

BUSINESS RESPONSIBILITY REPORT

Section A : General Information About The Company

1. Corporate Identity Number (CIN) of the Company : L31402WB1947PLC014919
2. Name of the Company : Exide Industries Limited
3. Registered address : 'Exide House' 59E Chowringhee Road
Kolkata - 700 020, West Bengal, India
4. Website : www.exideindustries.com
5. E-mail ID : exidecorp@exide.co.in
6. Financial Year Reported : 2013-14
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

| Industrial Activity Code [as per Central Excise Tariff Code] | Product Category |
|---|---|
| 8507 10 00 | Lead-Acid accumulators of a kind used for starting piston engines |
| 8507 20 00 | Other lead acid accumulators |
| 8504 40 90 | Uninterrupted Power Supply Systems |

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 - a. Electric storage batteries used for starting piston engines
 - b. Other Lead-Acid Accumulators
 - c. Home UPS Systems
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations : Sri Lanka, Singapore and the UK
 - ii. Number of National Locations : Nine factories, over 200 offices across India
10. Markets served by the Company - The Company has a pan India market presence through its extensive dealer network. Internationally it serves markets in several countries in Asia, Africa, Europe and North America.

Section B : Financial Details of the Company

1. Paid up Capital : Rs. 85 crores
2. Total Turnover : Rs. 5964.24 crores (Net)
3. Total profit after taxes : Rs. 487.08 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax : 0.20%
5. List of activities in which expenditure in 4 above has been incurred :
 - a. Child health improvement schemes undertaken through UNICEF, Child health improvement project in the slums of Eastern Calcutta undertaken through CINI-Asha and other miscellaneous community oriented activities in and around the factory locations all over India e.g. school building infrastructure and providing computers and books for students, creating safe drinking water facilities, assistance for maintenance of roads, providing support to self-help groups for women etc.

Section C : Other Details

1. Does the Company have any Subsidiary Company/Companies ?

Yes, the company has eight subsidiary companies out of which five are registered in India and three abroad.

2. Do the subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes then indicate the number of such subsidiary companies.

Some of the Business Responsibility initiatives of the Company also cover the activities of certain subsidiaries. Additionally, the Company also encourages its subsidiaries to formulate and practise their own BR initiatives based on their individual priorities. These initiatives and policies are mainly applicable to the subsidiaries which are engaged in manufacturing and/or marketing activities.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

A large number of Company's suppliers and other business associates are established entities in the organised sector. Further, several of the Company's customers are renowned OEMs. Most of such entities follow their own Business Responsibility initiatives. However, no formal study has been undertaken as of date to ascertain the percentage of such entities who participate in the BR initiatives.

Section D : BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- DIN Number : 00012343
- Name : Mr P. K. Katakya
- Designation : Managing Director & Chief Executive Officer

(b) Details of the BR head

- DIN Number
 - Name
 - Designation
 - Telephone Number
 - Email id
- } The Executive Committee, comprising of Key Managerial Personnel, oversees the implementation of the BR Policies.

2. Principle-wise (as per NBGs) BR Policy/Policies (Reply in Y/N)

| Sl. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|-----|------|-------|-----|--------------------------------------|----|-------|-----|
| i. | Do you have policy/policies for | Y* | Y* | Y | Y | Y* | Y | N | Y | Y* |
| ii. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | N | N | Y |
| iii. | Does the policy conform to any national/international standards? If yes, specify? | N | N | N | N | N | Y (National Voluntary Guidelines) | N | N | N |
| iv. | Has the policy being approved by the board? If yes, has it been signed by the MD/Owner/CEO/appropriate board director? | N# | N# | N# | N | N | N | N | N | N |
| v. | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | N | Y | Y |
| vi. | Indicate the link for the policy to be viewed online? | (i) | (i) | (ii) | (iii) | (i) | (ii) | N | (iii) | (i) |
| vii. | Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies have been communicated to all key internal stakeholders of the Company. | | | | | | | | |
| viii. | Does the Company have an in-house structure to implement the policy/policies. | The Company has an internal management structure that oversees Policies and their implementation. | | | | | | | | |
| ix. | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | The Company has various grievance redressal mechanisms for different stakeholders like employees, shareholders, customers, regulatory authorities, etc. | | | | | | | | |
| x. | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | N | N | N | N | N | N | N | N | N |

* The essence of this principle is embedded in the Company's Vision, Mission and Core Values Statement.

