

SUSTAINABILITY REPORT  
FY 2023-24

# PROMOTING SUSTAINABLE GROWTH WITH OFF-HIGHWAY EXCELLENCE



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# 01 THEME DESCRIPTION

## AT BKT, OUR THEME “PROMOTING SUSTAINABLE GROWTH WITH OFF-HIGHWAY EXCELLENCE” REFLECTS OUR UNWAVERING COMMITMENT TO INTEGRATE SUSTAINABILITY INTO EVERY ASPECT OF OUR BUSINESS OPERATIONS.

We recognize that true excellence in the off-highway tire industry extends beyond product performance to encompass environmental stewardship, social responsibility, and innovative practices. We are dedicated to reduce our environmental footprint through various initiatives such as improving energy efficiency, minimizing greenhouse gas emissions, and conserving water. Our operations are guided by a robust environmental management system that aligns with global standards. This commitment ensures meeting the regulatory requirements and beyond, fostering a culture of continuous improvement and environmental consciousness.

Innovation is at the core of our approach, driving us to develop and implement cutting-edge technologies that enhance both our product quality and sustainability performance. By investing in research and development, we aim to create high-performance tires that meet the rigorous demands of off-highway applications while also being environmentally friendly. Our focus on sustainable growth is also evident in our supply chain practices. We work closely with our suppliers to ensure they adhere to stringent environmental and social standards, promoting sustainability throughout our value chain. Additionally, we engage with local communities and invest in initiatives that support social development and environmental conservation.

By embracing a holistic approach to sustainability, BKT is advancing the Off-Highway tire industry and contributing to a greener, more sustainable future for all. Our journey is driven by a vision of excellence that harmonizes economic growth with environmental and social well-being, ensuring that we leave a positive legacy for future generations.

# 02 MESSAGE FROM LEADERSHIP

**DEAR STAKEHOLDERS,  
I HOPE THIS MESSAGE FINDS YOU ALL  
IN GOOD HEALTH AND SPIRITS.**

**IN A PURSUIT OF GROWTH THAT LOOKS  
TOWARDS INFINITY, THE ENTHUSIASM  
TO CREATE VALUE WITH EVERY DECISION  
CAN BE SPECTACULAR AND OVERWHELMING,  
AT THE SAME TIME.**

**AT BALKRISHNA INDUSTRIES LIMITED “BKT”,  
WE FEARLESSLY CONTINUE STRIVE  
TO SURPASS OUR GOALS THROUGH  
THE WAVES OF INNOVATION IN PRODUCTS AND  
TECHNOLOGY, SAFEGUARDING AND NURTURING  
THE BROADER ECOSYSTEM WE OPERATE IN.**

#### **TAKING THE LEAD OF GROWTH ACROSS BORDERS**

We are committed to demonstrate our technological prowess and dedication, we are pushing the boundaries of tire technology to meet the evolving needs of the industry. BKT, today, is India’s leading player in the global ‘Off Highway Tire (OHT)’ market. A profound understanding of the OHT market has led us to achieve capabilities to manufacture over 3,200+ stock keeping units (SKUs) with markets in over 160 countries through devoted

distribution networks in the Americas, Europe, India, and other parts of the world along with serving global Original Equipment Manufacturers (OEMs).

For us, India’s diverse and expansive terrain, combined with the rapidly growing tire-dependent industries present prolific growth avenues. The Indian market displays a case of flourishing demand for high-quality OHTs. Factors like mechanization in agriculture, urbanization, and extensive infrastructure development influence this demand. Importantly,

we are glad that we are capable enough to accommodate this surging demand. In India, we have collaborative partnerships with OEMs and industry stakeholders. These partnerships allow us to perfect our products to coordinate and pair the exact and active requirements of the market and address the individual requirements of the customers. We are emerging as a strong global brand from India that constantly keeps a finger on the market’s pulse to ensure we can stay competitive delivering value to our customers and stakeholders, alike.

With an international presence we are responsible for our community of BKT employees, suppliers, retailers, and customers including all our esteemed stakeholders. With a responsibility so large and a conscience for accountable business practices to sustain the journey of growth in an ever-evolving landscape, sustainability will be an imperative for BKT and an aim we desire to be transparent about. With a mission of 'Growing Together' we continue to integrate the goals of business with the care for the community and the environment, at large.

**COCOONING THE ENVIRONMENT THROUGH SELF-SUFFICIENCY**

A crucial portion in the preservation of our global community, which we actively thrive in, is protecting the planet which we inhabit, making it our corporate responsibility. Through the constant review of our environmental impact and the performance of sustainable practices, BKT is establishing its firm allegiance to sustainability through improvements in eco-friendly tire solutions. By constantly focusing on reducing our carbon footprint, for us and our customers, we are making significant processes. As a responsible tire manufacturer, we examine the entire manufacturing process, from the acquisition of raw materials to the tangible finished goods. This detailed scrutiny helps us to achieve industry best practices of waste management. BKT stands as the sole tire manufacturer with an in-house carbon black

production facility. With carbon black constituting approximately 30% of a tire's weight, our plant's capacity to fulfill 100% of this requirement ensures our self-sufficiency in this critical raw material. This capability allows us to maintain stringent control over supply costs and quality and also significantly enhances our sustainability efforts by minimizing the need for transportation and associated emissions. For Carbon Black manufacturing, BKT is recycling the 'Carbon Black Feed Stock', which originates from the high-temperature cracking of petroleum fractions which is the by-product of BKT's supplier. This helps protect the environment and society at large.

**RESOURCE EFFICIENT PROGRESSIVE PRODUCTS**

To ensure energy efficiency, we initiated the use of 'Green Energy' by installing 5 MW windmills and 2 MW solar power plants for our greenfield projects. We have a 40 MW captive power plant capacity and have installed a 66 TPH boiler which runs on tail gas received from carbon black plant. This helps in reducing fossil fuel consumption. Rationalizing waste management practices, we have executed a disciplined waste management system for the systematic collection, storage, disposal and possible re-use of waste. We promote industrial recycling of waste like reclaim rubber, crumb powder, rubberized friction compound and recovered carbon black.



**Arvind Poddar**  
Chairman and Managing Director

**Rajiv Poddar**  
Joint Managing Director

The use of foldable containers and mobile silos for carbon black transfer to tire manufacturing section have reduced the requirement of Jumbo plastic bags. Resource and energy efficient practices enables our strategy to introduce products to support sustainable practices with advanced ecological tire designs.

**COLLECTIVELY WITH OUR PEOPLE**

At BKT, we 'Grow Together', for us, our people are the centre stage of everything we do. We have a steadfast commitment to support our global community, take care of our people and their well-being while supporting the natural environment we all inhabit. With a global workforce across different geographies, we offer a unique corporate culture with a focus on innovation and growth, learning and development and genuine care. Our employees and their well-being are central to our business strategy. By upholding our fundamental values of sharing, generosity, and strength, we are committed to support and safeguard our people with confidence. Corporate Social Responsibility (CSR) is central to our philosophy of giving back to society. Our CSR vision focuses on the promotion of education, health, and rural development. We are determined to create a more equitable and inclusive society through sustainable transformation and rural development. By partnering with the Government, NGOs, and other organizations,

we promote education and healthcare for vulnerable sections and undertake rural development initiatives.

Additionally, we support food relief, health services, and environmental sustainability programs during natural disasters like floods and earthquakes. Through these partnerships, we extend our efforts in rescue, relief, and rehabilitation. Through our CSR activities, we strive to improve the lives of underprivileged children and adults by providing education, upskilling initiatives, healthcare services, and medical assistance to support their overall development and well-being.

Going forward, I would like to reiterate that BKT has built a resilient business model and is confident to endure the near-term challenges to come forward stronger with a higher market share, globally.

Finally, I would warmly invite you all to go through our third sustainability report for FY 2023-24. Through this report we have highlighted our growth initiatives, and improvement from the previous year, along with stories of our hopes, aspirations, and dreams to our stakeholders. With sincerity, I would like to thank all our stakeholders for their continued support on our sustainability journey. Our promise to our stakeholders will remain firm, offering fresh panoramas of growth and rewarding prospects, to find more value with BKT.

# 03 ABOUT THE REPORT

The report showcases our sustainability actions and achievements for FY 2023-24. It marks the next step in our ESG reporting journey, setting goals and reflecting on our progress in the key areas of Environment, Social, and Governance. By consistently creating value for our diverse stakeholders, including customers, shareholders, investors, regulators, employees, and society, we demonstrate our commitment to sustainability. The report provides a comprehensive overview of BKT's sustainability strategy, offering insights into our non-financial performance, identifying risks and opportunities, and detailing our strategic priorities and accomplishments.

## REPORTING PRINCIPLES AND FRAMEWORK

When we use the terms "BKT," "company," "we," "us," or "our" in this report, we mean Balkrishna Industries Limited which is a publicly listed company and we are reporting on a standalone basis, unless we state, or the context implies, otherwise. The report is prepared with reference to Global Reporting Initiative (GRI) Standard 2021. The reporting period is 1<sup>st</sup> April, 2023 - 31<sup>st</sup>, March 2024. The Indian Numbering System has been used in this report. The Company is dedicated to enhancing data quality, adopting evolving reporting standards, and learning from industry practices. This commitment has led to necessary restatements of historical data in the report. Key restatements are highlighted and explained in the notes with the relevant KPIs, offering stakeholders clear insights into these adjustments.

## The reporting boundary considered for this reporting period is as follows:

### Registered Office

- B-66, MIDC, Waluj Industrial Area, Waluj, Chhatrapati Sambhaji Nagar 431 136 (Maharashtra)

### Corporate Office

- BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013 (Maharashtra)

### Tire Manufacturing

- B-66, Waluj MIDC, Waluj Industrial Area, Chhatrapati Sambhaji Nagar 431 136 (Maharashtra)
- F 19/20, Gut no 62, 65, 66, Waluj MIDC, Village: Wadgaon Kolhati, Chhatrapati Sambhaji Nagar - 431 136 (Maharashtra)
- SP-923, RIICO Industrial Area, Phase-III, P.O. Bhiwadi 301 019, District - Khairthal - Tijara (Rajasthan)
- A-300-305 and E-306-313 RIICO Industrial Area, Chopanki P.O. Bhiwadi 301 707, District - Khairthal-Tijara (Rajasthan)
- Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, District - Kutch (Gujarat)

### Carbon Black Manufacturing

- Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, District - Kutch (Gujarat)

### Mould Manufacturing

- C-21, M.I.D.C, Phase No. I, Dombivli (E) 421 203, District - Thane (Maharashtra)

### Drum Manufacturing

- Plot No. TS-1, MIDC Phase II, opposite to Don Bosco School, Manpada Road, Sagaon, Dombivli (E) 421204 (Maharashtra)

## Wind Farm

- Village Soda Mada, Tehsil Fatehgarh 345 027, District - Jaisalmer (Rajasthan)

## FEEDBACK

Name and contact details of the person who may be contacted in case of any queries on this Sustainability Report:  
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Statements in this Report that use the words or phrases "will," "would," "believe," "may," "expect," "continue," "anticipate," "estimate," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "strategy," "philosophy," "project," "should," "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements" except for these predictions are based on forward-looking information that is subject to a variety of risks, uncertainties and other factors that might cause actual outcomes to substantially differ from those projected. We undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. The data in this report are estimates based on techniques and assumptions and they might change in future as a consequence of additional information or developments.

**MATERIALITY AND SCOPE**

This report encompasses sustainability information which is significant to all BKT stakeholders, offering a comprehensive overview of our business and related activities. It discloses key matters that substantially impact BKT’s ability to create value for stakeholders. In FY 2023-24, we re-assessed and updated the materiality assessment, identifying the topics most critical to our business and stakeholders.

**ASSURANCE STATEMENT**

Select information in this ESG report have been externally assured by an independent assurance firm Bureau Veritas (India) Private Limited based on Accountability Assurance Standard (AA1000AS) version 3, Type 2 High assurance. The assurance provider’s statement is presented at the end of this report.

**RESPONSIBILITY STATEMENT**

The content of this report has been thoroughly reviewed by BKT’s senior management and approved by the Board of Directors. This process ensures the accuracy, completeness, and relevance of the information presented. All details align with the principles and requirements of GRI Standards 2021, reflecting our commitment to transparency and accountability.





# 04 THE BKT STORY



## BKT'S JOURNEY IS ABOUT RESILIENCE AND INNOVATION, WITH GLOBAL IMPACT.

What began humbly in 1954 with Late Shri. Mahabirprasad Poddar's vision to meet India's burgeoning need for mobility through bicycle tires, has transformed into a powerhouse in the off-highway tire industry. Under his inclusive and forward-thinking leadership, BKT flourished, laying the foundation for a thriving family business that would transcend generations. In 1987, BKT officially emerged as a tire company, marking the beginning of its journey to become an international off-highway tire giant by 1995. Under

the leadership of Shri. Arvind Poddar, a second-generation leader, and the dynamic, global vision of the next-generation leader Shri. Rajiv Poddar, BKT experienced rapid expansion, boasting 10,000+ employees spanning three continents. This was just the beginning of BKT's remarkable growth journey.

Today, BKT stands as one of the major Global leaders in the off-highway tire market, revered for its unwavering commitment to innovation and continuous

improvement. While still rooted in its family-owned ethos, BKT has evolved into a truly global enterprise, with a presence in over 160 countries world-wide. From cutting-edge product offerings to industry-leading sustainability initiatives, BKT remains at the forefront of its field, prioritizing both local communities and global impact. As the BKT family looks toward the future, they do so with excitement and anticipation, united in their dedication to "Growing Together" and shaping the next chapter of its remarkable journey.



# EXPANDING OUR FOOTPRINT GLOBALLY



● **PRODUCTION FACILITIES**

**Tire Manufacturing**

- Waluj - (Maharashtra) (2 Units)
- Bhiwadi - (Rajasthan)
- Chopanki - (Rajasthan)
- Bhuj - (Gujarat)

**Carbon Black Manufacturing**

- Bhuj - (Gujarat)

**Mould Manufacturing**

- Dombivli - (Maharashtra)

**Drum Manufacturing**

- Dombivli - (Maharashtra)

**Wind Farm**

- Jaisalmer - (Rajasthan)

▲ **INTERNATIONAL SUBSIDIARIES**

- BKT EUROPE S.R.L.
- BKT USA INC
- BKT TIRES (CANADA) INC
- BKT TIRES INC

★ **CORPORATE OFFICE**

Mumbai  
(Maharashtra)

Map not to scale

**MISSION**

At BKT, we firmly believe in our capacity to champion environmental stewardship and social responsibility as a mission-driven business committed to sustainability. We are dedicated to provide customer-centric solutions in the form of our products and devoted to minimize our carbon footprint, advocating for eco-friendly practices, and fostering a culture of environmental consciousness throughout our operations. By integrating the principles of sustainability into every aspect of our business from sourcing to manufacturing, we aim to contribute to a greener, cleaner and more sustainable future. By **growing together**, we can create a future where economic growth and environmental sustainability co-exist harmoniously.

**VISION**

We, at BKT, aim to become the foremost provider of advanced solutions within the worldwide off-highway tire sector, reshaping industries, and empowering individuals on a global scale. Our objective is to establish ourselves as a recognized leader on the global stage, driving positive

transformations and enriching lives through our dedication to innovation, excellence, and sustainable practices. We are committed to build a better future for everyone through hi-tech technologies, a persistent dedication to our clients, and a relentless pursuit of excellence.

**PRODUCT PORTFOLIO**

Beyond being merely a brand, BKT stands as a driving force in the industry, collaborating closely with customers to deliver sustainable and innovative solutions tailored to every segment and geography. Our pioneering spirit is evident through consistent product launches, solidifying our leadership in Off highway tire technology in India. BKT's tire product portfolio exemplifies our commitment to excellence, offering a vast array of high-quality and reliable tires tailored for various vehicles and applications.

Engineered for exceptional traction, durability, and safety, each tire in our collection is meticulously crafted to meet the diverse needs of our customers. With a keen understanding of the unique requirements of different industries and user preferences, we curate personalized solutions that span

across budget ranges, vehicle specifications, and performance preferences. From Agricultural to Industrial, Earthmover to ATV, our portfolio covers a wide spectrum of specialty segments, comprising over 3,200+ SKUs in both cross-ply and radial constructions. Through our relentless investment in R&D, we ensure the continuous introduction of innovative technologies and materials, guaranteeing optimal performance, resilience, and value for our clients.

Moreover, our focus towards sustainability underscores our dedication to creating products with minimal environmental impact. Through ongoing efforts in R&D, we aim to develop new products using sustainable materials and reduce energy consumption without compromising performance. By streamlining manufacturing processes and enhancing efficiency, we are poised to continue our journey of innovation, ensuring that our tire portfolio evolves to meet the ever-changing needs of our customers while also preserving the planet for future generations.

**MESSAGE FROM DIRECTOR TECHNOLOGY**

**“AT BKT, WE ARE PASSIONATE TO INTEGRATE SUSTAINABLE PRACTICES INTO EVERY ASPECT OF OUR OPERATIONS, WITH A CLEAR FOCUS ON INNOVATION AND RESPONSIBILITY.”**



At BKT, we are passionate to integrate sustainable practices into every aspect of our operations, with a clear focus on innovation and responsibility. One of our key areas of focus has been the recycling and replacement of existing raw materials with more sustainable alternatives. Our Research & Development team is actively working on replacing petrochemical-based materials with biobased options. This initiative reflects our dedication to reducing our environmental impact and paving the way for a greener future. We have become

a member of GPSNR ensuring that the Natural rubber procured by us is sustainable. In addition, we are increasing the percentage of reclaimed rubber and recycled carbon black in specific categories of our tires. By doing so, we are enhancing the sustainability of our products. Another area of significant research is the use of rice husk-based silica, an innovation that holds great promise for the future of tire manufacturing. Similarly, we are exploring the potential of filaments produced from reprocessed PET bottles in Polyester cords, further contributing to the circular economy. Our efforts in energy conservation have also been notable. We have implemented advanced energy-efficient technologies across our manufacturing plants, effectively reducing our power consumption. With various other steps like installing Variable Frequency Drives (VFDs) and optimizing our cooling systems we have made substantial strides in minimizing our energy consumption and reducing carbon

footprint BKT continues to focus its resources, strengths, and strategies on achieving the vision of becoming a global leader while upholding our core values of Quality, Trust, Leadership, and Excellence. These values drive our commitment to innovation and sustainability, guiding us as we navigate the challenges of today's world and work towards a more sustainable future. In conclusion, I extend my deepest appreciation to our dedicated teams, whose tireless efforts in research and development have been instrumental in our sustainability achievements. I also want to express my gratitude to our customers, partners, and communities for their continued support. Together, we will continue to innovate and build a more sustainable future for all.

**Dilip Vaidya**  
Director Technology



05

# KEY HIGHLIGHTS FOR FY 2023-24



## ENVIRONMENT

**91,389 MT** renewable material used for our primary products.

**43.54% YoY** reduction in groundwater withdrawal at water stressed areas.

- **26.26%** YoY reduction in non-renewable grid electricity consumption.
- **26.24% YoY** reduction in Scope 2 emissions during the reporting period resulting in **27,825 tCO<sub>2</sub>e** in avoided emissions.
- **24,937** new trees planted during the reporting period, covering an area of **48,762 m<sup>2</sup>**.



## GOVERNANCE



## SOCIAL

More than **3,53,863 hours** training provided to employees and workers in FY 2023-24.

- **No cases** of Human Rights violation in FY 2023-24.
- **Zero fatalities** in the last two years.
- **New** suppliers are assessed based on environment and social criteria.
- **100%** Employees and Workers receive Performance and Career Development Reviews.
- **3,134 Lakhs INR** spent on **21 CSR** projects.

- **25%** women in BoD.
- **Zero Incidents** of Data breach in last two years.
- **All** sites assessed for anti-bribery, anti-corruption.
- **Zero Cases** of Bribery and Conflict of Interest against BOD and Employees.
- **Zero cases** of Corruption involving Board of directors, employees, and business partners.



# 06 STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT



## CRAFTING A SUCCESSFUL STAKEHOLDER ENGAGEMENT STRATEGY IS PARAMOUNT FOR ORGANIZATIONS NAVIGATING THE INTRICATE LANDSCAPE OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES.

This strategy entails a comprehensive approach, spanning from stakeholder identification to ongoing dialogue and action implementation. At BKT, we have meticulously identified and categorized stakeholders, recognizing the diverse range of interests and concerns they embody. This foundational step lays the groundwork for subsequent engagement endeavors. Subsequently, a materiality assessment is conducted to

identify the most critical ESG issues, aligning organizational objectives with stakeholder expectations. Armed with this understanding, organizations can devise tailored communication and engagement plans to facilitate meaningful dialogues with stakeholders. These strategies might encompass stakeholder meetings, surveys, town hall discussions, and online platforms, among other avenues. By actively involving stakeholders, organizations glean invaluable

insights into their perspectives, empowering them to address concerns proactively and transparently. Moreover, robust stakeholder engagement fosters trust, enhances reputation, and drives long-term value creation for all stakeholders involved. It serves as a cornerstone for sustainable business practices in today's interconnected global economy.

# PROCESS OF CONDUCTING MATERIALITY ASSESSMENT

01

Gaining a deeper insight into the company's manufacturing processes, supply chain activities, and relationships with suppliers, customers, investors, employees, board members & KMPs.

