

KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

CORPORATE SUSTAINABILITY REPORT 2014-16



Enriching Lives



THE ENGINE FOR SUSTAINABLE GROWTH

About Cover

At KOEL, Sustainability is not a choice between people, profit and planet, but a seamless balance. Delivering value to multiple stakeholders with varied expectations involves explorations many possible options till we settle at right equilibrium. Accordingly, steering the engine for growth at KOEL involves incessant exploration and industrious innovation. The KOEL's stakeholders {1) employees, 2) suppliers, 3) customers, 4) community, 5) NGOs, 6) investors 7) regulators & 8) other stakeholders} are shown at the top yellow side. The issues that matter are delineated on the left side. The green side is representation of our framework of sustainability.



5th Sustainability Report

Report period: 01st April 2014 to 31st March 2016 (two years)

Period for financial disclosures: 01st April 2014 to 31st March 2015 & 01st April 2015 to 31st March 2016

Location of Head Quarter: Kirloskar Oil Engines Ltd., Laxmanrao
Kirloskar Road, Khadki, Pune-411003, Maharashtra, India

We invite comments, queries and suggestions from each and every stakeholder.
Write to us at sustainability@kirloskar.com

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From the desk of the Joint Managing Director

Dear Stakeholders,

It gives me great pleasure to present you with KOEL's fifth sustainability report. The report covers two years sustainability performance from Apr 2014-Mar 2016. This is our first report as per the GRI G4 Guidelines and is independently assured in accordance with – 'the Core Option' level disclosure.

Economic Performance: In a somber global economy and with truant monsoon in India, KOEL managed to sustain its revenues and market share. In our continued brand building exercise, company launched two sub-brands, KOEL Green and KOEL Chota Chilli (KCC), with a wide array of gensets. The brand refresh has been well received by the market and among the customers.



The company launched a complete range of petrol gensets. With this foray, KOEL now offers the widest range of portable gensets (seven models – 2.1 kW to 5kVA) for household and commercial applications. The company also launched 750 kVA genset opening new vistas for larger orders. The product portfolio under Kirloskar Generator Technologies (KGT) was also expanded and now includes batteries, alternators and control panels.

With an entire range of high performance gensets backed by best in class support team, we are positive of being able to cater to a wide spectrum of market requirements. With the Company's strong brand image and presence in PSUs, KOEL is now in a position to contribute more towards many public welfare schemes that government has launched.

The Agri Crop Irrigation Business focused on strengthening the distribution channel. The business has more than 550 distributors and over 17,000 retailers. The elaborate service channel with Kirloskar Krishi Seva Kendra takes care of the quick field service requirements.

Industrial Engines - After three consecutive years of decline in industrial growth, off highway construction equipment market saw marginal growth of 2% in Financial Year 2015-16 as compared to previous fiscal. This growth was seen majorly from second half of Financial Year 2015-16. Tractor market however continued to be sluggish due to uneven rainfall across country. The Industrial business introduced higher HP engine for fire fighting pump set application. New business was generated through existing/ new OEMs product launch.

Social Performance – The Company's Human Resource (HR) agenda continued to focus on strengthening the four identified key areas: building a robust talent pipeline, enhancing individual and organisational capabilities for future readiness, driving employee engagement and strengthening employee relations further through progressive people partnerships.

To build a competent workforce, Individual Development Plans were made based upon skill gap analysis and necessary inputs were imparted to individual managers to ensure that your organisation is future ready.

With a view to bring about and sustain the required cultural transformation, leadership programs like KOEL Way of Management which aims at improving the emotional quotient (EQ) were conducted for Senior Managers and above. The other major developmental intervention was doing a sales leadership program (Project Velocity) for all the Sales Managers of Power Generation business by renowned and respected consultants.

In order to enhance employee motivation and build a performance driven culture, the HR team pursued various employee engagement programs and cultural and sports initiatives through the year.

Keeping pace with the dynamic growth of business change and the inherent need to motivate the employees, the rewards and recognition (R&R) programme was



totally revamped. The Company carries out an Employee Engagement survey every alternate year through an independent agency. Based on the gaps that emerge, teams are formed to address specific areas of concern. In addition to an external engagement survey, HR got additional insights by meeting people and conducting interviews in a structured manner. This was called RAG Tag survey and depending on the feedback, necessary actions were initiated. Through a systematic process of periodic review of our HR Policies, HR introduced Special Leave Types like Paternity Leave, Bereavement Leave and Transfer Leaves.

Environmental Performance – During the year, numbers of initiatives were undertaken in plants and offices in the areas of Environment, Occupational Health and Safety. The various energy and environmental initiatives helped us with following accolades.

Second winner of National Level Award in General Category received from Bureau of Energy Efficiency, New Delhi

First Prize winner of State Level ENCON Competition by Maharashtra Energy Development Agency (MEDA), consistently for 3 years at state level

"Green Co Gold" rating received from CII for the Kagal plant

You will observe from this report that we have made significant progress since our fourth report. Our sustainability roadmap over the next three years will focus on the expectations of our key stakeholders including our employees and have defined strategies to be more economically, socially and environmentally beneficial and impacting the triple bottom line viz. people, planet and profit.

The report provides comprehensive listing of actions taken by us along with results achieved. I look forward to receiving your valued feedback on the report that will help us further in this sustainability journey.

Happy reading!

Mr. Rajendra R. Deshpande

(Joint Managing Director, Kirloskar Oil Engines Ltd.)



PERFORMANCE HIGHLIGHTS

Our Eight Focus and Overarching Principles

Performance Highlights





FOOTPRINT

Footprint

Incorporated in 1946 as a part of the Kirloskar Group of Companies, KOEL is an engineering conglomerate, founded by the late Mr. Laxmanrao Kirloskar. KOEL is involved in the manufacture of internal combustion engines, generating sets and parts, which are used for various applications, such as agriculture, industrial, stationary power plants and construction equipment, among others. KOEL specializes in the manufacture of both air-cooled and liquid-cooled diesel engines and generating sets across a range of power output from 5 kilo-volt-ampere (kVA) to 3,000 kVA. We also offer engines operating on alternative fuels, such as bio-diesel, natural gas, biogas and straight vegetable oil (SVO). KOEL manufactures and markets diesel engines from 2,400 horsepower (hp) to 11,000 hp.

KOEL is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Manufacturing locations and field offices

LOCATION	BUSINESS GROUPS	ACTIVITY
Pune	All business groups	Corporate functions, marketing and R&E
Kagal	<ul style="list-style-type: none">• Agri• Industrial• PGBG• Export	<ul style="list-style-type: none">• Engines and Gensets manufacturing• Spares warehouse• Manufacturing of farm mechanisation equipments

Manufacturing locations and field offices contd.

LOCATION	BUSINESS GROUPS	ACTIVITY
Rajkot	<ul style="list-style-type: none"> • Agri • Export 	<ul style="list-style-type: none"> • Engines (Agri) manufacturing • Spares warehouse
Nashik	LEBG	<ul style="list-style-type: none"> • Large Engines and Gensets manufacturing • Spares warehouse
FIELD OFFICES	CATER TO BUSINESS GROUPS	LOCATIONS
Regional and area offices	All business groups	State Capitals in India
Overseas Offices		Kenya, Nigeria, South Africa, Dubai, Indonesia

Products

Principal Products & Services:

- Power Generation Diesel Engines & Gensets - 5 kVA to 750 kVA
- Industrial Engines (80 HP to 355 HP)
- Agricultural Engines & Pump sets (3.2 HP to 28 HP)
- Spare parts Customer Service 113 Service Dealers, 400 Outlets
- Large Engines – Defence & Marine
- Export – Power Generation segment, Agri Pump sets & OEMs

Gensets - "KOEL Green Genset" is recognized as one of the world's leading generating set. KOEL is a major global player, specialized in manufacturing of both air cooled & liquid cooled Engines / Diesel Gensets with power output covering from 5 kVA to 5200 kVA & 1800 kVA to 6,300 kVA.



Industrial Engines - The Industrial Engine business group's activities are moulded according to the motive power needs of customers who require products from 20 hp to 800 hp in the Industrial Engine space globally. KOEL manufactures a variety of quality diesel engines powering more than 85 Industrial Engine applications across seven sectors.





Agri Engines - In the agricultural sector, KOEL fulfils motive power needs of customers; essentially farmers, who require products in the range of 3 hp to 130 hp globally. We manufacture a variety of quality diesel engines and pumpsets powering more than 25 applications across five sectors.



Commercial Marine Engines - KOEL manufactures marine main propulsion engines and Auxiliary DG sets, in the range of 560 kW to 2500 kW, for a wide variety of commercial ships and offshore applications. These engines are well known for their ruggedness, reliability and ease of maintenance.



Kirloskar Chhota Chilli - It is a portable diesel power generator. With features like high efficiency, low maintenance and easy operability, it is ideal for rigorous use in shops, small offices, clinics etc.



Mega T - Power tiller are used for different farming applications. Controlling the power tiller during critical situation such as bund crossing, going uphill or downhill, precision navigation and stoppage is difficult. The creation of the braking system enables the power tiller user to control and stop the machine in critical situations.



New Products & Services:

- Introduced 750 kVA Genset
- Remote monitoring of DV Gensets – monitoring performance of multiple sets from single control place, any failure can be traced at control place.
- Engines up to 625 KVA are approved by IRS for Marine Genset
- KCC Business has taken a formidable step in creating its own identity as an independent business vertical with a dedicated team who has launched the Petrol Gensets range which has enabled to established complete and unmatched range of products in the Portable Gensets segment Varsha 5 hp pump set model
- Successfully established new Varsha 5 hppumpset model against Chinese competition.
- Introduced engines for fire fighting pump set application in South Africa



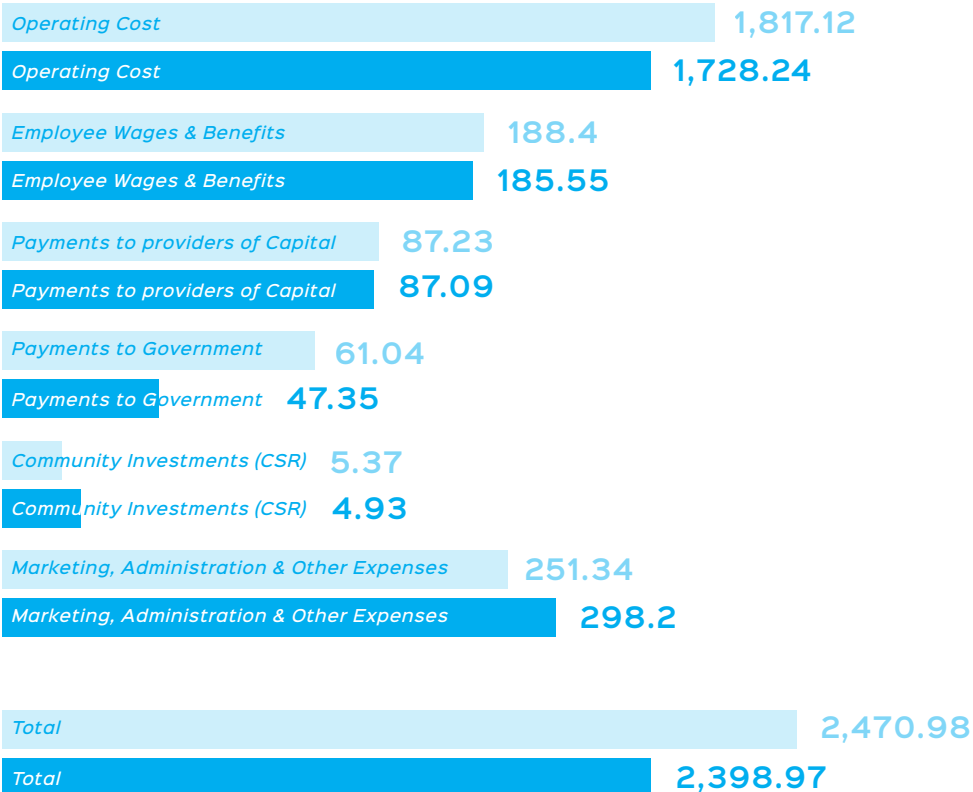
Economic Performance

(Value in ₹ Crores)

Economic Value Generated



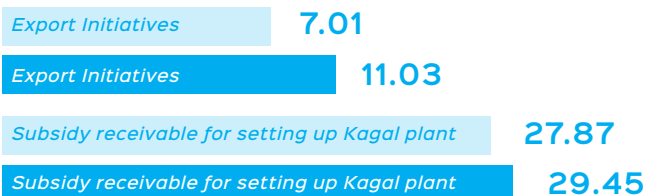
Economic Value Distributed



Economic Value Retained



Financial Initiatives



FY15
FY16



Memberships and Associations

1. Golden Maharashtra Development Council – (Life Time Member)
2. Engineering Export Promotion Council
3. Indo American Chamber of Commerce – (Life Time Member)
4. Mahratta Chamber of Commerce Industries and Agriculture
5. Federation of Indian Chamber of Commerce and Industry
6. The Automotive Research Association of India
7. Bombay Chamber of Commerce and Industry
8. Confederation of Indian Industries (Western region)
9. Indo-African Chamber of Commerce & Industries
10. Federation of Indian Export Organization
11. India China Chamber of Commerce & Industry (was a member for FY 2015-16)
12. Indian Diesel Engine Manufacturers Association