All policies have been signed by the MD & CEO.

i) www.exideindustries.com/our_vision.html

ii) www.exideindustries.com/our_policies.html

iii) www.exideindustries.com/corporate_social.html

2a. If answer to S.No.1 is No, please explain why (tick up to 2 options)

| Sl. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|----|----|----|
| i. | The Company has not understood the Principles | | | | | | | | | |
| ii. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| iii. | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| iv. | It is planned to be done within next six months | | | | | | | | | |
| v. | It is planned to be done within the next 1 year | | | | | | | | | |
| vi. | Any other reason (please specify) | | | | | | | ✓ | | |

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the company.

The Executive Committee, comprising of the Key Management Personnel, is responsible for the strategic day to day management. This Committee of the Company oversees the implementation of and monitors the BR performance on a regular basis.

- Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Company has not published a Sustainability Report till date.

Section E : Principle-wise Performance

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company?
The codes and policies governing this subject cover employees, vendors and also subsidiaries of the company.
- Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
Yes they extend to vendors, suppliers and also subsidiaries of the company. Vendors, suppliers and contractors as well as their employees are covered by the written Code of Business Conduct that all vendors have to accept before supplying anything to the company.
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide details thereof in about 50 words.
During the financial year 2013-14 no complaint was received relating to ethics, bribery or corruption from any stakeholder.

Principle 2

Business should provide goods and service that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - Batteries for Electric Bikes/Electric Vehicles - The Company manufactures batteries for E-bikes and also supplies batteries for Electric four-wheelers. These vehicles are environment friendly as they do not use fossil fuel.
 - ISS Batteries - The Company manufactures Idle Start-Stop (ISS) Batteries for motor vehicles. The engine of these vehicles stop in idling conditions and turns on automatically thereafter as required which results in fuel savings. These vehicles are fitted with highly technically specialised batteries which are manufactured by the Company.
 - Batteries for Storage of Solar Energy - The Company's range of solar batteries are used to store solar energy and power solar systems which is a non-conventional and renewable source of energy.
- For each such product provide the following details in respect of resource used per unit of product
 - Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

- ii. *Reduction during usage by consumers (energy, water) has been achieved since the previous year?*

There has been a reduction in usage of conventional energy and fossil fuels by the consumers as compared to the previous years due to the above products.

3. *Does the company have procedures in place for sustainable sourcing (including transportation)? If yes what percentage of your inputs was sourced sustainably? Provide details thereof in about 50 words or so.*

Lead, the main raw material for the products of the Company is sourced either through mining or by recycling of lead/lead based products. The Company has taken up a programme for gradually increasing the quantity of recycled lead for use in its products. For this purpose an elaborate system for collection of used batteries in the country has been put in place mainly through the extensive network of dealers of the Company. Towards this end, the Company has also acquired two Lead Smelting Units for captive consumption. Presently close to 40 per cent of the lead and lead alloy requirements of the Company are met through recycled lead.

4. *Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes what steps have been taken to improve their capacity and capability of local and small vendors?*

The company encourages and develops local manufacturers and small enterprises for supply of various locally procurable goods. Regular technical assistance is given by the Company to upgrade and maintain the quality and sustainability of the products manufactured by such enterprises. The Company also gives priority to local service providers for obtaining various support services in its offices and plants.