03

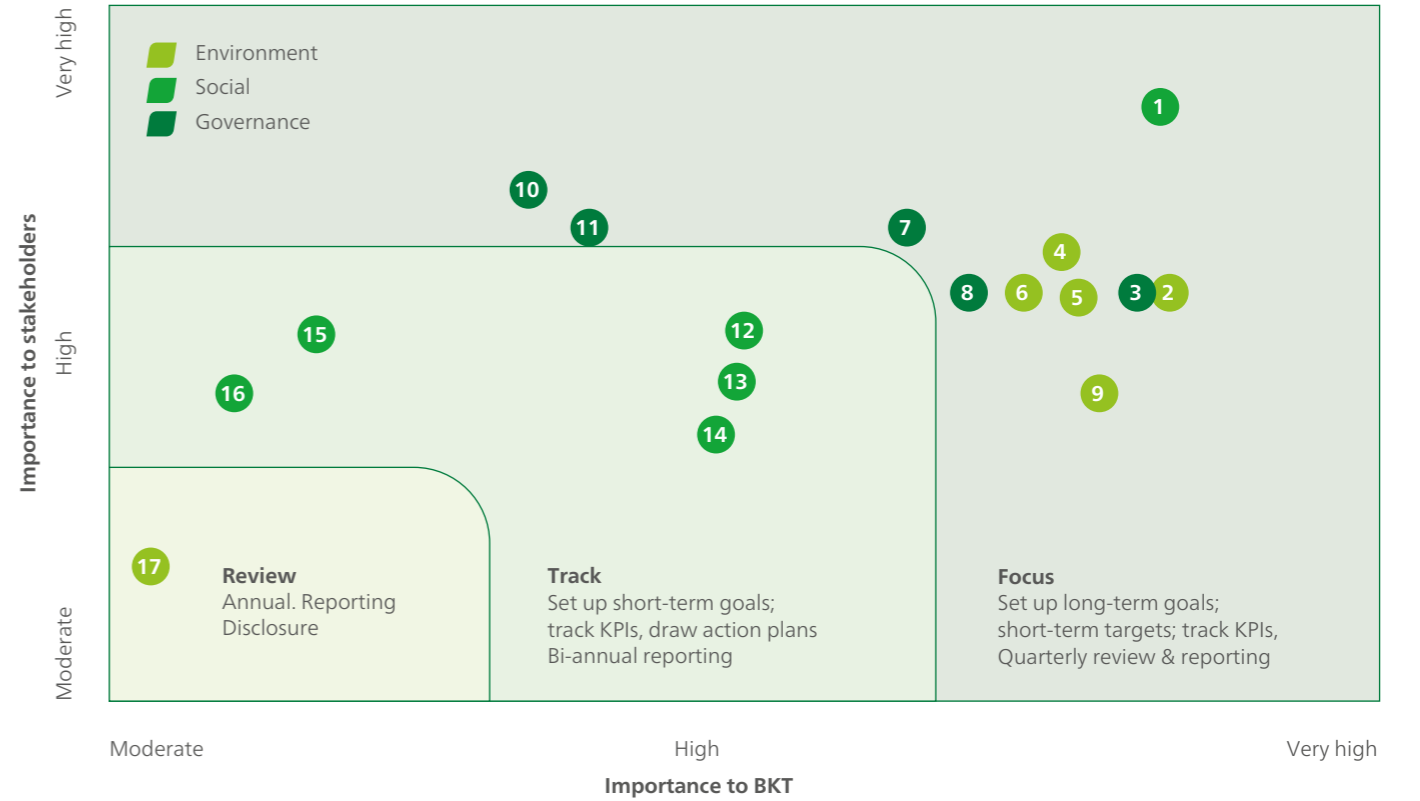
Looking at the environmental, social, and economic outcomes of our actions, as well as identifying areas where improvements can be made and potential threats may arise.

05

The final scores were mapped for BKT and stakeholders, resulting in a detailed matrix of the issues. Importance to BKT was represented on the x-axis, while stakeholder importance was depicted on the y-axis.



# MATERIALITY MATRIX FOR BKT



RANK	MATERIAL ISSUES
1	Product Quality and Safety
2	Water Stewardship
3	Corporate Governance
4	Emissions Management
5	Energy Management
6	Sustainable Strategy for Climate Resilience
7	Business Ethics and Compliance
8	Innovation and Digitalization
9	Waste management & Circular Economy
10	Ethical Procurement
11	Sustainable Supply Chain
12	Prioritizing Occupational Health and Safety
13	Labour Management and Human Rights
14	Training, Education and Wellbeing
15	Product Design & Lifecycle Management
16	Diversity, Equity and Inclusion
17	Biodiversity Protection

# ESG PRIORITIES BASED ON MATERIALITY ASSESSMENT



### ENVIRONMENT

#### WATER STEWARDSHIP

- Reduction in freshwater usage
- Implementation of Water conservation and collection initiatives
- Enhancement of water storage capacity

#### EMISSIONS MANAGEMENT

- Monitoring and mitigation of Scope 1, 2, and 3 emissions
- Decrease in Greenhouse Gas (GHG) intensity
- Investigation of Opportunities in Sustainable Technologies

#### ENERGY MANAGEMENT

- Adoption of Renewable Energy resources
- Deployment of Energy-saving measures
- Decrease in Energy consumption intensity

#### SUSTAINABLE STRATEGY FOR CLIMATE RESILIENCE

- Development of a Disaster Preparedness Plan
- Assessment of Supply Chain Risks
- Tracking of Production Interruptions due to Raw Material shortages



### GOVERNANCE

#### WASTE MANAGEMENT & CIRCULAR ECONOMY

- Material Segregation, Recycling, and Reutilization
- Proper Disposal of Hazardous Waste
- Implementation of Zero Waste to Landfill programs
- Innovative Product Design and Life Cycle Evaluation

#### BIODIVERSITY PROTECTION

- Preservation of Green spaces within and around facilities
- Implementation of Initiatives for Biodiversity Conservation
- Evaluation of the Environmental Impact of current and proposed projects and actions

#### CORPORATE GOVERNANCE

- Establishment of a transparent board structure
- Integration of risk mitigation and governance processes
- Effective communication with stakeholders
- Management of brand reputation and investments in socially responsible ventures



### SOCIAL

#### PRODUCT QUALITY AND SAFETY

- Adherence to regulatory standards and industry benchmarks for product quality
- Establishment of mechanisms for addressing grievances
- Continuous innovation in product development

#### PRIORITIZING OCCUPATIONAL HEALTH AND SAFETY

- Implementation of measures to enhance employee wellbeing, health, safety, and motivation
- Reduction of safety incidents through proactive safety initiatives
- Adoption of safety protocols for the handling of hazardous materials

#### LABOUR MANAGEMENT & HUMAN RIGHTS

- Assessment of the impact on human rights within the organization
- Provision of training for internal and external stakeholders on human rights issues

#### TRAINING, EDUCATION AND WELLBEING

- Implementation of programs for employee engagement and recognition
- Investment in training and skill development initiatives
- Performance evaluation and provision of fair compensation and incentives

#### PRODUCT DESIGN AND LIFE CYCLE MANAGEMENT

- Promotion of research and development for innovative technologies and materials
- Responsible disposal practices for end-of-life products, such as tires

#### BUSINESS ETHICS

- Continuance of maintaining of ethical decision-making frameworks
- Commitment to transparency through comprehensive disclosures of financial and ESG practices

#### INNOVATION AND DIGITIZATION

- Integration of sustainability considerations into innovation initiatives
- Documentation of patents obtained and applied for each fiscal year
- Development of policies for data collection, protection, and privacy
- Implementation of robust IT security measures and management practices

#### DIVERSITY AND INCLUSION

- Strategies for talent retention and development
- Provision of learning opportunities and continuous improvement initiatives for employees

#### ETHICAL PROCUREMENT

- Adoption of a Sustainable Procurement Policy
- Ensuring the rights and well-being of individuals across the supply chain

#### SUSTAINABLE SUPPLY CHAIN

- Emphasis on sustainable and responsible sourcing practices
- Preference for local and sustainable procurement options
- Identification and mitigation of supply chain risks
- Evaluation of supplier ESG performance, provision of training, and promoting ESG awareness



07  
**OUR  
GOVERNANCE**

# OUR GOVERNANCE

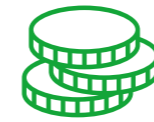


## OUR COMMITMENT TO EXEMPLARY GOVERNANCE AND ETHICAL CONDUCT FORTIFIES OUR SUSTAINABILITY ENDEAVOR.

We have seamlessly integrated sustainability into our corporate governance structure, aligning it with our mission and embedding it deeply within our operations. This holistic approach underscores our dedication to sustainability, ensuring it permeates every aspect of our business.

By upholding the highest standards of governance and ethics, we advance our sustainability goals and also enhance trust with stakeholders and contribute to a more sustainable future for all.

## FOCUS AREA



Economic Performance



Corporate Governance



Business Ethics and Compliance



Ethical Procurement



Sustainable Supply Chain



Innovation and Digitization

## KEY HIGHLIGHTS

Governance	25% women in BOD
Data Privacy Business Ethics	<ul style="list-style-type: none"> <li>• Zero Incidents of Data breach in last two years</li> <li>• All sites assessed for anti-bribery, anti-corruption</li> <li>• Zero Cases of Bribery &amp; Conflict of Interest against BOD and Employees</li> <li>• Zero cases of Corruption involving Board of directors, employees, and business partners</li> </ul>
Economic Performance	<ul style="list-style-type: none"> <li>• INR 9,29,870 lakhs in revenues</li> <li>• INR 2,65,180 lakhs EBITDA</li> </ul>
Quality Management	100% of product manufacturing sites are certified with ISO 9001 : 2015 certification

## LINKING WITH UN SDG'S







## MESSAGE FROM COMPANY SECRETARY

**“WE AT BKT ARE GOVERNED BY OUR CODE OF CONDUCT THAT UPHOLDS OUR FUNDAMENTAL VALUE OF BUSINESS INTEGRITY AND ETHICS ACROSS ALL OUR OPERATIONS.”**



Sustainability is a key component of our business operations. Global environmental, social, and economic challenges are reshaping our operational landscape. Stakeholders, including investors and employees, anticipate our proactive engagement in addressing these issues. This entails strategic adjustments, investments, and transformative business practices to effectively contribute to sustainable solutions and meet evolving expectations.

We are well positioned to respond to challenges by incorporating sustainability strategy into our business goal and methods of operation. We are building a better, safer more sustainable world by providing our customers with our products to accelerate advancements in key areas such as mining, agriculture etc.

The cornerstone of realizing our vision is rooted in robust compliance. It is imperative that we continuously evolve our compliance practices to rapidly adapt to changing social dynamics and environmental conditions. Presently, compliance also encompasses the principles of Environmental, Social, and Governance (ESG) and Sustainable Development Goals (SDGs).

Our Code of Conduct establishes mandatory guidelines that all stakeholders must adhere to when fulfilling their duties. We are

governed by these guidelines and are responsible for consulting the Code when navigating complex situations. Together, we are committed to nurture a culture of ethical integrity, honesty, and transparency. Each member is obliged to responsibly report concerns in good faith. We are proud of the business responsibility policies that we have developed over an extended period. These policies are detailed at <https://www.bkt-tires.com/ca/us/investors-desk>. Additionally, our Business Responsibility and Sustainability Committee offers guidance on sustainability risks, opportunities, and emerging trends. It also reviews our environmental and social responsibility strategies annually.

**Vipul Shah**  
Whole Time Director and  
Company Secretary

## ECONOMIC PERFORMANCE

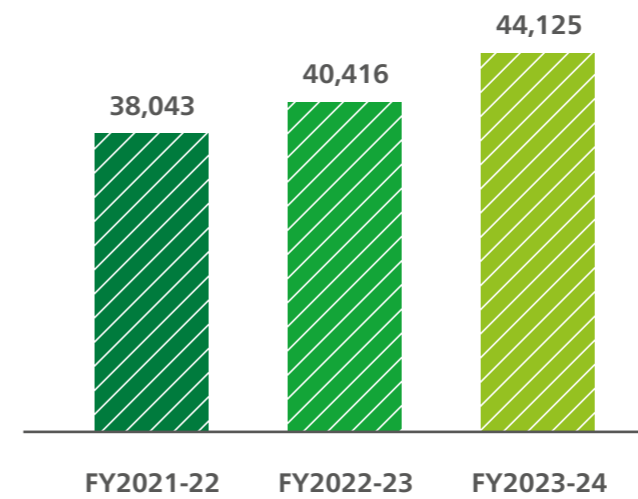
Sustainable development is pivotal to our economic prosperity. Our focus lies in both financial and non-financial performance criteria, aiming to incentivize short-term economic goals while striving for operational excellence. We prioritize value creation through profitable and sustainable growth, focusing on sustainably enhancing key economic indicators.

Our Board of Directors establishes guidelines to ensure that all business processes comply with economic, orderly, and legal standards. We meticulously monitor the effective and efficient utilization of resources, maintain an optimal capital structure, and oversee investment decisions. This governance extends to sectoral development, innovation, entrepreneurship, financial stability, and resource allocation—all aimed at positively influencing economic performance.

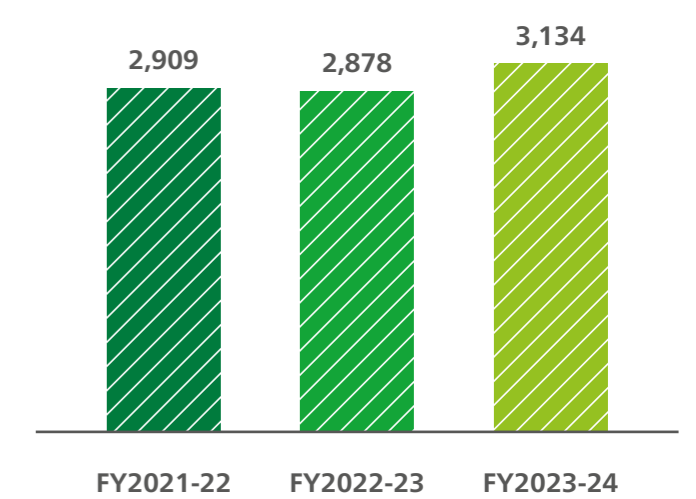
We are steadfast in our commitment to facilitate the import of capital goods, essential for the production of high-quality goods and corresponding services, thereby augmenting India’s export competitiveness. During the reporting period, our organization received significant financial assistance from the government, INR 120 lakhs in financial incentives, and INR 2,738 lakhs through the EPCG (Export Promotion Capital Goods) scheme. This initiative, fundamental to the Indian government’s strategy, facilitates exports by allowing duty-free importation of capital goods crucial for production. The EPCG scheme plays a pivotal role in fostering manufacturing competitiveness by alleviating customs duties on imported capital goods and enhancing the global market viability of Indian exports.

As part of our community development initiative, we make investments and carry out various activities for local communities as per needs assessments. Furthermore, we transparently disclose how we allocate resources towards projects along with their operational impacts. This includes detailing investments in community development, along with the types of services these infrastructures enable or support. As part of the Companies Act 2013, we are required to report on the economic effects we generate through our partnerships, and other indirect contributions in the Annexure-II section of our [Annual Report](#) which details the Corporate Social Responsibility (CSR) activities we have undertaken. This helps us highlight our broader economic footprint beyond direct operations, illustrating our company’s role in driving economic activity and fostering socio-economic development in various communities.

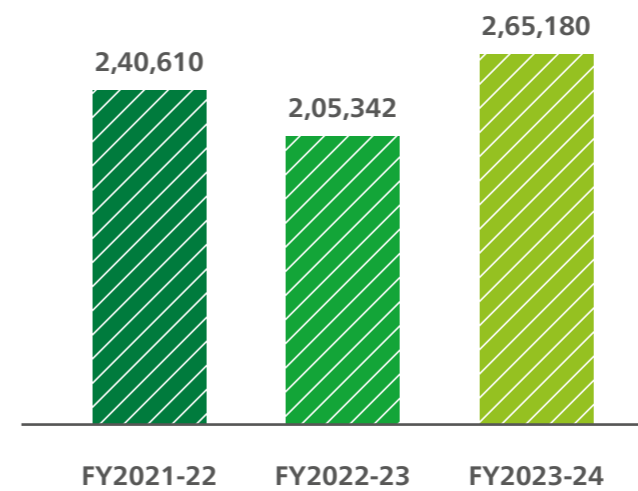
Employee Wages and Benefits (INR lakhs)



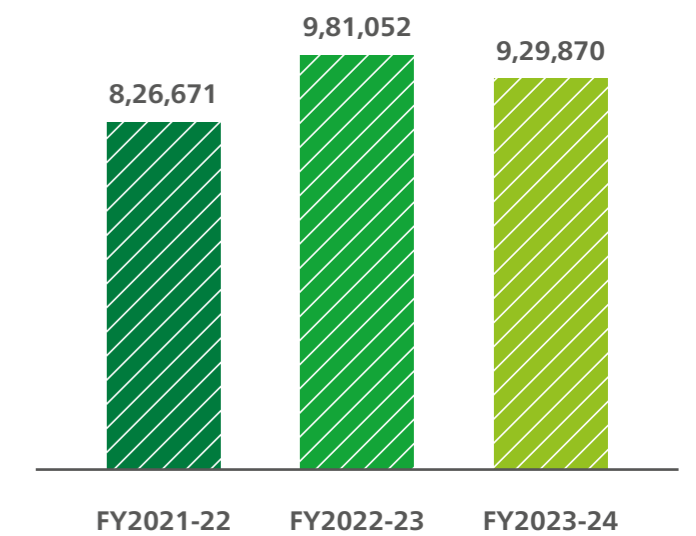
Community Investments (INR lakhs)



EBITDA (INR lakhs)



REVENUE (INR lakhs)



## TAX STRATEGY

### MESSAGE FROM DEPUTY CHIEF FINANCIAL OFFICER



Leading the innovations of the tire manufacturing industry, BKT tires continues to forge ahead with a strong strategy to secure

better business prospects and move along a growth trajectory where each stakeholder receives their due for their faith and loyalty of staying invested in us.

BKT has always believed in secure fiscal management for undented support, in times of challenges. Proud of the financial judgement, oversight, and foresight of the Board we saw the past year experience good revenue numbers from operations. Being India's top player in the global 'Off Highway Tire (OHT)' market, we have a deep understanding of the tire market in India and even the global markets through devoted

distribution networks in the Americas, Europe, India, and other parts of the world.

Incorporating ESG criteria into our decision making enables us to make informed decisions that align with our corporate values and long-term strategic goals. With strong fiscal prudence we are confident that we could secure more market share and work towards the larger goal of stakeholder management, value creation and growth.

**Ravi Joshi**  
Deputy Chief Financial Officer

We recognize our responsibility to fulfil tax obligations and leverage applicable incentives while complying with regulations. The internal tax team, headed by the Finance and Accounts leaders, oversees tax strategy, and attends to stakeholder concerns. Through a structured approach encompassing detection, management, mitigation, and control of tax risks, we reinforce our adherence to regulatory compliance. Our processes ensure no illegal tax practices occur, affirming our obligation to cooperate with tax authorities. Tax data originates from independently audited consolidated financial statements, guaranteeing transparency and accountability.

Our board regularly reviews tax strategies, filings, and provisions to ensure alignment with company objectives and regulatory updates. We continuously refine our tax strategy to improve our financial position both in the short and long term. The board receives periodic updates from the internal tax team, which is responsible for monitoring, managing, and mitigating tax risks, thus ensuring compliance.

#### **Defined benefit plan obligations and other retirement plans:**

Our employees are integral to our company, forming the cornerstone of our strategy for sustained success. To ensure a secure future for our staff and their families, we

have implemented various policies tailored to their needs. All employees have access to social benefits, including insurance and parental leave, as outlined by company policies and local union agreements.

Our health benefit plan covers insurance premiums paid to insurers, which include payments for hospital stays and specific critical medical conditions. Termination benefits, whether due to restructuring or voluntary retirement, are recorded in our consolidated financial statements.

## CORPORATE GOVERNANCE

### BOARD OVERSIGHT

Sustainability is our foremost priority and is embedded in our decision-making processes and overall conduct. Through a robust and results-driven governance framework, our Board exercises vigilant oversight and spearheads the implementation of our ESG agenda. Our key management personnel (KMP) are committed to ensure that the company's strategic objectives are aligned with sustainable development and oversee the execution of these initiatives. Our KMPs facilitate the implementation of policies crafted by the Board of Directors, supervise the execution and management of sustainability initiatives, and consistently evaluate their effectiveness and efficiency.

Our Board comprises of individuals with diverse expertise and skills relevant to the organization's needs. Their key skills include industry knowledge, financial acumen, legal expertise, operational experience, strategic thinking, and other relevant competencies. The board plays a critical role in shaping the vision, mission, and long-term goals of the organization. By providing strategic direction, the board ensures that the organization is focused on achieving its objectives and is aligned with its purpose.

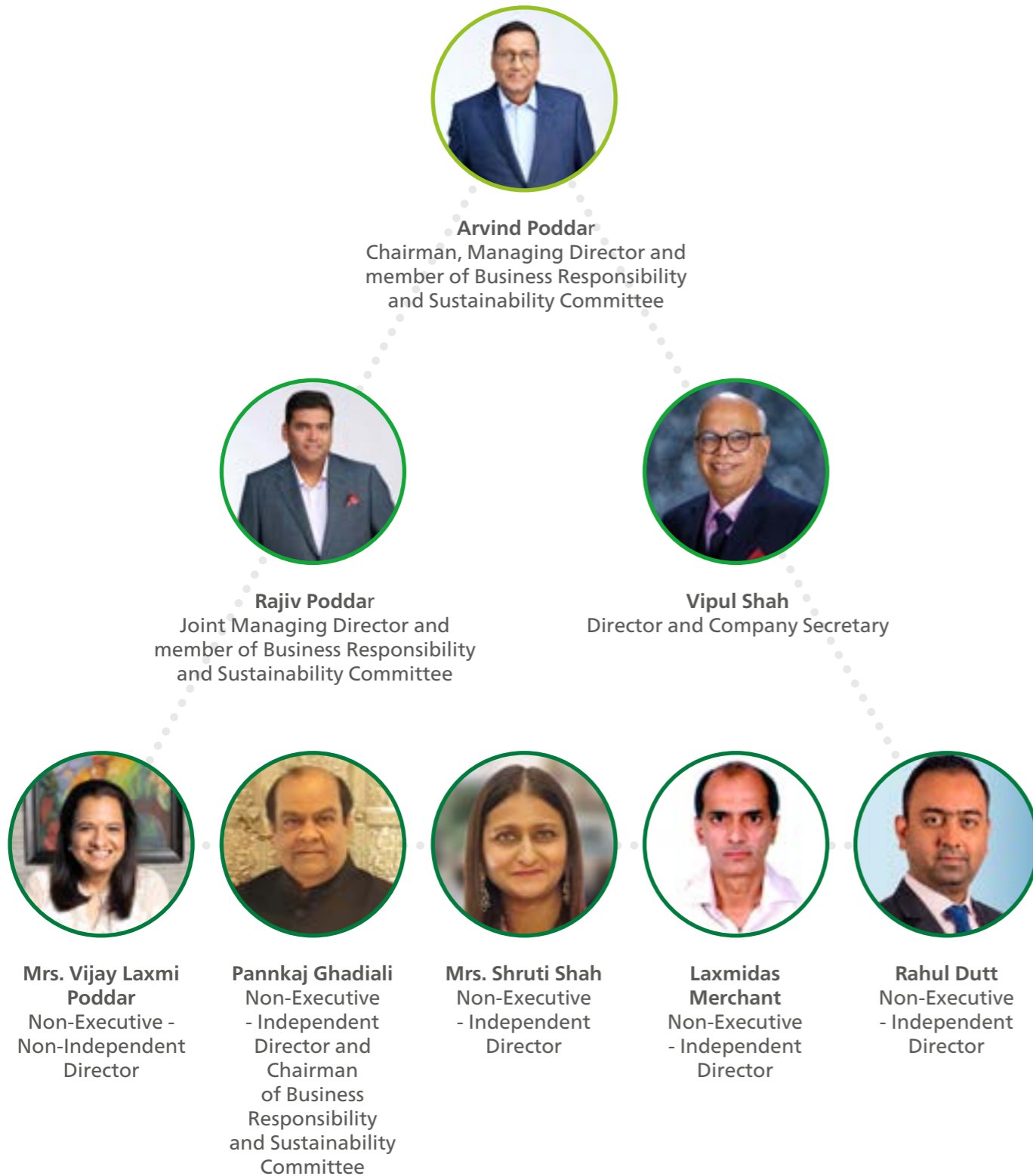
We are currently advancing the integration of sustainability into our broader corporate processes, aiming to foster a long-term commitment to sustainable growth within our company. This strategy,



developed and implemented by our Corporate Sustainability team, undergoes regular reviews by the Board of Directors and its Business Responsibility & Sustainability Committee. This ensures our strategy effectively supports our objective of long-term, sustainable value creation. The Business Responsibility and Sustainability Reporting (BRSR) committee receives quarterly updates on the progress of sustainability-related activities.