BEE Nashik
2014-15



K Group

Awards and Accolades Received in 2014-16

The Company's strive towards excellence continued unabated. Some of the recognitions received for our relentless efforts of quality delivery and operational excellence included:

2015-16

1. 'Star Performance Award' conferred by the Engineering Export Promotion Council (EEPC) for the seventh consecutive year.
2. Recognized as the Top 25 innovative organization in India, in Farm Mechanization Sector, by the Confederation of Indian Industry (CII)
3. "Green Co Gold" rating from CII for the Kagal plant
4. 16th National Award for "Excellence in Energy Management 2015" from CII
5. Global Spotlight Award for Supply Chain Excellence received by the Power Generation Division, from The Association of Management Consulting Firms – AMCF 2015
6. "Quality Excellence in Procurement Award" received at the 9th Express, Logistics and Supply Chain Conclave held in Mumbai
7. Second winner of National Level Award in General Category received from Bureau of Energy Efficiency, New Delhi



MEDA 2014-15



Parivartan



8. First Prize winner of State Level ENCON Competition by Maharashtra Energy Development Agency (MEDA), consistently for 3 years at state level
9. 'Breakthrough Product Innovation in R&D' received for the MEGA T at the ALMA Innovation Practitioner Summit 2015
10. Pragati and Akshay Quality Circle won "Par Excellent Award" at NCQC National Level and also bagged Gold Award at QCFI PUNE Chapter in Quality Circle.
11. Kagal Plants
 - i) Certificate of Excellence in engineering industry-MEDA
 - ii) IGBC "Gold" Certified building-IGBC
 - iii) Second prize in K Gr ENCON awards competition in Large Industries-Kirloskar Group
 - iv) ENCON Man of the Year-Kirloskar Group
12. KMW - Second award for Excellence in Energy in SME industry-MEDA
13. Nashik plant
 - i) Best Of best , Gold and Silver award at State level-Quality circle forum of India
 - ii) Distinguished and Meritorious award at National Level-Quality circle forum of India
 - iii) Certificate of Appreciation in SME industry-MEDA
 - iv) Second Prize in K Gr ENCON awards competition in SM Industries-Kirloskar Group

2014-15

1. The Engineering Export Promotion Council (EEPC) conferred the 'Star Performance Award' to the Company for the sixth consecutive year
2. The Company's Agri Crop Irrigation Business has been awarded for 'Integrated Rural Marketing Campaign' for its Jack Trout campaign across India
3. Parivartan Sustainability leadership Award 2014-India Cabon Outlook
4. Kagal - 1: Excellent Energy Efficient Unit by CII
5. Nasihik
 - (a) Third award for Excellence in Energy in SME industry-MEDA
 - (b) First Prize in K Gr ENCON awards competition in SM Industries-Kirloskar Group
 - (c) Best Of best and Gold award at State level-Quality circle forum of India
 - (d) Par Excellence and Excellent award at National Level-Quality circle forum of India
6. Rajkot
 - (a) Best ROI Project of the year-Kirloskar Group
 - (b) ENCON Man of the Year-Kirloskar Group The Company's Agri Farm Mechanisation Business has been awarded for 'Innovation ideas for Rural Development' for Mega T (Power Tiller).

7. Mega T (Power Tiller) also bagged Golden Award for its excellent graphics at SGIA Golden Image competition held at Las Vegas and "Breakthrough Product Innovation" in R&D category by AIMA Innovation Practitioners Summit 2015-Delhi.
8. Pragati, Akshay and Yantra Quality Circle won "Par Excellent Award" at NCQC National Level and also bagged Gold Award at QCFI PUNE Chapter in Quality Circle and allied concept Competition.



CII 2014-15



CII 2015-16



OUR FOUNDATION

Corporate Governance

KOEL believes that corporate governance provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance provides proper incentives for the board and management to pursue objectives that are in the interests of the company and shareholders, and should facilitate effective monitoring; thereby encouraging firms to use resources more efficiently.

KIRLOSKAR OIL ENGINES LIMITED

OUR VALUES

- Integrity**
Do what I say and say what I do
- Create Wealth for all stakeholders**
Do the right things for the organization
- Simplicity**
If it is not simple enough, it is not yet a solution
- Empowerment**
Be free
- Innovation**
Be exponential

VISION

By 2025, Kirloskar Oil Engines touches the world

VIVID DESCRIPTIONS

- We will constantly innovate, create products and service offerings which simplify lives
- We will create iconic and valued global brands
- We will establish leadership in emerging markets & create significant businesses in the developed ones
- We will build simple systems and processes that enable exponential growth
- We will be a leadership factory
- We will convert our revenues into profits every 5 years

KIRLOSKAR OIL ENGINES LIMITED



Board Of Directors

Atul C. Kirloskar

Executive Chairman

Gautam A. Kulkarni

Executive Vice Chairman

Nihal G. Kulkarni

Managing Director

Rajendra R. Deshpande

Joint Managing Director

Rahul C. Kirloskar

Non Executive, Non Independent Director

Pratap G. Pawar

Non Executive Independent Director

R. Srinivasan

Non Executive Independent Director

M. Lakshminarayan

Non Executive Independent Director

Mahesh Chhabria

Non Executive Independent Director

Gauri Kirloskar

Non Executive, Non Independent Director

Pradeep Rathi

Non Executive Independent Director

Vinesh Kumar Jairath

Non Executive Independent Director

Board Committees

Audit Committee

R. Srinivasan

Chairman

Mahesh Chhabria

Rahul C. Kirloskar

Pratap G. Pawar

CSR Committee

Rahul C. Kirloskar

Chairman

Pradeep Rathi

Nihal G. Kulkarni

Nomination & Remuneration Committee

M. Lakshminarayan

Mahesh Chhabria

Chairman

Rahul C. Kirloskar

Stakeholder Relationship Committee

Pratap G. Pawar

Chairman

Gautam A. Kulkarni

Rajendra R. Deshpande



Board Committee for Business Responsibility / Sustainability Reporting

The Committee has four Executive Directors including the Chairman, six non-executive and independent Director and two non - executive and non- independent director (including a woman). It assesses the framework for Business Responsibility and Sustainability Reporting as well as the related performance of the Company. The Joint Managing Director and Senior Leadership Team review the sustainability performance of the Company periodically as part of the overall Management Review process. The Company has been publishing standalone Sustainability Reports annually as per the Global Reporting Initiative's Guidelines.

The Company has a stakeholder complaint redressal mechanism in place to help address complaints related to its business. This makes a provision for all stakeholders to freely share their concerns and grievances to KOEL through a protected and structured mechanism.

Code of Conduct and Ethics

Kirloskar Oil Engines Ltd (KOEL) believes in conducting its business in a fair and transparent manner. The company has adopted the code of conduct with the objective of enhancing the standard of ethical conduct and evolving as a good corporate citizen by implementing highest degree of transparency, integrity, accountability and corporate social responsibility. It has an efficient vigil mechanism/ whistle Blower policy in place to bring it to the notice of leadership instances on unethical behaviour and any violation of company's code of conduct.

KOEL has a code of conduct for the Board of Directors and Senior Management which requires pursuance of enhanced standards of ethical conduct; implement highest degree of transparency, integrity, accountability and corporate social responsibility; achieve good corporate governance and set standards of professional conduct etc. The code of conduct is signed by all Directors and senior management team members annually.

All the HR Policies are briefed to the new joiners in induction training. The access to HR policies and guidelines are accessible to all employees via intranet.

Compliance and risk management

KOEL uses a work flow based legal compliance software tool that monitors and ensures compliance of all applicable regulations across all factories and offices. Our approach is positive compliance i.e., to adhere to regulations in spirit despite the flexibility in letter and laxity in administration of regulations.

The Company's Enterprise Risk Management process (ERM) operates on a framework which addresses business and enterprise risks faced by the Company.



The framework, through its activities of risk identification and assessment, mitigation and reporting ensures that risks are evaluated, in the context of all significant internal and external environments, systems, circumstances and stakeholders. The Internal Audit department facilitates periodic review of key risks faced by the company and assesses its impact on strategic decisions and mitigation measures. Based on these reviews, certain risks are revised and mitigation plans are reviewed.

The Company's ERM process is IT enabled and supports risk assessments, maintains risk registers with mitigation plans

Stakeholder Engagement

Engagement Forums	Objectives	Initiatives Taken
1. Shareholders/Investors & Equity Research Agency		
<ul style="list-style-type: none"> - Annual General Meetings - Analyst meets - Media Releases - Web Sites 	<ul style="list-style-type: none"> - To appraise the Stakeholders Annual & Quarterly results 	<ul style="list-style-type: none"> - Presentation to Shareholders/investor and Analysts - Updation of KOEL website Report to Stock Exchange
2. Customers		
<ul style="list-style-type: none"> - One-to-one interaction - CSS (yearly) - Helpdesk - Customer events - Melas - Camps & Exhibitions 	<ul style="list-style-type: none"> - Develop relationship - Anticipate short-term and long-term needs & expectations - Capturing day-to-day requirements - Enhance KOEL experience 	<ul style="list-style-type: none"> - Interaction of leaders with OEM's, all Channel partners in domestic & overseas markets through one-to-one interaction for developing long-term plans. - Interaction of leaders with long-term customers like Navy, Coast Guard, NPCIL, BHAVINI, ONGC, ABG Shipyard
3. Dealers & Distributors		
<ul style="list-style-type: none"> - One-to-one interaction - Monthly/ Quarterly reviews - Helpdesk - Dealer conferences & meets 	<ul style="list-style-type: none"> - KOEL expectations & needs sharing - KOEL policy and process communication - Understanding market - conditions and requirements - Knowing customer expectations and experience 	<ul style="list-style-type: none"> - Meets of GOEMs, Kirloskar Diesel Gen Set dealers, Service Dealers & Agriculture Engine dealers - Visits by functional heads to various OEMs, GOEMs and distributors to understand training needs, cost reduction avenues, quality systems & audits



Engagement Forums

Objectives

Initiatives Taken

4. Technical Collaborators

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> - Yearly meetings | <ul style="list-style-type: none"> - Strengthening relationships by creating Win-Win situations | <ul style="list-style-type: none"> - Sharing business opportunities, spotting & utilizing the mutual strengths. |
|---|--|--|

5. Banks

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> - Consortium meetings | <ul style="list-style-type: none"> - To approve funding & non-funding limits for the company. | <ul style="list-style-type: none"> - Periodical meetings/ interactions with members of the Banks in the consortium. |
|---|--|--|

6. Suppliers & Vendors

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> - One-to-one interaction(NB), Supplier meets(yearly) - Quality audit, SQTF visit - Supplier 'A' Panel Meet - 'Technology Day' from technology leader | <ul style="list-style-type: none"> - KOEL expectations & needs sharing & vice-versa - Quality, Cost & Delivery Improvement - Cross-pollination of ideas, share best practices and knowledge, Vendor recognition - Develop strategic partnerships and value creation - Technology sharing. | <ul style="list-style-type: none"> - Leaders interact with world's leading machine tool manufacturers for developing world-class manufacturing setups to understand new, innovative & best practices. - Leaders interact with suppliers through meets, One-to-one interactions & plant visits for developing long-term partnerships for 'Quality Capacity' & technology leaders help suppliers to improve manufacturing setup. - Leaders initiate joint cost reduction projects, process at their end.process improvements, quality contests, developing new products and leading Kaizen events. |
|---|--|---|

7. Society & Community, Professional Bodies

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> - Social functions & welfare activities - Community meets on ongoing basis | <ul style="list-style-type: none"> - Understand KOEL experience - Contribution to society by implementing various initiatives - Spreading awareness on environmental and social issues | <ul style="list-style-type: none"> - Interaction with society/ NGO for WASH initiative - CSR committee meetings, CSR survey - Engagement of KOEL leaders with professional bodies |
|---|---|--|



Supplier engagement

Through quarterly communication, KOEL updates its suppliers business environment, plans and any other initiatives undertaken during the period. A monthly score card program has been launched, wherein we communicate to suppliers their monthly Supplier Performance Index.

Regular interactions are conducted with major suppliers like BOSCH, Bharat Forge Ltd, and Shriram Pistons on emerging business scenario and impending technological challenges. Based on these, common strategic decisions like capacity planning & design changes are initiated.

The SCM Head engaged with suppliers on the issues such as technology, best practices and improving OTD (on time delivery) and inventory control. SQI team conducts various class room and shop floor training programs and share practical 'know-how' of TPS, Six Sigma, and Kaizen with suppliers. One-to-one meetings with key suppliers and a quarterly dialogue with all the suppliers, helps reinforcing trust and commitment.

On KOEL's Supplier portal, information such as Purchase order, GRR status, Payments, Corrective action request, stocks at KOEL is available to supplier on real time basis. The demand Driven Replenishment system deployed at KOEL is an unique procurement process. This initiative helped KOEL to transparently share all information with the suppliers and this has significantly reduced follow-ups from Suppliers. This facilitated Transparency in building partnership. Through a structured supplier integration practice, KOEL CSM team ensures early involvement of suppliers during new product design and development process. This assures product development in an optimal manner considering timelines and cost.

