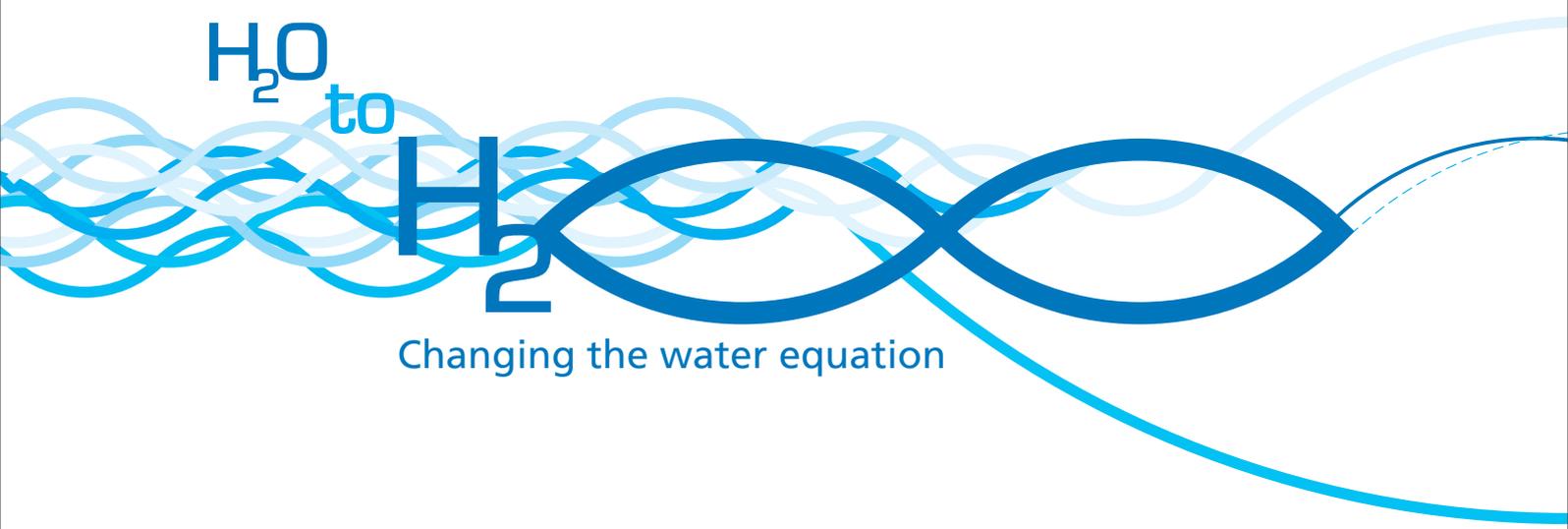


H₂O
to

H₂

Changing the water equation

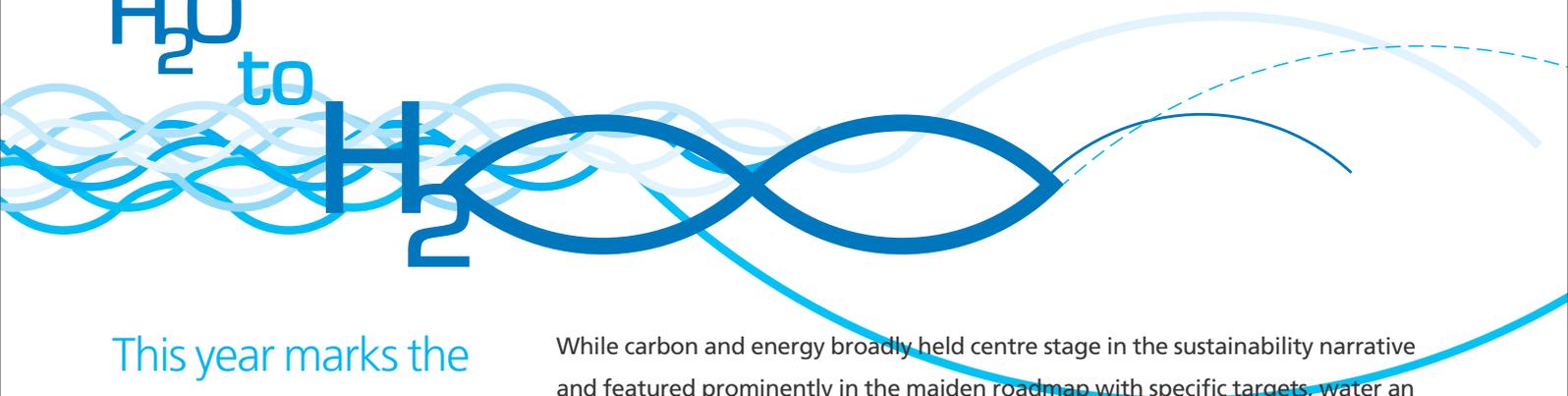




Alternative Thinking has fuelled the sustainability journey of Mahindra. After institutionalising a sustainability framework in the first year, in subsequent years it has successfully spread throughout different hierarchies of businesses.

From operationalising sustainability in day-to-day activities to helping Group Companies strategically leverage sustainability for competitive advantage - over the years, sustainability has been seeded in our business conduct. With sustainability gaining self-momentum among Group Companies and the successful completion of a 5-year roadmap in just 3 years, the time is now ripe for Alternative Thinking to concentrate individually on high impact material issues that affect each and every Group Company.

- 
- 2007-08 Alternative Thinking
 - 2008-09 Alternative Thinking in Action
 - 2009-10 Alternative is Native
 - 2010-11 Alternative is Transformative
 - 2011-12 Alternative Accelerates Results



H₂O
to

H₂

This year marks the start of a focussed and accelerated effort to change the water equation from **H₂O to H₂Infinity**

While carbon and energy broadly held centre stage in the sustainability narrative and featured prominently in the maiden roadmap with specific targets, water an equally essential resource was always retained on the radar. Programmes and initiatives on water conservation, harvesting, reducing water intensity are now being undertaken in all earnest and are progressing at a steady pace. But rising imbalances between availability and demand, inter-societal competition and regional conflicts will now constantly push water issues to the fore. The drought in Maharashtra brought it right to our doorstep. It got us to accelerate our efforts to turn the tide and transform a fast depleting reserve, back to tomorrow's infinite resource.

When it comes to sustainability, it's time to move on. Quit the comfort zone and set challenging aspirational targets on issues of strategic importance.



In the six years since we started our structured sustainability journey, we have seen significant success in integrating sustainability principles into our businesses. Our pursuit of sustainability is driven by much more than just reputation management. The business case has been embraced and we are discovering the many business benefits of sustainability including saving energy, developing green products, retaining and motivating employees, process improvement, business continuity and rapid growth opportunities.

After six years, it's now time to push the envelope, to move faster, to quit the comfort zone and set challenging aspirational targets on issues of strategic importance. Our ambition now is to tackle much larger challenges. With a population of over 700 million living in villages and over 300 million in small towns, India has to grow, to forge an inclusive society. The key challenge will be to ensure sustainable and inclusive growth with water, power and food for all. We plan to focus the Group's intellectual and commercial resources on looking for answers and to leverage our multiplicity of businesses and capabilities to conceive and execute integrated solutions.

Our first port of call is water. Despite the easy flow of water from our sinks, showers and garden hoses, water is becoming dangerously scarce in many parts of the country. According to a

recent World Bank report, most major Indian cities will run dry by 2020. The alarm bells are ringing louder because water security is inextricably linked to food and energy security.

H₂Infinity is our clarion call to all our stakeholders to turn back the clock on water and ensure that enough water is available for a growing India. To achieve this, conservation, consumption and cultural norms will all need to undergo a paradigm shift. We in the Mahindra Group are tackling this hydra-headed problem on all fronts, and across the triple bottom line.

On the economic front, plans are afoot to comprehensively combat water-related business continuity risks. Detailed risk mapping and rigorous water-audits are underway at our Auto and Farm Divisions, which will be emulated across businesses. The aim is to make each plant self-sufficient in water. We aspire to have all our future facilities LEED certified, so that water and energy efficiency is inbuilt from the design stage itself.

On the environmental front, we are reinforcing our on-going initiatives to better the 13.45% reduction in water consumption that we have achieved in the three years since we unveiled our first sustainability roadmap in 2008-09. New innovative technologies such as using enzymes or natural plants to treat and reuse wastewater are being explored and put to use. Mahindra World City, Chennai has developed a system of receiving wastewater from the city of Chennai, treating it and making it fit for use by their customers.

On the social front, we are undertaking holistic interventions such as the integrated watershed development programme at Damoh in Madhya Pradesh, which has been instrumental in providing the local community year-long access to water, along with the knowledge they need to maximise productivity from every drop.

H₂Infinity is an ambitious programme that implements our Rise philosophy of impacting the lives of all our stakeholders and communities through Alternative Thinking. It is one more avenue by which each of us can be a ripple that sets off a wider ripple, so that ultimately we can together bring about a sea of positive change.

Anand Mahindra
Chairman & Managing Director,
Mahindra & Mahindra Limited

Message from Chairman, Group Sustainability Council

Mahindra
Rise.

Today, M&M is rated No. 2 in India in the Carbon Disclosure Leadership Index. Consistently placed in the top 10 list of the S&P-CRISIL ESG Index in India for the last few years.



Thanks to the relentless focus on sustainability over the past six years, sustainability is now a way of life across the Mahindra Group. The past year has clearly demonstrated that, at Mahindra, sustainability works. Along with growth in business, our performance on environmental and social fronts has also improved, across our various products and services.

Cleaner fuels continued to be high on the agenda of our Auto and Farm businesses. In the Auto business HyAlpha, the world's first hydrogen powered three-wheeler, was launched and road trials for the 'Bolero' SUV and 'Champion' three-wheeler, which are powered by HCNG (Hydrogen and CNG) technology, were successfully completed. The Farm business achieved technology readiness in biodiesel compatibility.

Relentless efforts by our R&D team to reduce emissions have resulted in the introduction of products such as the Sun2Car DC1, which enables the Mahindra e2o electric passenger vehicle to be directly charged by solar panels; the introduction of micro-hybrid technology in our Duro DZ two wheeler; and the debut of our new E-01 engine in our new 'Pantero' motorcycle.