The primary objective of the Business Responsibility and Sustainability Committee is to ensure the company consistently generates sustainable value. The committee is kept informed

by periodic updates from relevant departments regarding significant developments that affect the company's operations. Throughout the financial year, training and update sessions are organized for Board members, supported by Key Management Personnel (KMP), to enhance their understanding and oversight of these initiatives.



**BOARD COMMITTEES AND THEIR RESPONSIBILITIES**

The Board of Directors has established dedicated sub-committees to focus on various business dimensions of the company, including strategy, finance, audit, CSR, risk management, stakeholder relationship compliance, and sustainability. This structure facilitates the decentralization of responsibility, aligning with our organizational goals. These sub-committees are tasked with quarterly monitoring of our ESG

performance data, during which they assess and evaluate the outcomes.

The Board of Directors, receiving insights from the Audit, Finance, Nomination & Remuneration, Stakeholder Relationship, Risk Management, CSR, and Business Responsibility & Sustainability Reporting (BRSR) committees, formulates the overarching strategy of the company. These sub-committees are granted authority to access relevant business intelligence and work collaboratively with various

company functions to execute their responsibilities effectively. All these activities are coordinated by the Company Secretary, ensuring seamless integration and alignment with our strategic goals.

The Board delegates responsibility for managing the impact of financial matters, risk mitigation, corporate social responsibility, maintaining stakeholder relationship and engaging employees on various internal committees as mentioned below:

BOARD OF DIRECTORS	BOARD COMMITTEES	
Company's BRSR and SR are approved by the Board before submission to the annual general meeting.	<b>AUDIT COMMITTEE</b> Supervises the company's internal control and financial reporting process.	<b>FINANCE COMMITTEE</b> Evaluates financial projections, revenue sources, cost estimates resource allocation to ensure alignment with strategic objectives.
	<b>NOMINATION &amp; REMUNERATION COMMITTEE</b> Formulates the criteria for determining qualifications, positive attributes independence and remuneration of Directors to the Board.	<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b> To deal with all matters related to addressing and resolving the grievances the stakeholders of the Company
	<b>RISK MANAGEMENT COMMITTEE</b> Identifies, mitigates and controls various risks encountered by the Company with a view to prevent unacceptable losses and to keep such risk at or below predetermined acceptable levels.	<b>CSR COMMITTEE</b> Assists the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy.

Regarding our Sustainability Governance structure, our Board of Directors, with support from the Business Responsibility & Sustainability Committee, reviews and approves initiatives related to ESG across our operations. These decisions are made in collaboration with our Managing Director and coordinated with the Sustainability team. During this financial year, we have conducted a materiality assessment and basis the result

of the assessment – we will focus on ESG risks and opportunities related to corporate governance, product quality, business ethics, innovation and digitization, emissions, energy management, climate resilience, circular economy etc. Within our Board of directors, our Managing director responsible for board-oversight sustainability initiatives in our business operations and stakeholders. Sustainability team co-ordinates with representatives

from various key departments across the organization and ensures ongoing monitoring of strategic programs and ESG initiatives.

This comprehensive approach will ensure that our governance framework remains resilient and adaptive to the evolving business landscape, thereby contributing to the long-term success and sustainability of our organization. ESG Governance Framework is as given below:

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY COMMITTEE**

This committee plays a pivotal role in providing strategic direction and oversight in framing ESG strategy and roadmap. ESG policies, initiatives and performance are supervised and reviewed by this committee, chaired by our Independent Director

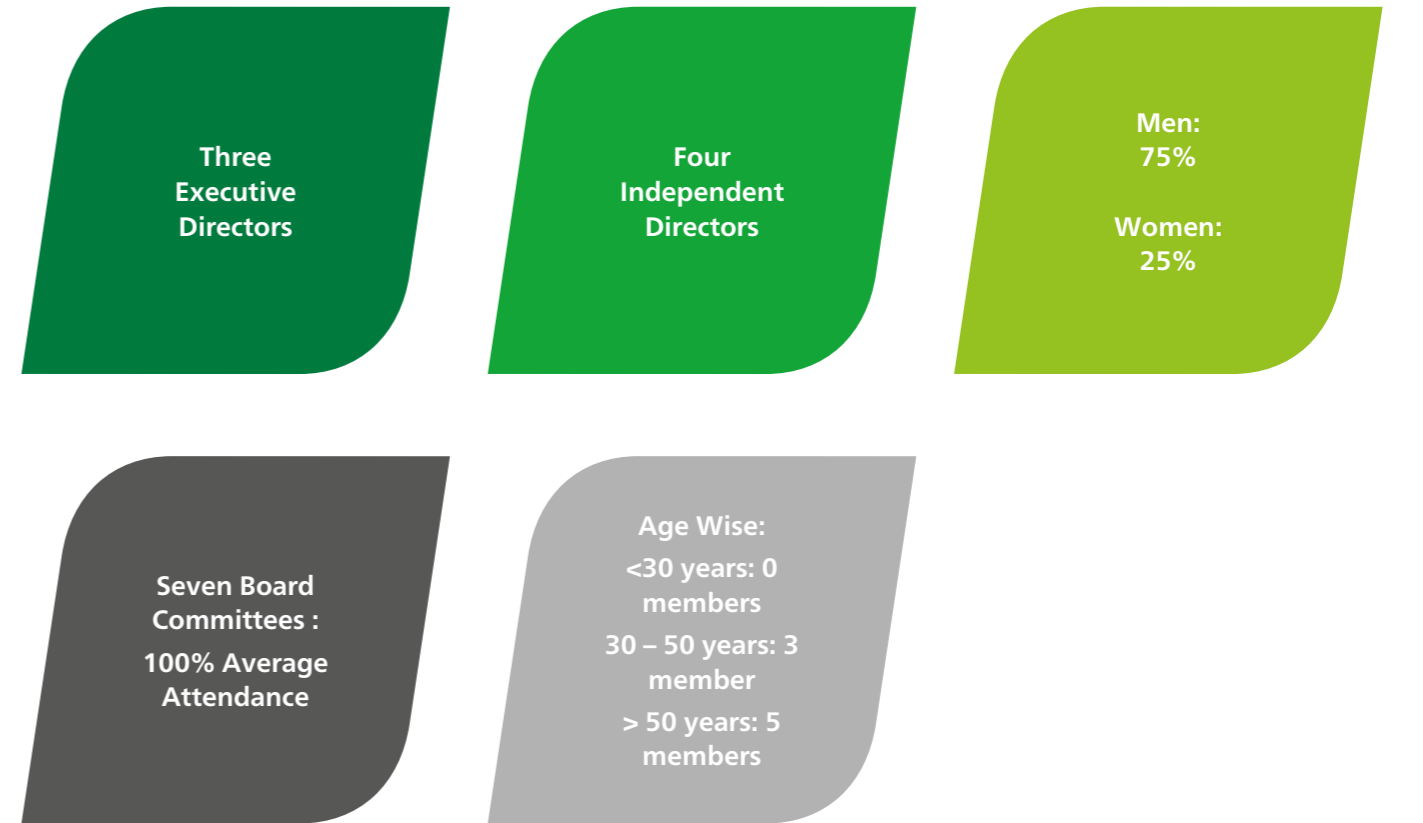
**SUSTAINABILITY TEAM**

Under the guidance of the Business Responsibility and Sustainability committee, the sustainability team ensures the day - to - day execution of the ESG strategy. This team works with functional heads with an aim to integrate the ESG strategy throughout the organization and they regularly review progress of ESG initiatives.

**SCOPE**

- Responsible for Execution. of sustainability initiatives
- Capacity Building and Training sessions.
- Data Collection and reporting on various ESG parameters.

**BOARD DIVERSITY**



We are committed to foster diversity within our Board of Directors, recognizing that it significantly enhances the board’s collective expertise and enriches our decision-making process. Our board comprises individuals with diverse attributes, including age, gender, educational backgrounds, professional experiences, and areas of expertise, which collectively broaden our perspective and strengthen our governance practices. An independent and diverse

Board leadership is crucial for effective corporate governance, enhancing the Board’s capabilities in overseeing management, operations, and in assessing risks and opportunities.

In compliance with statutory guidelines, the Nomination and Remuneration Committee diligently evaluates each candidate’s profile prior to appointment to ensure their suitability for the role and to confirm they possess the necessary

expertise to positively influence the company’s direction. This committee is also responsible for the performance evaluations of key management personnel. Detailed information on these procedures, as well as the remuneration of directors for the financial year, is provided in the Directors’ Report within the [Annual Report](#) for FY 2023-24.

**MEMBERSHIP ASSOCIATIONS**



At BKT, we actively collaborate with industry stakeholders, including suppliers, customers, regulatory bodies, and trade and industry chambers, to advance sustainable practices in the tire industry. We are involved with 10 leading trade and industry chambers and associations, to foster sustainability initiatives and align our practices with global benchmarks. These partnerships help us minimize environmental impacts while maintaining high performance and quality standards. We also engage at regional, national, and international levels

with various trade bodies to keep abreast of industry trends, regulatory updates, and best practices, which we integrate into our sustainability strategies. We conduct educational campaigns to encourage sustainable consumer behaviors, such as responsible consumption and recycling. Membership associations serve as a platform for companies with shared interests to connect, collaborate, and support each other. Effective membership management is essential for the success of our organization.

This enables us to connect with peers in our industry and gain access to insights and updates directly from leading professionals.

During the reporting period, we undertook a comprehensive materiality assessment involving diverse stakeholders to prioritize our sustainability efforts and address significant environmental and social issues. This strategic alignment with stakeholder expectations aims to enhance our overall impact on sustainable development.

Our engagement and collaboration at regional and national level includes:

<p><b>ALL INDIA RUBBER INDUSTRIES ASSOCIATION (AIRIA)</b></p>	<p><b>BOMBAY CHAMBER OF COMMERCE (BCC)</b></p>	<p><b>CHEMICAL AND ALLIED EXPORT PROMOTION COUNCIL OF INDIA (CAPEXIL)</b></p>
<p><b>FEDERATION OF INDIAN EXPORT ORGANIZATION (FIEO)</b></p>	<p><b>IMA CHIEF HUMAN RESOURCE OFFICER FORUM (CHRO)</b></p>	<p><b>BHIWADI MANUFACTURERS ASSOCIATION (BMA)</b></p>
<p><b>CHAMBERS OF MARATHWADA INDUSTRIES AND AGRICULTURE (CMIA)</b></p>		

While our engagement and collaboration at international level include:

<p><b>EUROPEAN TIRE AND RIM TECHNICAL ORGANIZATION (ETRTO)</b></p>	<p><b>TIRE AND RIM ASSOCIATION (T AND RA)</b></p>	<p><b>INTERNATIONAL TRADEMARK ASSOCIATION</b></p>
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# BUSINESS ETHICS AND COMPLIANCE

At BKT, we are dedicated to promoting a culture of ethics and compliance both within our operations and in our interactions with third parties. We ensure compliance through stringent internal procedures, regularly validated by our internal control and audit processes. We encourage ethical conduct across all business activities and urge both employees and external stakeholders to report any suspected violations of our Code of Conduct. To facilitate this, we provide a whistle-blower email ID that guarantees anonymity and protection against retaliation.

Our Board of Directors plays a vital role in our corporate governance, ensuring that ethical considerations are embedded in our strategic decision-making.

The Board monitors management actions and protects stakeholder interests. As part of our internal audit system, all manufacturing locations and offices undergo risk assessments in line with the Code of Conduct. Any significant concerns detected are communicated to the governance body during scheduled board meetings. It is noteworthy that during the current reporting period, there were no significant issues related to potential or actual negative impacts on stakeholders raised through our grievance mechanisms or other processes, resulting in no critical concerns being reported to the governance body.

We have established comprehensive guidelines pertaining to conflicts of interest. These guidelines clearly

define what constitutes a conflict and mandate regular disclosures from members. Additionally, we conduct thorough reviews of any disclosed interests. Protocols are in place requiring members to recuse themselves from discussions where conflicts may arise, thus promoting transparency and accountability in our decision-making processes. We also conduct regular training and education sessions to ensure that members are well-informed on identifying and managing conflicts effectively. Continuous policy reviews and independent oversight further reinforce our governance framework, ensuring that decisions are made impartially and align with the best interests of the organization and its stakeholders.

Long-term success for our company hinges on our ability to consistently earn and maintain the trust of our workforce, customers, suppliers, shareholders, and the society. We expect every employee to act with integrity, a principle that has been the foundation of our corporate culture for over six decades. Any deviation from these standards could jeopardize our reputation and stakeholder relationships. We manage compliance and risk in a coordinated, comprehensive, and values-driven manner. During FY 2023-24, our company was not involved in any legal proceedings or significant investigations related to allegations of anti-competitive actions.

Our interactions with other institutions are governed by principles of transparency, legitimacy, and accountability. In line with these principles, the total monetary value of both financial and in-kind political contributions made directly or indirectly by our organization is negligible. Our Code of Conduct policy enforces compliance with the Anti-Corruption and Bribery clause, and through our awareness programs, all employees and workers are educated on these principles.


We uphold a zero-tolerance approach towards corruption and bribery. During the financial year, no incidents of non-

compliance were recorded within the company's operations, and no contracts with business partners were terminated or not renewed due to corruption-related violations. Additionally, we have a whistleblower policy in place for all stakeholders, allowing them to report any non-compliance or suspected non-compliance with our Code of Conduct principles directly to the Chairman of the audit committee.



In accordance with our Code of Conduct; in the event of a Conflict of Interest scenario, all employees are required to prioritize the organization's interests and promptly disclose the situation to their Reporting Authority. This aims to facilitate a fair and transparent resolution process.

Furthermore, comprehensive training sessions on Conflict of Interest matters are systematically provided to our employees. Our objective is to maintain 100% compliance across our organization and extend the same to our value chain.



**GRIEVANCE REDRESSAL MECHANISM**

We have launched user-friendly grievance mechanism tool designed to gather grievances such as any violations of human rights, anti-corruption and anti-bribery policy breaches, etc. from internal and external stakeholders. It facilitates the everyday observance of

our Code of Conduct and a compliance culture. Every grievance submitted through our portal is treated discreetly and professionally. We are conducting an ongoing campaign to raise awareness about the newly launched portal.

**POLICY COMMITMENTS**

To underscore our commitment to ethical business conduct and practices, we have outlined our obligations in several key policy documents. For more information, please visit the Shareholders Information section in the Investors Desk on our company website: <https://www.bkt-tires.com/in/en/investors-desk>.

Our policies, along with updates to existing policies, are approved by the Board of Directors. Every new employee is required to sign the Code of Conduct during onboarding, confirming their acceptance of these principles. We also conduct regular training sessions to provide employees with an overview of our business responsibility policies.

At BKT, we are determined to uphold the dignity and rights of all individuals through a comprehensive Labour and human rights policy. Grounded in principles of fairness, equality, and respect, our policy ensures that every employee, regardless of background or position, enjoys a safe and inclusive work environment. We adhere strictly to international Labour standards and local regulations, promoting transparency and accountability in all our operations. Through ongoing education, training, and engagement initiatives, we empower our workforce to thrive professionally while safeguarding their fundamental rights. Our dedication extends beyond legal compliance to include proactive measures that foster a culture of mutual respect, diversity, and ethical responsibility throughout our global operations.



These policies are applicable to all employees of our company, with certain policies extending across the value chain. As of the current reporting period, key sustainability-related policies include:

- [Ethics Transparency and Accountability](#)
- [Cyber Security and Data Privacy](#)
- [Anti-Bribery and Anti-Corruption](#)
- [Advocacy](#)
- [Code of Conduct](#)
- [Customer Relationship](#)
- [Environment Health & Safety](#)
- [Employee Welfare](#)
- [Inclusive Growth and Equitable Development](#)
- [Business Continuity](#)
- [Labour & Human Rights](#)
- [Stakeholder Relationship](#)
- [Sustainable Development](#)
- [Diversity and Inclusion](#)
- [Nomination and Remuneration](#)
- [Vigil Mechanism and Whistle Blower](#)
- [Prevention of Sexual Harassment](#)

At the heart of our corporate ethos lies a sustainability strategy

seamlessly interwoven with our overarching policies. These policies serve as steadfast pillars, guiding our emphasis towards environmental stewardship, social responsibility, and economic resilience. Through meticulously crafted frameworks and practices, we integrate sustainability into every facet of our operations, from procurement and production to distribution and customer engagement. Embracing innovation and collaboration, we strive to meet current sustainability benchmarks as well as pioneer future-oriented initiatives that mitigate environmental impact and promote societal well-being. Our holistic approach transcends mere compliance, embodying a proactive stance that harmonizes ecological integrity with long-term business viability. By aligning our policies with strategic sustainability goals, we forge a path towards enduring prosperity while preserving resources for future generations.



**RISK MANAGEMENT**

A robust risk management framework is crucial in our industry to ensure safety, mitigate product liability risks, manage supply chain disruptions, address environmental concerns, and maintain financial stability. Effective corporate governance and good corporate governance necessitate that the company responsibly handles risks through people, processes, and technology-oriented activities that are aligned across the organization. We continually strive to identify risks before they escalate into problems, conducting thorough risk assessments and taking proactive measures to mitigate them. This includes addressing issues related to the company's strategy, planning, business development, risk management, compliance, and sustainability.



The Business Responsibility & Sustainability Committee, in collaboration with the Risk Management Committee, regularly engages on topics related to the company's strategy, business development, risk situation, risk management, and compliance. Our governance practices are further strengthened through a comprehensive approach to risk management, internal control systems, and a dedication to sustainable business practices.

**FINANCIAL IMPLICATIONS AND RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE**

Climate change represents a uniquely global, existential challenge unlike anything else we have ever known. Yet we face this challenge at a time of economic development in India and in our

global markets as well. As a tire manufacturing company, we conducted a comprehensive assessment of climate change risks is imperative to understand the potential impact on our operations and develop strategies to mitigate these risks. Climate change poses significant challenges to our industry, including supply chain disruptions, raw material availability, energy costs, and regulatory changes. Hence, we have undertaken a comprehensive assessment to outline the critical climate change risks specific to our business and developed strategies to build resilience and sustainability.

**PHYSICAL RISKS**

Climate change has the potential to increase the frequency and severity of extreme weather events such as hurricanes, floods, and heat waves. These events can disrupt our manufacturing facilities, supply chain logistics, and distribution networks. Additionally, rising temperatures can affect tire performance, leading to increased wear and tear, reduced lifespan, and changes in consumer demand for specific tire types. The availability and cost of raw materials, particularly rubber, are vulnerable to climate change impacts such as extreme weather events, changing precipitation patterns, and temperature fluctuations. These factors can directly affect raw materials' sourcing, quality, and cost, potentially disrupting our production processes and increasing operational costs.



The Shared Socioeconomic Pathways (SSPs) are scenarios we have used to explore different

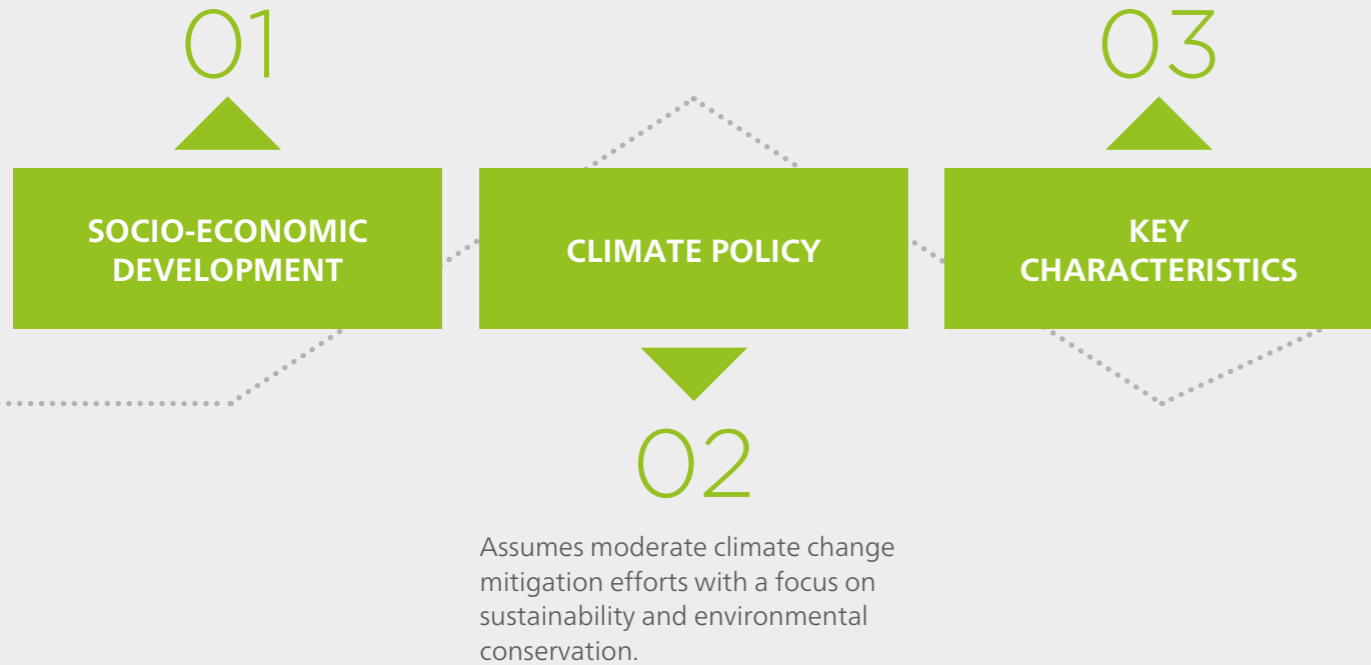
futures based on various combinations of socioeconomic development and climate policies.