As a part of holistic supplier development, KOEL organizes 'Supplier Quality Improvement Contest. The objective of the contest is to 'Share, Learn & Apply'. Focus is on "Quality Processes" in different areas of business besides Parts Quality such as manufacturing process improvements, Innovation, automation, PokaYoke, Kaizens, Lean, Six Sigma, TPM, TQM, Heijunka Way, Environment Health and Safety. The 'Share, Learn & Apply' objective helps all participants understand the best practices adopted by other suppliers. We believe that this is one of the Best Practices in the industry evolved by KOEL.

Suppliers are also involved in the new product development process, cost reduction and process improvements to ensure enhanced value generation. To foster the culture Excellence, the central theme of the supplier conference was 'Strengthen Supplier Partnership for Business Excellence'.

A customized program for MSME Suppliers under the aegis of the "Samwardhan" was launched along with SPJIMR Mumbai. This program had been designed to transform the owner's perspective from a technocrat to that of an entrepreneur. The initiative and program has been well received by the Supplier fraternity.



Sakav-Adolescent Health Awareness Program at School



Educational Support to Orphans- Karunalya

Grievance Redressal

Community

The company did not have formal grievance redressal mechanisms for society. However, the CSR representatives and other management team members meet the community members during various programs. There were no grievances raised from society (on plant impacts and CSR projects etc.) during such meetings. However, we conduct community perception survey to tap community concerns. We will set up structured community grievance redressal process during the next reporting period.



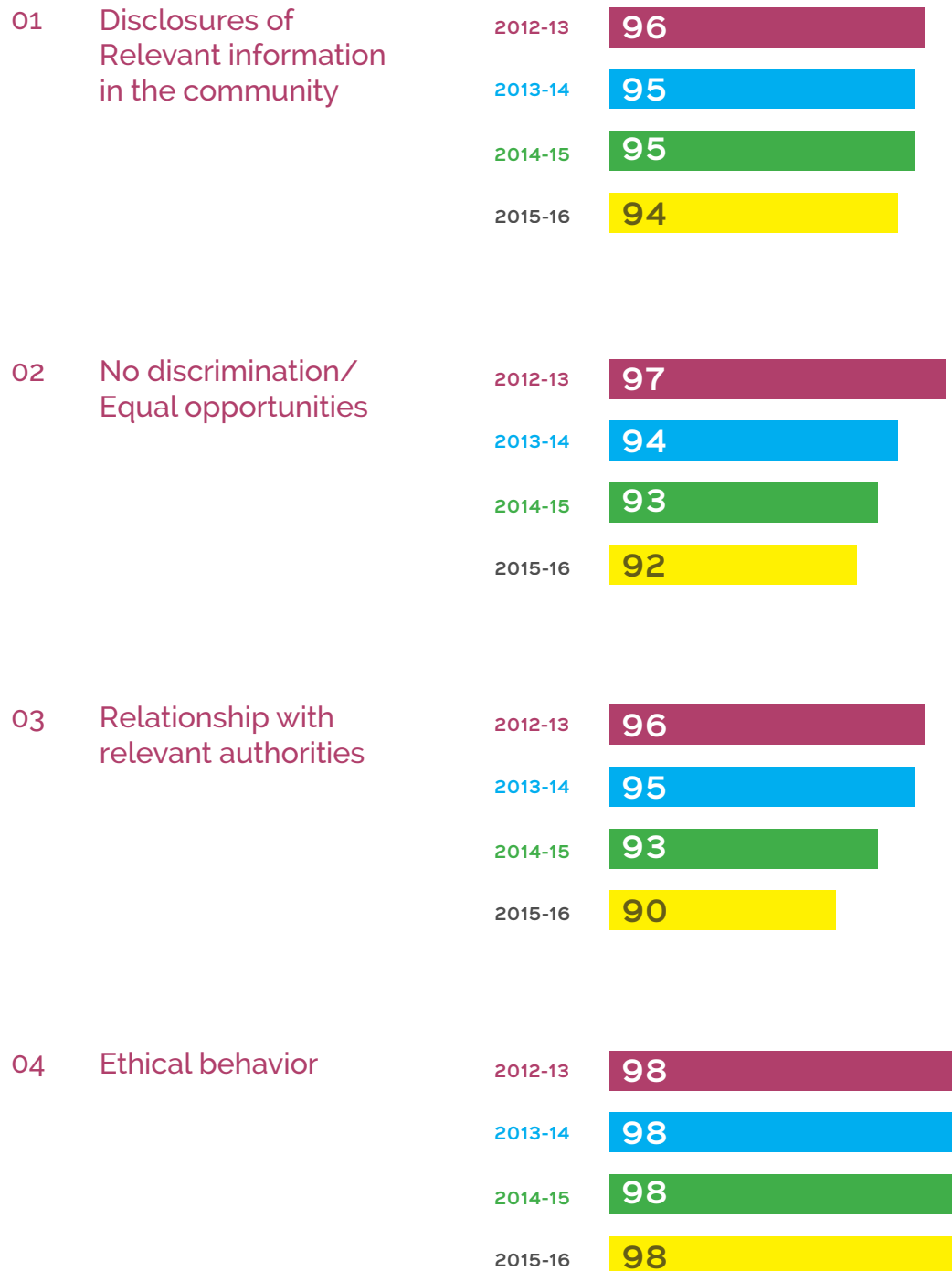
Computer Literacy Program/ Lab



Results of Society Perception Survey

Perception Indicators Elements of Questionnaire

Company performance as Responsible citizen Last four years' score comparison





Employees

The company did not have formal grievance redressal mechanisms for the employees (referred internally as Managers and team associates). However, the standard procedure of contacting reporting manager or HR department was communicated to the employees. There were no major grievances received from the Managers and team associates.

Suppliers

The company did not have formal grievance redressal mechanisms for the suppliers. However, the standard procedure of contacting procurement / finance department was communicated to via purchase and work orders. There were no major grievances received from the suppliers.

Customers

KOEL has developed and deployed multiple approaches to anticipate customer's needs & expectations and understand current and future customer requirements and preferences on products and services. "Voice of Customer" captures all requirements from customers either directly during interactions / meets or indirectly through surveys, complaints tracking. A series of structured mode of engagements has been deployed. Data collection and analysis processes have been put in place to periodically assess the customer's needs.

KOEL provides information on its product, spare parts & service to the customers through various display labels on the products & its packing as well as through Operations & Maintenance (O&M) manuals of the respective products as per relevant applicable labeling requirements.

The company has CRM (Customer Relationship Management) in place to address the customer issues. Some initiatives for addressing the grievances include:

- Establishing 24x7 call centres for addressing customer grievances
- Introduction of 'Bandhan' - Long term service engagement programmes for customers for trouble free DG performance.
- Annual Customer Satisfaction Survey
- One to one interaction as needed
- Regular Customer Meets
- Helpdesk
- Periodic campus exhibitions and melas



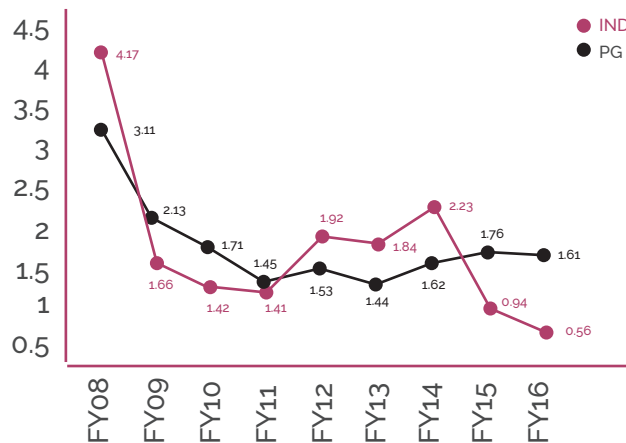
Customer complaint handling process

- Customer give complaint to KOEL helpdesk on toll free – helpdesk generates service request in CRM – helpdesk informs SD, auto SMS and main generation – SD deputs technician – resolves complaint – SD closes the complaint on CRM – informs helpdesk – real time management on system
- Customers gives complaint to dealer – dealer generates service request in CRM – deputs technician – resolves complaint – closers complaint on CRM – real time management on system

No substantiated complaints regarding breaches of customer privacy or loss of customer data was reported during the FY 2014-16.

Customer complaints on products

(customer complaints / interested party concerns)



Claims/100/
month rate

1.30

FY15

1.30

FY16

1.10

FY17 Target

Claims/100/
month Bhare

14.1

FY13

6.1

FY14

2.4

FY15

2.1

FY16

1.5

FY17 Target

In order to understand and enhance our customer relationship, KOEL has been conducting a biannual customer satisfaction survey (CSS) through third party. The survey was conducted through Nielsen, a global survey agency, through proven software called eQ™.

Customer Satisfaction Score

82	80	82
2011	2013	2015



Inclusive Growth

KOEL recognizes its responsibility towards society and the people in the areas where its manufacturing units are located. Every year, KOEL conducts Societal Perception Survey through third party. Based on the findings of the survey and the felt needs of the community, KOEL conducts number of social initiatives for communities.

The Company has adopted the Corporate Social Responsibility policy and has a CSR committee of the board to implement, monitor and report on it. The company's CSR expenditure of 2% of the net profit is in accordance with the Ministry of Corporate Affairs notified Section 198 of the Companies Act 2013. The company focuses on community development challenges in the areas of:

- Health
- Education
- Environment
- Livelihood

During FY 2015-16, CSR expenditure was 4.93 crores, and in FY 2014-15 it was 5.37 crores (more than 2% of the respective year's net profit).



"Disha" Career Guidance Workshop



KOEL Kagal Plant received GreenCo-Green Company Rating System Standards Certification

Expenditure for community initiatives (in Crore Rupees)

Health

- HIV, Aids awareness program
- Health checkup camps
- Hygiene awareness programs etc

0.42 **0.37**
2015-16 2014-15

Education

- Financial assistance for education, sponsoring unemployed youth for vocational courses,
- Scholarship to students, vocational training programs for women for income generation, computer literacy program etc.

4.15 **4.90**
2015-16 2014-15

Environment

- Programs on energy conservation
- Vasundhara Film Festival
- Pest Control Measures
- PUC check-up of vehicles
- Contribution to animal welfare projects etc.

0.34 **0.1**
2015-16 2014-15

Rural Development

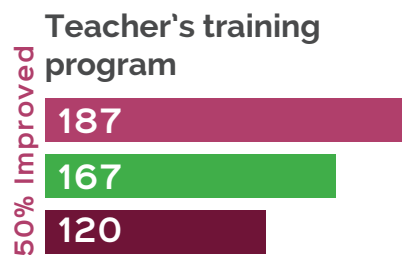
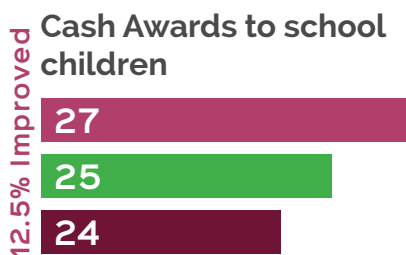
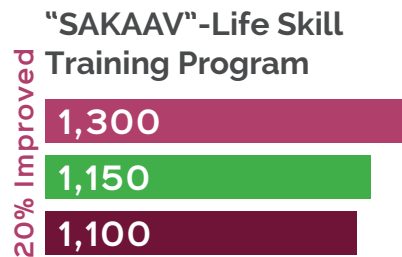
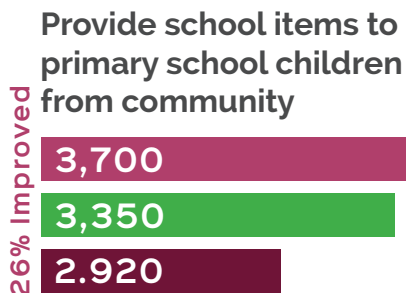
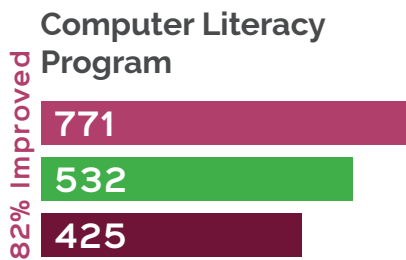
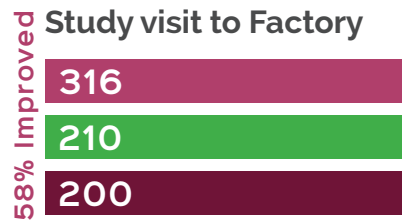
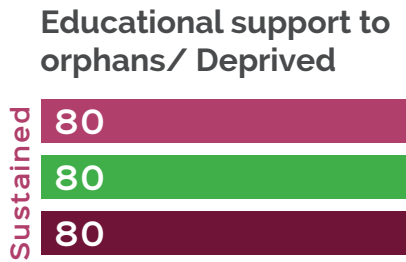
- Village Development programs

- **0.02**
2014-15 2015-16



KOEL CSR Initiatives: FY 13 to FY 16

All numbers on this page are number of beneficiaries



In addition to these activities, KOEL flagship CSR programmes that are conducted annually include:

- WASH initiative (Imbibe values on cleanliness and hygiene among school students)
- Vasundhara Film festival (to spread awareness on environmental issues among its employees and local communities)

We have not identified any significant actual and potential negative social impacts of operations.



SUSTAINABILITY STRATEGY

Sustainability Focus Areas and Materiality

Based on our assessment of business environment and in strategic engagement with stakeholders, we identified eight focus areas for managing sustainability. Management of sustainability performance related to eight focus areas is built on the foundation - positive compliance, stakeholder engagement, respecting human rights and inclusive development.