While enhancing our product portfolio to drive business growth, we also developed innovative applications to address important social issues. Tech Mahindra's CanvasM Technologies introduced two award winning solutions: FightBack, a mobile application designed to prevent

violence against women, and Saral Rozgar, which addresses the needs of the blue collar workforce.

These are just a few highlights from a rich repository of outcomes this year which are detailed in the report, and which resulted in high ratings by various agencies.

Today, M&M Limited is rated No. 2 in India in the Carbon Disclosure Leadership Index, and has been consistently placed in the top 10 list of the S&P-CRISIL ESG Index in India for the last few years. CII in its Sustainable Plus rating system, rated M&M with a GOLD rating. Mahindra Lifespace Developers Ltd. was honoured at the CII-ITC Sustainability Awards 2012 for its strong commitment to Sustainability in its residential developments and integrated cities.

In order to amplify knowledge and understanding of the big shifts in the business environment, the Mahindra Sustainability Awards were introduced during the year, wherein the triple bottom line performance of each business was evaluated based on an internally developed matrix. These awards are intended to catalyse further development of the sustainability culture at Mahindra.

This year, M&M Limited articulated a comprehensive Business Responsibility Policy in compliance with the guidelines issued by the Securities Exchange Board of India (SEBI) to ensure a tighter fit between the recommended framework and our business processes. This policy will facilitate focussed responses and disclosures, allowing stakeholders to more easily understand our performance on the Business Responsibility (BR) matrices. Our first BR Report has been included in our 2012-13 Annual Report.

The time has come to take advantage of our gaining momentum and apply the Rise principle of Alternative Thinking to embed sustainability still deeper in the organisation. The top goal on our radar is, the lifeline of business, and mankind: water. After a preliminary study of our water footprint, we are in the process of chalking out innovative consumption and conservation practices to propel our facilities towards becoming water positive.

An enhanced commitment to sustainability is now the new normal at the Mahindra Group. Each one of us takes pride in our individual roles in this transition, and more importantly, in the knowledge that by working collaboratively and pooling our strengths, we can Rise to any challenge.

Ulhas Yargop

Chairman, Group Sustainability Council
Mahindra & Mahindra Limited

GROUP PROFILE

THE MAHINDRA GROUP FOCUSES ON ENABLING PEOPLE TO RISE THROUGH SOLUTIONS THAT POWER MOBILITY, DRIVE RURAL PROSPERITY, ENHANCE URBAN LIFESTYLES AND INCREASE BUSINESS EFFICIENCY.

A USD 15.9 billion multinational Group based in Mumbai, India, Mahindra employs more than 155,000 people in over 100 countries. Mahindra operates in 18 key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, rural finance, information technology and vacation ownership.

Mahindra

Rise.

The new word mark retains Mahindra's existing brand attributes and also integrates Mahindra's Rise philosophy. These include the Group's resolve towards - accepting no limits, alternative thinking and driving positive change.

BUSINESS VERTICALS

Automotive & Farm Sectors



Mahindra & Mahindra Ltd. - Automotive Division (AD)
Mahindra Vehicle Manufacturers Ltd. (MVML)
Mahindra & Mahindra Ltd. - Farm Division (FD)
Mahindra Spare Business (MSB)
Mahindra Reva Electric Vehicles Pvt. Ltd. (MReva)
Mahindra Research Valley (MRV)*

Two Wheeler Sector



Mahindra Two Wheelers Ltd. (MTWL)

Real Estate Sector



Mahindra Lifespace Developers Ltd. (MLDL)
Mahindra World City Developers Ltd. (MWCDL)
Mahindra World City Jaipur Ltd. (MWCJL)

Leisure & Hospitality Sector



Mahindra Holidays & Resorts India Ltd. (MHRIL)

Financial Services Sector



Mahindra & Mahindra Financial Services Ltd. (MMFSL)
Mahindra Rural Housing Finance Ltd. (MRHFL)
Mahindra Insurance Brokers Ltd. (MIBL)
Mahindra Business & Consulting Services Pvt. Ltd. (MBCSPL)

Information Technology Sector



Tech Mahindra Ltd. (Tech M)
Mahindra Satyam (MSat)

Systems & Technologies Sector (Systech)



Mahindra Sanyo Special Steel Pvt. Ltd. (MSSSPL)
Mahindra UGINE Steel Company (MUSCO)
Mahindra Forgings Ltd. (MFL)
Mahindra Hindday Industries Ltd. (MHIL)
Mahindra Composites Ltd. (MCL)
Mahindra Gears & Transmissions Pvt. Ltd. (MGTPL)

Aftermarket Sector



Mahindra First Choice Wheels Ltd. (MFCWL)
Mahindra First Choice Services Ltd.* (MFCSL)

Mahindra Partner Division



Mahindra Intertrade Ltd. (MIL)
Mahindra Steel Service Centre Ltd. (MSSCL)
Mahindra Logistics Ltd. (MLL)
Mahindra Solar One Pvt. Ltd. (MSolar)

*Added in the scope this year

CORPORATE GOVERNANCE AT MAHINDRA TRANSCENDS 'ENHANCING SHAREHOLDER VALUE'. IT INSTILLS IN US THE VALUES OF GOOD CORPORATE CITIZENSHIP THROUGH ENVIRONMENTAL AWARENESS, ETHICAL BEHAVIOUR AND RESPONSIBLE BUSINESS CONDUCT.

CORPORATE GOVERNANCE

Transparency, integrity and accountability are embedded in the Mahindra ethos. We are committed towards ethical wealth generation, stakeholder value, global compliance and responsible corporate citizenship.

We look at our shareholders as co-contributors to Mahindra's success. We are, hence, accountable to disclose practices beyond statutory regulations. Our investor relations cell is dedicated to engage with them addressing queries and redressing grievances, if any. We benchmark our corporate governance practices with the best in the world. Our business conduct is driven by our core values and codes of conduct devised both for employees and Directors.

TRANSPARENCY

While compliance is a must, we don't just stop at that. We strive to go beyond compliance by actively participating in voluntary reporting and disclosure programmes.

Since past six years, our sustainability reporting has been in alignment with the GRI Guidelines. This year also, the report is aligned to the nine principles of Ministry of Corporate Affairs' National Voluntary Guidelines (NVG) on Social, Environmental and Economic responsibilities of business.

INTEGRITY

Ethics, values and responsibility are infused in to our DNA.

Our business conduct is driven by our core values and codes of conduct devised both for employees and Directors. Leading us on our ethical journey is our Board of Directors, which remains at the helm of our corporate governance practices and philosophies.

Our Core Purpose penned in FY 2011 has given the sectors a renewed direction to enable ourselves and our stakeholders to rise.

ACCOUNTABILITY

We believe that we are equally responsible to all stakeholders be it our shareholders or customers or communities; employees or vendors; government or regulators.

During the year, the Board CSR Committee approved an overarching Business Responsibility policy encompassing, social environment and governance responsibilities of business. This policy integrates the spirit of nine principles of Business Responsibility, required by SEBI as per Clause 55 of the Listing Agreement.



In 2012, Mahindra featured on the **Forbes Global 2000 list**, a listing of the biggest and most powerful listed companies in the world

Mahindra ranked **10th in the TLG Thought Leadership Index** which lists the most successful and influential companies in India

SUSTAINABILITY AND MAHINDRA

THE ROADMAP

Last year we reported that most of our commitments for five years were surpassed in three years. During the reporting period, we maintained the momentum. This has given us the confidence and drive to strive for more ambitious scientifically set goals and a better understanding of issues material and critical to us as well as our stakeholders. This exercise is currently under way and from 2013-14 each of our businesses will strive for higher goals and targets.

During the reporting year 2012-13, 11 more certifications were secured.

Mahindra Sanyo Special Steel Pvt. Ltd., Khopoli acquired ISO-50001, Energy Management System, first such certification in Mahindra Group.

Commitments	Target for 3 years ended 2011-12	Target for 5 years ended 2013-14	Actual 2012-13
REDUCTION IN ENERGY CONSUMPTION 	2%	5%	19.39%
REDUCTION IN RESOURCE CONSUMPTION (PAPER/WASTE/WATER) 	2%	5%	27.65% (water)
REDUCTION IN GHG / CO ₂ EMISSIONS 	2%	5%	17.83%
SUSTAINABILITY AWARENESS AMONG SIGNIFICANT STAKEHOLDERS 	50%	100%	Achieved last year
ENHANCE EMPLOYEE ENGAGEMENT IN ESOPS 	10% year on year	20% year on year	Achieved last year
GREEN IT & GREEN PROCUREMENT/ SUPPLY CHAIN POLICY 	Draft / release & implement	Review & Update	Released and implemented by all companies considered in the roadmap review.
CERTIFICATIONS (ISO / OHSAS / GRIHA / ECOTEL etc.) 	10	15	41 certifications till year 2012-13



Note: The base year considered for this roadmap is 2008-09.

The businesses included in the above roadmap are Auto, Farm Systech Companies, Mahindra Holidays, Mahindra Lifespaces & Mahindra Intertrade, which accounts for 64% of the total business scope in this year. Companies added in the scope after year 2009-10, are not a part of the roadmap, because they do not align with the already set baseline year for the above reasons. In the future, we plan to alter the roadmap whereby all companies will be included.

STAKEHOLDER ENGAGEMENT

Sustainability is a purely stakeholder driven construct. It's the practice of shaping and delivering to the expectations of the myriad stakeholders that a business possesses. The number of stakeholders and the complexity of their expectations increase manifold when it concerns a Group like Mahindra. Over the years we have developed a battery of efficient and innovative, formal and informal & experiential and interactive stakeholder engagement mechanisms.

Below is a glimpse of some new and ongoing initiatives undertaken during the reporting year.



EMPLOYEES

Akraman | FD

A movement for continuous improvement aims at developing Kaizen skills among employees through various training initiatives. The problems are identified from daily work based on aspects of PQCDSM- Productivity / Quality / Cost / Delivery / Safety / Morale.

Trackathon | AD

Mahindra Auto Quotient (AQ) conducted an event called 'Trackathon' that provided employees with an opportunity to learn about Mahindra Vehicles as well as experience them in action.

Buniyad | MFCSL

Launched to embed the Company's core values among workforce, this program deployed various interactive tools like skits, sharing of stories and team exercises.