SSP2-4.5 and SSP5-8.5 represent two distinct pathways:

### SSP2-4.5 (MIDDLE OF THE ROAD)

Represents a middle-of-the-road scenario where global development patterns continue along current trajectories with moderate improvements in economic growth, technological advancement, and social equality.

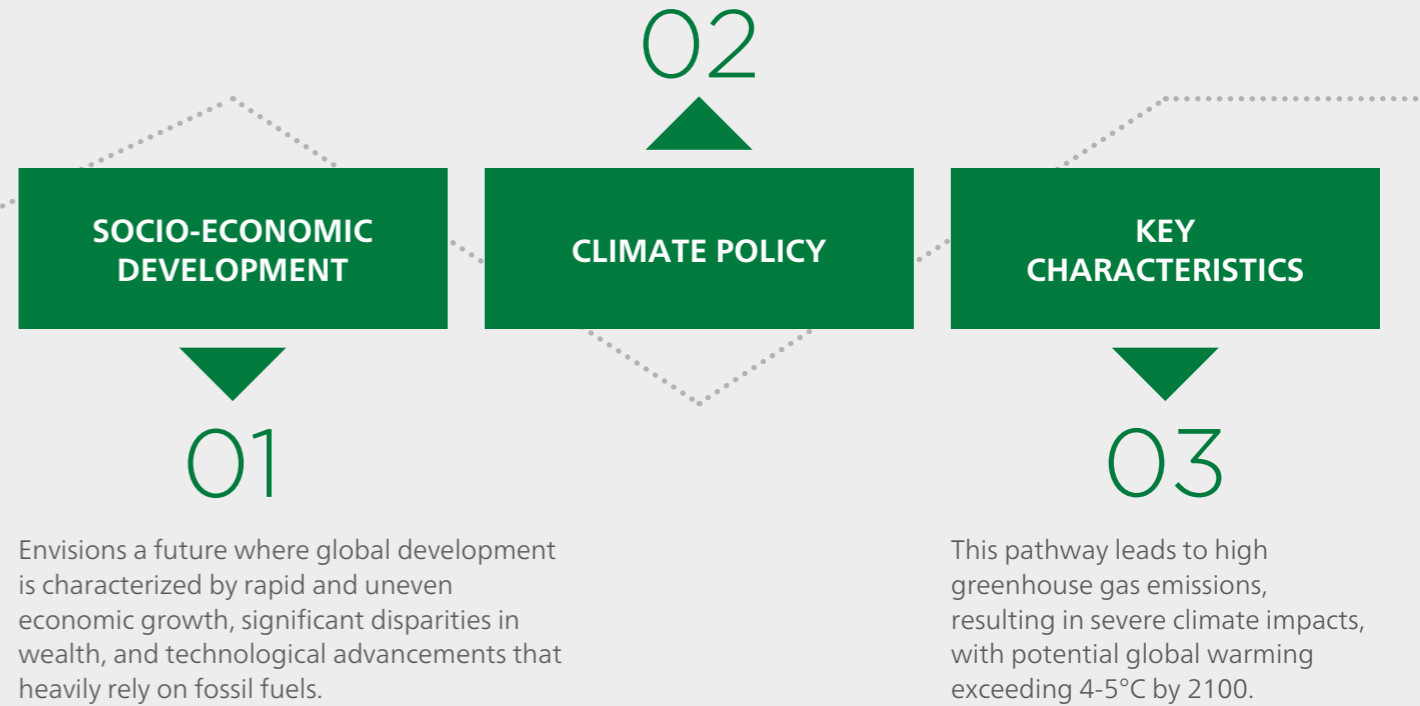
This pathway balances economic growth with efforts to address climate change, aiming to limit global warming to around 2-3°C by 2100.



Assumes moderate climate change mitigation efforts with a focus on sustainability and environmental conservation.

### SSP5-8.5 (FOSSIL-FUELED DEVELOPMENT)

Assumes minimal climate change mitigation efforts, with policies primarily focused on economic development and maximizing energy production from fossil fuels.



Envisions a future where global development is characterized by rapid and uneven economic growth, significant disparities in wealth, and technological advancements that heavily rely on fossil fuels.

This pathway leads to high greenhouse gas emissions, resulting in severe climate impacts, with potential global warming exceeding 4-5°C by 2100.

**ECONOMIC AND TECHNOLOGICAL TRAJECTORIES**  
 SSP2-4.5 assumes a more balanced approach to economic growth and technological advancement, whereas SSP5-8.5 predicts rapid economic growth driven by fossil fuels with limited emphasis on sustainability.

**CLIMATE IMPACT**  
 SSP2-4.5 aims to limit climate change impacts through moderate mitigation efforts, whereas SSP5-8.5 results in higher emissions and more severe climate consequences.

**POLICY FOCUS**  
 SSP2-4.5 emphasizes sustainable development and climate action, while SSP5-8.5 prioritizes economic development and energy security over environmental concerns.

These pathways illustrate contrasting futures shaped by different socioeconomic priorities and climate policies, highlighting the critical role of human decisions in determining the severity of future climate impacts.

IDENTIFIED RISKS	SSP 2-4.5		SSP 5-8.5		RISK IMPLICATIONS	ADAPTATION MEASURES
	2030	2050	2030	2050		
Water Stress	High	High	High	High	<p>Insufficient water supply:</p> <ul style="list-style-type: none"> <li>• Can lead to overheating, increased wear/tear, and breakdown of machinery.</li> <li>• Can interrupt the vulcanization process, leading to production delays and potentially lower-quality tires.</li> <li>• Can affect the plant's ability to treat and recycle wastewater effectively.</li> <li>• Can impact overall plant hygiene and operational safety.</li> <li>• Can lead to higher operational costs due to obtaining water from alternative sources.</li> </ul>	<ul style="list-style-type: none"> <li>• Water reservoirs, storage facilities, and underground water tanks are already in place.</li> <li>• Implemented rainwater harvesting techniques to inject the water into the ground.</li> <li>• Have borewell for emergency requirements, with all approvals in place.</li> <li>• Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) are already in place to manage the wastewater.</li> <li>• Multi-effect Evaporators (MEE) installed at Bhuj and Waluj</li> </ul>
Extreme Heat	High	High	High	High	<ul style="list-style-type: none"> <li>• Prolonged exposure to high temperatures can cause machinery to overheat, leading to breakdowns or reduced efficiency.</li> <li>• Can lead to inconsistencies in the rubber compound that can cause defects and lower overall product quality.</li> <li>• Can cause rubber and other materials too soft or sticky, complicating the mixing, shaping, and moulding processes, leading to inefficiencies and defects.</li> <li>• Can deteriorate the finished and raw materials, affecting their performance and longevity.</li> <li>• Can cause heat-related illnesses (i.e., heat stress and heat strokes) to workers, leading to decreased productivity.</li> </ul>	<ul style="list-style-type: none"> <li>• Machines are designed to withstand up to 50°C.</li> <li>• Have backup of the critical machinery and sufficient spare parts available in case of emergency.</li> <li>• Adequate facilities are available for workers to prevent heat-related illnesses (e.g., air washers are installed and ORS is provided regularly to workers in the curing area).</li> <li>• Raw materials and products are stored in the covered warehouses.</li> <li>• We are monitoring/controlling temperatures throughout the manufacturing process to ensure product quality.</li> <li>• Open windows, fans, water coolers, and exhaust fans, are provided at the workplace.</li> </ul>
Cyclone	Med.	Med.	Med.	Med.	<ul style="list-style-type: none"> <li>• Can damage buildings, roofs, windows, and walls, leading to costly repairs and downtime.</li> <li>• Heavy rainfall allied with cyclones can cause flooding and can damage machinery, raw materials, and finished products.</li> <li>• Can lead to power outages.</li> <li>• Downtime and production halts can lead to significant financial losses.</li> </ul>	<ul style="list-style-type: none"> <li>• Chimneys, RCC, and Silos at the existing plants are built to withstand high wind speeds relevant to the Site locations.</li> <li>• The drainage system is designed to manage any extreme rainfall.</li> <li>• Has power backups and DGs to run essential machinery.</li> <li>• At some Sites, we have a solar power plant as well.</li> </ul>

IDENTIFIED RISKS	SSP 2-4.5		SSP 5-8.5		RISK IMPLICATIONS	ADAPTATION MEASURES
	2030	2050	2030	2050		
Extreme Rainfall	High	High	High	High	<p>Extreme rain led flooding:</p> <ul style="list-style-type: none"> <li>• Can force the closure of manufacturing plants.</li> <li>• Can damage machinery, production lines, and electronic systems, leading to costly repairs and downtime.</li> <li>• Can disrupt utilities such as power and water essential for manufacturing processes.</li> <li>• Can spread hazardous materials used in tire manufacturing, leading to environmental contamination.</li> </ul>	<ul style="list-style-type: none"> <li>• Good drainage system, so flood water washed out.</li> <li>• Some sites are located at a certain foot high from the roadside.</li> <li>• Some sites are surrounded by drainages, so the stormwaters get evacuated quickly.</li> <li>• Sites have a pump facility to pump out the water if required.</li> <li>• DG backup is present in case of a power shutdown.</li> <li>• Ensure that hazardous materials are stored in secure, well-labelled, and leak-proof containers designed to withstand floods.</li> </ul>
Riverine Flooding	Low	Low	Low	Low	<p>Riverine floods:</p> <ul style="list-style-type: none"> <li>• Can force the closure of manufacturing plants.</li> <li>• Can damage machinery, production lines, and electronic systems, leading to costly repairs and downtime.</li> <li>• Can disrupt utilities such as power and water essential for manufacturing processes.</li> <li>• Can spread hazardous materials used in tire manufacturing, leading to environmental contamination.</li> </ul>	<ul style="list-style-type: none"> <li>• Among all sites, only Dombivli site is prone to riverine flooding.</li> <li>• They can conduct the same preventive measures as above to ensure flooding doesn't impact the operations.</li> </ul>
Coastal Flooding	NA	NA	NA	NA	NA	NA
Landslide	Low	Low	Low	Low	<ul style="list-style-type: none"> <li>• No material financial impact is expected.</li> </ul>	<ul style="list-style-type: none"> <li>• No mountains nearby.</li> <li>• All concrete structures in nearby surroundings.</li> </ul>

**TRANSITION RISKS AND OPPORTUNITIES**

Transition risks associated with climate change policies and regulations are also significant for our industry. As global efforts to reduce carbon emissions intensify, regulatory changes could impact

our production processes, energy costs, and transportation logistics. Furthermore, evolving consumer preferences and increasing demand for sustainable products may require us to adapt our product offerings and manufacturing practices.

The IEA STEPS (Stylized Energy System Pathways) and IEA APS (Accelerated Policy Scenario) are both scenarios developed by the International Energy Agency (IEA) to explore future energy transitions and climate outcomes, but they differ in focus and assumptions:

**IEA STEPS (STYLIZED ENERGY SYSTEM PATHWAYS)**

**Purpose:** STEPS scenarios provide a broad framework to examine long-term energy trends and potential pathways towards achieving international climate goals.

**Key Characteristics :** Explore a range of plausible futures based on varying assumptions about energy demand, supply, technology deployment, and policy frameworks.

**Use :** Scenarios help policymakers and stakeholders understand the implications of different energy and climate policies on energy systems and emissions trajectories globally.

**IEA APS (ACCELERATED POLICY SCENARIO)**

**Purpose:** APS is a scenario designed to illustrate what would be required in terms of policy measures & technological advancements to achieve global climate targets aiming for net-zero emissions by mid-century.

**Key Characteristics :** Assumes ambitious and accelerated deployment of existing and emerging clean energy technologies, along with stringent policy interventions to drive rapid decarbonization.

**Use :** Serves as a benchmark for policymakers and stakeholders to assess the feasibility and necessary actions needed to meet aggressive climate goals set out in international agreements like the Paris Agreement.

**FOCUS**  
STEPS scenarios provide a broader exploration of energy system pathways under various conditions, while APS specifically focuses on outlining the steps required to achieve ambitious climate targets.

**SCOPE**  
STEPS scenarios consider a range of factors influencing energy transitions, including economic development, technological innovation,

and social trends. APS is more narrowly focused on policy measures and technology deployment needed for deep decarbonization.

**POLICY FOCUS**  
While both scenarios inform policy discussions, APS directly informs policymakers about the specific policies and actions necessary to meet stringent climate goals, making it a more targeted tool or policy guidance.

In summary, while both IEA STEPS and APS scenarios contribute to understanding energy and climate futures, STEPS explores a wider range of possibilities, whereas APS provides a detailed roadmap for achieving ambitious climate targets through policy and technology interventions.



IDENTIFIED RISKS AND OPPORTUNITIES	IEA STEPS VS IEA APS		RISK IMPLICATIONS	MITIGATION MEASURES
	2030	2050		
Emerging carbon related regulations	Low	High	Carbon pricing and other related regulations like CBAM could: <ul style="list-style-type: none"> <li>• directly impact the costs of operations as cost of carbon emissions increases;</li> <li>• indirectly impact the operating costs as raw materials like carbon black feedstock, electricity, chemicals etc. would increase.</li> </ul>	We are: <ul style="list-style-type: none"> <li>• in process of reducing our operational carbon footprint;</li> <li>• in the process of identifying low carbon alternatives for emission intensive raw materials.</li> </ul>
Deforestation related regulations	Med.	High	Increase in deforestation related regulations could lead to: <ul style="list-style-type: none"> <li>• increase in cost of compliance with such regulations;</li> <li>• increase in costs of procurement of raw materials.</li> </ul>	We are: <ul style="list-style-type: none"> <li>• preparing for the upcoming regulations like EUDR in advance;</li> <li>• evaluating alternate raw materials and supply chain to ensure adherence to such policies.</li> </ul>
National decarbonisation plans	Low	High	Decarbonisation plans of the countries where our value chain exists could: <ul style="list-style-type: none"> <li>• result in unanticipated capital and operating expenditure on low carbon production alternatives;</li> <li>• lead to increase in costs of delivering goods to end users using low carbon logistics.</li> </ul>	We are: <ul style="list-style-type: none"> <li>• planning to reduce our operational carbon footprint;</li> <li>• building an understanding of our value chain related emissions and will plan abating those in the coming years.</li> </ul>
Shipping costs	Med	High	International Maritime Organisation is looking to decarbonize the shipping industry. It will lead to increase in shipping costs from: <ul style="list-style-type: none"> <li>• levy and increase on carbon costs of emissions of the ships;</li> <li>• looking for alternate low carbon shipping which is expected to come at a price premium.</li> </ul>	We are looking at long term solutions by engaging with our logistics providers to have a cost-effective low carbon delivery solutions.
Consumer demand for green products	Med	High	Customers may shift preferences towards fuel efficient tires or tire products with less embodied carbon which can lead to loss of current market share if the pace of development of such technology does not match with customer shift resulting in loss of revenues.	We are looking to decarbonize its operation footprint that will help it sell low carbon products into the market. Further as we address the rest of the value chain emissions, the footprint is expected to come down even further.

IDENTIFIED RISKS AND OPPORTUNITIES	IEA STEPS VS IEA APS		RISK IMPLICATIONS	MITIGATION MEASURES
	2030	2050		
Higher rolling resistant tires	Low	Med.	Increased requirement on improving rolling resistance which can directly impact operational cost from increased use of chemicals that help bring higher resistance. Could also lead to higher research and development costs.	We regularly conduct market study to understand the demand from our clients and develop products that suit their requirements and charges prices accordingly. Hence, we expect that any such change in quality of tire will be well understood ahead in time and acted upon.
Deployment of breakthrough technologies like Carbon Capture, Utilization and Storage (CCUS)	Low	High	Investment in upcoming technologies like CCUS could lead to additional capital and operating expenditure which may not be planned. It could also lead to disruption of operations if any breakthrough technology fails during deployment resulting in loss of revenues.	We are in the process of identifying the different technological pathways that can help reduce our emissions over short, medium and long term. It will develop signposts to ensure adapting for newer technologies as and when they become technoeconomically viable.
Procurement of renewable electricity	Low	High	Shifting from grid-based electricity to renewable electricity could result in costs savings as it is cheaper through owned installations or through power purchasing agreements.	We are adopting renewable energy sources based on the policies of each state where we operate. We will continue to deploy more renewable electricity wherever the policy and infrastructure will support access to the green electricity.
Energy and material efficiency	Low	High	Designing products that are efficient on material and energy use can help reduce costs and increase profitability.	We deploy a continuous process where employees are incentivized to come up with solutions to improve efficiencies and we continue to look at process improvements worldwide and deploy the relevant technologies as and when it becomes viable.
Exploring solutions for new age mobility like EVs, FCEVs etc.	Low	High	New market from EVs and FCEVs will open up in the low carbon transition where the products will need to be designed by considering that heavier EVs/ FCEVs could lead to more wear and tear of tires.	Our research and development team is always exploring improvements in tires and we will adapt to the requirements whenever it is needed.

**OUR APPROACH TO THE ASSESSMENT**

To identify the material risks and opportunities for the business, we conducted an IFRS S2-aligned climate change risks assessment. This assessment utilizes different greenhouse gas emissions scenarios across the short, medium, and long term to create an understanding of the business impact in line with our Enterprise Risks Management Framework. For physical risks we relied on Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6 scenarios SSP2-4.5 and SSP5-8.5 as these scenarios represent the business as usual and the worst-case scenarios so that we are in alignment with IFRS S2 and are also well prepared for worst case physical scenarios for all our facilities. For the transition risks, we have relied on IEA States Policies Scenario and IEA Announced Policies Scenario (APS) published in the World Energy Outlook 2023. IEA APS scenario represents the pace of evolution of policy and other transition aligned with India’s current National Determined Contributions and long-term net zero by 2070 plans. We see this scenario to aptly describe the pace of transition and the associated risks that may accrue to our operations in India.

**STRATEGIES FOR RESILIENCE**

Our company intends to develop a proactive approach to resilience and sustainability to address these climate change risks. Our working broadly encompasses measures that include:

- Decarbonizing operational emissions: Identifying the cost-effective technologies for our different facilities to be deployed across short, medium and long term to decarbonize our operations.
- Diversifying sourcing: Identifying alternative suppliers and regions for raw materials to reduce dependency on climate-vulnerable sources.
- R&D for climate-resilient products: Investing in research and development to innovate climate-resilient tire materials and technologies that can withstand changing environmental conditions.
- Energy efficiency and renewable energy: Implementing energy-efficient practices and exploring renewable energy sources to reduce our carbon footprint and mitigate the impact of rising energy costs.
- Regulatory compliance and advocacy: Keeping abreast of evolving climate policies and regulations and engaging in advocacy efforts to shape policies that support our sustainability goals.

**OUR CLIMATE CHANGE GOVERNANCE**

Governance is a key component as investors, lenders, insurance underwriters, and other stakeholders must understand where the organization’s board stands and what role or action, they will be responsible for in the overseeing of climate-related issues. This extends to their accountability for assessing and managing those issues. At BKT, the structure is in place to provide the right oversight of and support in planning strategies, developing management approaches, and driving response measures for climate-related risks and opportunities to achieve maximum operational efficiency. Additional details regarding our governance structure is available in the Corporate Governance section of this report.

**ETHICAL PROCUREMENT**

**MESSAGE FROM CHIEF FINANCIAL OFFICER**



A well-rounded strategy and an acumen for growth has continued to meet the evolving needs of our customers, at BKT tires. A diversified product portfolio, spread across agriculture,

manufacturing, construction, earthmoving, mining, port, lawn and garden and ATV tires has helped us gain a clearer visibility of what, where and how we can expand.

BKT managed to display a dynamic performance by continuously innovating and providing high-quality, reliable products that accompany the changing preferences of the industries and products. This year, we delivered a steady performance, with a revenue of INR 9,298.7 Cr. Our numbers speak for our performance and customer centricity. From a financial steadiness point of view and being at the helm of finances for BKT

tires, I would like to reassure our stakeholders that we continue to operate in the comfort of a financially resilient business model. With gross cash and cash equivalents of INR 4,738 lakhs as on 31<sup>st</sup> March 2024, we at BKT are confident to withstand the near-term challenges to emerge stronger with a higher global market share. Going forward, we desire to continue to serve our stakeholders with the same strategic judgement and financial integrity as we explore new markets for the growth of BKT, and you.

**Madhusudan Bajaj**  
Senior President (Commercial) & Chief Financial Officer

Dedicated to uphold the highest standards throughout our business ecosystem, we diligently ensure that our suppliers and purchase personnel adhere to our Supplier Manual and Supplier Code of Conduct. These are subject to proactive updates, consistently evolving to harmonize with prevailing laws and regulations. Our overarching objective is to integrate stipulations, specifications, and benchmarks that bolster environmental preservation, social advancement, and economic prosperity. Through this comprehensive approach, we

optimize resource deployment, product excellence, and service efficacy and also drive cost efficiencies across our operations. With over six decades of operational experience, we prioritize responsible sourcing of all essential components. Continually mapping our supply chains, we meticulously assess environmental and human rights risks and opportunities. The inherent risks associated with insufficient traceability levels span adverse impacts on the environment and society, supply chain disruptions, legal ramifications, erosion of trust, and brand damage.



