



Your beliefs become your thoughts. Your thoughts become your words. Your words become your actions. Your actions become your habits. Your habits become your values. Your values become your destiny.

- Mahatma Gandhi

CORPORATE SUSTAINABILITY REPORT

MESSAGE FROM THE C.E.O & MANAGING DIRECTOR

If Dynamatic Technologies has been successful in consistently achieving high growth rates, it is largely due to its philosophy of proactively pursuing balanced and sustainable business policies.

These include a deep commitment to improving the quality of its products on a continual basis, providing improved value to its customers, improving the quality of life of its employees, providing a secure environment for its financiers and suppliers, and contributing to our Society, Environment and Nation.

Our approach towards sustainability has not been based on stand-alone initiatives, but rather on a holistic and integrated approach to business development. Happy employees are performers. They develop innovative products efficiently, and serve customers' needs by delivering value for money. This ensures the long-term economic relevance of our enterprise, in turn creating a secure environment for financiers and suppliers. From this basic business cycle, come profits on a sustainable basis.

Key Learnings

A business philosophy that abjures waste and is based on conservation and optimal utilization of resources, will also simultaneously deliver superior financial results along with a positive ecological impact.

A focus on Safety, Human Resource Development and enhancement of Intellectual Property will help de-risk the Company, and also contribute to societal development.

Eventually sustainable business policies form an important and integral part of good corporate governance.

Udayant Malhoutra

Chief Executive Officer & Managing Director

1. OUR VISION, BUSINESS PHILOSOPHY AND SUSTAINABILITY

- To secure market leadership, technological competence and enhance brand equity as a global leader
- To provide a safe, nurturing and learning environment for our human resources
- To have a zero tolerance of any transmission of wastes into the environment
- To secure and de-risk financiers and suppliers
- To transform the Company into a global R&D organization, with a pre-eminent market position in the Hydraulic, Automotive and Defence sectors in Asia
- To consistently achieve returns higher than the cost of capital
- To comply with all legal requirements expected of the Company in every country we are present
- To enhance shareholder wealth
- To help in the creation of a strong, modern and vibrant India
- To be an example to any corporate, anywhere in the world, in terms of global best-in-class environmental practices.

Our Vision & Business Philosophy is driven by our Values, which are:

1.1. CUSTOMER CENTRIC RESEARCH

Over the years, Dynamatic® Divisions and Subsidiaries have forged deep and lasting relationships with all their stakeholders, which have enabled them to grow



Clean Energy generated by the Dynamatic® Wind Farm at Coimbatore



Creating safe, healthy workplaces for its employees!

SAFETY@WORK

The Dynamatic® industrial complex in Chennai, which houses the Automotive & Foundry divisions, has had no reportable accidents or injuries at work for over 10 Lac man-hours since 2006-07, for which it received awards from the State Government of Tamil Nadu for the Lowest Injury Frequency Rates (2006, 2007) and for the Longest Accident Free Period (2007). The awards were presented by Mr. T. M Anbarasan, Minister for Labour, Government of Tamil Nadu, at an official ceremony jointly organized by the National Safety Council and the Inspector of Factories on 5th March 2010.

continuously. These relationships are based on mutual trust and respect, and upon their collective capabilities in delivering complex technological solutions, at economically viable price levels.

We are geared towards providing innovative and creative solutions to our customers on a continuous basis. Every business process is built around the customer. We firmly believe that our success is merely a reflection of our ability to delight our customers.

We interact constantly with our customers, understand their needs and endeavor to satisfy them. We strive to satisfy the customers' stated and unstated needs, by understanding applications and anticipating future trends. We spend considerable time in the field, listening to farmers, mechanics, drivers, equipment handlers... And very often suggest improvements to our customer, before their customers do. Our technology and quality processes are therefore predictive in nature, anticipating change, rather than reacting to it.