Connections Revitalised | MLDL

Two new communication mediums were introduced for the talent at MLDL:

- 'Sparkle' - a revamped intranet to communicate, connect and collaborate
- '360 View' - a daily newsletter to connect across different regions, businesses and departments of the sector

Fireside Chats | Group-wide

Fireside Chat is an informal communication forum for sharing, inspiring and grooming the youth.

Feedback First | FSS

Pehel, an employee engagement survey was launched to check employee knowledge, opinion and satisfaction with regards to the various employee engagement programmes in place.

Employee Value Proposition (EVP) | AFS

A communication that articulates Mahindra's employer brand promise and underlines our position in talent market as one of the top players and work-with-a-difference employment offer.





CUSTOMERS

M-Plus | AD

A free mega service camp was organised for our Scorpio, Bolero, Xylo, Quanto, XUV500, Rexton, Verito/Logan and Thar customers across all state capitals and major cities facilitating customers an exhaustive 75-point check-list on their vehicles.

MWC Champions Trophy | MWC, Chennai

In association with Infosys, a sports tournament was organised in which 35 teams participated.

Kisan Mela | FD

Farm equipment products were on display at Punjab Agricultural University's (PAU) Kisan Mela organised in Ludhiana.

Mahindra Adventure | AD

The first edition of the 'Tri-Nation Escape 2012' saw 25 vehicles traverse three countries namely India, Nepal, Bhutan in 12 days.

E-engagement | Group-wide

On the social media space, we recorded new benchmarks this year as well -

- With 2 million fans the mighty muscular Mahindra Scorpio became the biggest SUV community on Facebook in India
- Xylo surpassed the one million fans mark on Facebook



LOCAL COMMUNITIES



Duro for Differently-abled Indian Soldiers | MTWL

In Kannur, Kerala, 17 disabled Indian Army soldiers were honoured for their patriotic spirit and selfless service with specially retrofitted Duro scooters.

Vision for India | Tech M

As a part of VFI - Vision For India initiative, a conference for the visually impaired was hosted to help them gain economic independence.

Spark the Rise | Group-wide

Initiated in 2011, the 'Spark the Rise' community is growing and thriving - spearheading social innovation to enable India to Rise. This year saw 'Spark the Rise 2' receive a reassuring response. The winning Sparks who were awarded with monthly financial grants are on their way to drive positive social change.



LOCAL COMMUNITIES



Sports Impetus | AD

Esops volunteers have adopted 12 promising athletes from the tribal areas surrounding Nashik. These athletes contributed 70% of all athletics medals won by Maharashtra in various national events.

Anti-Drugs Awareness Session | MHRIL

MHRIL was instrumental in arranging an anti-drugs awareness session for over 600 school children at St. Joseph's High School, Ooty.

'Bandhan' | MVML

MVML reaches out to the mothers and children of over 10 villages in Khed taluka, Pune, Maharashtra. A host of interventions are provided in two key areas - education and healthcare.

SUPPLIERS & DEALERS



Green Suppliers Meet | MSSSPL, MTWL

We hosted two Sustainable Supply Chain Management workshops this year. One workshop was conducted by MTWL for around 80 suppliers and the other was conducted by MSSSPL for around 25 major suppliers.

Quality Meet | MVML

A two-day supplier meet was organised by MVML where over 40 suppliers participated to share best practices in quality.

Green Product Exhibition | AD, Kandivli

23 vendors participated in this exhibition where around 1,000 visitors gained insights from the exhibits dedicated towards energy reduction, sustainable packaging and usage of renewable energy.

Supplier Management | FD, Swaraj Division

A supplier training platform that empowered various suppliers with knowledge on emerging quality, sustainability and productivity concepts.

Driver Welfare Forum | MLL

A forum was formed by MLL, to enhance the performance of drivers and equip them with knowledge and facilities to overcome day-to-day work challenges via various initiatives. Going beyond, MLL also engaged with their families through 'scholarships for kids' and 'MLL Spouses Society'.

Driver Safety Week | MLL

A country-wide Driver Safety Week was initiated in September 2012, covering 120 operating locations and 4,000 drivers. The initiatives included comprehensive compliance checks, on-job supervision, safety posters and daily meetings.

Ustaadon Ke Ustaad | AFS

Star Mahindra dealers who put in extra efforts to provide customers with an unparalleled experience were felicitated at the 4th edition of 'Ustaadon Ke Ustaad' and the 3rd edition of 'Mahindra Idols'.



PROFIT

FY 2012-13 has seen our Group Companies expand their reach to new customers, markets and societies. All Group Companies are progressively shifting gears to higher orbits of sustainability in their existing businesses while continuing to seek out sustainable business opportunities for diversification and product portfolio reconfiguration.

KEY FINANCIAL HIGHLIGHTS

- The gross turnover for the year ended 31st March, 2013 for the Mahindra Group was INR 744,030 million as compared to last year's INR 633,578 million.
- The consolidated Group Profit for the year after exceptional items, prior period adjustments and tax after deducting minority interest was INR 40,992 million as against INR 31,267 million, last year.
- Mahindra Financial Services Sector recorded a 41% growth in consolidated revenues and a 44% increase in profits.
- Tech Mahindra posted a 22% growth in consolidated revenues and an 18% growth in profits.
- Mahindra Lifespaces grew its consolidated operating income from INR 7,012 million to INR 7,383 million.

IN THE FACE OF GLOBAL WATER CRISIS, WE UNDERTOOK A SAMPLED RISK ANALYSIS TO DETERMINE POSSIBLE FALL OUTS AND THE EXTENT OF EXPOSURE OF AFS TO EXTERNAL THREAT AND INTERNAL VULNERABILITY WITH RESPECT TO WATER IN THE REPORTING YEAR.



Economic Barometer

Particulars	INR million		
	FY 2010-11	FY 2011-12	FY 2012-13
Economic Value Generated	240,418.70	323,193.10	409,903.3
Economic Value Distributed	221,824.10	303,090.00	385,286.6
Economic Value Retained	18,594.60	20,103.10	24,616.7
R&D Investments	8,527.50	8,719.00	10,605.40

Notes: For R&D: FY 2010-11 data is for M&M Ltd. and MTWL. For FY 2011-12 data is for M&M, MTWL and MReva. 2012-13 data is for M&M Ltd., only.

LOCAL SUPPLY

Keeping in mind, the length and breadth of our product range and services, we define local supply as goods and services procured/purchased 'within India'.

Yet, our sectors have started setting their boundary of material / service supply from India centric to the defined distance from their operations - depending on the nature of the operations. MLDL, for example, encourages use of 50% building materials (by cost) available and locally manufactured within 500 km of its project site. It helps to minimise the associated environmental impacts resulting from transportation.

ANALYSING THE TOP 10 SUPPLIERS AS PER MONETARY VALUE FOR EACH BUSINESS, WE FIND THAT ON AN AGGREGATE BASIS, WE HAVE THIS YEAR INCREASED THE GROUP'S SUPPLY FROM LOCAL SUPPLIERS TO 86.12% AS COMPARED TO 83.35%, LAST YEAR.

PRODUCT

The ever-widening range of green products in our portfolio affirms our ever-lasting commitment to a sustainable future. Water is a key focus area and we are pursuing both - incremental improvements and disruptive innovations. These innovations are not just restricted to products, but have been extended to services and in the formulation of integrated eco-systems as well.

ENVIRONMENTAL IMPACTS



We continue to develop methods and processes that enhance the efficiency of our waste management procedures and provide opportunity for minimising environmental impact significantly.

Green Mobility

We launched a **CNG version of our popular Maxximo load carrier**. This BS-IV emission compliant mini-truck is equipped with advanced technology to deliver best-in-class power, mileage, comfort and safety.

This year we also **unveiled the Duro DZ with start-stop technology**. When launched the Duro DZ, was India's first scooter with micro-hybrid technology.

The new engine E-01 introduced in our motorcycle 'Pantero' cuts CO emissions to bring it down to 0.16 g/km, a step ahead than the 0.5 g/km of the optimised engine of its predecessor Stallio.

Eco-conscious Farm Tech

Launched the Mahindra Bhoomiputra 265 DI MKM power plus with Robolift Hydraulics. The 35 HP Bhoomiputra 265 DI power plus is an ergonomically designed tractor that has a fuel efficient MKM engine.

Various technology initiatives were taken to make engine biodiesel compatible with different blend levels for domestic and export market.



Green Development

All MLDL projects undergo pre-certification under the IGBC Green Building rating system. This year, four projects bagged the prestigious certification.

Mahindra Royale, Pune
Certified Platinum

Bloomdale, Nagpur
Pre-certified Gold

Mahindra Ashvita
Pre-certified Gold

Happinest, Chennai
Pre-certified Gold



Pioneering Sustainable Mobility with SIAM

M&M is one of the five Original Equipment Manufacturers (OEMs) to collaborate with SIAM to develop a fleet of vehicles which run on HCNG (Hydrogen CNG) - a step further in reducing GHG emissions as compared to CNG. Field trials of 50,000 km for UVs, CVs and 30,000 km for 3-Wheelers are underway. Currently the Mahindra Bolero (UV) has completed 30,000 km while our 3-Wheeler Champion has clocked 20,000 km.



Efficient Designing

Mahindra Research Valley focussed on becoming resource efficient at product development stage itself. Various projects undertaken showed benefits ranging from reduced water and energy consumption upto 20% and 40% respectively, better fuel efficiency, reduced CO₂ emissions and significant optimisation of the product through weight savings of upto 50%.

Giving Weight to Optimisation

Value Analysis and Value Engineering (VAVE) offer an efficient method to analyse and identify areas of product improvement. We applied this approach for our **Yuvraj 215 (AGNI) to bring about a significant weight optimisation that resulted in twin benefits - reduced environmental impact and reduced costs**.

MHRIL

Kumbalgarh and Munnar resorts are proud recipients of Green Globe certification - a global recognition for sustainable tourism.

Goa and Coorg resorts have received Ecotel certification - a hallmark of environmentally-sensitive hotels.



Affordable, Efficient Solar EV Charging Technology

The Sun2Car DC1, a direct DC EV charging solution developed by Mahindra Reva, uses the DC from the solar panels to directly charge the car. It can generate enough electricity to power a Mahindra Reva electric vehicle with clean energy for around 15,000 km a year, for 15-20 years.