### SUPPLIER MANUAL

Our Supplier Manual stands as a beacon, delineating nonnegotiable guidelines and standards governing interactions with our direct suppliers. We expect these standards to permeate through subsequent layers of the supply chain, cascading down to ensure uniform adherence. Anchored by this manual, our collaboration with suppliers is fortified, establishing a framework of accountability and excellence across our supply chain network.



### RESPONSIBLE BUSINESS

Our best practices transcend mere rhetoric; it is ingrained in our operational ethos. Through continuous improvement, proactive engagement, and stringent adherence to standards, we strive to set benchmark for sustainable and responsible business conduct, fostering enduring value for all stakeholders.



### HUMAN RIGHTS

Our initial steps involve identifying the origins of raw materials, improving our performance regarding sourcing criteria, and striving for positive outcomes for people, the environment, and the climate. The primary objective is to ensure that our sourcing practices exert a beneficial impact on society, ecosystems, and the climate, aligning with our Human Rights Policy.



### SUPPLIER ASSESSMENT

We actively advocate for our suppliers to join us in fostering positive impacts on the environments and economies within which we operate. We regularly undertake assessments for our key suppliers based on business volume and market dynamics.



### CERTIFICATION

As part of our unwavering resolve to promote sustainability, we endorse the attainment of ISO14001 certification by our suppliers to ensure alignment with environmental laws and regulations. Currently, over 50% of our suppliers boast ISO14001 and ISO 45001 certification.

### UPCOMING REGULATION AND ACTION PLAN

To comply with new regulations, such as the EU Deforestation Regulation (EUDR), we will provide regular updates on the operational status of our natural rubber supply chain. By tracing rubber back to its source, we aim to promote responsible sourcing and enhance digital transparency. Our strategy employs diverse methods, including on-site audits and third-party assessments. We will meticulously map our supply chain and conduct upstream assessments, working closely with direct suppliers and external partners. This process involves evaluating supply chain management systems and supporting suppliers in addressing any issues. These efforts are

designed to foster transparency, accountability, and sustainability throughout our operations. Additionally, we have applied for membership in the Global Platform for Sustainable Natural Rubber (GPSNR) for the forthcoming fiscal year. Our commitment to responsible sourcing ensures regulatory compliance and underscores our dedication to ethical practices and environmental stewardship. Through ongoing evaluation and collaboration, we strive to build a resilient and socially responsible supply chain ecosystem.

### SUSTAINABLE MATERIAL MANAGEMENT

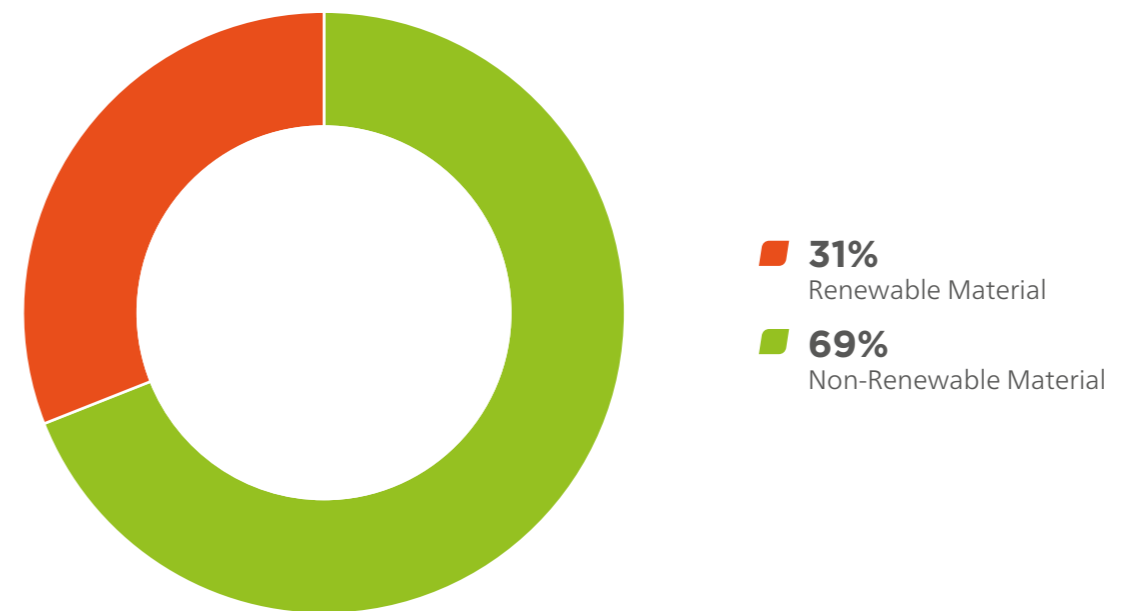
Based on an in-depth analysis of these supply chain attributes, we

have revamped our supplier audit checklist. Our screening process serves as the initial phase of scrutiny aimed at identifying potential ESG risks within the supply chain. The outcome is a comprehensive risk assessment that integrates stringent criteria into suppliers' ESG risks.

By leveraging insights derived from the supplier audit checklist and incorporating factors such as share of business, criticality, types of raw material etc. We regularly also identify key suppliers on whom we focus for sustainability initiatives, training programs and other engagement efforts.

We are committed to increase our procurement from local suppliers to support our operations.

Percentage distribution of Raw Material Procured



In the current financial year, as part of our procurement strategy, we have successfully sourced 2,91,675 MT of raw material, out of which 46% was procured locally. This initiative aims to strengthen our local supply chain and enhance operational efficiency. Ensuring a stable supply of essential raw materials is crucial for the smooth functioning of our manufacturing operations. Tire production depends on a steady supply of materials such as rubber, steel, and chemicals. Any disruption in the supply chain can impact production schedules and overall business operations.

Effective management ensures that raw materials are used efficiently, minimizing waste and reducing costs. This is particularly important

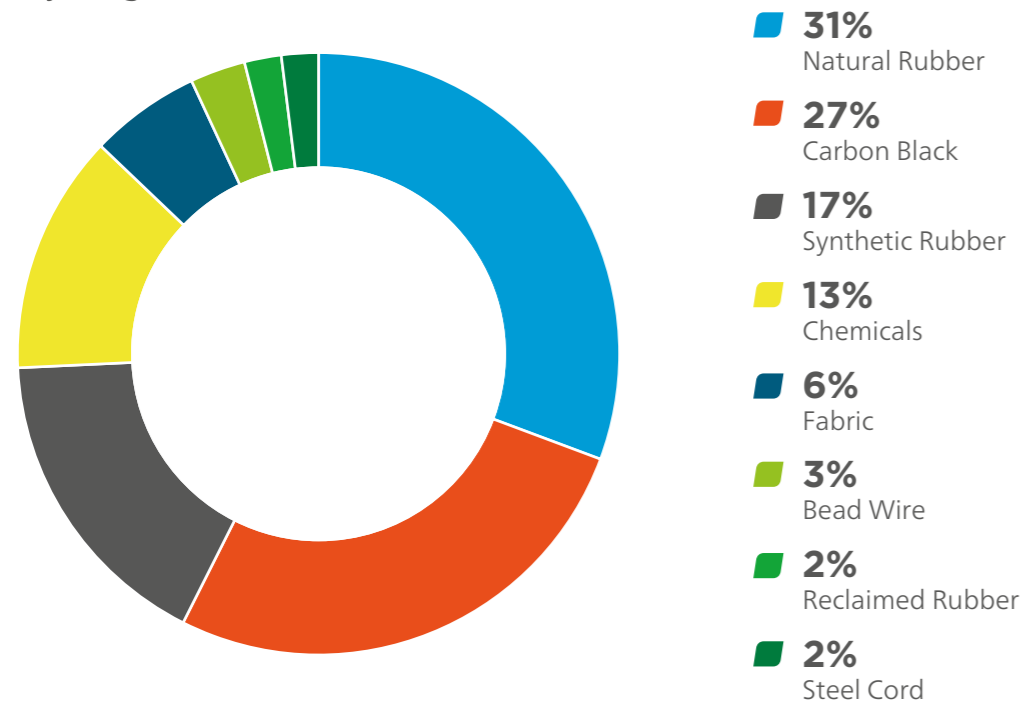
for non-renewable resources, which are finite and expensive to extract. As a responsible tire company, we are also exploring the use of renewable materials. However, integrating new raw materials requires extensive testing to maintain safety standards. Balancing renewable materials with safety and performance characteristics is essential for sustainable tire development.

Proper management of both renewable and non-renewable materials is vital for ensuring the long-term viability of our tire manufacturing operations and minimizing environmental impact. Efficient raw material management guarantees consistent quality and safety in tire production. Recycling materials requires less

energy compared to extracting and processing new raw materials, resulting in reduced greenhouse gas emissions. Lowering our energy consumption contributes to our overall environmental stewardship.

We are also embracing the practice of incorporating recycled rubber, crumb powder, carbon black, and other materials into our tire production. This approach helps conserve natural resources and diverts waste from landfills, contributing to a circular economy where materials are reused rather than discarded. In summary, embracing recycled and reused materials aligns with our sustainability goals, benefits the environment, and positively impacts our bottom line.

**Percentage Raw Material (by weight)**



**SUPPORTING OUR SUPPLIERS IN THEIR ESG JOURNEY**

We are committed to best practices across our business value chain, ensuring that suppliers adhere to our Code of Conduct. Through dedicated training and awareness programs, we aim to align our suppliers with our resource efficiency and quality standards, further enhancing these standards.

We encourage our suppliers to join us in positively impacting the environments and economies in which we operate. To ensure compliance with proper regulations and best practices, we advocate for our suppliers to adopt certifications such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, IATF 16949:2016

as applicable. To improve the traceability of our raw materials, we urge our suppliers to maintain an ESG-oriented audit checklist for their procurement activities. This practice will help evaluate environmental and social risks and opportunities across our value chain. Our Supplier Manual outlines non-negotiable guidelines and standards for our direct suppliers, and we expect these standards to be cascaded down through subsequent layers of the supply chain. This manual serves as the essential foundation for all our interactions and engagements with our suppliers, guiding our practices and expectations.



# SUSTAINABLE SUPPLY CHAIN

A sustainable supply chain mitigates operational difficulties and noncompliance risks, besides fostering the development of an ecosystem of ethical companies, ensures fair growth for all major stakeholders, and promotes sustainable business practices across the board. In accordance with our Supplier Manual, we expect our suppliers to share this commitment and ensure that there are no incidents of child labour, harassment, or discrimination in any part of their operations.

We continuously engage with our suppliers and vendors through various initiatives such as periodic meetings, training sessions, and grievance redressal mechanisms. As part of our endeavour towards building trust and undertaking responsible business practices, we assess the environmental and human impacts of our supply chain and implement appropriate measures to manage them. We consistently monitor and identify suppliers crucial to our operations across all locations, conducting ESG due diligence through rigorous quality assessments, on-site audits, and performance reviews specifically tailored for our key suppliers.



## SUPPLIER AUDIT

Our suppliers and vendors play a crucial role in helping us to meet our ESG obligations and uphold fundamentally ethical business practices. To enhance our Supplier Manual, we plan to incorporate ESG factors into our supply chain and establish criteria, training programs, and assessments regarding suppliers' performance in social,

environmental, health, and safety aspects. Additionally, we aim to create a preferential procurement policy. We conduct quality system and ESG assessments of our vendors, assigning 21% weightage to ESG-related parameters. This approach helps us evaluate the positive and negative effects of suppliers and vendors on key performance indicators. Based on supplier audits conducted during this fiscal year, we have not identified any instances where

corrective action plans are being disqualified. Our supplier audit checklist is fundamental in selecting partners and guiding training initiatives. We also utilize reputed independent assessment frameworks to evaluate the sustainability profiles of our suppliers. This assessment covers management systems, environmental performance, human and labour rights, ethics, and sustainable procurement practices. Through these frameworks, we monitor and oversee our suppliers' sustainability efforts, recommending action plans to meet ESG standards. The outcome of the independent assessment also enable us to benchmark our performance against industry peers, ensuring continuous improvement and alignment with best practices.

Our company maintains an unequivocal stance against child labour and forced labour, viewing these practices as fundamental violations of human rights and

ethical business principles. Standing by this obligation, we have implemented stringent policies and rigorous monitoring mechanisms across our operations and supply chain. Through comprehensive audits conducted throughout the year, we are pleased to report that no instances of child labour, forced labour laws or violation against freedom of association laws were identified within our own operations or among our suppliers. This reflects our dedication to foster a responsible and sustainable business environment, where respect for human dignity and adherence to legal and ethical standards remain paramount. We remain steadfast in our efforts to uphold these principles, ensuring that our business practices positively contribute to the well-being of our employees, suppliers, and the broader community.

our operations or suppliers have infringed upon workers' rights to freely associate or where such rights were at considerable risk of being compromised.

As our business relationships with potential and existing suppliers grow, their exposure to ESG risks becomes crucial to our company's long-term development. Suppliers who fail to comply with essential audit checklist points or neglect to implement

## SUPPLIER AUDIT CHECKLIST TOPICS

- ISO CERTIFICATIONS
- HUMAN RIGHTS
- SUSTAINABLE SOURCING
- BUSINESS ETHICS
- ENVIRONMENT, HEALTH & SAFETY PARAMETERS
- REGULATORY APPROVALS



# INNOVATION AND DIGITALIZATION

## IT FRAMEWORK

Our IT procedures deals with protecting all IT components connected to the company network (such as computers and servers, databases, and mobile devices) and the data stored or processed on IT components. Our goal is to prevent attacks or unwanted activities that violate the confidentiality, integrity, or availability of data.

The Applications & Security head of our company is responsible for cybersecurity management and is supplemented by corresponding cybersecurity functions in the group sectors or business areas. Operational implementation of the security rules is the responsibility of the IT team.

To provide assurance to customers, partners, and other stakeholders regarding our information security standards, we are considering obtaining advanced IT and process-related certifications for our manufacturing facilities. These certifications will emphasize on continual improvement, defect prevention, minimize waste in the tire industry supply chain and assembly process. Achieving these standards will demonstrate our relentless pursuit of information security best practices and will enhance our organization’s reputation, credibility, and competitiveness in the marketplace.

## DIGITALIZATION

The tire industry is witnessing a remarkable synergy between digitalization and sustainability, presenting numerous opportunities for growth and innovation. Each initiative we undertake is firmly rooted in our steadfast dedication to sustainability, which is the cornerstone of our efforts to advance both innovation and digitization. By integrating sustainable practices with cutting-edge digital technologies, we significantly enhance our operational efficiency. This fusion optimizes our processes and additionally plays a crucial role in driving our company’s evolution and expansion. Our focus on sustainability ensures that every step we take contributes to a greener future, while our embrace of digitalization propels us into new realms of efficiency

and effectiveness. This strategic approach positions us at the forefront of industry advancements, enabling us to meet the evolving demands of our market and secure long-term success. Through the relentless pursuit of sustainable and digital innovations, we are not just transforming our operations but also setting new benchmarks in the tire industry.

We have developed a detailed multiyear roadmap and have numerous projects in the pipeline to enhance digitization throughout our operations. Our plants are consistently adjusting their capacity and integrating cutting-edge production technologies to adapt to the ever-changing market demands. This strategic approach is designed to open many pathways for sustainable growth and the generation of substantial value.

***Innovation and digitalization are pivotal in our journey towards excellence. Our relentless pursuit of technological advancement is energized by a resolve to redefine industry standards. By harnessing cutting-edge technologies, we empower our teams to pioneer solutions that transcend convention, driving efficiency and agility across our operations. With a forward-looking approach, we embrace digital transformation as a catalyst for growth and differentiation. Together, we will continue to push the boundaries of possibility, ushering in a new era of innovation that propels us to unparalleled heights of success.***

**Anil Kumar Chawla**  
Chief Information Security Officer



### CLAIMS MANAGEMENT PORTAL (CMP)

Our tie-up with Enterprise software company “Outsystems” has enabled us to develop a no-code platform for claims management. An email-oriented process of client claims, disposition, replacement and settlement has been replaced by CMP - which has a one-stop solution for filing and resolution of claims. This also led to decreased turnaround time and enhance customer satisfaction.

### MANUFACTURING OPERATIONS MANAGEMENT SYSTEM (MOMS)

Prior to MOMS, the production supervisor would use a manual method for data collection, and the information would then transfer to SAP in a non-automatic process. After implementation, the production supervisor now provides input directly into MOMS and details are auto populated to SAP. This gives the plant management real time data about production quantity in stock.

**CYBERSECURITY MANAGEMENT**

We had zero number of instances of data breaches involving personally identifiable information of customers in the FY 2023-24. Our commitment to protect personal data and privacy is reflected in our Cyber Security and Data Privacy Policy. We have established meaningful controls over how personal data are stored, collected, and used.

We always keep an eye on legislative developments in every area we serve and adapt accordingly. Our policy outlines the guidelines for processing personal data belonging to all our stakeholders. We also undertake security measures to guarantee the protection of private and sensitive data of our employees, suppliers, and value chain partners. Additionally, we abide

by the latest data protection regulations. We have proper IT general controls in place, which is in line with our resolve to ensure the confidentiality, integrity, and availability of data. Vulnerability Assessment and Penetration Testing (VAPT) is conducted on a regular basis and its recommendation outcomes are implemented within stipulated timelines.

**DATA PRIVACY MECHANISM AT BKT**



**RESEARCH AND DEVELOPMENT**

At BKT, with over 60 years of experience in the tire industry, we understand the importance of resilience and consistency in a highly competitive and rapidly changing marketplace. Today, the tire industry is driven by sustainability and cost-saving trends, which are crucial for the future of mobility. We foster an innovative culture by equipping our dedicated employees with the tools they need to develop long-term solutions. Our goal is to achieve responsible development and innovation with top-quality products and infrastructure while promoting sustainability and cost efficiency, maintaining our position as a leading tire manufacturer.

We consistently lead in delivering reliable off-highway tires through cutting-edge technology. To drive advancement, we have assembled a dedicated team focused on innovation and technology. We encourage all staff to engage

in team-building activities and contribute creative ideas for daily operations. The board approves funding for innovations, while the dedicated team sets departmental goals to implement the most feasible new ideas.

Our ongoing success and industry leadership depend on fostering sustainable growth through robust research and development (R&D) initiatives and the integration of transformative technologies. Our state-of-the-art laboratories are in the process of being accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), a constituent board of the Quality Council of India (QCI). These labs serve as hubs of innovation where our R&D team, comprising both national and international experts, demonstrates exceptional proficiency and experience.

Moreover, our focus towards in-house technology development equips us to

compete effectively in global markets, setting us apart as a leader in our industry. This strategic advantage allows us to continuously innovate and enhance our product development, which serves as a testament to our relentless focus on creating innovative tires. Furthermore, our investment in research and development yields tangible results in our product innovation. By leveraging these investments, we gain a competitive edge in our product offerings, developing high-value tires using unique techniques that meet and exceed market demands. Our dedication to innovation in process development further enhances overall efficiency, leading to benefits such as lower product costs and enhanced quality. These efforts underscore our dedication to advance technological frontiers and deliver unparalleled value to our stakeholders worldwide.

### PODDAR INNOVATION HUB

The Poddar Innovation Hub boasts of world-class facilities equipped with advanced laboratories, testing equipment, and prototyping capabilities. These facilities enable us to conduct rigorous testing under various conditions, ensuring that their tires perform exceptionally well in diverse environments around the globe. We have contributed significantly to the field of tire technology through our research efforts, resulting in several impactful research papers and publications. These papers reflect the hub's unyielding focus to advance knowledge and innovation in off-highway tires.

### TIRE DESIGN AND PERFORMANCE OPTIMIZATION

Research at the Poddar Innovation Hub often focuses on enhancing tire design to optimize performance across various terrains and operational conditions. Papers such as 'Study of alkali metals and alkaline earth metals in chlorobutyl rubber-based model truck inner tube compound' published earlier in the journal of Advanced Industrial and Engineering Polymer Research is part of our research that focuses on alternative materials, tire recycling technologies, and optimizing tire designs for reduced environmental impact.

### MATERIAL SCIENCE AND INNOVATION

The Poddar Innovation Hub conducts extensive research in material science to develop new compounds and materials that enhance tire performance and sustainability. Research papers issued earlier such as 'Rice husk silica as a sustainable filler in the tire industry' published by the Arabian Journal of Chemistry and co-authored by researchers from Bhupal Nobles' University, University of Concepcion, Chile and Oklahoma State University, USA highlights our ongoing contribution to this field.

### FUTURE DIRECTION

The research papers published by the Poddar Innovation Hub contribute to the scientific community and to advance BKT's position as a leader in off-highway tire technology. These papers reflect the hub's ongoing pursuit towards innovation, sustainability, and pushing the boundaries of tire technology. Moving forward, the hub continues to explore new avenues in tire research, aiming to develop even more advanced and sustainable tire solutions for diverse global markets.

The industry's evolution has significantly affected our organization by influencing multiple facets of production, quality, efficiency, workforce dynamics, and sustainability.

Below are several of our innovation initiatives aligned with this concept.



At our Chopanki plant, we are actively engaged in a strategic transition from diesel-powered forklifts to battery-operated models as part of our focus towards sustainability and operational efficiency. Currently, four forklifts have successfully completed this transition, leading to a noteworthy reduction in fuel consumption amounting to 11.5 kiloliters of diesel during the financial year. This shift yields substantial economic savings and plays a crucial role in mitigating direct emissions within our factory premises. By embracing these eco-friendly alternatives, we are reinforcing our dedication to environmental stewardship while enhancing the overall sustainability of our operations at Chopanki.



At our Chopanki plant, we have implemented a pioneering solution involving the utilization of outsourced STP treated water, where flash steam plays a crucial role in regulating the deaerator temperature. This innovative approach is exemplified by the installation of a high-intensity cutting line dome, which efficiently harnesses flash steam. As a result of this initiative, we achieve an impressive annual savings of 9.5 tons of steam. Moreover, beyond these immediate benefits, this forward-thinking strategy plays a pivotal role in substantially reducing our carbon footprint within the premises, underscoring our investment in environmental sustainability.



