	6 CLEAN WATER AND SANITATION 	Become water positive Build a great place to work Page: 11, 23-25
7 AFFORDABLE AND CLEAN ENERGY 	Achieve carbon neutrality Mitigate risk including climate risk Page: 13-16	8 DECENT WORK AND ECONOMIC GROWTH 	Build a great place to work Grow green revenue Page: 07, 08, 29, 32, 33	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Embrace technology and innovation Page: 13
10 REDUCED INEQUALITIES 	Build a great place to work Foster inclusive development Page: 11, 21, 32	11 SUSTAINABLE CITIES AND COMMUNITIES 	Foster inclusive development Rejuvenating the environment Page: 11, 12, 27, 28, 31	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Rejuvenating the environment Grow green revenue Page: 27, 28, 31, 33
13 CLIMATE ACTION 	Achieve carbon neutrality Mitigate risk including climate risk Page: 13-16, 33, 34	14 LIFE BELOW WATER 	Become water positive Promote biodiversity Page: 23-25	15 LIFE ON LAND 	Promote biodiversity Page: 28
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Foster inclusive development Build a great place to work Page: 07, 08, 11, 12	17 PARTNERSHIPS FOR THE GOALS 	Partnering. Learning. Sharing. Page: 35-37		

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TEN SECTORS. MANY COMPANIES. ONE PURPOSE.