An advanced R&D facility for two-wheelers was inaugurated in Pune. It is the third largest two-wheeler R&D facility in India. The multi-faceted R&D facility is a result of our commitment to technology driven innovation and has been recognised by the Department of Science and Industrial Research (DSIR).



Enhancing our Solar Imprint

MSolar completed its 5MW NTPC Vidyut Vyapar Nigam Limited solar power plant in Jodhpur, Rajasthan in 2012 and has commissioned two new plants of 20MW and 10MW in the same area in February 2013. We plan to scale up to 100+MW within the next two years across India.

Mahindra Reva e2o

The Reva e2o takes energy efficiency a step further by its efficient design and production process. It is made from fully recyclable thermoformed ABS plastic body panels and other forms of plastics and composites. It has a class leading energy efficiency of around 10 km/kWh (or 100 Wh/km) and is fully capable of being charged from solar energy.



HEALTH AND SAFETY IMPACTS



We give foremost importance to the health and safety of our employees, customers and communities. We ensure intensive prototype testing and virtual validation for every Mahindra offering. This helps us filter out and address all possible health and safety concerns before commencement of commercial production.

We have added the On Board Diagnostic (OBD) system on all our export models of Scorpio Single Cab, Double Cab, Scorpio SUV and XUV500 M1 including both all-wheel drive and two-wheel drive models.

Mahindra World City, Chennai has signed up with JSP Hospitals to set up a 30-bed speciality hospital. Spread over 15,000 square feet, the hospital will commence operation in 2014 and cater to the residents and employees of companies within MWC and also come to the aid of the community in the surrounding areas.

We factor in ergonomic efficiency along with machine performance in our tractors and design a fatigue-free seating arrangement which provides a safe, stress-free and easy-to-operate workspace. A case in point is Mahindra's Dhruv tractor.

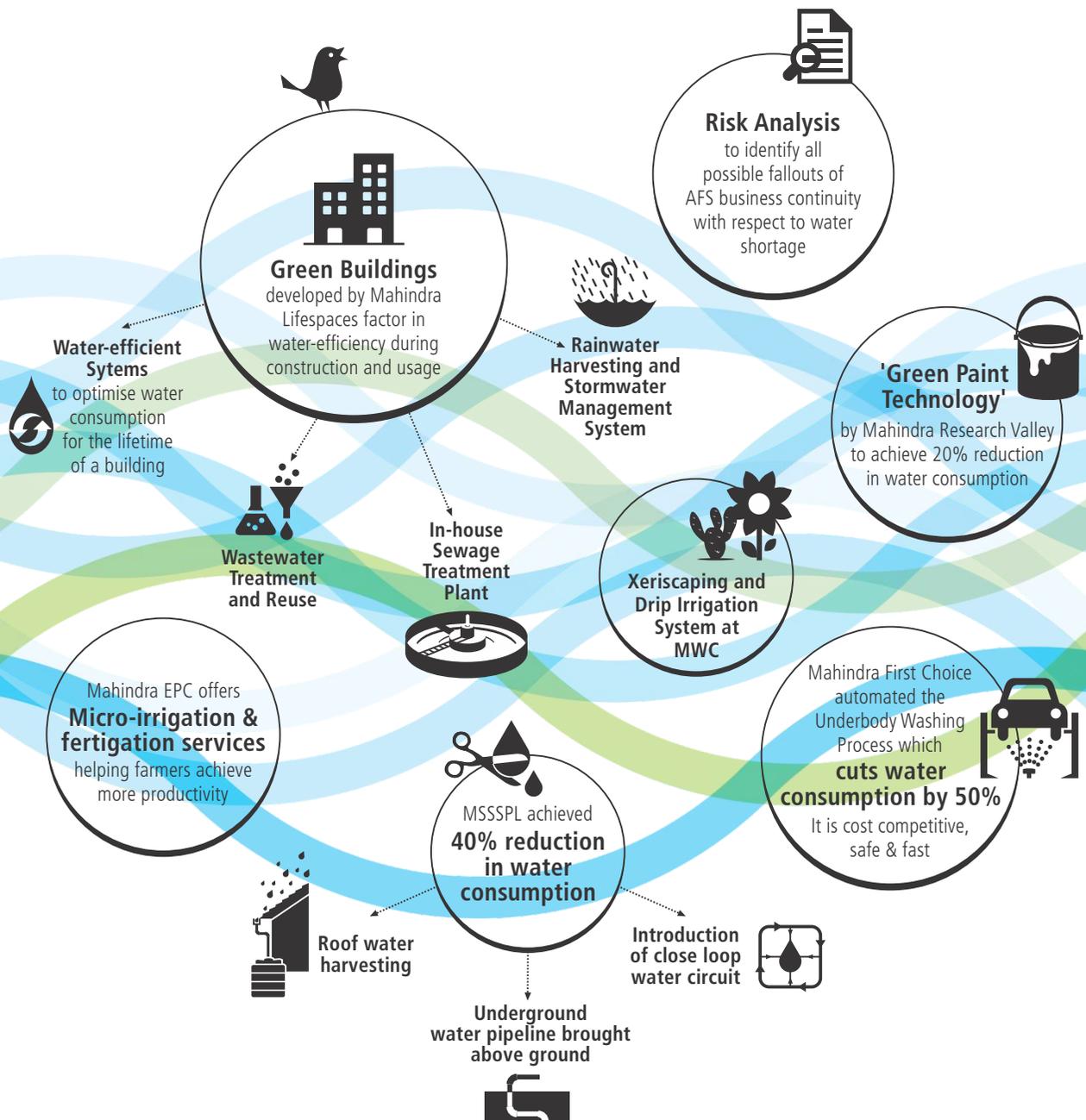
The XUV500 safety measures comply with Crash Tests held to European Standards. It comes equipped with Antilock Braking System (ABS) with Electronic Brakeforce Distribution (EBD), Electronic Stability Program (ESP) with Rollover Mitigation, six Airbags (front, side and curtain), Hill Hold Control & Hill Descent Control.

To ensure that the designed product is safe in functionality, Mahindra Composites conducts a systematic, Computer Aided Engineering (CAE) analysis to determine the break-point for various products.

Systech conforms to the best of health & safety standards, right up to packaging of the material. Specific requirements such as RoHS (Restriction on Hazardous Substances) compliance, PFOS (Perfluorooctane Sulfonates) compliance and REACH compliance are regularly checked and complied with.



Just like water, profit is the lifeline of business continuity. We understand the importance of both - 'natural resource' and 'capital resource', and hence are committed to strengthen the business case of water sustainability.



People



Water is the source of survivability and thriving of an individual. At Mahindra, we are committed to provide 'water for all' and remain instrumental in providing the local community with life-long access to water, plus the infrastructure and knowledge to conserve more than they consume.



Esops volunteers facilitate access to healthy water in the areas where it is needed the most. A case in point is the **refurbishment of a water reservoir at Wagholi, Maharashtra**, a village which was facing acute water shortage in 2010 and **installing water pipelines & storage tanks for 2,000 tribals of Bhil Basti, Rajasthan** in 2012



Esops have facilitated **Rainwater Harvesting Plants** for communities to make the best use of rain

FD, Jaipur arranged for water tankers to quench the thirst of **40 parched villages** eliminating the need for women to walk miles to fetch water



Nashik plant constructed a **Check Dam** at Sendyachi met village with the help of NGOs and the local community. This has led to enhanced water access for the villagers

An integrated Watershed Management Project that will directly impact **20,000 Indians across 32 villages** in the Damoh district of Madhya Pradesh. The project aims to increase the per capita income of the region by at least two folds

Accelerated farm productivity by 25-30%



So far, 8 check dams, 17 ponds and tanks

Water storage spaces of capacity 450 million litres developed so far

Formation of **200 SHGs** to enhance livelihoods, till date

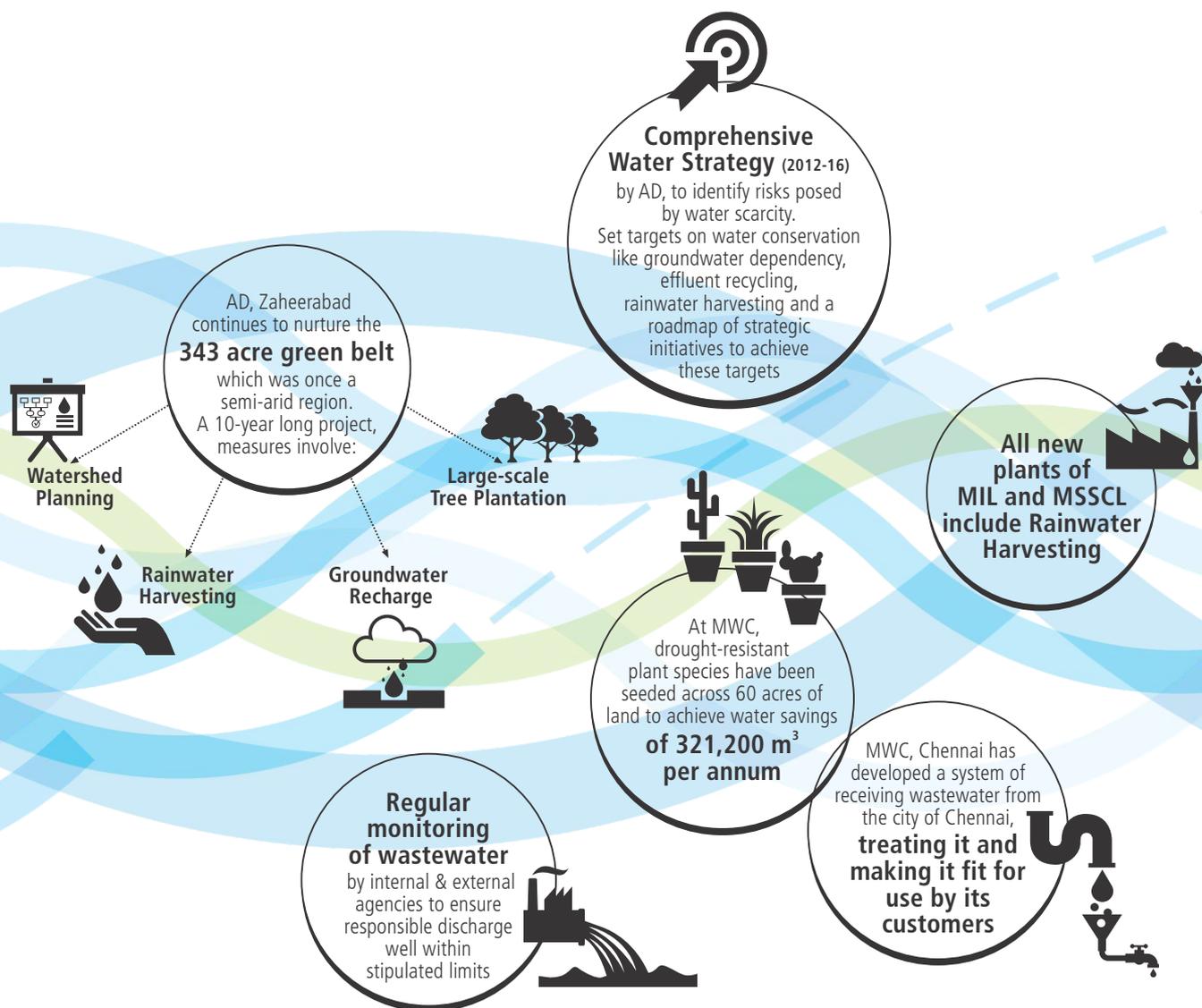


1,100 soil conservation structures like stone outlets and gully plugs, trenches which run up to 80,000 meters, as of 2013