Eight Focus Areas



Innovation Management



Strategy For New Markets



Sustainable Supply Chain



Climate Stewardship



Operational Eco-Efficiency



Product Stewardship



Human Capital Development



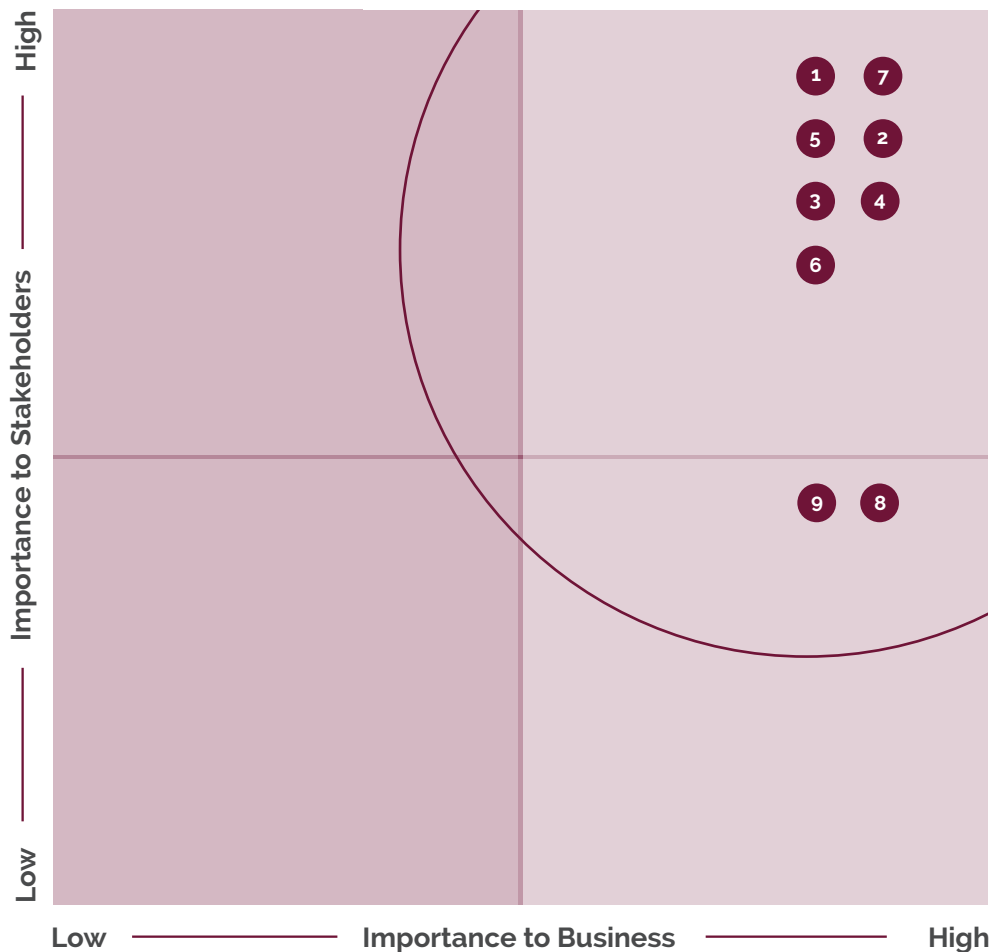
Public Policy

This being the first report following the GRI G4 Guidelines, KOEL has conducted materiality assessment through engaging identified stakeholders – employees (across all manufacturing locations, with representation from senior middle management, permanent and contract employees as well), suppliers, customers, community, NGOs and self-help groups, investors (lenders, bankers), regulators and others (other interested members from community). The survey was designed by a third party in a web based questionnaire and was circulated to the sample representatives among the identified stakeholders.



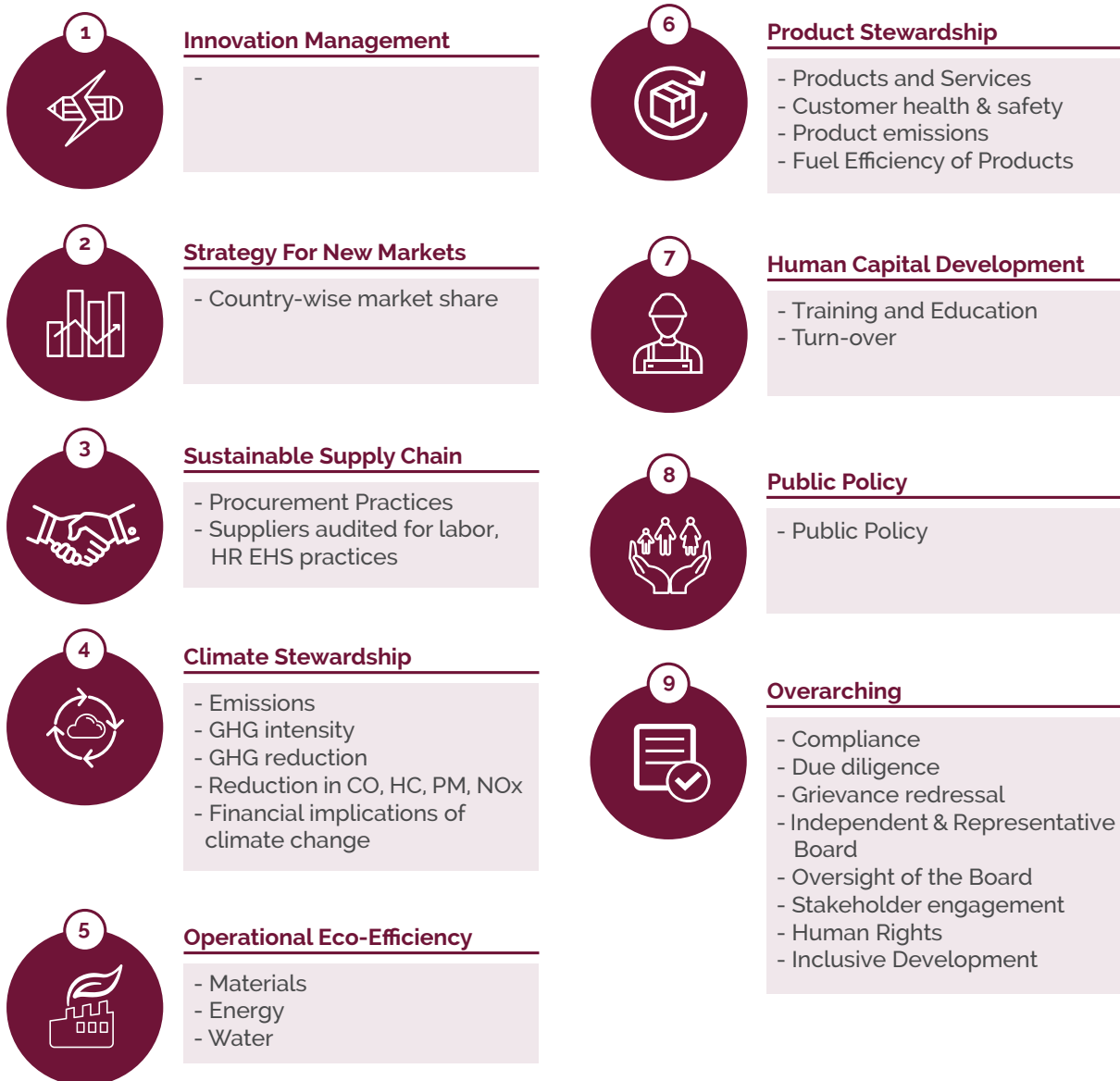
About 100+ responses were received and after the internal sustainability committee's review, following material aspects are identified.

Material Aspects



- 1 Innovation Management
- 2 Strategy for New Markets
- 3 Sustainable Supply Chain
- 4 Climate Stewardship
- 5 Operational Eco-Efficiency
- 6 Product Stewardship
- 7 Human Capital Development
- 8 Public Policy
- 9 Overarching

Material Indicators and stage of the value chain where material indicators have maximum impact



All above issues are material within the four manufacturing plants, except indicators related to customer, supplier and transport (which are reported from outside boundary).

The report is compiled in accordance with the Core Option of GRI to consider the relevant aspects of our business. The boundary for sustainability report is Khadki plant, Kagal Plant 1, Nashik plant and Rajkot plant.



SUSTAINABILITY PERFORMANCE

Innovation Management



Research is a key component that helps KOEL remain relevant and competitive and drive growth through innovative solutions and enhanced product offerings. Over the years, KOEL has set up an excellent R&D facility, operated by a very competent team, which works closely with our various SBUs to deliver high value to customers. KOEL believes that spends on R&D are investments towards expanding product range and solutions for sustainable future growth. In pursuit of excellence in product performance and enhancing value to customers through new and improved products, the research team is working towards achieving benchmarked parameters both in the domestic and global markets to offer the most advanced and comprehensive range of products.

During the reporting period, the Central Pollution Control Board (CPCB) in India has introduced new stringent emission norms for gensets i.e. CPCB Stage II. These emission norms require more than 50% weighted emission reduction for NO_x + HC, CO and PM. KOEL has developed structured implementation plan and achieved successful transition of all its selling nodes from CPCB I to CPCB-II.

For meeting the emission norms challenges, KOEL has optimized the performance of fuel injection and air handling systems, thus developing CPCB II compliant



engines without sacrificing fuel economy, reliability and maintainability. In order to meet customer needs the company invests in new product development programmes and application engineering projects. KOEL works closely with legislative bodies, industry associations, customers and suppliers to identify opportunities for design, development and improvements of products. Some of its latest development include:

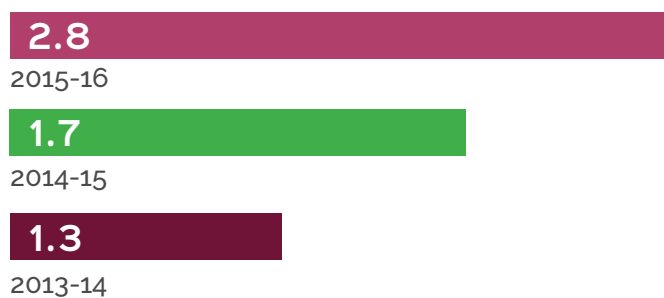
- Development of 2 ratings, compliant with BS III norms.
- Development, NO_x certification of 9 engines by IRS.
- 2 new models for Power Generation and Industrial applications.
- Development of entire range of genset products meeting CPCB Stage II emission norms.
- Development of 2 new downsized models for Power Generation application.
- NSS2 certification of marine gensets and FM/ UL recertification for engine models of fire pump application.

KOEL has successfully applied for three patents for:

- a. Integrated hybrid power generator & environment conditioner system
- b. A Generator Set Assembly
- c. A mobile energy system complied with an EMI and / or EMC for AC and / or DC power source and method there off.

The R&D focus will continue towards modernizing and upgrading existing product development facilities and development of new technologies for cost effective emission. New application development, development for new market and value engineering will form part of the short term goals. KOEL also plans to further enhance the High Horse Power (HHP) range through development of new products. New applications like marine genset and marine propulsion engines for export to developed countries will also be developed. The R&D business strategy will continue to focus on increasing efficiency, enhancing customer satisfaction and strengthening business presence in key strategic growth markets.

R&D Spend (as % of sales)





Strategy for new markets


Revenue from exports in Financial Year 2015-16 was ~ 230.7 crores as against ~ 205.7 crores in the previous fiscal, thus registering a growth of 11.7% in a challenging macroeconomic environment. Power Generation business in export markets has shown a significant growth of 33% during the year. International business contributed 9% of KOELs total revenues in Financial Year 2015-16. Middle-east and Africa continues to be the largest geographies for the Company, accounting for a significant portion of export revenues. Competition from multinational companies has intensified in export markets while the company faces severe price competition from Chinese and other domestic players in the agriculture export segment. Through close monitoring in various markets and course corrections wherever required, efforts were made to align actions with market expectations along with service as a differentiator, resulting in sustenance and growth.


The Company's International business supplies engines and gensets to over 40 countries across the world. These cover a wide range of Industrial, Agri and power generation applications.

Top four regions of exports by sales 2015-16

 **59%**
Middle East

 **30%**
Asia

 **5%**
South Asia and
South East Asia

 **4%**
North and Central
America

The international business contributed 9% of KOELs total revenues in 2015-16 and 8.3% in 2014-15.

Some of the highlights in the International Business include:

- Repeat bulk business in the Telecom segment in South Africa
- Breakthrough in telecom segment and retail market in West African countries
- Made an entry into the two markets in Americas- Nicaragua and Peru,
- Dewatering and Agri Pump set segment in MENA Region grew more than 100%
- Achieved a breakthrough in FMUL firefighting engines in Middle East



Materiality Meeting



Team KOEL Kagal Plant achieved Runner's Up in 10th CII Lean Six Sigma National Level Competition, Bangalore



- Entry into the Russian, UK market

The focus in Financial Year 2016-17 will be to increase market shares through penetration in the existing markets and also increase the market spread by entering new markets in Africa, South East Asia and America. Although USA is one of the largest Genset markets in the world, KOEL's presence has been negligible. With a view to bring in greater focus and establish our products in this market, the Company has incorporated a 100% subsidiary company "KOEL AMERICAS Corp." in USA, which has become functional in 2015-16. Specific engines have been identified for EPA certification, thus making them eligible for sale in the USA. This Company will also focus on expansion in Latin American market as well as FM/UL fire pump OEM business.