At our Bhuj Carbon Black Plant, we have initiated a pallet recycling program to enhance sustainability and resource management. By reusing and recycling plastic pallets for storing carbon bags, we have significantly reduced plastic consumption and procurement needs. Our focus on sustainable practices is evident through this initiative, which supports the circular economy and reduces plastic waste, thereby improving operational efficiency and contributing to environmental conservation.



08  
**SAFEGUARDING  
NATURE**

# SAFEGUARDING NATURE - ENVIRONMENT

Our unwavering dedication to environmental sustainability is driven by a comprehensive approach that includes energy management and efficiency, emission management, water stewardship, biodiversity conservation, waste management, and climate resilience. Inspired by industry peers and insights from our operations, we continually refine our strategies to adopt global best practices. We aim to achieve compliances in

line with industry best practices. We are committed to transition from fossil fuel-based energy sources to renewable alternatives, actively enhancing our system's efficiency to boost energy performance and decrease emissions from our operations. Furthermore, we consistently seek opportunities to reduce emissions through well-defined, targeted initiatives. Our water stewardship initiatives focus on responsible usage by adopting innovative

technologies to reduce our water footprint. We engage in biodiversity conservation, enhancing local ecosystems and preserving natural habitats through extensive plantation. Guided by circular economy principles, our waste management practices emphasize resource efficiency and reduction. Our climate resilience strategy integrates risk management and sustainability initiatives, creating lasting positive environmental and societal impacts.

## OUR FOCUS AREAS



Sustainable Strategy for Climate Resilience



Energy Management



Emission Management



Waste Management and Circular Economy



Water Stewardship



Biodiversity Protection

## LINKING WITH UN SDG'S



## OUR PROGRESS AND HIGHLIGHTS

AREA	OUR APPROACH AND ACTIVITIES	MEASURE
Sustainable Strategy and Climate Resilience	Targeted efforts to enhance resource and energy circularity across operations through recycle and re-use.	91,389 MT renewable material used for our primary products.
	Climate Change study carried out during the reporting period.	0.51% of recycled or re-used material used to manufacture our primary product.
Energy Management	Several energy efficiency related improvements have been carried out to improve energy efficiency and reduce emissions.	26.26% YoY reduction in non-renewable grid electricity consumption.
	Heightened focus and utilization of wasted energy across operations through off gas.	5.84% YoY increase in energy consumed from renewable sources amounting to 29,820 GJ.
	Targeted initiatives to improve energy efficiency.  Increased sourcing of renewable energy in energy mix.	50,737 GJ reduction in energy consumption achieved as a direct result of conservation and efficiency measures.
Emission Management	Targeted initiatives to reduce emission implemented.	26.24% YoY reduction in Scope 2 emissions during the reporting period resulting in 27,825 tCO <sub>2</sub> e in avoided emissions.
	Process optimization to reduce air emissions resulting from operations.  CEMS system implemented at our major sites.	16,079 tCO <sub>2</sub> e of GHG emissions avoided as a direct result of emission reduction initiatives and 5,931 tCO <sub>2</sub> e avoided through use of renewable sources of fuel.  22.18% YoY decline in Scope 2 emission intensity per rupee turnover.

## OUR PROGRESS AND HIGHLIGHTS

Waste Management and Circular Economy	Increased focus on waste recycling and re-use initiatives across operations.	99.15% of total waste generated is either recycled or re-used. Only 0.85% of total waste is disposed.
	Dedicated drive to reduce use of plastic as well as plastic waste.	58.98% or 14,206.23 MT of total waste generated recycled while 40.17% or 9,676.87 MT of total waste is re-used.
	Waste disposal done through authorized recyclers only.	33.17% YoY increase in total waste recycled.
	Dedicated processes to manage hazardous and non-hazardous waste across all sites.	22.13% YoY decrease in plastic waste generated.
Water Stewardship	Production specific initiatives to reduce waste generated across various aspect of manufacturing operations.	
	Implementation of wastewater treatment measures such as STP, ETP, RO and ZLD.	3.39% YoY reduction in total water withdrawal from all areas.
	Measures implemented across sites for rainwater harvesting.	3.44% YoY reduction in total water withdrawn from water stressed areas.
	Initiatives aimed to reduce fresh water consumption through increase of recycled, reused, and alternate treated water.	43.54% YoY reduction in groundwater withdrawal from water-stressed areas.  6.74% YoY decrease in water intensity per MT of production compared to previous year
Biodiversity Protection	No operations in areas in or nearby protected areas or areas of high biodiversity value as defined by the relevant authorities.	24,937 new trees planted during the reporting period, covering an area of 48,762 m <sup>2</sup> .
	Plantation drives carried out inside and outside site premises, enhancing the overall biodiversity of the region.	Planted trees across our sites reached 1,00,910 trees, encompassing a total area of 5,81,054 m <sup>2</sup> .

## MESSAGE FROM ESG HEAD



At BKT, we continue our journey on the road to sustainability, deepening our work in areas of environment, community engagement and building a green supply chain. With a strong anchor of corporate governance guiding each decision with experience and judgment, we are now making inroads to promote long-term sustainable practices which strengthens our commitment to Sustainability.

With evolving guidelines on climate related aspects, management has taken strides and updated the materiality risk matrix of business along with incorporation of climate related risk into enterprise risk management of BKT. Management

has also given sincere efforts to develop and adopt Business Continuity Principles under Business Continuity Plan (BCP) to maintain seamless operations even in the face of unforeseen challenges. Maintaining constant focus on towards environment BKT has assessed its Scope-3 Greenhouse Gas (GHG) emissions to formulate policy on reducing overall carbon footprints. Further to augment the renewable energy sources from existing wind and solar power of 5MW and 2 MW respectively, additional roof top solar power plants are part of GHG emission reduction strategy. Approximately 27,825 tCO<sub>2</sub>e emissions from grid electricity (Non-renewable energy) supply have been avoided this year as result of utilizing off-gas generated during carbon black production.

We are also maintaining approximately 1,00,000 trees within our premises and approximately 40,000 trees outside our premises. We promote industrial recycling of waste by using recycled materials like reclaim rubber, crumb powder, recovered carbon black and rubberised friction compound into our operations. Our systems are

aligned with the core principles in the areas of sustainable forestry, water resource management, protection of rights and territories, human and labour rights, equality, traceability, transparency and anti-corruption, and training and education.

At the same time, we continue to work for the communities, promoting education, health, and rural development. Through this, our endeavour is to improve the lives of children and adults, and our mission is to ensure health with dignity to every underprivileged child and adult. While this is just the start in our journey towards securing a strong ESG foundation, we have made considerable progress so far. With sustainability being the new imperative to create real value for stakeholders, we see it more as a birthing of a new way of business, where the real impact of business on people and planet will matter more than mere financials of growth. I would like to thank you for your support in helping us build a better and greener world, and a responsible business.

**Dr. Anurag Khandelwal**  
General Manager - ESG

## SUSTAINABLE STRATEGY AND CLIMATE RESILIENCE

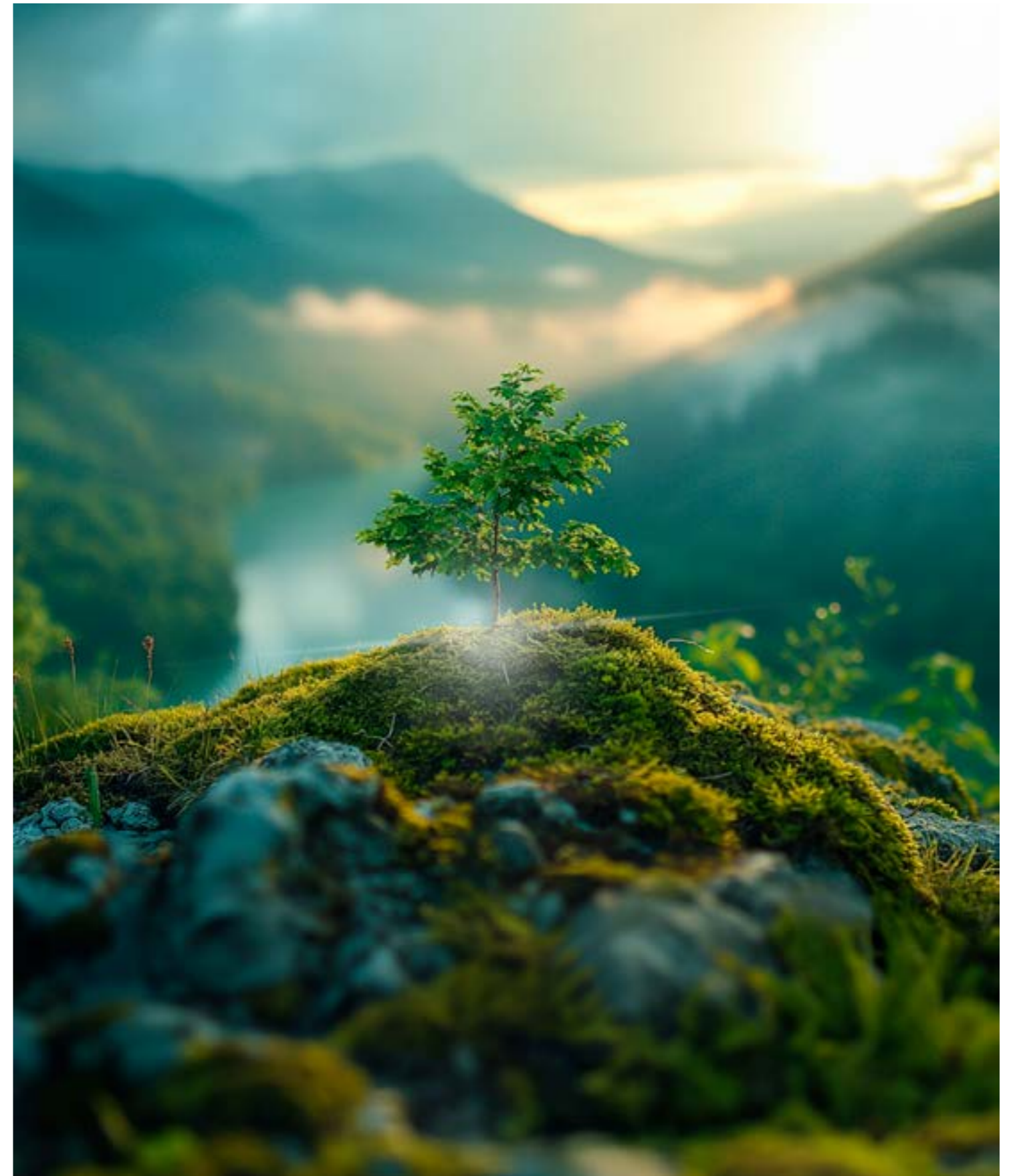
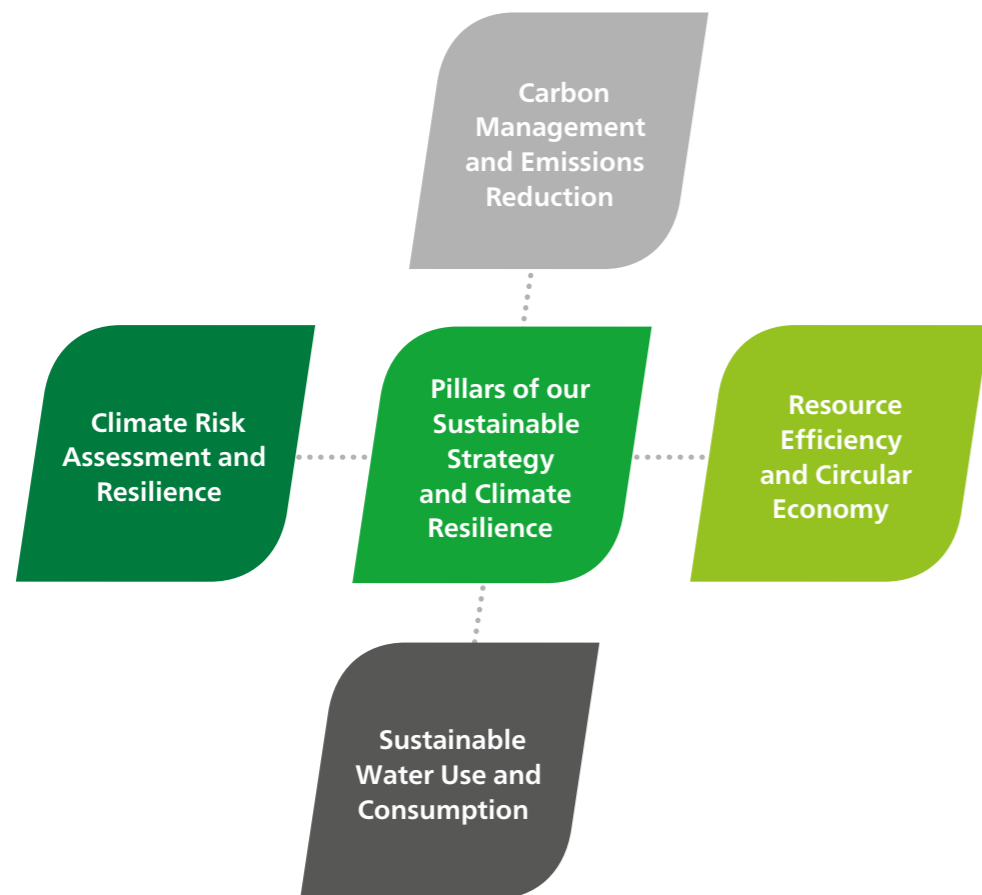
**WE COMMIT TO INTEGRATE CLIMATE RESILIENCE AND SUSTAINABILITY INTO OUR OPERATIONS, MINIMIZING ENVIRONMENTAL IMPACTS, ENHANCING RESOURCE EFFICIENCY, AND CONTRIBUTING POSITIVELY TO CLIMATE ACTION.**

Our sustainable strategy aligns with international frameworks and recommendations such as the United Nations Sustainable Development Goals (UN SDGs) and other good practices related to our industry and sector. Our commitment extends to

adopting best practices from leading global reports and research in the tire industry.

Our approach encompasses a broad range of initiatives targeting carbon management, resource efficiency, circular economy practices, and

climate risk management. This holistic strategy ensures that sustainability is integrated into every aspect of our business model—from raw material sourcing and manufacturing processes to product design and end-of-life tire management.



**CARBON MANAGEMENT AND EMISSIONS REDUCTION**

At our company, we are deeply determined to minimize our environmental footprint through strategic carbon management and effective emissions reduction.

A cornerstone of our environmental strategy is the integration of renewable energy sources, such as solar, wind power, and biofuels, into our operations. This initiative has significantly reduced our reliance on fossil fuels by procuring **29,820 GJ** of energy through solar and wind sources and biofuel use that would have otherwise been procured from non-renewable grid electricity. Furthermore, we continue to push the boundaries of energy efficiency by implementing advanced energy management systems and adopting cutting-edge technologies, including variable

frequency drives (VFDs), high-efficiency motors, and automated energy monitoring systems. These measures have improved our energy efficiency and resulted in substantial energy savings of **50,737 GJ** during the reporting period.

In terms of avoided emissions, during the fiscal year 2023-24, we achieved a significant milestone by achieving GHG emission reduction of **16,079 tCO<sub>2</sub>e** across all operational owing to our energy efficiency and emission reduction related initiatives. **5,931 tCO<sub>2</sub>e** in GHG emissions were avoided by reducing grid energy requirements through renewable energy procurement. Our reduced or avoided emissions amounted to **2.27%** of our total scope 1 and scope 2 emissions, underscoring our dedication to sustainable practices.

We are committed to further improving our energy efficiency as part of our resolve to implement sustainable solutions.

Our approach is informed by insights from global research, such as the studies conducted by the Global Carbon Project and the Intergovernmental Panel on Climate Change (IPCC). These insights ensure that our strategies are both effective and informed. Guided by the principle of Kaizen, which emphasizes continuous improvement, we remain steadfast in our journey towards a more sustainable and environmentally responsible future. Through continuous innovation and a sustained approach to reduce our carbon footprint, we are making significant strides towards achieving our sustainability goals.

Piped Natural Gas (PNG) as an energy source plays a crucial role in our environmental strategy to enhance energy efficiency and reduce emissions resulting from our operations. PNG is a cleaner alternative compared to more carbon-intensive fuels like coal, significantly lowering greenhouse gas emissions when used in industrial processes. This transition aligns with our

resolve to lead in sustainable energy practices, as highlighted in our initiatives to replace coal with natural gas in our manufacturing operations. During the reporting period, PNG constituted about 8.16% of our total energy consumption from all sources. Additionally, we are incorporating biogas into our energy mix. Biogas, produced from organic waste, is a renewable energy source

that further helps in reducing our reliance on fossil fuels and minimizing our carbon footprint. During the reporting period, 751 GJ of energy was consumed from biogas. By utilizing biogas, we manage waste more effectively and also contribute to a circular economy, ensuring sustainable and eco-friendly energy consumption across our operations.

**RESOURCE EFFICIENCY AND CIRCULAR ECONOMY**

On the circular economy front our priority rely on in maximizing our waste recycling and reuse across our operations and ensuring that the eligible waste is recycled through the authorized recycler. Our initiatives focus on minimizing waste and enhancing the recycling and reuse of materials within our processes. We have made significant strides in integrating extensive recycling practices to reduce waste and conserve resources. Our comprehensive recycling programs are geared towards developing sustainable tire solutions, incorporating higher percentages of recycled and renewable materials. All waste, including hazardous categories, is handled in strict compliance with relevant regulations, underscoring our firm resolve towards sustainable practices.

We shape our waste and circularity related strategies based on several key sources within an ESG framework. Compliance with both national and international environmental regulations, such as local waste management laws and standards like the UN Sustainable Development Goals (SDGs) and IPCC guidelines, is fundamental to our approach. We also adhere to industry standards like ISO 14001 for Environmental Management Systems to maintain high levels of waste management. Moreover,

**SIGNIFICANT INCREASE IN WASTE RECYCLED CONSTITUTING ABOUT 58.98% OF TOTAL WASTE GENERATED DURING THE REPORTING PERIOD WHILE RE-USED WASTE ACCOUNTED FOR 40.17% OF THE TOTAL WASTE GENERATED. OVERALL, 99.15% OF TOTAL WASTE GENERATED WAS DIVERTED AWAY FROM DISPOSAL EITHER THROUGH RECYCLING OR REUSE.**

we align our strategies with sustainability reporting standards such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Business Responsibility and Sustainability Report (BRSR) as per Indian stock market regulator (SEBI) which help us effectively report our initiatives.

Internally, we set operational goals for waste reduction, recycling, and recovery, and integrate these into our overall sustainability strategy through robust waste management policies. Lastly, leveraging technology and innovation is key to our approach. We invest in recycling technologies and adopt circular economy principles to minimize waste generation. Engaging with stakeholders— including employees, customers, suppliers, and the community— ensures we meet their expectations and incorporate their feedback into our practices. By integrating these

various sources and approaches, we effectively manage waste, reduce our environmental impact, and contribute to our sustainability goal.

We use the reclaimed rubber with diligence, emphasizing recycling and minimizing environmental impact. In addition, we integrate third-party and use raw materials like crumb powder, recovered carbon black, and rubberized friction compound into our processes to enhance sustainability. During the reporting period, we did not reclaim any product or their packaging material, although our recycled or reused materials constituted **0.51%** of the total materials used to manufacture our primary product. This amounted to **4,964.23 MT** during the current reporting period as compared to **4,519.70 MT** in previous reporting period.



**SUSTAINABLE WATER USE AND CONSERVATION**

We continue to prioritize water stewardship with the goal of enhancing water efficiency throughout our operations. Our strategy includes the close alignment with Zero Liquid Discharge (ZLD) practices across our manufacturing sites and the adoption of advanced water recycling and conservation technologies. Our targeted initiatives have successfully conserved **1,53,435 KL** of water, which represents **7.93%** of the total water consumed during this period.

Recognizing the critical need to address water scarcity, especially in water-stressed regions, we

have committed to replenish groundwater levels through comprehensive rainwater harvesting initiatives. This involves collecting rainwater via stormwater drains and storing it in reservoir pits across various sites.

These efforts are complemented by our innovative use of recycled water, integrating treated sewage water for use in various plant operations, which minimizes freshwater intake and maximizes the sustainability of our water resources. In addition to these measures, we have also optimized our reverse osmosis (RO) plant operations to enhance system efficiency and utilize reject water in cooling towers, further reducing our dependency on external water

sources.

By installing dry cooling systems, we have replaced traditional cooling towers to minimize evaporative losses, thereby preserving precious water resources. These strategic interventions significantly reduce our environmental footprint and additionally yield substantial financial savings through decreased operational costs. Our integrated approach to water management has set a new standard within the industry for sustainable water usage, ensuring that we meet our current needs and secure water resources for future generations.

**CLIMATE RISK ASSESSMENT AND RESILIENCE**

The tire manufacturing industry faces significant climate-related risks due to its extensive reliance on natural resources, energy-intensive processes, and intricate supply chains. The frequency and severity of extreme weather events such as floods, hurricanes, and heatwaves are increasing due to climate change. These events pose serious threats to production continuity, infrastructure integrity, and supply chain logistics, which can result

in substantial financial losses and operational setbacks.

To proactively address these challenges, our company has undertaken a comprehensive climate change risk assessment. This assessment highlights specific vulnerabilities such as disruptions from extreme weather events that affect both our facilities and the availability and cost of raw materials. Rising temperatures, for instance, influence tire performance by increasing wear and tear and affecting the vulcanization process,

which is crucial for tire quality. In response to these identified risks, we have developed robust climate resilience and business continuity strategies that are aligned with the Intergovernmental Panel on Climate Change (IPCC) scenarios and the latest IEA States Policies Scenario. Our strategies focus on enhancing supply chain resilience, investing in disaster-proof infrastructure, and fostering continuous innovation to stay ahead of emerging climate risks.

**KEY INITIATIVES**

**INFRASTRUCTURE RESILIENCE**

Constructing facilities designed to withstand extreme weather events and implementing advanced monitoring systems to detect and respond to climate-related threats promptly. This includes integrating water reservoirs, storage facilities, and treatment plants to mitigate water stress and ensuring that our machinery is equipped to handle up to 50°C temperatures.