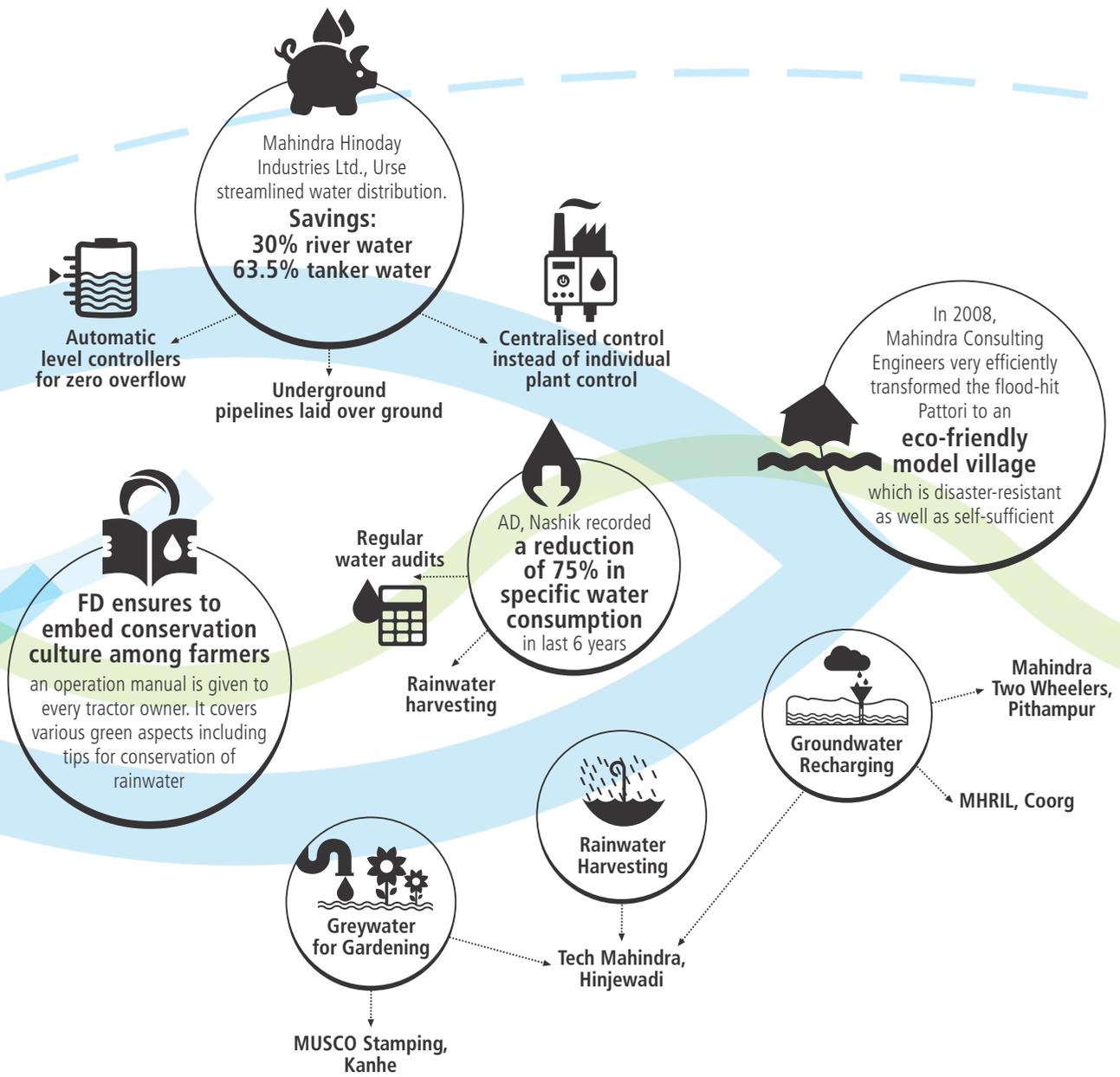
Planet

A perennial availability of fresh water is paramount to restore the delicate balance of our ecosystem. Systemic solutions continue to be introduced at Mahindra to rationalise consumption and maximise conservation of water.



Taking the insights of the water footprinting exercise undertaken in the previous year, we identified opportunities to reduce, reuse & recycle water and planned strategies to address the same across sectors.

Total volume of water recycled & reused
1,120,250 m³



SOCIAL IMPACTS



From rural development and farm productivity to creating livelihood opportunities and accelerating career growth, we design our products and services to serve the community.

FSS protects and sustains rural livelihoods through a sustainable business model. Our business model **helps customers grow by providing them loans based on their future earnings capacities.**

Our Farm Division helps farmers prosper by providing comprehensive agri-support. For instance, Mahindra AppliTrac in agri-mechanisation, Samriddhi Centers for market linkages, distribution, agri-support information and counselling and Mahindra EPC for micro-irrigation, inter-related requirements of fertigation and agronomic support are enabling farmers to rise beyond their current realm of possibility.



Saral Rozgar initiative by Tech M is a first-of-its-kind, mobile-based recruitment service in India which helps the blue collar job seekers in the rural and semi-urban markets to connect to the mainstream employers. With a pan-India presence, the portal has on board over 1 million registered job seekers, 3,000 active employers with over 70,000 job vacancies across more than 150 categories and counting. To boost this service, we have also conducted 170 job fairs in various states of India.

Samriddhi Mega Farming Meet, Gujarat **showcased the complete range of Mahindra Agri Business products and services** to 250 farmers.

The meet acted as a platform where the Business Heads and representatives of the various businesses elucidated the unique features of their product ranges.



Tech Mahindra's CanvasM Technologies has built the **FightBack mobile application (www.FightBackMobile.com) to facilitate safety of citizens.** It uses GPS, SMS and GPRS along with email and social media; also identifying unsafe areas to be avoided, to help the user. It can be used by anyone - elderly people, people with serious health issues and by enterprises to ensure their employees' safety.



CUSTOMER CENTRICITY



Beyond Sales

To ensure security of our used cars, Mahindra First Choice Wheels Ltd. (MFCWL) **launched two new warranty products - 'Warranty First' and 'Certifirst'.** Warranty First provides warranty for major mechanical and electrical components of the car for a period of 12 months or 15,000 km, whichever is earlier. 'Certifirst' covers the car's engine and transmission for a period of 6 months or 7,500 km, whichever is earlier.

STAMP out the Defects

Mahindra Satyam **launched Structural Testing Analysis & Measurement of Projects (STAMP) - an innovative structural quality service** powered by CAST. STAMP is aimed at analysing structural quality of the application stack resulting in delivering higher performance, greater reliability and increased security to the customers as well as reducing underlying technical debt.

The Connected Vehicle

Mahindra Satyam launched a unique infotainment solution under the aegis of its 'Connected Vehicle Concept'. **The solution is differentiated with an automotive grade in-vehicle infotainment device integrated with an excellent service delivery platform to provide an entire gamut of value-added services.**

Transport Solutions

Mahindra Logistics Ltd. has developed **Mahindra People Transport Solutions (MPTS)** a unique solution which encompasses service features such as on-time performance, cost optimisation, safety & security, emergency response and visibility & MIS.

PLANET

From thinking of greener processes to inking environment-friendly policies; from judiciously using finite resources to switching on infinite alternatives; from planting over 5.3 million trees across India to setting up an INR 5,000 crore green manufacturing plant; from undertaking a slew of small and steady energy-conservation steps to launching a solar chargeable electric car - our efforts remain perennial to seed green changes across our products, processes and premises.

Under our programme H₂Infinity, we are in the process of consolidating all our water initiatives and forging a holistic water management strategy.

A host of innovative initiatives are already being practiced in our facilities like installation of zig zag speed breakers to shake off and recycle the water remaining on the vehicle roof post a shower test. Shifting from open loop systems to closed loop cooling towers, plugging leakages in underground fire pipes. We have also adopted wastewater treatment on a large scale and the treated water is meeting the needs of occupants of Mahindra World City.

ENVIRONMENTAL MANAGEMENT

Most sectors continue to report encouraging progress on the environment front and have achieved the targets assigned to them in the sustainability roadmap. We also continued to implement the changes that came to light through our comprehensive carbon and water footprinting exercises. The focus was to reduce water and energy consumption per unit of produce/service.

Energy

We understand the power of saving power, so we work towards energy efficiency, joule by joule.

In the reporting year, diverse initiatives across sectors helped us achieve an inspiring energy savings of 105,000 GJ.

The Specific Energy Consumption of AD, FD, Systech, MTWL, MVML, MSB, MLDL, MLL, and MHRIL has dropped in the current year as compared to the previous year due to various energy conservation initiatives implemented by the respective sectors.

MReva has recorded an increase in the specific consumption due to commissioning of the new location.

MIL, MWC, FSS, MSat have recorded an increase in their specific energy consumption. The respective sectors are poised to identify mitigation actions for implementation.