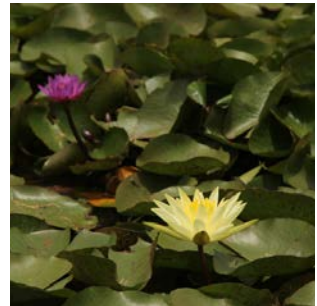
Regular Check-Ups

Sustainable supply chain

Supply chain plays significant role in growth & journey towards Excellence. Implementation of 'Project Unlock' has ensured availability of material on time while reducing the excess inventory in the system. Supplier's involvement is crucial for improving quality, cost, delivery, upgrading technology & developing new product. KOEL recognises the criticality of contribution by the suppliers to its business and accordingly takes initiatives to value add to its supplier's business.

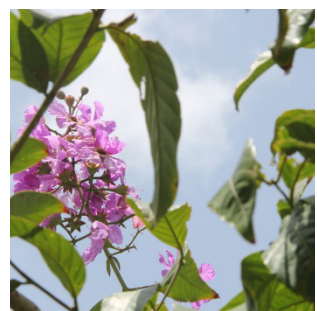


Towards becoming GREEN Supply Chain, SCM has undertaken various initiatives & innovative practices for resource conservation such as sourcing near works, efficient logistics by optimizing number of trips, vehicle capacity / load optimization & paperless freight billing system.



SCM has also initiated applying 3R methods, reducing wood & paper packaging, rain water harvesting, tree plantation at supplier end, usages of energy efficient equipment. Further SCM has released Green Procurement Guidelines. SCM has developed structured approach for reducing & eliminating usages of natural resources like wood, energy, water, sand such as:

1. Conversion of Sand Casting to Aluminum Die Casting for over 30 components thereby reducing Silica Sand consumption.



Biodiversity in the
Factory



2. Reduction of power consumption per unit of castings produced.
3. Supplier PPAP document in soft form instead of Hard copy.
4. Re-designing packaging & forwarding method for base plates of Gensets.
5. Introduction of Metal Skids instead of wooden packaging for radiators higher KVA engine models & alternators.
6. Milk Van routes for Kolhapur & Pune based suppliers.
7. Along with above initiative all engine manuals are converted into 'Soft Formats' instead of Hard copies resulting in saving



Till date 5,064 Trees are well grown up in the Plant premises

Supplier assessment

The critical and new suppliers are assessed for quality and compliance with environmental regulations.

Existing suppliers screened using QMS and environmental criteria:

52%

76%



Blood Donation Camp

Percentage of new suppliers screened using environmental criteria:

100%

62.5%

■ 2015-16
■ 2014-15

We understand that there were no apparent negative impact in the operations of our suppliers on labour practices, human rights and society (evident from the legal and statutory compliances check points). From the next reporting period, we would formally include these aspects in our supplier assessments.

Climate Stewardship

KOEL recognizes its responsibility and commitment to be climate steward. To this end it makes best efforts in climate mitigation and adaptation. KOEL's contribution to mitigation mainly arise from its products and manufacturing activities.



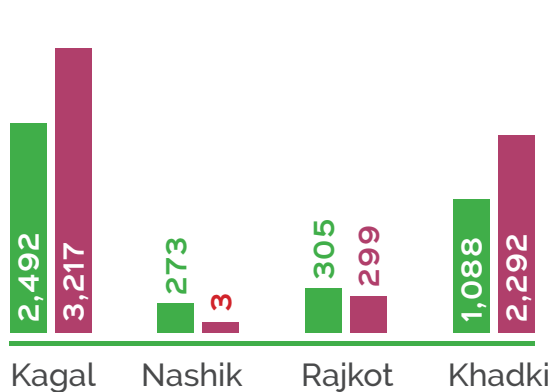


KOEL understands that both mitigation and adaptation pose risks to its business along the value chain. However, KOEL will assess and report such risks and mitigation actions in the next reporting period.

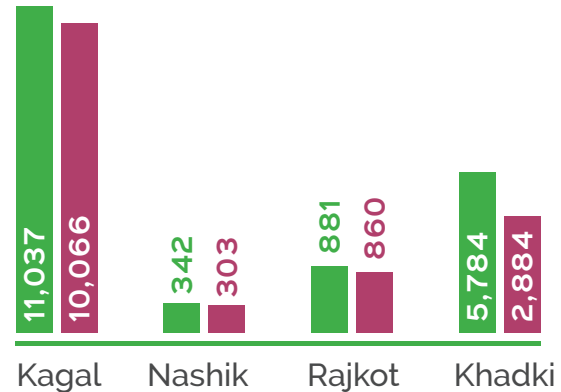
2015-16
2014-15

GHG Mitigation

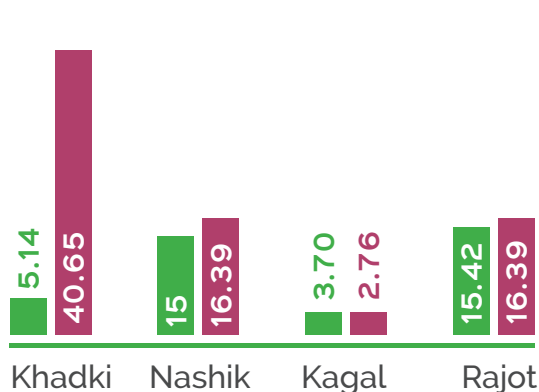
Scope 1 Emissions (tCO₂)



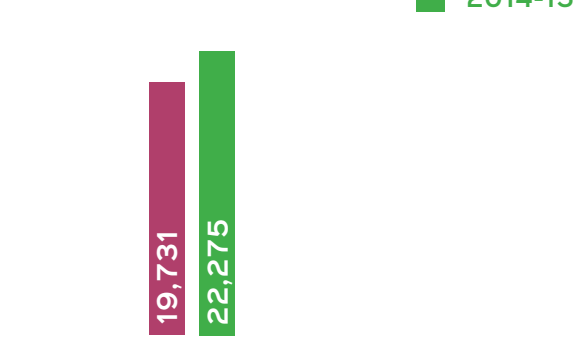
Scope 2 Emissions (tCO₂)



GHG Intensity (kgCO₂/BHP)



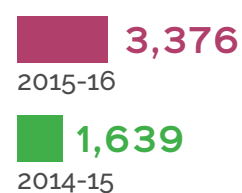
Total GHG emissions*



Abnormal increase in GHG intensity at Pune is due to shifting of major production activities in this plant. Reduction in total GHG emitted in 2015-16 over previous year is 10.44%. The GHG emission intensity of Khadki shows increase due to shifting of production activities from this plant. However, the administration and head office activities continue here, retaining its electricity consumption for the offices.

KOEL owned wind turbines and the electricity was wheeled for the use at Kagal and Khadki plants. Now, KOEL also purchases green power from the Power Exchanges under open access policy to reduce its GHG emissions. Further, KOEL has plan to establish solar power generation facilities in near future.

GHG emission avoided - tCO₂





The GHG emissions avoided in 2014-15 and 2015-16 were lower due to delay in the installation of ABT meters required for open access. Thus, green power from open access could not be purchased for major period in the years.

Operational Eco-efficiency

KOEL has voluntarily signed the CII - Code for Ecologically Sustainable Growth and strives to conserve all natural resources and has been utilizing all resources in environment friendly manner.

The company's environmental strategy is guided by the Environmental, Occupational Health and Safety (EHS) Policy as well as the Energy Policy. It has adopted Integrated Management System, under which all their plants are certified with ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System). Following table shows ISO certifications for each plant in 2015-16.

Plant	ISO 9001	ISO 14001	OHSAS 18001
Kagal-1	●	●	●
Kagal-2	●	○	○
Khadki	●	●	●
Nashik	●	●	●
Rajkot	●	●	●



Sewage & Effluent Treatment in Factory

All waste generated by the manufacturing plants is sold to resellers authorized by the pollution control board authorities or recognized agencies that dispose the wastes as per norms prescribed by the pollution control authorities.

The company follows reduce, reuse and recycle concept at all its manufacturing plant sites. All the company plants are 'zero discharge' plants, i.e. the treated effluent is used for gardening purpose within their campuses and no discharge leaves the premises.

There are no pending legal notices received from the CPCB or SPCB at any of KOEL operations.



Segregation Of Waste



Materials

The company's raw materials and components (spares required in company products, which are manufactured by other OEMs) include – components, non-ferrous metals, steel and steel strips and others.

The packaging material used during reporting period are as below.

Non-renewable packaging materials (values in purchase cost* in crores INR)



Star Performer Award

Material			Recycled Material	
0.75	6.0	3.0	1.5	
1.0	5.0	3.5	1.5	
Metal Skid	Wooden Box	Corrugation Box	Plastic bags/covers	
				<div style="display: flex; justify-content: space-around;"> ■ FY16 ■ FY15 </div>

The percentage of local (Indian) raw materials consumption (including components) was 95.63% in FY 16 and 93.33% in FY15.

Energy

KOEL's concerted efforts in energy management were rewarded by CII National Award for Excellence in Energy Management for Kagal plant during FY 15- 16 & State level Award for Excellence for Kagal & Nashik consistently for 3 consecutive years for both plants. Energy Conservation cell (ENCON) has representation from all functions and levels & has been anchored by the four pillars of centralized energy monitoring system, knowledge building, technology upgradation and green energy and products. Optimization of energy usage in our manufacturing facilities and employing low carbon solutions for our various products and operations is our primary focus. We have already adopted a systematic and structured approach to reduce our environmental impacts through our various energy efficient process models and meticulous resource optimization. We have implemented use of alternate energy methods which serve a dual purpose of resource conservation as well as savings.



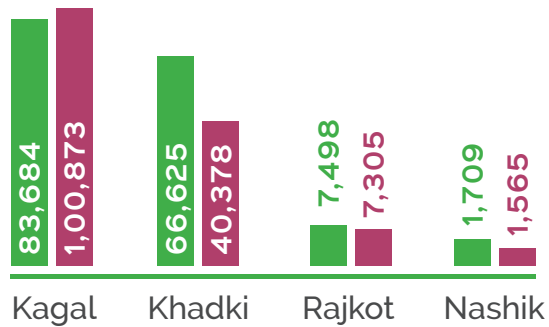
Natural Daylight Utilisation



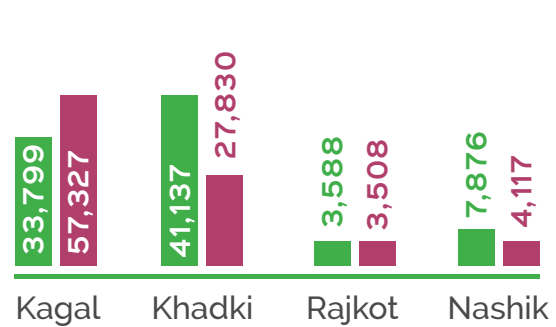
With respect to the planned production, every year we set the targets for the Power, HSD, water & Compressed air consumption and they are regularly monitored and controlled by respective Utilities.

FY16
FY15

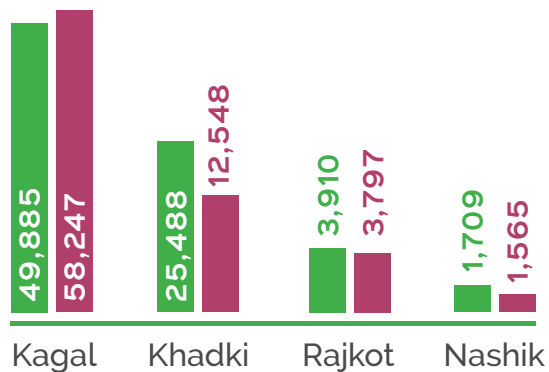
Total Energy Consumption (GJ)



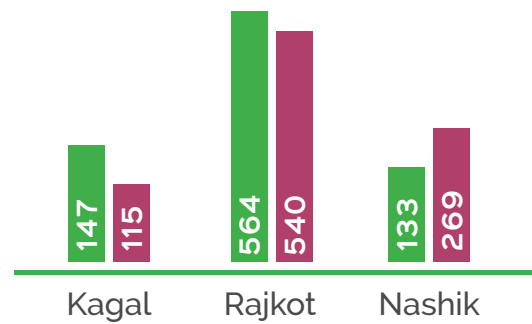
Direct Energy Consumption (GJ)



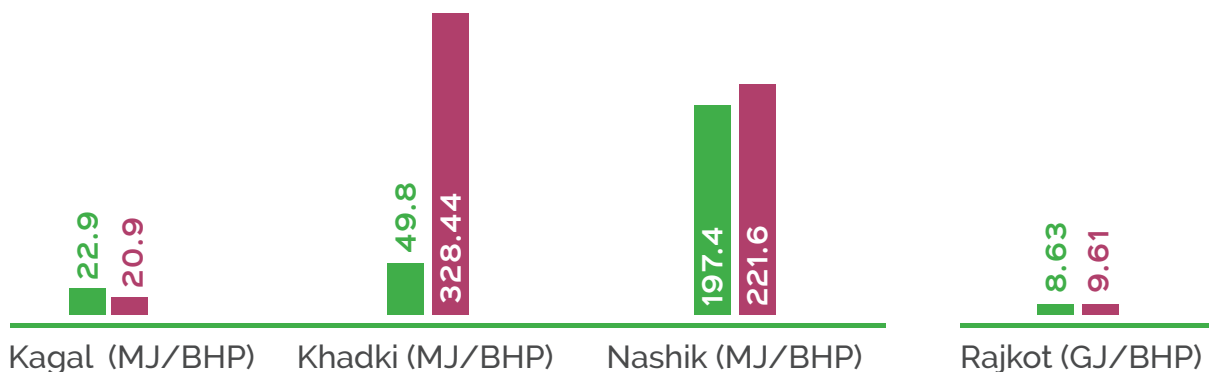
Indirect Energy Consumption (GJ)