5. *Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste? Also provide details thereof in about 50 words or so.*

The Company ensures optimal usage of raw materials and emphasises on recycling the waste generated during manufacturing process and also promotes use of recycled materials. As explained earlier recycled lead constitutes close to 40 per cent of the total lead and lead alloys used by the Company for manufacturing batteries. The Company also has two captive smelting units for recycling of lead. Apart from the above, the packaging material used by the Company also contains recycled paper to a significant extent. Also, most of the Plants of the Company use recycled waste water for cleaning and gardening purposes. Bio-gas is also generated from canteen waste in one of the plants.

Principle 3

Business should promote the wellbeing of all employees

1. Please indicate the total number of employees : 5001
2. Please indicate the total number of employees hired on temporary/contractual/casual basis : 6103
3. Please indicate the number of permanent women employees : 94
4. Please indicate the number of permanent employees with disabilities : 3
5. Do you have an employee association that is recognized by the management : Yes
6. What percentage of your permanent employees is members of this recognized employee association? : 53%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

| Sl. No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---------|---|--|--|
| 1. | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2. | Sexual harassment | Nil | Nil |
| 3. | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

| | |
|--|-------|
| • Permanent employees | : 60% |
| • Permanent women employees | : NIL |
| • Casual/temporary/contractual employees | : 30% |
| • Employees with disabilities | : NIL |

Principle 4

Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

The company has mapped its internal and external stakeholders as follows: employees, customers, dealers, technical collaborators, suppliers, shareholders, regulatory authorities and members of the society who are directly or indirectly affected by the Company's operations.

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders?

The company's factories are located in semi-urban or rural areas where many basic amenities for the inhabitants are absent or minimal. The company has identified the inhabitants of several neighbouring villages in the vicinity of its factories as the disadvantaged, vulnerable and marginalised stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so provide details thereof in 50 words or so.

Depending upon the needs of the villages around the factories, the company undertakes various social initiatives targeted at these stakeholders in the villages so as to alleviate their quality of life. These activities vary from time to time and are often implemented in consultation with the local community leaders. Further several initiatives have also been taken for the benefit of such marginalised or disadvantaged sections of the society in other locations where the Company has offices. Broad details of such activities can be found in the Director's Report under the Section - Corporate Social Responsibility.

Principle 5

Business should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The company's policy on human rights presently covers the Company, subsidiaries and vendors and suppliers.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The company did not receive any complaint regarding human rights violation from any quarter during the financial year 2013-14.

Principle 6

Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Company's policy on environment covers the Company and its subsidiaries.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming etc? If yes, please give hyperlink for webpage etc.

The Company recognises that climate change is a real threat facing not just the company but the entire global community, of which it is just a part. The Company also recognises it can play a meaningful role in trying to mitigate the problem by adopting certain strategies and initiatives in its day to day operations. The Company has a well laid down Energy Policy and is always striving to implement measures to reduce GHG emissions. Further, Company has also contributed towards conservation and protection of wildlife. The Environmental Policy of the Company may be viewed at www.exideindustries.com

3. Does the company identify and assess potential environmental risks?

Yes. The company actively tries to identify, assess and address potential environmental risks and take preemptive action to minimize such risks in a structured manner.

4. Does the company have any project related to Clean Development Mechanism? If so provide details thereof in about 50 words or so. Also if yes, whether any environmental compliance report is filed?

Several of the Company's products are targeted at providing clean energy or replacing polluting technologies. The Company is also engaged in solar power business whereby it manufactures batteries for the solar power systems. The Company also manufactures batteries for electric vehicles and hybrid vehicles thereby contributing to the movement towards less dependence on fossil fuel.

The company has also undertaken various projects for use of renewable energy e.g. solar and wind power, in its various plants which lead to reduction in carbon footprint. As stated earlier, proactive steps are taken to reduce GHG emissions on a continual basis.

The company regularly files its environment compliance reports with various regulatory authorities from time to time.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc. If yes, please give hyperlink for web page etc.