**SUPPLY CHAIN ADAPTATIONS**

Conducting regular business impact assessments to identify potential threats such as natural disasters and diversifying suppliers and inventory to maintain operations during disruptions. Our proactive approach involves identifying alternative suppliers and regions for raw materials to reduce dependency on climate-vulnerable sources.

**INNOVATIVE SOLUTIONS FOR SUSTAINABILITY**

Investing in research and development to explore new technologies and materials that enhance our resilience and reduce our environmental impact. This includes designing products that are efficient in material and energy use, and deploying renewable energy solutions wherever feasible.

**GOVERNANCE AND OVERSIGHT**

Our governance structure is designed to provide the necessary oversight and support for planning strategies, developing management approaches, and responding to climate-related risks and opportunities. This ensures accountability at the highest levels of the organization, aligning with investor and stakeholder expectations.

# ENERGY MANAGEMENT



## AT BKT, WE PRIORITIZE ENERGY EFFICIENCY IN TIRE MANUFACTURING, SETTING NEW INDUSTRY STANDARDS THROUGH INNOVATIVE PRACTICES AND PROCESSES TO ENSURE A SUSTAINABLE, GREENER FUTURE.

Our strategy for energy management revolves around two key pillars: energy conservation and the integration of renewable energy sources. Through new and ongoing initiatives revolving around expansion of renewable energy use and operating efficiency, we have aligned our efforts closely with intend to improve energy performance across our operations.

Our approach is underpinned by continuous monitoring and optimization of energy consumption patterns and generation sources. It is a proactive response to the challenges posed by climate change, demonstrating our dedication to sustainable practices in tire manufacturing.

Our recent upgrades ranging from installing energy-efficient systems to optimize resource use are pivotal in our strategy to cut down energy consumption significantly. Furthermore, we are cultivating a collaborative network of partners who share our vision of sustainability, encouraging them to adopt similar environmental stewardship principles, thus amplifying our collective impact on the planet.



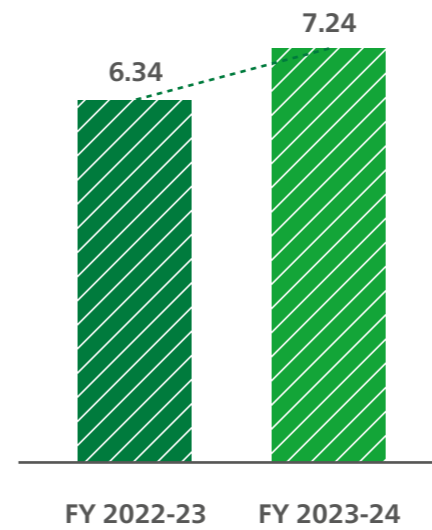
### ENERGY PERFORMANCE

Our total energy consumption for FY 2023-24 has increased by **8.28%** as compared to FY 2022-23. While our energy intensity per rupee turnover increased by **14.24%** from **6.34 GJ** per rupee turnover (in lakh INR) to **7.24 GJ** per rupee turnover (in lakh INR). Our energy intensity per MT of production also witnessed a slight increase as compared to the previous year increasing from **14.73 GJ** per MT of production in FY 2022-23 to **15.43 GJ** per MT of production in FY 2023-24, a **4.73%** increase.

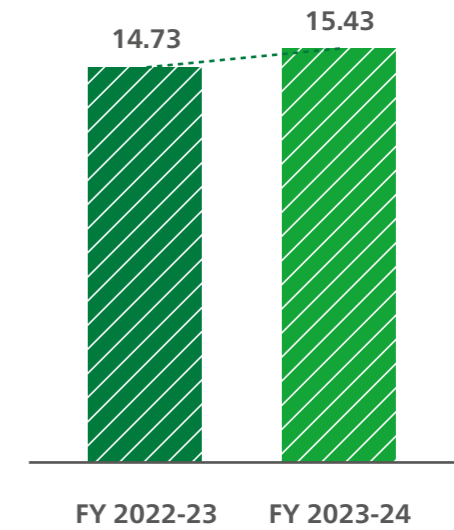
Our broader energy strategy is focused on utilizing off-gas and increasing the share of renewable energy in our energy mix at our major site. We have been able to significantly reduce our reliance on grid electricity and thus reducing our energy consumption from non-renewable electricity by **26.26%** YoY, while increasing our share of renewable energy by **5.84%** as compared to FY 2022-23. On an overall basis, non-renewable electricity in our operations as a share of total energy consumed within the organization reduced by **2.74%**.

For calculating energy intensity, we have considered all the relevant sources of energy used within the organization including, both renewable energy and fuels as well as non-renewable energy and fuels used across our operations and offices. We currently do not track energy consumption outside our organization and are in the process of calculating and reporting the same.

Energy Intensity per rupee turnover (in GJ/lakh INR)



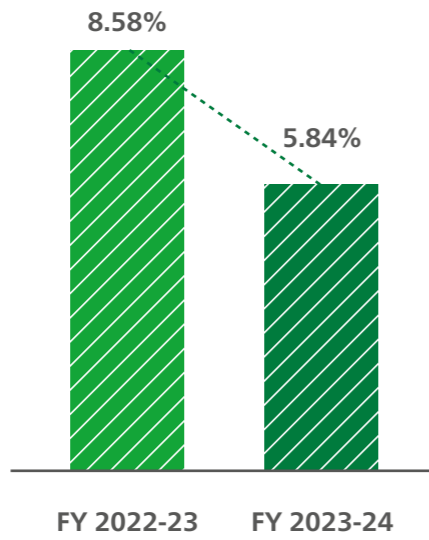
Energy Intensity in terms of physical output (GJ/ton production)



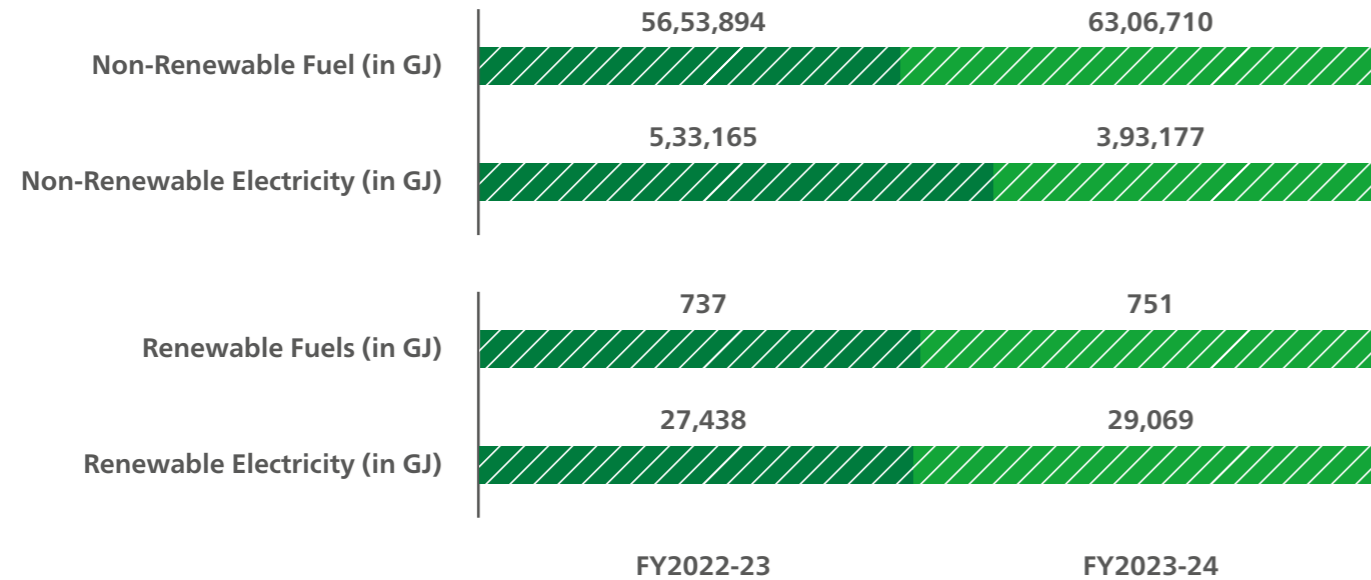
Note - Per capita intensity in value term has increased relatively higher as the YoY (FY 24 / FY 23) realization was lower majorly due to lesser freight pass through in product pricing.

We firmly believe that small improvements, when implemented on a scale, can lead to significant positive changes. In pursuit of this belief, we have made several strategic investments and enhancements in our energy management practices and operations.

**Share of grid electricity as a percentage of total energy consumption within the organization from all sources (YoY trend)**



**Total Energy Consumption by type (in GJ)**



All the energy procured or produced within the organization has been utilized and no fuel or electricity has been sold during the financial year.



**ENERGY USE**

As a tire manufacturing company, our operations rely on a diverse mix of energy sources for use within the organization to power various processes. This includes both renewable and non-renewable sources of energy. For instance, in our manufacturing facilities, we utilize electricity sourced from the grid, which may come from a combination of renewable sources such as solar, wind and biogas, as well as non-renewable sources like coal or natural gas.

One significant aspect of our energy usage involves the operation of boiler, where coal is often utilized as a fuel source and has been replaced with PNG and Off-gas

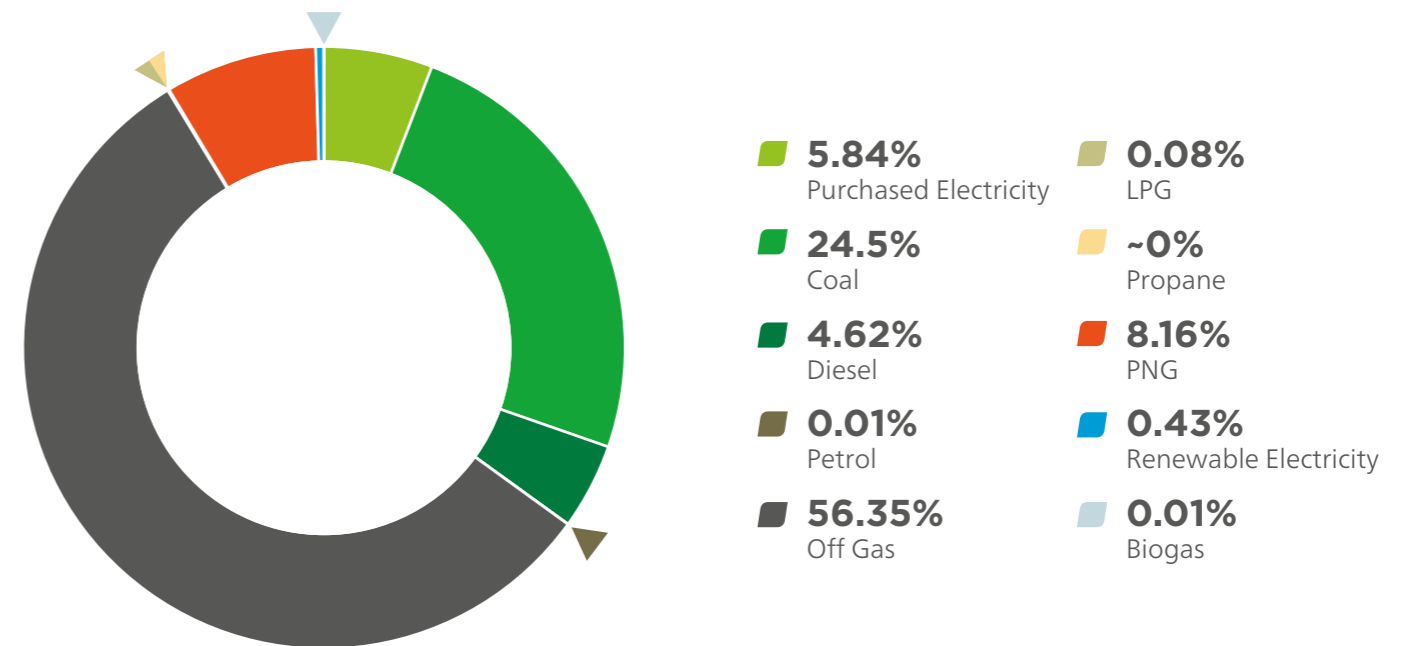
in majority of our operations. These boilers play a crucial role in powering certain manufacturing processes, such as vulcanization, which requires high temperatures to cure rubber compounds and ensure tire durability. We are utilizing other fuels such as petrol and diesel for machinery and transport vehicles, Liquefied Natural Gas (LPG) and Piped Natural Gas (PNG) for use across our operations as well as kitchen operations within our plants. Moreover, we also utilize by-products resulting from operations as fuel for boiler and heating related operations.

While we acknowledge the environmental impact associated with the use of fossil fuels, particularly coal, we are committed to mitigate its

effects through various means such as LPG, PNG, Off-gas, wind, solar and biogas. This subset implementing energy efficiency measures to minimize fossil fuels consumption and associated emissions. Additionally, we continually explore opportunities to transition towards cleaner energy alternatives and invest in renewable energy projects to reduce our carbon footprint.

Off-gas is our largest source of energy, derived as a byproduct from Carbon black manufacturing and is used primarily in our thermal energy systems, enhancing our sustainability efforts.

**Energy Consumption by Source**



## KEY SUSTAINABILITY INITIATIVES AT OUR CARBON PLANT



### BACKGROUND

Our Carbon Plant has undertaken a series of comprehensive sustainability initiatives aimed at reducing environmental impact, enhancing energy efficiency, minimizing waste, and promoting resource recycling. This case study highlights the integrated approach and multifaceted strategies employed at the Carbon Plant to achieve significant improvements in sustainability.



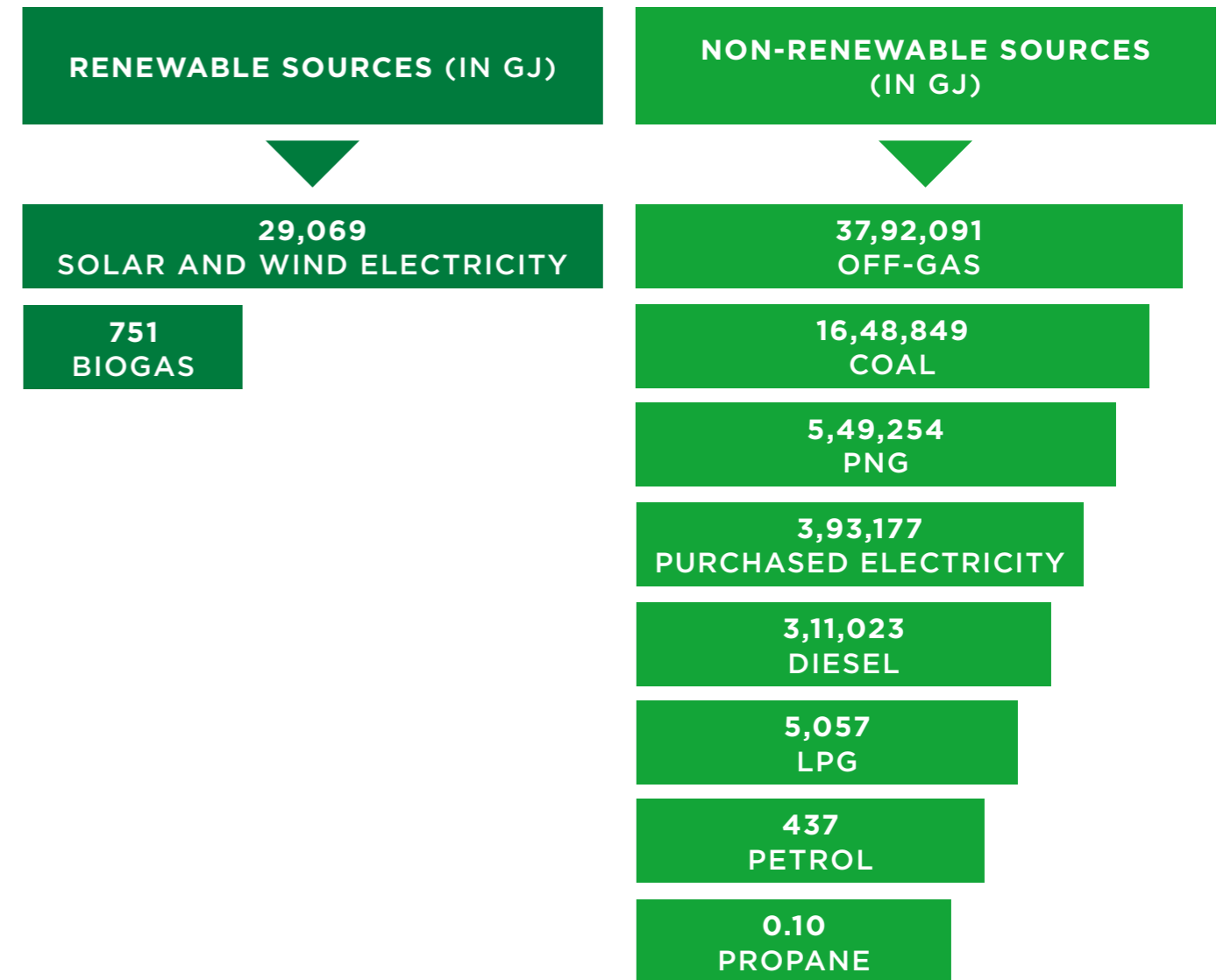
### SCOPE, ACTION & IMPACT

Scope	Action	Impact
Excessive plastic waste from new plastic pallets.	Established a recycling program with customers for returning used pallets.	Reduced plastic waste and improved resource efficiency.
High sulphur emissions from raw materials.	Sourced oil with 50% less sulphur content.	Significantly lowered sulphur emissions, enhancing environmental sustainability.
Frequent filter bag replacements generating waste.	Implemented an improved design for filter bags with a 25% longer lifespan.	Reduced waste filter bags and improved resource efficiency.
Inefficient fuel usage in the combustor affecting fuel efficiency during carbon black production.	Upgraded to high-temperature refractory lining to enhance combustion efficiency and improved fuel efficiency.	Improved savings fuel efficiency and cost savings.
Off gas from carbon black production, containing carbon monoxide, needed handling to avoid environmental impact if released unused.	Installed a flare stack to burn off excess gas, converting harmful carbon monoxide to CO <sub>2</sub> .	Effective emission management, mitigating environmental impact, and ensuring compliance with environmental regulations enhancing the plant's and sustainability credentials.

### IMPACT ON ENVIRONMENT & OPERATIONS



Significant reductions plastic waste through the reuse of plastic pallets.	Reduced waste and improved operational efficiency from the enhanced filter bag design.	Improved fuel efficiency and reduced energy consumption from combustor optimization.
Lower sulphur emissions due to sourcing of low-sulphur raw materials.		Effectively managing carbon monoxide emissions through installation of flare stack.



For calculation of energy consumption within the organization (in GJ), fuel and electricity consumption details have been consolidated across all our operational sites and multiplied by the relevant conversion factor. We have considered the applicable

conversion factors, standards, and methodology to calculate energy from various fuels and grid electricity used across the organization as per GHG Protocol. In case the applicable conversion factor was not available in GHG Protocol developed by the World

Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), we have referred to conversion factors and guidelines provided by Environment Protection Agency (EPA).

**ENERGY EFFICIENCY**

Energy efficiency is one of the key focus areas for our sustainability strategy, helping us improve operations and lessen our environmental impact. As we address the challenges of climate change and resource scarcity, our commitment to responsible energy management is strong. We recognize that energy efficiency is more than a corporate duty—it’s essential to our business, and we are deeply focused on

advancing this area. Guided by principles of innovation, optimization, and stewardship, our journey towards greater energy efficiency began with the adoption of cutting-edge technologies. These technologies are specifically designed to minimize energy consumption and maximize output across our operations. Our initiatives encompassed the replacement of that time available equipment with state-of-the-art, energy-efficient alternatives. Additionally, smart lighting systems

and automation technologies were implemented to reduce energy intensity and enhance overall operational efficiency.

Furthermore, our dedication to environmental responsibility extended beyond internal operations to encompass our entire value chain. Through strategic partnerships and collaboration with suppliers, customers, and stakeholders, we aimed to promote best practices and drive positive change across our value chain.



**IMPLEMENTING VARIABLE FREQUENCY DRIVES**



**BACKGROUND**

The Power Plant at Bhuj enhanced its energy efficiency by identifying opportunities for improvement in the operation of fans and pumps, which were running at constant speeds regardless of load requirements.



**OBJECTIVE**

To reduce energy consumption and optimize operational efficiency by installing Variable Frequency Drives (VFDs) on equipment that previously ran at full capacity continuously.



**RESULT ACHIEVED**

Total Energy Saving (Yearly): 9,29,138.93 kWh or 3,344.91 GJ



**ACTION TAKEN**

- Fans and Pumps**
- Installed VFDs on high-consumption fans and pumps across the plant, allowing for speed adjustments based on real-time operational demands.
- Specific Installations Include**
- Fans with high power consumption were fitted with VFDs to modulate operation and minimize energy use.
  - High-pressure RO pumps and vapor fans were similarly equipped to tailor their operation to actual needs, preventing energy overuse.

The installation of VFDs significantly curtailed energy consumption, leading to substantial cost savings annually and enhancing the sustainability of plant operations.

## COMPREHENSIVE ENERGY EFFICIENCY MEASURES



### BACKGROUND

The Tire Plant in Bhuj embarked on comprehensive campaign to enhance energy efficiency across various sections of its operations, tackling issues from excessive power use in cooling systems to inefficient lighting and motor operations.



### OBJECTIVE

To implement diverse energy-saving measures aimed at reducing power consumption through advanced technological upgrades and process optimizations.



### RESULT ACHIEVED

Total Energy Saving (Yearly): 80,33,650 KwH or 28,921.14 GJ



### ACTION TAKEN

#### Cooling System Upgrades

- Replaced inefficient heat exchangers and modified cooling towers to reduce energy usage significantly.

#### Lighting and Motor Efficiencies

- Introduced timers for lighting, optimized motor operations with VFDs, and replaced inefficient pumps and blowers with energy-efficient models.

#### Advanced Control Systems

- Implemented control systems for compressed air management and enhanced the automation of electrical systems to stabilize operations and minimize energy waste.