Savings due to energy efficiency projects (GJ)



Energy Intensity





Our renewable energy usage

Wind Power Project

- Installed Capacity – 5.6 MW
- Energy Generation in 2015–16 – 36.88 Lakhs Units; 14-15 – 90 lakh units (including open access power purchase from renewable sources)
- CO₂ emission reduction – 2,975 Tons

Canteen waste based Bio-Gas Generation

- Waste to energy Project
- Gas Generated from Canteen Waste
- Bio-Gas Generation – 100 Cylinders / year

Bio-diesel based Power Generation

- Bio-Diesel is being used for in-house Power Generation

Solar water Heating System

- Two Solar Water heating system installed for canteen
- Installed capacity 130,00 Litre / day
- Energy saved – 26,000 units / year

Renewable Energy Usage

4,083,736.00

0

Wind Power (kWh)

14,701.45

0

Wind Power (GJ)

6.67

6.58

Biogas (MT)

109.88

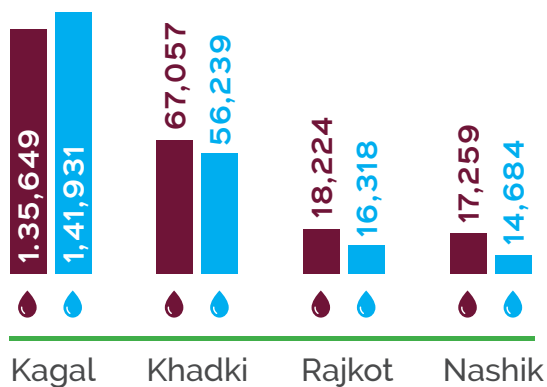
108.46

Biogas (GJ)

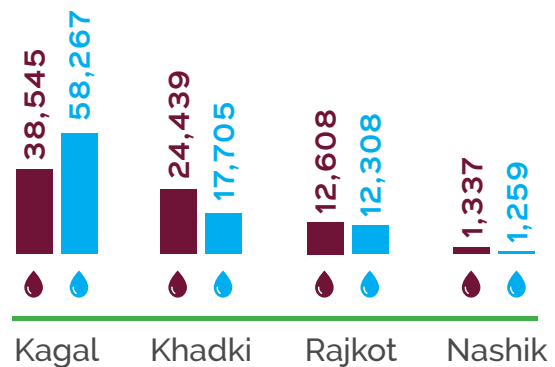
FY16 FY15

Water

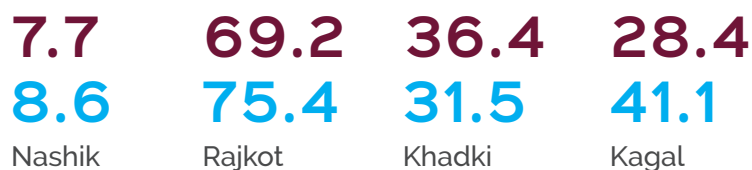
Total water withdrawn (m³)



Total water recycled & reused (m³)



% of water recycled and reused



FY16 FY15



All four plants are zero effluent discharge compliant. Thus, there were no adverse impacts on protected or water bodies and habitats having biodiversity value from KOEL's water discharge and runoff.

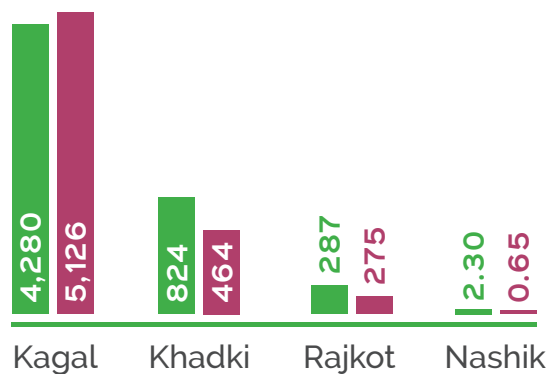
Sample water discharge data for Kagal

Destination of water discharged : Effluent Treatment Plant					
Quantity		Quality			
38,545 58,267	(m ³)	7.25	13.31	57.90	432.58
		7.60	13.71	64.72	776.25
		pH	BOD (mg/l)	COD (mg/l)	TDS (mg/l)

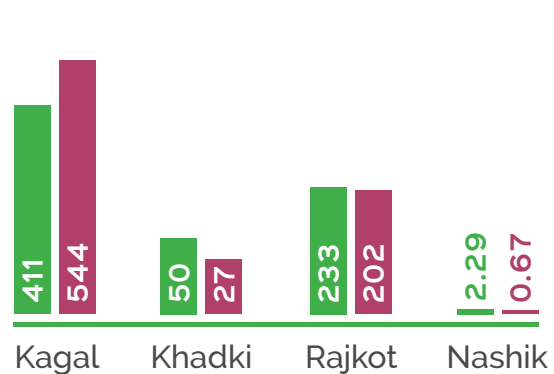
FY16
FY15

Waste

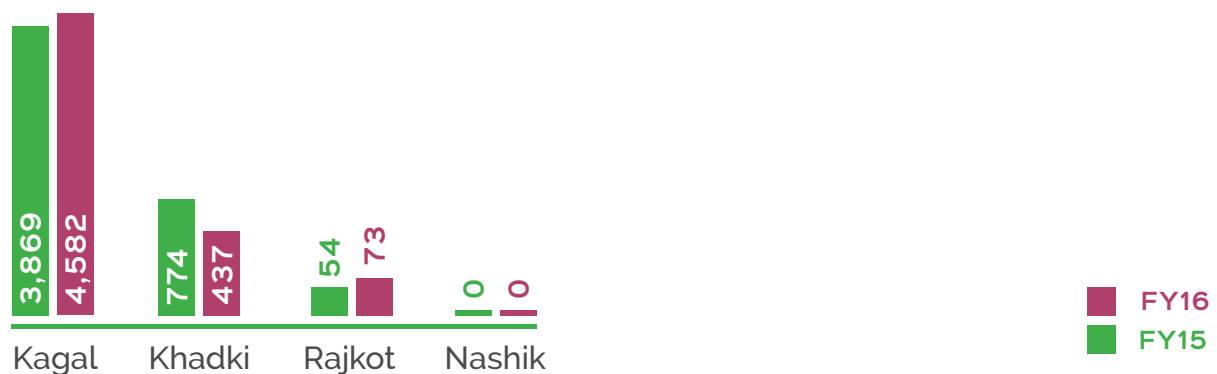
Total Waste Generated (MT)



Hazardous Waste Generated (MT)



Total Waste Generated (MT)





Emissions:

Our plants do not have continuous flue monitoring mandated. Hence, the environmental monitoring with ambient air samples is done once in six months and all its parameters are within the stipulated limits.

In the reporting period, there has been no significant environmental impacts due to transportation of goods for organisation's operation and transporting members of workforce.

Environmental Initiatives

At Kagal site

- Installation of Water flow meters at water pump discharge points in each shop for water consumption measurement
- ETP Installation of additional Oil Skimmer
- Provision of Septic tanks & collection pit at Contractor Dining
- Upgraded ETP facilities to increase the recycled water
- Moved to wood-free packaging

At Khadki

- Energy Efficient AC's for offices renovated

At Nashik

- Turbo ventilator in washing area

At Rajkot

- Flow meter installed for incoming diesel tanker
- Use of Anemometer for measurement of air velocity at painting booths
- Effluent Treatment plants are upgraded continuously and achieved zero discharge
- All treated water is used for gardening and construction applications.
- Upgraded ETP facilities to increase the recycled water.
- Implemented waste heat recovery projects.
- From the canteen waste, we generate the biogas which is used for cooking applications.
- Engine packaging skids, lube oil & wooden boxes are reused for various applications.
- Moved to wood-free packaging



PUC Check Up
Camp in Plant



Advanced Turbo
Compressor with
inlet guide vanes,
energy efficient
control logic and
11kv Motor



Installation of
Turbo-Ventilators
in Utility Shades &
CPCP



At all Plants

- Except for very heavy parts such as cylinder blocks, Crank shafts, uses corrugated paper boxes specially designed for packaging of spare parts. These papers are recyclable and the packing box displays the sign.
- CSBG remanufactures the engines received against failure. The major casting and steel components are reused in this process. This helps in recycling of major components by reducing waste & minimizing need for raw material.



Plantation

Product Stewardship

KOEL believes in developing sustainable products and assures safety and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.

Right from research, product development, certifications, manufacturing, marketing, storage and final use and disposal, KOEL continually strives to keep the emissions, noise and vibration well within specified limits. KOEL is also continually trying to strengthen the protection from rotating and high temperature components. From producing super-silent gensets to gensets that can run on alternative fuels, our concern for customer satisfaction, both his implicit and explicit expectations and his concern for protecting “one earth” inspires us to take the aspects of impacts of our product during its use and disposal. Our products have received a variety of certification - FM/UL being one. KOEL have not had any incidents of non-compliance with regulations or voluntary codes concerning emissions, health and safety impacts of its products and services during their life cycle which has resulted in a fine, penalty or a warning.

KOEL provides information on its product, spare parts & service to the customers through various display labels on the products & its packing as well as through Operations & Maintenance (O&M) manuals of the respective products as per relevant applicable labeling requirements. This information covers Health & Safety guidance for the use & servicing of our product. This enables the customers to use & maintain our products in a responsible manner



Kirloskar Chota Chilli



Industrial Engines



which will have minimal adverse impact on environment, health & safety during the life of the product and has a say in enhancing the local economy thus supporting the cause of 'Make in India' initiative. We obtain test certificates for engine worthiness and other safety related issues like emission; noise etc. before the product is marketed through government authorized agencies. Our products are also certified by BIS (Bureau of Indian Standards) and 'Conformite Europeene' (CE) or European Conformity label. Total 100% of our products and services are subject to the specified requirements.

New material for product development

Use of alternate material was explored as a part of reliability improvement and Value Engineering initiatives. These have been introduced in both, present as well as new product development. These major material change overs include:

- Usage of thermoplastic
- High temperature fasteners
- MLS and RCS gaskets
- Si-Mo exhaust manifolds

Products and Services

All KOEL engine models for industrial application, agricultural tractors & diesel gensets have been certified by ARAI for currently applicable emission & noise norms.

Organisation has continued to work on meeting stringent emission norms for DV series engines and emission values achieved which are well below the prescribed CPCB II norms which depicts the comparison of DV series engine with CPCB II norms. KOEL has developed unique solution for meeting CPCB II emission norms using mechanical fuel injection system.

For Agri market, N1 series AV1 XL pump sets were developed to replace old NW2 series pump sets. The new series has brought down the fuel consumption to 930 ml/hr. from 990 ml/hr. and the lubrication oil consumption to 4.65 ml/hr. as compared to 6.95 ml/hr. the previous model.

In our constant endeavour to exceed customer's needs and expectations, for OEM Customers Industrial BU has successfully developed two key applications related to



5 kVA - 12.5 kVA
Slim Power Diesel
Generator



16th National Award
for Excellence
in Energy
Management 2015

NOX + HC (g/kW-Hr)

4.0 3.61

CO (g/kW-Hr)

3.5 0.6

PM (g/kW-Hr)

0.2 0.14

Smoke (in m-l)

0.7 0.15

Green Products – DV Series

■ CPCB II Norms
■ KOEL DV Series



off highway market segment in two applications which are Action Construction and Equipment's – Tractor and Ajax – Self-loading transit mixer. This is first time KOEL put its 3R1040 series engine in tractor application. The engine has shown excellent performance in field. This has opened the new OEMs for KOEL in tractor application. 4R810 engine is also successfully developed for Self-loading transit mixer for Ajax Flori and has shown good performance during field trials.



Agri Pumpsets

With the further expansion of power range in BS III segment, KOEL has successfully developed the 6 cylinder water cooled engine. With 169 hp, KOEL completed the Motor Grader application for the MHI. The proto has been successfully build and tested for all performance compliance in Japan and further field trials are in progress in India. MHI is now ready to launch Motor Grader with KOEL BS III engine.



2.1 kW - 4 kW Petrol
Generators

New Models & Applications Launched

Segments

1. PGBG

DV 12 – 750kVA, Main Propulsion of DV series, Chhota Chili 3.5kVA, CPCB II – complete power range up to 750kVA,

2. Agri

FA, 5hp AV1XL Air Cooled, Tractor Engines Model – 39 HP – 3R810 & 45 HP – 3R 1040

3. Export

60Hz DV8 and SL90 – 250kVA

OEMs

Action Construction

Tractor

Ajax

Self-loading transit mixer

Macons

Self-loading transit mixer

Volvo

Backhoe

Titagarh – Agri Co.