Reduction of MFCWL specific consumption is due to closure of their locations at Bengaluru and Mumbai midyear.

<To know the measurement methodologies of various sectors for calculating specific consumption, and the detailed causes behind the specific performance of each sectors, please refer to our comprehensive online report>

Specific Energy Consumption

(GJ / unit of measure)

	Sector	2010-11	2011-12	2012-13	% Reduction in 2012-13 over previous year
Manufacturing Sectors	AD	3.219	2.801	2.524	10%
	FD	1.630	1.814	1.762	3%
	Systech	7.781	7.880	6.089	23%
	MIL	0.045	0.043	0.048	-11%
	MTWL	0.362	0.350	0.310	11%
	MVML	4.660	2.631	2.262	14%
	MSB	0.384	1.472	1.116	24%
	MReva	NIS	7.516	13.76	-83%
Service Sectors	MSolar	NIS	0.029	0.028	2%
	MWC	10.864	13.823	15.789	-14%
	MLDL	0.013	0.013	0.011	16%
	MLL	11.128	8.232	2.923	64%
	MHRIL	0.297	0.287	0.267	7%
	FSS	13.535	9.243	9.976	-8%
	Tech M	11.130	8.881	10.301	-16%
	MSat	13.005	14.414	15.609	-8%
	MFCWL	NIS	0.233	0.139	40%
	MFCSL	NIS	NIS	0.055	-
MRV	NIS	NIS	59.428	-	

NIS - Not In Scope

Greenhouse Gas Emissions

We continually take up measures to monitor and manage the emissions, so as to circumscribe them. This year too, we are reporting our emissions across all the three scopes.

Absolute GHG Emissions		tCO ₂ e
Total GHG	FY 2010-11	971,043
	FY 2011-12	1,083,151
	FY 2012-13	1,131,740

Note: The increase in absolute GHG emissions as compared to the previous year is due to increase in production/service as well as increase in the scope of reporting. This is likely to happen year-on-year as we enhance the scope of our reporting. As a continual improvement, sectors have improved their depth of reporting and have devised processes to capture Scope 3 consumption in detail. This has resulted in the increase of Scope 3 emissions compared to previous year.

Scope 1

All direct GHG emissions like CO₂, methane and nitrous oxide.



Scope 2

Indirect GHG emissions from consumption of purchased electricity, heat or steam.



Scope 3

Other indirect emissions, such as inbound, outbound logistics, air travel, daily commutation, paper consumption and transport-related activities.



Water

There is no other alternative to water, but there are infinite alternatives to conserve water. Right from plugging the water tap gaps to bridging the gap in groundwater levels; from recharging existing borewells to replenishing dried-up water bodies; from recycling wastewater to harvesting rainwater – there are myriad ways to ensure perennial accessibility of fresh water.

At Mahindra, our aim is to change the water equation from H₂O to H₂Infinity.

Absolute Water Consumption		m ³
FY 2010-11	7,255,728	
FY 2011-12	6,345,649	
FY 2012-13	6,260,275	

Implementation of the various water conservation projects have resulted in the better utilisation of this resource in many sectors this year. For a detail view, refer our water highlights as elaborated on the center spread.



Specific Water Consumption

m³ per unit of measure

Sector		2010-11	2011-12	2012-13	% Reduction in 2012-13 over previous year
Manufacturing Sectors	AD	3.952	2.922	2.698	8%
	FD	1.858	1.929	1.815	6%
	Systech	9.099	5.783	4.400	24%
	MIL	0.109	0.215	0.174	19%
	MTWL	0.392	0.392	0.420	-7%
	MVML	13.767	3.920	3.130	20%
	MSB	2.867	5.975	3.474	42%
Service Sectors	MWC	588.014	579.866	642.644	-11%
	MLDL	0.340	0.209	0.137	34%
	MHRIL	1.060	1.303	1.146	12%
	Tech M	4.070	6.143	7.193	-17%
	MSat	18.013	18.083	19.437	-7%
	MFCWL	NIS	0.244	0.038	84%
	MFCSL	NIS	NIS	0.058	-
MRV	NIS	NIS	7.69	-	

The specific water consumption at AD, FD, Systech, MIL, MVML, MSB, MLDL, MHRIL, MFCWL reduced as compared to the last year due to a concentrated water conservation drive and various projects.

FSS & MLL devised a process of calculating the water consumption in the current year for most of their locations which was not there last year. MReva had started production at their new plant in the middle of the reporting period. Hence, the specific water consumption for these three sectors have been mentioned separately.

Specific water consumption at MTWL increased due to the commissioning of new paint shop for motorcycles.

Tech Mahindra and Mahindra Satyam showed a higher specific consumption due to a significant improvement in data collection process as compared to the previous years.

The ongoing construction activities at MWC locations resulted in an increase in specific water consumption.

Sector	2010-11	2011-12	2012-13	m ³ per unit of measure
MReva	NIS	16.28	54.64	
MLL	0.13	0.19	13.49	
FSS	18.04	4.03	8.90	

Zero Wastewater Discharge

Untreated discharged water may lead to pollution of other water bodies and increase the toxicity in the surrounding groundwater. At Mahindra, efficient discharge systems comprising of ETPs (Effluent Treatment Plants) and STPs (Sewage Treatment Plants) are set-up investing significant resources. We maintain zero discharge of wastewater pollutants. Regular monitoring of our wastewater is done by internal as well as external agencies, in terms of parameters like C.O.D, B.O.D, pH etc. as specified by statutory authorities. The values have always been found to be within the guidelines and limits, defined by the State Pollution Control Boards and local regulatory authorities.



Waste

Mahindra strives to manage and reduce waste at all existing functions through the medium of systematised processes revolving around reducing, reusing and recycling water.

Our activities focus on effective and safe disposal of waste produced across the manufacturing cycle of a product. The waste generated is classified into appropriate categories and disposed off accordingly. Hazardous waste is directed to authorised Common Hazardous Waste Collection with the requisite treatment, storage and disposal facilities.



Hazardous Waste	2010-11	2011-12	2012-13
Solid (tonne)	5,949	7,617	6,835
Liquid (kl)	850	808	2,038
Liquid (Nos.)	DNA	DNA	3,205
Batteries (Nos.)	3,457	4,886	6,929
Batteries (tonne)	0	5.8	380
Containers (Nos.)	190,256	172,100	158,429
Containers (tonne)	DNA	DNA	4
Cartridges (Nos.)	92	588	16
Others like Oil filters, drums, e-waste (Nos.)	13,662	0	9,895

Non-Hazardous Waste	2010-11	2011-12	2012-13
Solid (tonne)	189,153	208,454	225,701
Solid, Tyres, Drums etc. (Nos.)	0	678	89,179
Liquid (kl)	20	1.56	0
Containers (tonne)	0	5.5	0
Containers (Nos.)	50,238	86,918	67,311
Tyres (Nos.)	111	0	0

Note

Hazardous solid waste (tonne) include ETP sludge, Phosphating sludge, paint sludge, E-waste, biomedical waste, oil soaked waste.

Hazardous liquid waste (kl) includes scrap oil. DG set waste oil, used oil from vehicles, waste coolant.

Non-Hazardous solid waste (tonne) include wooden, steel, metal scrap, food waste, paper waste, rubber scrap.

ENVIRONMENT CONSERVATION IN ACTION

Be it through our processes, products or premises, our people pitch in conscious efforts each day to empower a better environment. We channelise a pipeline of initiatives, both big and small, to power the bigger picture of resource conservation. Below is a glimpse of green measures undertaken by multiple sectors, across multiple parameters:

ENERGY EFFICIENT

MSSSPL achieves its ISO 50001

Mahindra Sanyo Special Steel Pvt. Ltd. (MSSSPL) was recommended for ISO 50001 making the company, the first unit to obtain this Energy Management System (EMS) certification within the Mahindra Group.

Scope 3 CO₂ Mapping Software

The first trial of Vehicle Tracking and CO₂ mapping software was conducted successfully at Nashik plant, and then at the Kandivli plant. This concept was discussed with all other plants, phase-wise and was customised to their need.



Energy Conservation Seminar at MIQ

Mahindra Institute of Quality and Group Sustainability jointly conducted a training seminar on 'Energy Conservation' at MIQ Nashik to enhance energy conservation knowledge among people. Based on the insights of the seminar, each participant identified projects that can be implemented at their plant. These projects are under implementation and well on track.

Rising with the Sun

The SCM office, AD, Nashik saw successful installation of Light Pipe System facilitating office lighting powered completely by the Sun. A first for the Mahindra Group, this new technology offers various advantages such as no use of electricity during day time, virtually no heat build up during strong sunlight in summer, high light capture at low sun angles and zero UV radiation.



Alternative Lamps

- FD replaced 250W Metal Halide lamps with 150W induction lamps | saving 7.97L kWh per annum
- AD replaced 70 nos, 450W MH roof lights with 200W Hinoday MAG coupled Induction lights | saving INR 226,800 per annum
- Systech Stamping replaced 250W lamps with 85W CFL lamps | saving 11,160 kWh

WASTE WEALTH



Engaging for Waste Management

'Waste to Wealth' month was observed at MSSSPL, Khopoli. Various awareness activities were initiated and suggestions were encouraged from employees on ways to go green. A record 1,405 numbers of suggestions were received, on which implementation has already been initiated and is being monitored by the steering committee.

From Consumption to Contribution

The paint shop at AD, Nashik adopted the '3R' initiative wherein the team systematically looked at possibilities to reduce, reuse and recycle each and every resource that entered and left the paint shop. Over the period of this financial year, total cost savings accrued by this project stands at INR 2.78 crore per annum and material reduction totals to 108 kl of liquid waste and 368.8 tonne of solid waste.



BIODIVERSITY CONSERVATION



Reviving Biodiversity at Periyar

Club Mahindra Tusker Trails, located on the edge of the Periyar Tiger Reserve, has been playing a facilitating role by helping identify 7 least concern birds, 4 near threatened, 5 vulnerable, 1 endangered bird and 2 critically endangered birds and developed a plan to conserve these species, over the years. The implementation has already begun with several efforts like providing nest boxes and feeders, planting of roosting trees, raising awareness of guests as well as local communities and promoting lake ecosystem.