The company has been progressively reducing its energy and raw material consumption per unit of battery manufactured. There is also a constant effort to conserve energy and improve energy efficiency at all locations. Substantial investments are made by the Company towards this end in all plants and the results achieved are regularly monitored. The Annexure to the Director's Report contains details of the steps taken to conserve energy during the financial year 2013-14.

6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All the factories of the company comply with the prescribed emission norms of various State or Central Pollution Control Boards. The Company's factories have also obtained international certifications for environmental management and cleanliness.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.

No showcause or legal notices from the pollution control authorities are pending as at the end of the financial year 2013-14.

Principle 7

Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If yes name only those major ones that your business deals with :

The major industry associations of which the Company is a member includes : Bengal Chamber of Commerce and Industry, Confederation of Indian Industry, Engineering Export Promotion Council of India, Society of Indian Automobile Manufacturers, Indian Electrical and Electronics Manufacturers Association, Bombay Chamber of Commerce and Industry and Indian Battery Manufacturers' Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas

Through joint actions with various pollution control authorities and other associations, public awareness campaigns have been organised regarding the responsible use of lead and proper disposal thereof. The company also took an active role in formulating the legislation for responsible handling and management of used lead acid batteries. Apart from this, the company is represented on the governing bodies and several committees - both at the state and national levels, of CII and the Bengal Chamber of Commerce and Industry and through these forums the company actively participates in various issues concerning business and society.

Principle 8

Business should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The company has several socio-economic projects running in various parts of the country and particularly near its major plants. Among the major programmes the Company is supporting the

UNICEF to work with the State Governments and a few selected NGOs to provide access to safe drinking water, sanitation and hygiene for women and children in rural areas, promote and provide menstrual hygiene management among rural women and promote clean school campaign in rural areas to highlight hygienic use of toilets and water etc.

2. *Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation ?*

Some of the projects are implemented through reputed national and international aid agencies or in association with local elected bodies like panchayats and some other projects are implemented through in-house teams.

3. *Have you done any impact assessment of your initiative?*

Yes. Some of the projects have been analysed for their impact on the target beneficiaries.

4. *What is your company's direct contribution to community development projects - amount in INR and the details of the projects undertaken*

The company has spent Rs 1.02 crore in CSR projects during 2013-14. Apart from this, the Company has made donations to various charitable organisations and other institutions engaged in the fields of healthcare, environmental protection etc.

5. *Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.*

Community development oriented projects at Exide are undertaken with a view to make the community self sufficient and self reliant. Setting up and development of physical infrastructural projects have definitely helped the community to a great extent. Further through impact analysis studies it has been found that some of the intervention oriented projects have substantially achieved the intended objectives.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. *What percentage of customer complaints/consumer cases are pending as on the end of financial year ?*

The company has a robust CRM system to track customer feedback. During the year around 165 complaints were received through this system out of which around 83% was awaiting resolution as on the last day of the financial year.

2. *Does the company display product information on the product label, over and above what is mandated as per local laws? Answer with Yes/No/not Applicable/Remarks.*

Yes the company has displayed all mandatory information on the product labels as per local laws. Over and above the same, the product labels are designed to make customers aware about the safe usage, handling and disposal of the products.

3. *Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof in about 50 words or so.*

Sometime in 2003 the Company terminated the dealerships of JVC Industrial Corporation and Univolt Electro Devices Pvt. Ltd. (both under the same management) due to various activities which were prejudicial to the interest of the Company. In retaliation these erstwhile dealers filed complaints under the erstwhile MRTP Act, 1969 alleging that the termination of their dealerships amounted to unfair trade practices by the Company. This complaint was subsequently transferred to the Competition Appellate Tribunal and is pending final hearing.

4. *Did your Company carry out any consumer survey/consumer satisfaction trends?*

During 2013-14 the Company carried out a customer satisfaction survey in some of its key markets for automotive batteries.