Tractor

Amman-Apollo

Soil Compactor

Mbar Maintenance Ltd, Israel

Transit Mixer

Little Horse, France

FMUL fire fighting engines

We have customer data controls and customer privacy is ensured through the relevant provisions in with the IT Policy and Code of Conduct. There were no breaches of private customer information in the reporting period.

There have been no substantiated complaints received concerning breaches of customer privacy. Also, there were no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.



Product Responsibility:

All products are given serial number, Do's and Dont's, regulatory approval certificate reference (e.g. ARAI certificate number for range of engine products) along with user manual and spares code numbers.

There have been no cases of non compliance from concerning the health and safety impacts of products as evident from all regulatory approvals in places and no such cases in customer complains received.

Human Capital Development



KOEL considers managers and team associates as our most valuable resource, and key to the long-term sustainability of the company. The company's code of conduct takes care of the policies pertaining to well being of the managers and team associates. All its operations and activities are governed by the inherent values of the company as well as the laws of the land concerning human and labor rights. In February 2014, it evolved a comprehensive policy for Prevention of Sexual Harassment of Employees in line with the law passed by the Government of India in this regard. The broad objective of this policy is to ensure that the employees at all levels can work together in an environment free from gender discrimination, violence and harassment on the basis of gender and ensure that all are provided with equal opportunities for expression and progress.

KOEL has implemented a position based organisation structure. All BUs and Functions across the Company have been fit into an organisation structure which included job descriptions and competencies required for unique positions. On the Talent Management front, critical positions and successors have been identified and their development needs have been captured. A skills gap mapping exercise using inputs from the job descriptions has also been conducted by identifying skills required for successful performance of the role.

KOEL has developed systematic approach for making changes in business unit structure for bringing 'marketing focus' in order to achieve organisation growth plan and ensure organisation agility so as respond quickly to external environmental changes and capture leadership position in the market especially when entering into new market segment. e.g. in Power Generation business introduction of 'Product Manager' position as well as constructing entire 'Marketing organisation' with clear focus to capture customer's requirements and bring customer focus approach in entire value chain. HR has deployed a structured approach for succession planning exercise for critical positions as well as for career development for its employees. While initiatives of career development, key critical positions are being identified at senior levels and successors are developed to take up these positions. Employees from GM level and above are groomed to take-up leadership roles through leadership development.

The Skill gaps have been used to identify the Individual Development Plans (IDPs) for critical role holders. Additionally, with a view to bring about the required cultural



transformation, leadership programs like (KOEL Way of Management) and sales leadership programs (KOEL Way of Selling) were carried out. KOEL sponsored 80 Managers and Team Associates to study long distance courses from IIM and BITS Pilani during the reporting period.

KOEL carries out an Employee Engagement survey every alternate year through an independent assessing agency. Based on the gaps that emerge, teams are formed to address specific areas of concern. The training calendar is available to all on intranet under 'Know Your Training' and employees are nominated by for suitable internal and external trainings. The Values journey in KOEL continues successfully with our employees demonstrating our core values at the work place regularly. KOEL continues to maintain healthy and harmonious industrial relations across all its manufacturing plants and offices. Some of the significant achievements during the year include:

- The signing of the 7th consecutive wage settlement agreement prior to expiry of the earlier settlement, without losing a single man-day
- The long term wage settlement for Nashik unit was signed in October 2014

The company strongly condemns any form of child labour and recruits employees of employable age.

The company has action areas to improve the quality of life that is driven by work life balance. It has policy on flexi time and birthday special holiday which contribute to work life balance. Employees are encouraged to take compulsory leave of 15 days in a year. Women employees are provided with health check up camps. Various facilities such as hospitalization and medical, scholarship for employee's children, annual gifts, and Parivar Surkshna Yojna are a few examples of the employees being cared for. The company believes diversity in employment.

Diversity

Regardless of gender, and all other parameters being equal, female employees are paid the same as men across different employee categories. The ratio of entry level wage offered to all employees is 1:1 and same is as per the government regulations (relating daily minimum wage). All employees gradually grow through a fair evaluation and promotion program at KOEL.



CII Industrial
Innovation Award
2015

Various organisational initiatives for enhancing employee engagement:

Six Sigma

QC Circle

5S

Kaizens

Project Unlock

Mr Customer

Process Audit

ENCON

Supplier Quality
Task Force

Project Pulse

Project CARE

WASH

IMS

Project Lakshya 100



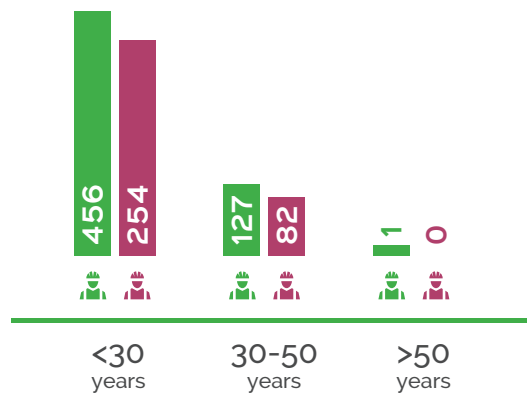
Total Workforce



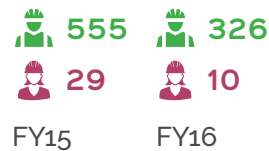
Employee diversity by age group



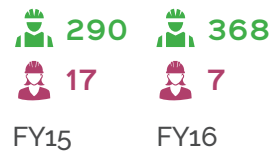
New employees hired by age group



New employees hired by gender



Employees Turnover by gender



Human Rights

Promote and encourage equal opportunities:

Equal Opportunity and diversity are promoted & encouraged by KOEL leadership. This is done in many ways, examples - Job rotation opportunities are communicated on-line & all eligible people get equal opportunity.

KOEL practices equal opportunity philosophy and no discrimination is made during recruitment, career development on the basis of caste, gender, religion and region. This has resulted in diversity in our employee base with a good mix of woman employees. There are structured mechanisms to encourage their involvement in various organisational initiatives e.g. 'Woman Day' at manufacturing plants. Women account for 7% of the total workforce employed at Kagal.

We have not identified any of our operations and suppliers in which employee rights to exercise freedom of association or collective bargaining and child labour requirements may be violated or at significant risk.



The collective bargaining agreements with Kagal and Kashik plants cover few human rights such as right to life and no discrimination and also access to law etc. All the new employees while undergoing induction are given code of conduct training manual, with their rights, responsibilities and access to employees' committee for any grievances. The committee had not received any human rights violations complaints in the reporting period.

Employee benefits – Permanent and contract

Parental leave	Yes	Yes
Retirement provision	Yes	Yes

■ FY15
■ FY16

Defined contribution plans

The Company's approved superannuation schemes, state government provident fund scheme, employee state insurance scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

Defined Benefit Plans:

The employee's gratuity fund scheme, long term compensated absences, pension, post-retirement medical and long term service award benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

These funds are maintained under a registered Trust and there is no other liability to the company.

The notice period for operational changes is four weeks in line with the applicable regulations.



Corporate Social
Responsibility

Life Insurance
Yes Yes





Health Care
Yes Yes

Disability and
invalidity coverage
Yes Yes

Employee benefits–
Permanent and
contract

■ FY15
■ FY16

Employees
entitled for
parental leave

 19	 25
 1	 3
FY15	FY16



All these employees took the leave, and also joined back after the leaver ended. All these employees continue to work even after 12 months of the joining after parental leave.

We have not identified any of our operations and suppliers in which employee rights to exercise freedom of association or collective bargaining and child labour requirements may be violated or at significant risk.

Occupational Health & Safety

Safety Training is conducted across all KOEL factory locations by Corporate Safety Department. Additionally proactive hazard identification, safety kaizens, safety operational controls at the line management level is implemented for greater focus on safety. Corrective actions are ensured based on safety audit / inspections findings by corporate safety department across all factory locations. Corporate safety department has developed & implemented 'On-line Accident Reporting System' (ARS) for better access & quick communication of accidents

across locations. The system is live on IMS portal (previously EHS portal) along with location wise number of accidents data & graph. Anyone across KOEL having access to myKOEL intranet portal can have access to this data being updated regularly. The significant benefits of On-line Accident Reporting System is that it doesn't required any hard copy to be generated for internal Accident forms, Real time tracking of status of accidents through myKOEL, Accessibility of accident information to all 4 factory locations for sharing & safety improvements and enabling to reduce unsafe conditions / acts.

Safe behaviours and Safety guidelines are being circulated in addition to safety promotional activities such as safety week celebrations and innovative safety competitions. As the accidents due to unsafe conditions have drastically reduced) & based on accidents analysis pointing towards unsafe act / behaviour as the major contributing factor; a structured plan is under consideration to evaluate feasibility of implementing Behaviour Based Safety (BBS) System starting with Kagal plant.

INDICATORS

Safety training person hours	5,231	2,071	
No. of Accidents (Reportable as per Factories Act)	2	1	
Frequency Rate of Accidents (per million working person days)	0.09	0.16	<div><div></div> 2014-15</div>
Severity Rate of Accidents	3.74	8.59	<div><div></div> 2015-16</div>



Safety Trainings & Mock Drills



Safety Week Celebration and prizes

Collective Bargaining and Employee Engagement

The company provides equal opportunity to each employee to learn, grow and develop, irrespective of religion, gender and caste. The company conducts employee engagement survey (EES) to measure employee perceptions and has a SAY, STAY and STRIVE policy for employee engagement.

The company takes care of the right to freedom of association, participation and collective bargaining. At the plant level committee is instituted to address the issues and resolve it with appropriate grievance redressal mechanism.

The notice period for operational changes to employees is four weeks and is in line with the applicable regulations.

KOEL respects and values human rights. Currently human rights aspects training is provided as a part of employee induction training. Enforcement of code of conduct is regularly reviewed across organization covering aspects on anti-corruption, bribery and ethics..

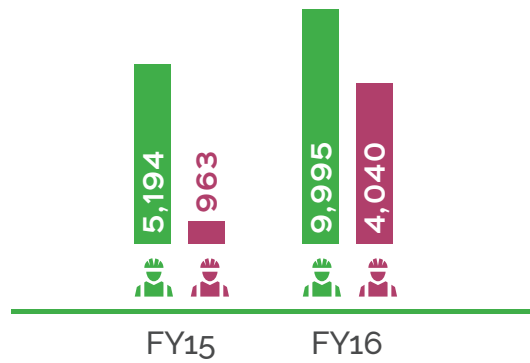


Training and Education

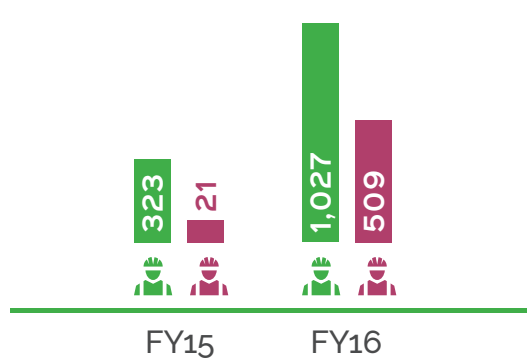
Per capita training hours

Manager
Associate

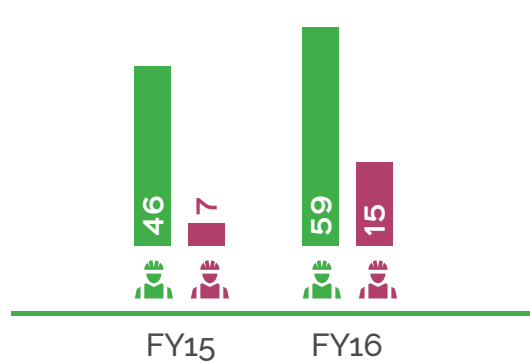
Total number training hours - by employee category



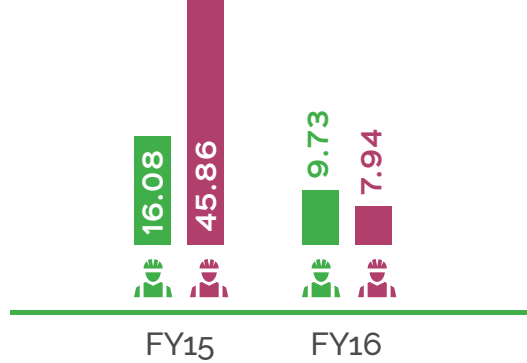
Number of employees received training - by employee category



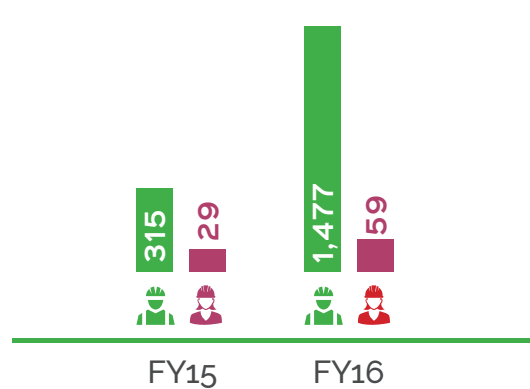
Total number of trainings - by employee category



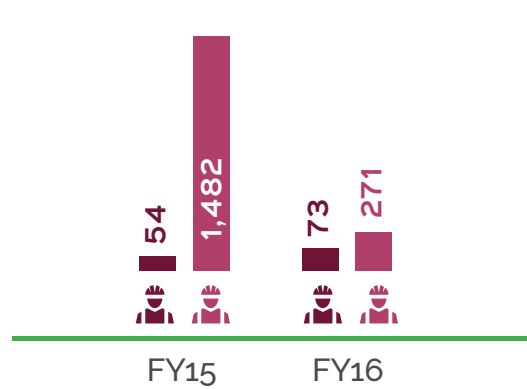
Average training hours - by employee category



Number of employees received training



Types of programs to upgrade employee skills



Male
Female

Funding Support for External Training or Education
Internal Training Program



Public Policy



Our business in all our markets is influenced by public policy. Progressive and healthy evolution of public policy is in the larger and long term interests of our business. While risk mitigation of policy change, variance and aberrations can be addressed by innovation and resilience, we recognize that in larger public good, we have to contribute to and shape the public policy.