Project Hariyali

A step towards nurturing biodiversity, in 2012-13 we planted 1,746,418 trees - surpassing the assigned target by an impressive 74%. This was possible only with ample support from our employees and community partners.



PEOPLE

OUR EMPLOYEES

Mahindra is powered by the infinite energy of its people - who are dynamic, diverse and determined. Coupling innovation with strategic action, our employees are driving sustainable solutions along with business growth.



TALENT MANAGEMENT

At Mahindra, we remain determined to convert high potential into high performance. Our 360° Talent Management process is executed by a collaborative network at the Group and sector levels and reviewed regularly adding new programs to the fold.

Developing Leadership

Enterprise is a focal point of our talent management strategy. This year we conducted a plethora of programmes for nurturing leadership, some of which include:

- Seminal programmes of Ascend Calendar for Top Management
- 'Early Leaders Programme' for the young leaders
- Three batches of the I'M Mahindra On-Boarding & Induction Programme, specifically for the laterally inducted General Managers and above.



Nurturing Existing Talent

We have multiple training programmes that range from building positive attitude, stress management, team effectiveness to enhancing technical capabilities. This year we enabled a career customisation algorithm called Mpower at AFS that allows employees to explore a plethora of career options. We also conducted the 'Development Centre' programme for 91 leaders and a second batch of the Managerial Transition Programme - First Time Managers (FTM) covered 50 FTMs from seven Mahindra sectors.



Attracting Future Talent

Our signature 'the Mahindra War Room' saw a commendable increase in participation with 1,816 teams this year against 1,246 teams in last year. Our Group Management Cadre (GMC) programme aimed at attracting young professionals also gained traction. In 2013, we recruited 60 managers vis-a-vis 30 in 2012. We also recruited 68 interns from top B-Schools.



FARM PASSION - AN ENABLER OF FARM TECH PROSPERITY

It is the people that power innovation. Hence, in order to fast-track our farm tech solutions portfolio, our workforce should be aware and enthused about the farming realities of India. Mahindra, FES thus implemented 'Farm Passion', to embed farm passion in the employees and enhance their agriculture quotient. Divided in three implementation levels, in the reporting year, we set comprehensive actions to actualise the implementation of first two levels:

Know more

The first step was to build knowledge about agriculture and rural India

Connect

Employee engagement with the farmers to rise through various platforms

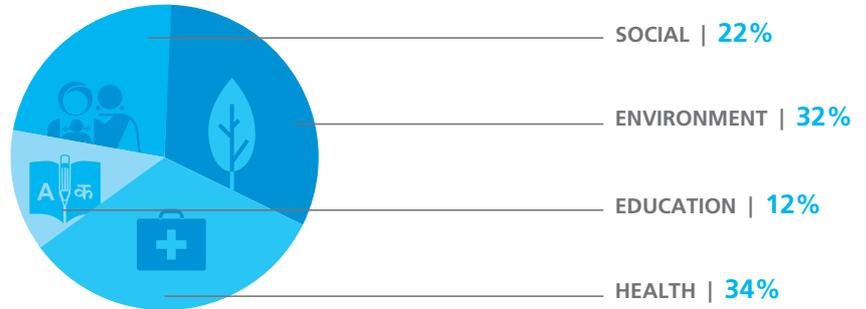


Esops: Employee Social Options

Esops is Mahindra's employee volunteering programme where competition meets compassion, professionalism meets philanthropy and team power meets empowerment. Mahindrites share their time, passion and knowledge in three core focus areas - education, environment and healthcare. They are encouraged to involve their family members in Esops activities as well.

THIS YEAR 19,867 ESOPS VOLUNTEERS CONTRIBUTED 109,250 MAN-HOURS TOWARDS SOCIAL INITIATIVES. TOGETHER, THE TEAM ESOPS INITIATED 956 ACTIVITIES, MAINLY ACROSS THREE FOCUS AREAS OF HEALTH, EDUCATION AND ENVIRONMENT.

Esops Initiatives 2012 - 2013



Key Sector Specific Initiatives

From spearheading health camps to seeding environmental awareness and from lighting up smiles on the faces of the elderly to lighting up streets of villages - this year too volunteers across sectors pitched in. Mentioned below are some of the initiatives owned by our sectors, over and above group-wide initiatives:



Mahindra Two Wheelers Ltd.

14 Esops volunteers at MTWL, Pithampur painted a Government School at Arjun Nagar, Indore with the objective to make the school's environment conducive.

Farm Division

The Esops team contributed 50 bicycles to the government school situated in Kanakpur for girls who had to commute long distances to attend school.

Leisure & Hospitality

MHRIL, Munnar inaugurated a pickle making unit which will provide livelihood to 25 women from weaker sections of society. Club Mahindra has committed to buy this pickle.

Mahindra Partners

Mahindra Solar One funded the construction of a medical centre for girls in Rawra village, they also provided the initial grant for constructing the residence of Auxiliary Nurse Midwife (ANM).

Aftermarket Sector

Nine Esops volunteers of Mahindra First Choice Wheels Ltd. interacted with 41 senior citizens at 'Jeevan Asha', an old age home at Andheri, Mumbai and also donated woollen blankets, clothes and fruits.

Real Estate Sector

The children of construction workers of Project Bloomdale in Nagpur got a reason to cheer, as six Esops volunteers of MLDL built an informal school for them.

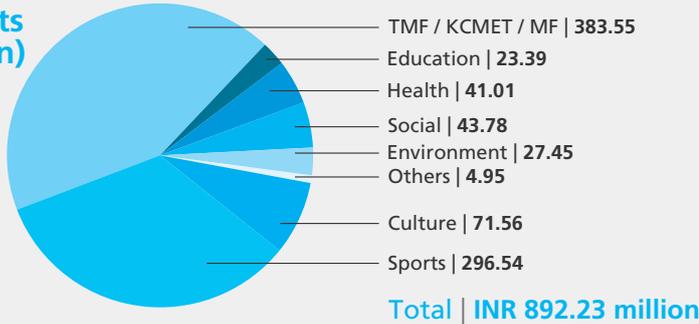
Systech

MPD, Bhosari designed a unique safety programme 'Suraksha Sahayogunder' for neighbouring small scale industries. The objective was to train at least one safety leader per unit who would then cascade the enhanced safety standards across the unit.

OUR COMMUNITIES

At Mahindra, we strongly believe that corporate and communities are interdependent. We approach social responsibility as 'making organised investments' rather than 'offering episodic charity'. We focus on three core areas - education, health and environment. We also promote sports and performing arts and provide a platform for young talent to rise. The objective is to trigger a positive domino effect of community well-being for now and forever. Testimony to this commitment is the pledge our Chairman made in 2005 to annually invest 1% of Profit After Tax (PAT) in Corporate Social Responsibility (CSR) initiatives.

Total CSR Investments (INR million)



CSR GOVERNANCE

Like our economic bottom line, we also govern our social bottom line with equal diligence, transparency and responsibility. Leading the Mahindra social responsibility drive are our change agents - CSR Council, CSR Department and Esops volunteers programme.

For more information on the CSR Council, please refer to the Corporate Governance section of the full report.

FOUNDATIONS & TRUSTS

K. C. Mahindra Education Trust (KCMET)

Over the years, the Trust has empowered the lives of 95,522 deserving students from the lower strata of the society by contributing more than INR 1,101.51 million.

In the reporting year, the trust contributed over **INR 222.36 million** empowering **81,528** deserving students

Mahindra Foundation India

During the reporting year, the Foundation disbursed INR 7.92 million towards:

- Supporting various activities at the 'Shartul Gurukul Centre for Special Children'
- Facilitating the Indian Cancer Society in providing post-surgery kits to breast cancer patients
- Supporting Mahindra EPC Services's endeavour to provide 168 solar lights to the state of Maharashtra

Mahindra Foundation USA (MFUSA)

Established in 2007, MFUSA seeks global support for the education of underprivileged girls in India through Project Nanhi Kali. MFUSA takes forward its mission through the creation of Nanhi Kali chapters and online campaigning. Till date, the Foundation has raised USD 372,384 as Nanhi Kali donations.



Tech Mahindra Foundation

Facilitates quality education and vocational training for the economically, socially and physically disadvantaged.

Key Highlights

Project Nanhi Kali has transformed the lives of more than 78,338 girl children from socially and economically backward society. **3,673 girl beneficiaries were added to the growing tribe this year.**

The Mahindra Group has supported 29,702 Nanhi Kalis while the other contributors are corporate donors that have been approached by KCMET.

The fifth Mahindra Pride School opened its doors in Srinagar with the specific objective of helping the youth of Jammu and Kashmir channelise their energies productively.

6,817 people benefited from the medical camps conducted through the Lifeline Express Programme.

550 students were awarded the Mahindra All India Talent Scholarship this year taking the total tally to 6,354.

1,070 students have been awarded the K. C. Mahindra Scholarship for Postgraduate Studies till date.

1.746 million trees were planted under the Mahindra Hariyali Project in FY 2013 surpassing the set target of one million trees.

Till date, 95,522 students from all across India have been awarded scholarships and education grants amounting to approx. INR 1,011.51 million from KCMET.

This year, **2,605 underprivileged students were provided livelihood training** at Mahindra Pride Schools.

Since the inception of Esops, **82,918 volunteers have contributed 351,961 man-hours** towards 3 focus areas of education, health and environment.

COMPETITION

alternative COMPETITION

Competition stirs competency. It ignites insights, channelises strengths, mainstreams innovation and leads to leadership. But often, is its power misinterpreted and underestimated.

Often the competitive advantage of any organisation is only gauged by the numbers in its Annual Report. While financial competency is vital for a business's sustainability, it is not enough.

At the Mahindra Group, we leverage the power of competition to enhance company's performance in all the three spheres - profits, people and planet. Internally, we challenge others and ourselves to accept no limits, think alternatively towards driving positive change.



The Mahindra Sustainability Awards fosters a healthy competitive spirit among Group companies to drive sustainability excellence - faster. The aim is to use these awards as a platform to amplify sustainability knowledge, share best practices, motivate employees, cascade the adoption of sustainability practices across the Group, and lead by sustainability.

This year, the Mahindra Group instituted the Mahindra Group Sustainability Awards with the vision of identifying, encouraging and celebrating innovative and transformational sustainability driven efforts.