1.2 EMPHASIS ON KNOWLEDGE ACQUISITION AND APPLICATION

Dynamatic® has been adopting and following world-class business practices, at modern manufacturing facilities located at Bangalore, Chennai, Swindon and Bristol. All are eco-friendly and designed to eliminate waste. We constantly strive to deliver superior value to our customers by challenging ourselves and pushing the boundaries of knowledge through imagination and diligence. This approach has led us to continuously innovate and develop highly engineered products, through investment in R&D, process improvements and elimination of operational inefficiencies. This has resulted in us building a successful business model for ourselves, capable of returning high yields to investors and improving the quality of life of all employees, as well as the society/community in which we exist and work. As Dynamatic® globalizes, these values will be extended across the world, and in turn, new learnings, best practices, processes and experiences will be absorbed into the existing organization.

1.3 HUMAN CAPITAL

Dynamatic® is built upon a foundation of basic values, and its commitment to quality and equal opportunity. Your Company strives to attract the finest talent available and then provides a result-oriented environment based on meritocracy and egalitarianism.

At Dynamatic®, we firmly believe that the key to sustained growth is not mere addition to physical capacities but is actually the ability to dramatically enhance and utilize human capabilities.

1.4 SOCIETAL LINKAGES

We are proud of our civilizational heritage, and the values of our ancient land; the values of trust and integrity. The need to contribute to society, and care for our environment. The value of enduring relationships.

At the same time, as we globalize, we travel with an open mind, learning from and contributing to every society we are part of.

2. DIMENSIONS OF SUSTAINABILITY

2.1. SUSTAINABILITY POLICY

We at Dynamatic® are driven by the fundamental objective of enhancing the value of the Company to all stakeholders, such as shareholders, customers, suppliers, financiers, employees and to the society at large. We firmly believe that sustained growth can

only be fostered by developing a work ethic founded upon the core values of integrity, transparency, professionalism, empowerment and accountability. We endeavor to uphold and nurture these core values in all facets of operations.

Being a responsible corporate citizen, we understand that sustained growth can only come about when equal attention is paid to all elements of the Triad of Sustainability, namely Economic Growth, Environment Friendliness and Social Equity. We believe that such growth can only be achieved through a firm commitment to these elements over the long term, and are prepared to take actions commensurate to this goal.

2.2 THE TRIAD OF SUSTAINABILITY

At Dynamatic®, the path to sustainability has the following elements:
Economic Growth, Environment-Friendliness and Social Equity.

2.2.a. ECONOMIC GROWTH

- Value Engineering: reduction of raw material consumption by optimizing product design
- Maximize our efforts in developing new products and cost effective applications through continuous innovation
- Development of complete hydraulic solutions for mechanized agriculture, earth moving, material handling, machine tools, defense and precision parts for aerospace applications
- Secure market leadership, technological competence and brand equity as a global leader.
- Maximization of productivity and maintenance of cost leadership
- Continue to enhance the value of the Company to the shareholders

GREEN DESIGN

Dynamatic® has leveraged on its design capabilities and precision engineering skills for the design, development and manufacture of Charging Points for Reuben Power’s Electric Vehicle charging infrastructure in the UK.



2.2 b. ENVIRONMENT- FRIENDLINESS

- Treatment of wastage water and using it for gardening as a process of water conservation.
- Rainwater harvesting
- All business processes are designed to ensure that no wastage is transmitted to our environment
- Energy consumption in each plant is monitored, optimized and minimized
- Design and Redesign products that are safe, energy saving and environment friendly
- Design all our processes with efficiency and energy conservation in mind.

2.2.c. SOCIAL EQUITY

- Not allowing any form of discrimination in employment or promotion
- Imparting training and development programs to facilitate multi-tasking and multi-skilling
- Practicing safety norms and help protection. Standing as a model by winning safety awards
- Emissions: the air quality in our plants is continuously monitored for suspended particulate matter, and is kept well within safe limits.
- Foster a culture of empowerment
- Elevation of workers into management cadre
- Promote the usage of six sigma practices amongst all employees
- Practice open dialogue with employees, customers, government agencies, trade associations and with communities all around our facilities
- Undertake disaster relief programs in times of need (earthquake, floods, Tsunami, etc.)
- Interactive sessions with local community
- Increase employment of Women
- Increase employment of individuals coming from disadvantaged communities.



WOMEN POWER

To increase gender diversity at work, Dynamatic® is aggressively implementing strategic HR programs and initiatives aimed at raising the percentage of women employees to 25% of the workforce.