Some employees represent public policy bodies and industry representative groups and contribute to shaping of public policy. The company code of conduct guides these employees to maintain transparency and larger public good.

KOEL is a member of several national and international industry bodies, where KOEL participates in policy advocacy and discussions on issues relevant to the sector. KOEL's Senior Leadership Team interacts with various professional bodies and organizations to anticipate and understand the economic scenario, industrial environment, future emission norms, government regulations and changes in the policies. These inputs are being used for defining future growth drivers and enabling new product development.

Following are some of the key associations of which were active members :





Assurance Policy

We believe that independent assurance leads to quality and process improvements, and reassures readers and our management that the information we publish is accurate and material, and therefore contributes to building trust and credibility with key interest groups.

We engage professional assurance providers who combine the strengths of non-financial assurance experience with technical competency in environmental and social standards. This report has been assured by Bureau Veritas, third party assurance provider.



Assurance Statement

INDEPENDENT ASSURANCE STATEMENT



Introduction and objectives of work

BUREAU VERITAS (India) Pvt Ltd. has been engaged by Kirloskar Oil Engines Limited (KOEL) to conduct an independent assurance of KOEL's **Sustainability Report 2014-16**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **Sustainability Report 2014-16** are the sole responsibility of the management of Kirloskar Oil Engines Limited. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The scope of work for the assurance included:

- Data and information included in Sustainability Report 2014-16 for the **reporting period 1st April 2014 up to 31st March 2016**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the principles of Accuracy, Accessibility, Balance, Clarity, Comparability, Reliability, Timeliness and Stakeholder Inclusiveness, as defined in the GRI Sustainability Reporting Guidelines G4;

The level of assurance has been applied as "**Limited**" for all sections of the report.

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Visit to the manufacturing location of Kirloskar Oil Engines from 10-04-2017 to 11-04-2017 at Khadki plant and from 12-04-2017 to 13-04-2017 at Kagal Plant and interviews with relevant personnel of Kirloskar Oil Engines Limited including the plant in-charge and heads of various departments functions such as Production, Energy, Environment, Safety, Procurement, Human Relations, Marketing and Corporate Finance & Accounts;
2. Review of documentary evidence produced by Kirloskar Oil Engines Limited
3. Review of sustainability performance data on a sampling basis
4. Review of Kirloskar Oil Engines Limited data and information systems for collection, aggregation, analysis and review;
5. Review of stakeholder engagement activities carried out by Kirloskar Oil Engines Limited
6. Direct interviews with a few stakeholders (Labour union representatives, temporary employees and community members including CSR beneficiaries) during the site visit

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide "**Limited**" level of assurance and we believe it provides an appropriate basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;



- It is our opinion that Kirloskar Oil Engines Limited has established appropriate systems for the collection, aggregation and analysis of quantitative data such as Environmental, Health & Safety, Human Resource, Labour, Social & Community welfare as well as Product and Customer related data.

Specified Sustainability Performance Data

Performance data within the report continues to be gathered through a variety of data systems and processes. We have not come across any instances of data presented in the report not to be reliable.

Evaluation against Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

Bureau Veritas undertook an evaluation of **Kirloskar Oil Engines Limited Sustainability Report 2014-16** against the G4 Sustainability Reporting Guidelines. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI reporting option.

Based on our work, it is our opinion that the **Sustainability Report 2014-16** has been prepared in accordance with the GRI Reporting Framework including appropriate consideration of the Reporting Principles and necessary indicators to meet the requirements of **GRI G4 Reporting Option "In accordance- Core"**.

Positives and key observations

- Second winner of National Level Award in General Category received from Bureau of Energy Efficiency, New Delhi
- First Prize winner of State Level ENCON Competition by Maharashtra Energy Development Agency (MEDA), consistently for 3 years at state level
- Good awareness about sustainability amongst the employees
- Many energy efficiency projects undertaken in house and usage of renewable energy for operations
- Percentage of existing suppliers screened using QMS and environmental criteria: 52% and 76% in FY 15 and FY 16 respectively
- Total GHG emissions lower by 19% in FY 16 compared to FY 14
- Average Training hours increased in FY 16 over FY 15: Managers – 92% and Non- managers – 320%

Opportunities for improvements:

- Data management documentation can be collected in soft copies and hyperlinked to the actual data entered in excel sheet
- Incentive driven sustainability initiatives could be looked at
- Enlarging the scope of sustainability related training to relevant stakeholders such as community and customers may be considered

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period stated hereinabove;
- Positional statements (expressions of opinion, belief, aim or future intention) by Kirloskar Oil Engines Limited and statements of future commitment;
- Our assurance does not extend to the activities and operations of Kirloskar Oil Engines Limited outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

**Statement of independence, impartiality and competence**

Bureau Veritas India Private Limited is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 180 years history in providing independent assurance services, and an annual turnover in 2014 in excess of Euros 4.00 billion.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with KOEL, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes and has over 5 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas India Pvt. Ltd. Certification Business

6th Floor, Marwah Centre, K. Marwah Lane, Off. Saki-Vihar Road, Saki Naka, Andheri (East) Mumbai-400072 India.

B N Rao
Lead Assuror
Sr. Lead Auditor – IMS

Sanjay Patankar
Technical Reviewer
Product Manager- Sustainability

Date: 03-05-2017
Pune, India



GRI INDEX

General Standard Disclosures

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G4-4	Primary brands, products, and services	Fully	Footprint	6-7
G4-5	Headquarters location	Fully	Inside front Cover	-
G4-6	Where the organization operates	Fully	Footprint	5-6
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G4-8	Markets served	Fully	Footprint; Sustainability Performance	6, 29-30
G4-9	Scale of the organization	Partially	Sustainability Performance; Footprint; Economic Performance	8, 44
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G4-13	Organizational changes during the reporting period	Fully	- nil	-
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G4-18	Process for defining report boundaries and content	Fully	Sustainability Focus Areas and Materiality	24-26
G4-19	Material aspects included in the report	Fully	Sustainability Focus Areas and Materiality	24-26



G4-20	Descriptions of material aspect boundaries within the organization	Fully	Sustainability Focus Areas and Materiality	24-26
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G4-22	Restatements	Fully	- nil	-
G4-23	Changes from previous reports in terms of scope and/or boundaries	Fully	- nil	-
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G4-25	How stakeholders were identified	Fully	Stakeholder Engagement	15-16
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G4-29	Date of most recent report	Fully	- 24/03/2015 (report for 2012-14)	-
G4-30	Reporting cycle	Fully	Cover page	-
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G4-EC2	Climate change risks	not covered	-	-
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G4-EC5	Ratio of entry level wage to local minimum wage	Fully	Human Capital Development	44
G4-EC6	Proportion of senior management hired from the local community	not material	-	-
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G4-EC8	Indirect economic impacts	not material	-	-
G4-EC9	Local suppliers	not covered	-	-
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G4-EN8	Energy reductions	partially	Water	37-28
G4-EN9	Energy reductions in products and services	not material	-	-
G4-EN10	Water withdrawals by source	partially	Water	37
G4-EN11	Water sources affected by withdrawals	not material	-	-
G4-EN12	Water recycled and reused	not material	-	-
G4-EN13	Facilities in or near areas of high diversity	not material	-	-
G4-EN14	Impacts on biodiversity	not material	-	-
G4-EN15	Habitats protected or restored	fully	Carbon	32
G4-EN16	IUCN Red List species	fully	Carbon	32
G4-EN17	GHG emissions (Scope 1)	Not covered	-	-
G4-EN18	GHG emissions (Scope 2)	fully	Carbon	32
G4-EN19	GHG emissions (Scope 3)	fully	Carbon	32
G4-EN20	GHG emissions intensity	not material	-	-
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G4-EN22	Ozone-depleting substances (ODS)	partially	Water	38
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G4-EN25	Waste by type and disposal method	fully	Waste Management	37
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G4-EN27	Hazardous waste	not covered	-	-
G4-EN28	Biodiversity affected by runoff	partially	Operational Eco-efficiency	33
G4-EN29	Mitigation of environmental impacts of products and services	fully	- nil	-
G4-EN30	Products and packaging materials reclaimed	not covered	-	-
G4-EN31	Environmental fines and sanctions	not material	-	-
G4-EN32	Environmental impacts from product distribution and employee travel	not covered	-	-
G4-EN33	Environmental investments	not covered	-	-
G4-EN34	New suppliers screened using environmental criteria	partially	Customers	20-21
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G4-LA1	Environmental grievances	fully	Human Capital Development	45
G4-LA2	Benefits provided to full-time employees	fully	Human Capital Development	45
G4-LA3	Return to work and retention rates after parental leave	fully	Human Capital Development	45
G4-LA4	Notice periods regarding operational changes	fully	Human Capital Development	45
G4-LA5	Workforce represented in health and safety committees	not covered	-	-
G4-LA6	Rates of injury, occupational disease, lost days, absenteeism, and work-related fatalities	fully	Occupational Health & Safety	45-46



G4-LA7	Workers with high incidence risk of diseases	not covered	-	-
G4-LA8	Health and safety topics covered in agreements with trade unions	not covered	-	-
G4-LA9	Average hours of training for employees	fully	Human Capital Development	48
G4-LA10	Programs for skills management managing career endings	not covered	-	-
G4-LA11	Employees receiving performance and career development reviews	not covered	-	-
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G4-LA14	New suppliers that were screened using labor practices criteria	not covered	Human Capital Development	-
G4-LA15	Negative impacts for labor practices in the supply chain	not covered	-	-
G4-LA16	Grievances about labor practices	not covered	-	-
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G4-HR1	Investment agreements and contracts that include human rights clauses or underwent screening	not covered		-
G4-HR2	Employee training on human rights	partially	Human Rights	44
G4-HR3	Incidents of discrimination	not covered	-	-
G4-HR4	Significant risk of freedom of association in operations and suppliers	not covered	- nil	-
G4-HR5	Significant risk of child labor in operations and suppliers	not covered	-	-
G4-HR6	Significant risk of forced or compulsory labor in operations and suppliers	not covered	-	-



G4-HR7	Security personnel trained in the organization's human rights policies	not covered	-	-
G4-HR8	Incidents of violations involving rights of indigenous peoples	not material	-	-
G4-HR9	Operations that have been subject to human rights assessments	not material	-	-
G4-HR10	New suppliers screened for human rights	covered	Supplier Assessment	31
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G4-HR12	Grievances about human rights impacts	not covered	-	-
Section: Society				
G4-SO1	Local community engagement, impact assessments and development programs	fully	Stakeholder Engagement; Inclusive Growth	15-16; 22-23
G4-SO2	Negative impacts on local communities	fully	Engagement; Inclusive Growth	23
G4-SO3	Risks related to corruption	fully	Human Capital Development	49
G4-SO4	Communications and training on anti-corruption	fully	Human Capital Development	49
G4-SO5	Confirmed incidents of corruption	fully	- nil	-
G4-SO6	Political contributions	fully	- nil	-
G4-SO7	Anti-competitive behaviour	not material	-	-
G4-SO8	Fines for non-compliance with laws	fully	- nil	-
G4-SO9	New suppliers screened for impacts on society	not covered	-	31
G4-SO10	Negative impacts on society in the supply chain	not covered	-	-
G4-SO11	Grievances about impacts on society	not covered	-	-
Section: Product Responsibility				
G4-PR1	Health and safety impact assessments of products and services	fully	Product Responsibility	42



G4-PR2	Non-compliance concerning the health and safety impacts of products and services	fully	Product Responsibility	42
G4-PR3	Product and service information required for labelling	fully	Product Responsibility	42
G4-PR4	Non-compliance with regulations concerning product and service labelling	fully	Product Responsibility	42
G4-PR5	Surveys measuring customer satisfaction	fully	Customers	21
G4-PR6	Sale of banned or disputed products	covered	-	-
G4-PR7	Non-compliance with regulations concerning marketing communications	fully	Product Responsibility	42
G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	fully	Product Responsibility	42
G4-PR9	Fines for non-compliance with laws and regulations concerning products and services	fully	Product Responsibility	42



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8, 21-22	Not in scope	9, 20, 23, 24, 45	18, 23-24, 44, 50	45-46	36-37
					
7-8, 33-34	8, 22-23, 46-47	7-8, 33-34	23-24, 45-46	18-24	32-43
					
31-33	Not in Scope	Not in Scope	Not in Scope	Not in Scope	
					

UN (United Nations) has established total 19 SDG (Sustainable Development Goals). The above index gives serial number wise SDG and its relevance / contribution of KOEL with reference page number in this sustainability report.



Enriching Lives

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