The Sustainability Awards act as an inspiration by:

- 1 Transforming the concept of sustainability from theory to practice
- 2 Motivating businesses to accelerate their progress with respect to sustainability issues
- 3 Providing understanding of the strategic context of sustainability related risks and opportunities
- 4 Measuring intra & inter sector sustainability best practices and scaling up these innovative concepts
- 5 Assessing the effectiveness of the implemented initiatives



The awards are bestowed in four categories:

1 GRANDMASTER AWARD

A grand master excels in all defined parameters, thereby breaking set benchmarks and leading by example.

This award is a business level award for the best overall performance, with the highest performance level and score in all three bottom lines.

2 PROGRESSIVE PERFORMER AWARD

A progressive performer strives to improve continually, pushing the limits and aiming higher.

This award is a unit/location level award for outstanding improvements in sustainability related parameters as compared to the previous year.

3 MAHINDRA GAME CHANGER AWARD

A game changer is the trendsetter - successfully spearheading a change and charting a new path for others to follow.

This award is a unit/location award for any path-breaking initiative for improving any or all the three bottom lines, with the desired results.

4 CHANGE AGENT AWARD

A change agent is a catalyst who not just enhances self-performance but also encourages others.

Award for the most proactive Sustainability Champion, who has managed to influence senior management to raise the 'Sustainability Bar' in the organisation.

A WATERSHED MOMENT

ACCESS

Once upon a time, water was believed to be infinite. But not any more. Soaring population, expanding urbanisation, accelerated industrial production and a vast and thirsty farm belt, have put new strains on public water network.

Water scarcity already affects more than 40% people on the planet. In 2030, 47% of world population will be living in areas of high water stress; lest we change the equation.

alternative ACCESS

While the access to water might not be infinite, opportunities to conserve the same are surely infinite. Mahindra has spearheaded an integrated watershed management project to incorporate the 3Rs of water conservation - reduce, replenish and recharge. The aim is to meet the water needs of 20,000 Indians in a way that they can live healthily and happily, now and ever after.



Our Integrated Watershed Management Project (IWMP) works on a two-pronged approach. While on one hand, it seeks to enhance the water conservation capabilities of some of the most remote geographies of India, it also seeks to spark a social transformation through carefully planned interventions. Phase 1 of this project was covered in the previous report, and involved diligent planning and initiation, whereas phase 2 concentrated on the actual implementation.

Objectives



Phase 2 of IWMP, spanning over five years, covers 9,660 hectares of area where the water table is 45 feet deep and will directly impact 20,000 Indians across 32 villages in the Damoh district of Madhya Pradesh.

The project aims to make a holistic achievement while addressing the following key issues:

- 1 Improving water availability by constructing watershed structures
- 2 Restoring ecological balance by conserving and developing natural resources i.e. soil, water and vegetation
- 3 Mobilising community through formation of community-based organisations
- 4 Increasing area under cultivation and its crop production intensity
- 5 Creating livelihood and self-sustenance
- 6 Bringing about holistic development through interventions in health, sanitation and education
- 7 Increasing per capita income by at least two folds

Intervention

The process began with the formation of a 19-member team in our project location. The team's primary objective was to create awareness about the programme, enrol participation from the community and ensure successful execution of the programme. The team then conducted key baseline activities like household surveys and net planning of the entire project area. These helped form the raw data and 5-year development targets for the action areas.

Community empowerment was facilitated through following de-centralised organisations:

Watershed Committees

Decision-making body comprising local villagers. Through our Participatory Rural Appraisal, they participate in the ideation of the development plans and are pivotal in implementing the planned activity.

User Groups

Groups comprising local villagers who are responsible for taking care of the structures built. They also maintain bank accounts for user charges. It will ensure sustainability of the structures.



Community Development Officers

Our Community Development Officers go to the villages and help in formation of Self Help Groups (SHGs). They are trained in livelihood enhancing activities like sewing, goat-rearing, etc. and are provided with revolving funds to start these activities as a micro-enterprise. More than 200 SHGs have been formed so far and 40 have been granted revolving funds. Others are in various processes of grading. These enterprises are helping the women's groups earn up to INR 3,000 per month.



The Project Team

The project team conducts regular meetings, involving community in the development work for planning and execution. Visits of government officials and agri-scientists to the area help in creating awareness within the project area about various government schemes.

Seed Production Societies

Groups of farmers are formed, who will make available breeder seeds and high yielding gen-1 and gen-2 seeds. These seeds will be distributed to the other farmers in the project area and adjoining fields.

Apart from these multi-level interventions, we conduct visits for farmers to nearby districts for exposure to irrigation avenues and also visits to agricultural universities, and invite people from village communities to share their experiences of gainful agriculture ventures by optimisation of resources.

Impact

We completed 32 high impact Entry Point Activities like reconstructing school's boundary walls, cement concrete roads and crematoriums which have helped the community participate in the development work. 52 hectare of land has been brought under vegetation and horticulture development.



The core work in Watershed Development is construction of Soil and Water conservation structures. So far we have constructed eight check dams, 17 ponds and tanks, 1,100 soil conservation structures like stone outlets and gully plugs, trenches which run up to 80,000 meters and water storage spaces of capacity 450 million litres.

Also, more than 1,200 farmers received an improved variety of seeds in the Rabi (Wheat) and Kharif cycle (Paddy, Pigeon Pea, Black gram and Soya Bean) in 2012. Most farmers have registered productivity acceleration by 25-30%.

Long-term Goals



Our project will help create a forest cover on 1,000 hectare of land. This will also be instrumental in conserving natural resources and maintaining environmental balance.

With our water conservation structures, we aim to create 42 million m³ of water-storing capacity in the area. This will increase the area's water table level.

The soil and water conservation measures will reduce the erosion of the soil's fertile top layer improving soil health, maintaining humidity, recharging ground water and increasing the yield.

Encouraging and accelerating the adoption of micro-irrigation systems like Drip and Sprinkler, which will help farmers use irrigation water more prudently.

CONSERVATION

alternative CONSERVATION

Corporate Sustainability is fast becoming a buzzword. Progressive nations, the world over, are propagating green practices. Bureaucracy is mandating the corporate to embrace responsible business conduct. While this sustainability movement is good, its momentum needs to be much better and much more efficient.

Are our environmental management processes completely green? Are our resource-efficiency measures equally operationally stable and cost competitive?

While 'conserving water' is vital to sustainability of 'life as usual', managing 'profits and proficiency' is primary to sustainability of 'business as usual'. Alternative Thinking, at Mahindra, is a competitive edge. Rather than exploring different solutions in isolation, we innovate holistic interventions. Recently, team MVML designed and implemented alternative water management solution with dual benefits - rainwater harvesting and tertiary effluent treatment. This two-in-one water management plant was not just cost-effective but also eco-friendly.



At Mahindra, compliance is the starting point of our sustainability trail. While RO and MEE were in place to treat and recycle the treated effluent in process, there was room for improvement. There was a need to set-up a tertiary treatment system. But the team saw the bigger picture.

The natural topography of the North gorge lends it a bowl shape, ideal to create a storage reservoir. An alternative water management solution combining 'the need' and 'the opportunity' was planned. In consultation with Maharashtra Pollution Control Board (MPCB) and National Environmental Engineering & Research Institute (NEERI), MVML spearheaded HRTS (High Rate Transpiration System) - RWH (Rainwater Harvesting) Scheme.

A detailed pilot study was carried out. Site selection, material usage, resource efficiency, species of trees, safety measures were adequately deployed.

i HRTS is a cost-effective and green tertiary treatment. It consists of plantation of trees like Eucalyptus with high affinity towards water on ridges made up of black cotton soil.

The combined HRTS-RWH scheme is first-of-its-kind exploration in the automobile industry.



Construction of intra-back dam: excavation and casting



Tree plantation



Water harvestation in progress

Ecological Benefits

RWH

- Water reservoir of capacity 150,000 m³ for storage of rainwater.
- Harvested rainwater meets 65 days of plant's water requirement.

HRTS

- Elimination of GHG emissions caused in treatment process.
- Elimination of hazardous waste.
- Opportunity to develop HRTS area as Ecopark inside MVML.

Economical Benefits

RWH

- Savings of approx. INR 10 million, by deploying geotechnical survey which predicted that no lining is required to store the effluent during monsoon.

- Reduced capex by approx. 40% over conventional construction methods.

HRTS

- Annual savings of INR 1.44 million in operating cost.

Operational Benefits

RWH

- Reduction in construction time by three months.

HRTS

- No NCR/show cause notice from MPCB has been received regarding the performance of the system post this scheme.

SUSTAINABILITY PERFORMANCE 2012-13 AT A GLANCE

GOLD rated by CII in its Sustainable Plus System

No. 1 Gold category Transport Equipment sector



9th in 100 rated companies



India's No. 2 Company in the Carbon Disclosure Leadership Index

Debut of **e2o**
Mahindra's **1st all-electric** four-seater passenger car




19.39% reduction in specific energy consumption




MSSSPL became the **1st Mahindra company** to obtain **ISO 50001 certification**
a major leap forward in energy management standards

MSolar commissioned 2 new solar plants of **20MW and 10MW** in Jodhpur, Rajasthan



Mahindra Finance and Auto Division led the Lifeline Express to Puri and Naksalbari healing **6,817 lives**




Introduced the **CNG version of Maxximo load carrier (BSIV)**

Institution of **Mahindra Group Sustainability Awards** to encourage sustainability efforts of the Group companies and employees



17.83% reduction in specific **GHG / CO₂** emissions



Implementation of **Farm Passion** a unique and interactive module to enhance the agriculture quotient of **FD employees**



5th Mahindra Pride School was set up in Srinagar with the specific objective to help the youth of Jammu and Kashmir



Our Group Sustainability Report 2012-13 is based on the internationally recognised Global Reporting Initiative (GRI) Sustainability Reporting G3.1 Guidelines. It is a GRI Checked Application Level A+ report.

It has also been externally assured by KPMG.

All figures in the report are current as of 31st March, 2013.

Mahindra
Rise.

Mahindra & Mahindra Ltd.

Gateway Building,
Apollo Bunder,
Mumbai 400 001, India.

www.mahindra.com

Please e-mail your suggestions/views/opinions to sustainability@mahindra.com

 MAHINDRA FOR YOU
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