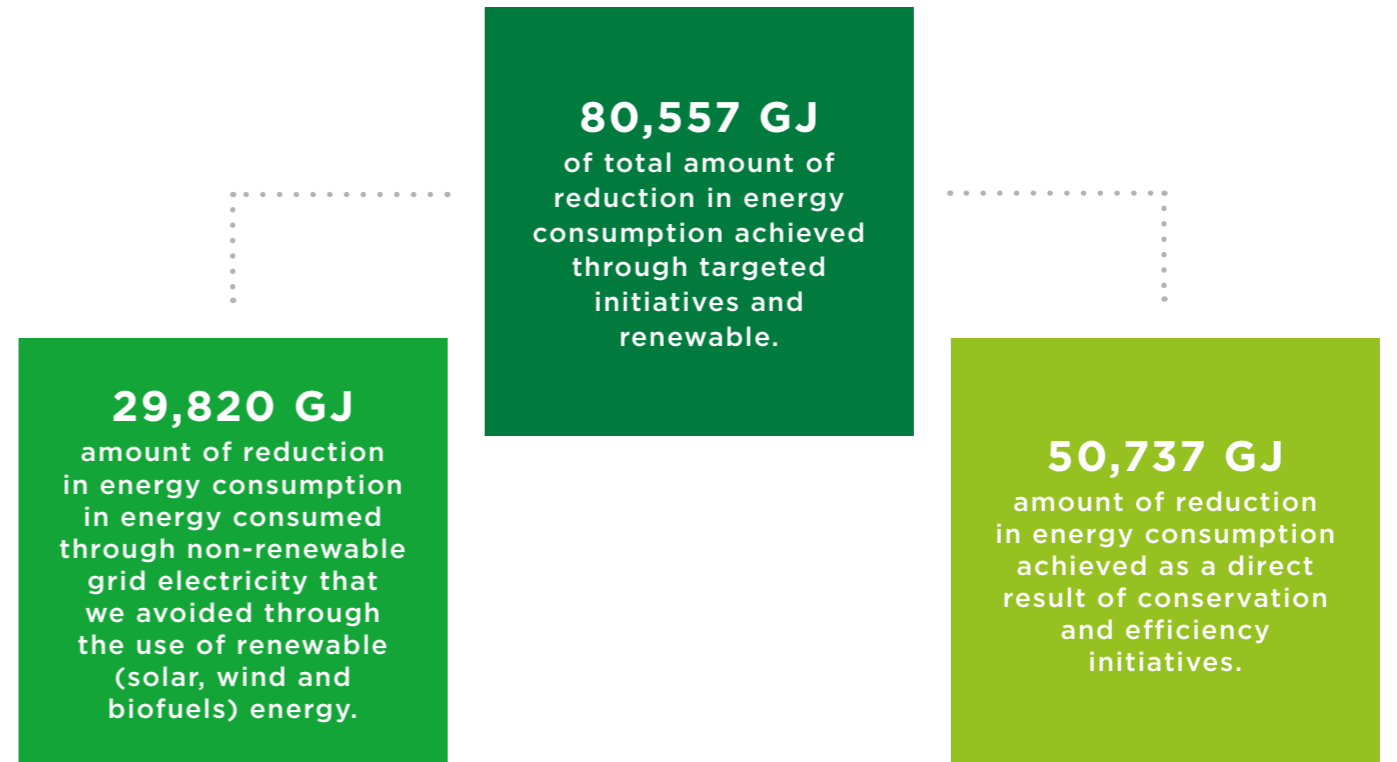
These varied initiatives reduced the energy footprint of the Tire Plant and led to large-scale financial savings, reinforcing the plant's emphasis on sustainable and efficient operations.

### ENERGY CONSERVATION

Drawing insights from global energy trends and best practices, we have launched targeted initiatives to enhance energy conservation across our facilities. By refining production processes and investing in equipment that conserves energy, each decision underscores our commitment to sustainability. Additionally, we have strengthened partnerships with suppliers and stakeholders to promote renewable energy adoption and cultivate a culture of conservation within our supply chain. Through these collaborative efforts and shared objectives, we aim to drive positive change and contribute to a more sustainable future for all.

We have implemented a broad spectrum of energy efficiency and conservation initiatives across our facilities. These measures are meticulously designed to reduce our energy consumption, thereby decreasing our carbon footprint, and enhancing our operational efficiencies. Our strategies have centered around the adoption of advanced technologies such as Variable Frequency Drives (VFDs), the replacement of conventional pumps and motors with high-efficiency models, and the refinement of our control systems, including the integration of timers and PLC logic. These enhancements have led to significant energy savings in various applications, from fans and pumps to lighting and Air Handling Units (AHU).

The financial implications of these initiatives have been judiciously managed, balancing initial capital expenditures against substantial long-term savings. This approach supports our environmental goals and delivers economic benefits, reinforcing our devotion to sustainable development and corporate responsibility. Through our various initiatives aimed at reducing energy requirements across our operations, excluding renewable energy implementations, we achieved a reduction in energy consumption of **50,737 GJ**. This accounts for **0.76%** of the total energy consumed from non-renewable energy sources during the reporting period.



Focusing on reducing our reliance on non-renewable grid electricity, we continue to expand the use of renewable energy across our operations and utilize offgas from carbon plant, the thermal energy generated during plant operations, as an energy input that would otherwise be wasted. As a result, we have increased our consumption of energy from

renewable sources such as wind and solar, while also obtaining energy from biofuels.

For calculating the amount of reduction in energy consumption achieved directly as a result of conservation and energy efficiency initiatives we have considered efficiency achieved across our sites during the reporting period.

Majority of initiatives include energy conservation and efficiency related initiatives across our tire manufacturing plants and thermal power plants and include various sources of non-renewable energy sources such as fuel, electricity, and steam.

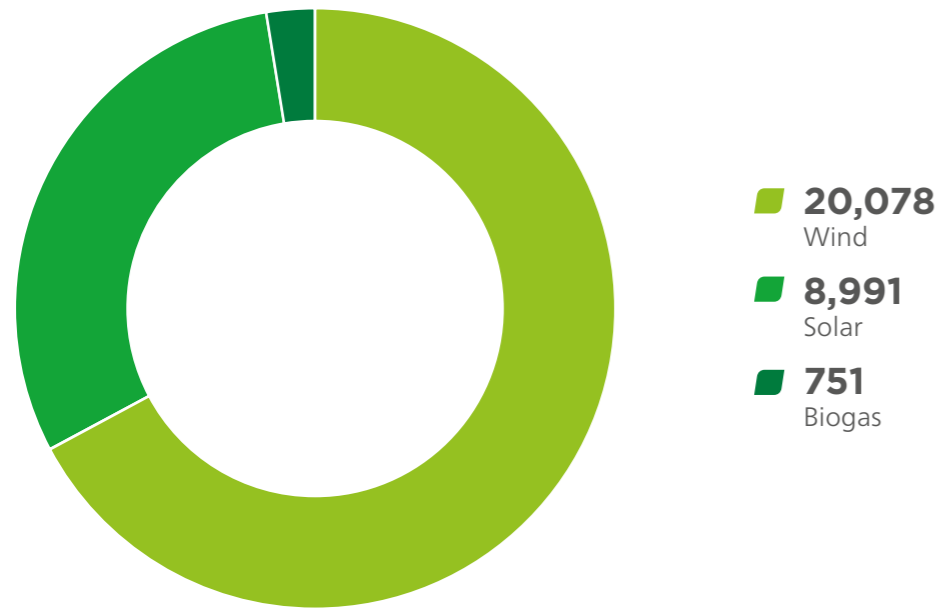
**FUEL EFFICIENCY AND RENEWABLE ENERGY**

Manufacturing operations such as ours are heavily reliant on various types of fuel to meet our energy requirement. Fuel sources include a mixture of non-renewable or

conventional sources such as coal, natural gas, diesel, petrol, and propane and renewable fuel such as biogas in operation. In addition to this we also fulfil a significant amount of our energy requirement from off-gas use allows us to reduce our dependency on fuel exports

through use of alternative fuels generated as by-product across other aspects of our operations.

**Total Renewable Energy Consumption by Source (in GJ)**



Our operations primarily utilize solar and wind energy, alongside biogas, as key sources of renewable energy. Our renewable energy portfolio includes a **5 MW** wind turbine installation at one site and total of **2 MW** solar power plant situated at two sites. Together, these facilities contributed a total of **29,069 GJ** to our renewable energy consumption during the reporting period. Furthermore,

in continuation of our strategy to further explore and incorporate alternative energy sources in our energy mix, our biogas consumption stood at **751 GJ**.

By increasing the use of off-gas as an energy source across our operations, we are directly reducing our dependence on coal-powered thermal power plants. For the financial year, **56.35%** of

our total energy consumption, equivalent to **37,92,091 GJ**, is being met through off gas, making it our largest source of fuel. Moreover, off-gas is efficiently utilized as a major source of energy within our operations.



# EMISSION MANAGEMENT

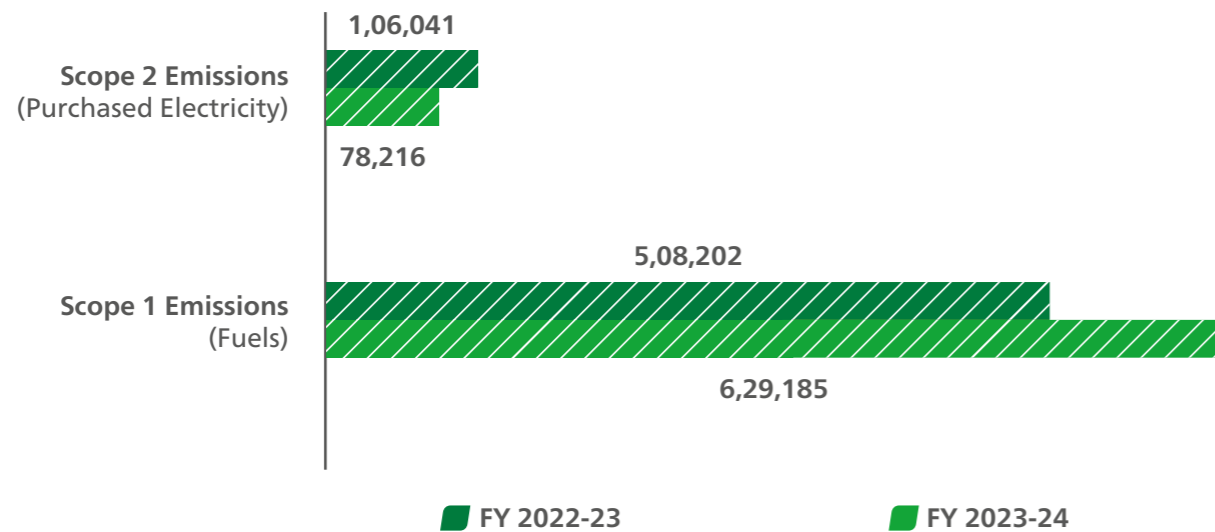
**AT BKT, WE ARE DEDICATED TO MINIMIZE EMISSIONS THROUGH ADVANCED TECHNOLOGIES AND INNOVATIVE PRACTICES, ENSURING COMPLIANCE WITH ENVIRONMENTAL STANDARDS, AND CONTRIBUTING TO A CLEANER, HEALTHIER PLANET.**

Our energy performance directly impacts the emissions resulting from our operations. By examining emissions generated throughout our operations, we gain valuable

insights into the environmental impact of our processes and identify opportunities for improvement. Through diligent monitoring, strategic initiatives,

and investments in innovative technologies, we endeavor to minimize our carbon footprint while maximizing efficiency and sustainability across our operations.

## Overall Scope 1 and Scope 2 Emissions (in tCO<sub>2</sub>e)



Note – The value of scope 2 emissions for FY 2022-23 have been recalculated and restated due to adoption of Renewable Energy Sources weighted average emission factor as per Central Electricity Authority. Scope 2 emissions has been calculated as location-based approach.

During the financial year our total emissions (Scope 1 and Scope 2 emissions) including both direct emissions and indirect emissions amounted to **7,07,401 tCO<sub>2</sub>e**, a **15.17%** increase in total emissions as compared to the previous financial year. We have included both Scope 1 or direct emissions resulting from burning various types of fuel in our operations and Scope 2 or emissions from use of grid electricity. Relevant sources have been considered when calculating our scope 1 and scope 2 emissions. The use of biofuel across our operations has also resulted in **41 tCO<sub>2</sub>e** of biogenic emissions,

however it has been excluded from the scope of total emissions calculation.

Majority of our direct emissions comes from off-gas and thermal power plant used as energy source for our operations. While indirect emissions are a result of purchased electricity used across our operations. Fugitive emissions and process-based emissions are also included in overall Scope 1 calculations. Our Scope 1 emissions increased by **23.81%** on account of increasing off-gas use across our operations. While our Scope 2 emissions reduced by **26.24%**

over the previous year primarily due to decreased consumption of grid electricity resulting from use of off gas across our operations. Our broader mitigation strategy is focused on continuous assessment and initiatives related to energy efficiency including utilization of wasted energy and expansion of renewable energy in our energy mix.

A significant reduction in our purchased electricity consumption can be attributed to energy efficiency related initiatives and enhancements as well as renewable energy use in our operations.





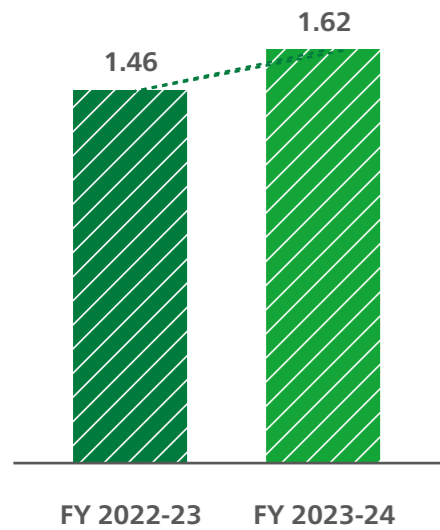
**EMISSION PERFORMANCE**

In FY 2023-24, our overall emission intensity per rupee turnover increased by **21.50%** from **0.63 tCO<sub>2</sub>e** per rupee turnover (in INR lakh) in FY 2022-23 to **0.76 tCO<sub>2</sub>e** per rupee turnover (in INR lakh). We strive to put continuous efforts towards reducing emissions across our

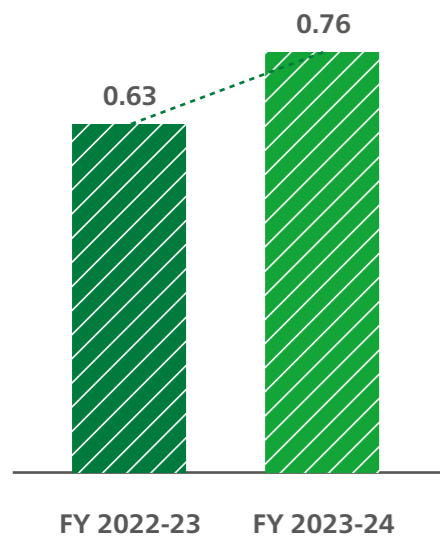
operations. We also witnessed a sharp decrease in Scope 2 emissions during the reporting period. As a result, our Scope 2 Emission Intensity per rupee turnover has declined by **22.18%** from **0.11 tCO<sub>2</sub>e** per rupee turnover (in INR lakh) in FY 2022-23 to **0.08 tCO<sub>2</sub>e** per rupee turnover (in INR lakh) in FY 2023-24. Efforts are also visible across other

metrics such as emission abated through renewable electricity and fuels has increased by **5.84%** to **5,931 tCO<sub>2</sub>e** from **5,604 tCO<sub>2</sub>e** in the previous reporting period. Our emission intensity per MT of physical output also grew by **11.39%** from **1.46 tCO<sub>2</sub>e** per MT of production in FY 2022-23 to **1.62 tCO<sub>2</sub>e** per MT of production in FY 2022-23.

**Emission Intensity in terms of physical output (tCO<sub>2</sub>e/ton production)**



**Emission Intensity per rupee turnover (in tCO<sub>2</sub>e/lakh INR)**



Note – Per capita intensity in value term has increased relatively higher as the YoY (FY 24 / FY 23) realization was lower majorly due to lesser freight pass through in product pricing.

Only Scope 1 and Scope 2 emissions have been taken into consideration when calculating emission intensity for the organization. All relevant emissions have been taken into consideration when calculating our emission intensity for the organization.



**SCOPE 3 EMISSIONS**

During the year, we performed a comprehensive exercise to compute our Scope 3 GHG emissions inventory. This detailed exercise will help us in our journey towards sustainability and reducing our carbon footprint.

We have considered all 15 categories as mentioned under Scope 3 as per Guidance provided by GHG Protocol. Category 14 – ‘Franchises’ was not relevant to us as we do not have any franchises and hence, it has been excluded.

**BKT'S SCOPE 3 EMISSION BOUNDARY**

UPSTREAM EMISSIONS	DOWNSTREAM EMISSIONS
CAT 1: Purchased goods and services	CAT 9: Downstream transportation and distribution
CAT 2: Capital goods	CAT 10: Processing of sold products
CAT 3: Fuel & energy related activities (not in scope 1 & 2)	CAT 11: Use of sold products
CAT 4: Upstream transportation and distribution	CAT 12: End-of-life treatment of sold products
CAT 5: Waste generated in operations	CAT 13: Downstream leased assets
CAT 6: Business travel	CAT 15: Investments
CAT 7: Employee commuting	
CAT 8: Upstream leased assets	

**KEY SOURCES OF SCOPE 3 EMISSIONS**

In FY 2023-24, BKT's Scope 3 GHG emissions equaled 36,60,829 tons of carbon dioxide equivalent (tCO<sub>2</sub>e). The primary contributor was Category 11 - Use of Sold Products, responsible for nearly 81% (29,55,234 tCO<sub>2</sub>e) of the total emissions. These emissions stem from the impact of sold tires on fuel combustion and rolling resistance of the vehicles or machinery they are installed on.

Category 1 - Purchased Goods and Services was the second largest contributor, accounting for 9.3% (3,40,592 tCO<sub>2</sub>e) of total Scope 3 emissions. Within this category, purchased goods contributed significantly, with 3,21,246 tCO<sub>2</sub>e, while purchased services added 19,346 tCO<sub>2</sub>e. The procurement of Carbon Black feedstock was the most significant source within purchased goods. The third largest contributor was Category 10 - Processing of Sold Products, which accounted for 4.5% (1,66,175 tCO<sub>2</sub>e)

of total Scope 3 emissions. These emissions arise from customers' use of Carbon Black as an intermediate product.

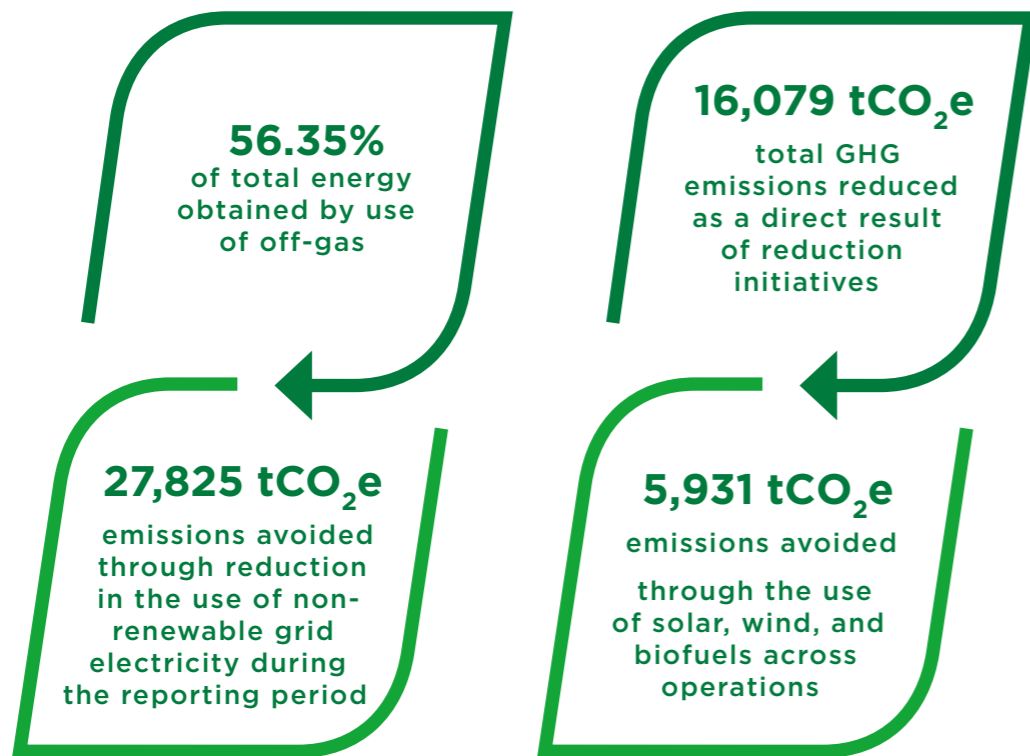
Other notable sources of BKT's Scope 3 GHG emissions include Category 3 - Fuel and Energy Related Activities (not in Scope 1 and 2), which accounted for 2.01% (73,741 tCO<sub>2</sub>e), and Category 9 - Downstream Transportation and Distribution, accounting for 1.28% (46,728 tCO<sub>2</sub>e).

**EMISSION REDUCTION**

Utilizing off-gases as a source of fuel enables us to effectively boost our energy efficiency and reduce dependence on coal-powered thermal energy. Use of off gas directly helps us reduce our reliance on grid electricity thus, resulting in lowering our Scope 2 emissions. For the financial year, we have avoided **27,825 tCO<sub>2</sub>e** emissions achieved through reduction in our non-renewable grid electricity consumption by **26.26%** to **3,93,177 GJ** in FY 2023-24 compared to the previous year.

Dedicated initiatives for emission reduction were implemented during the reporting period. We primarily focus on reducing energy consumption, which indirectly contributes to emissions reduction by lessening the demand for energy generation from fossil fuel sources. Specific measures include the transition from diesel to battery-operated forklifts, optimization of air compressors and blower systems, and replacement of old, inefficient equipment with newer, energy-saving technologies. These changes decrease the direct use of fossil fuels and

furthermore lower overall electricity consumption, thereby reducing greenhouse gas emissions associated with power production. These strategic interventions align with environmental sustainability goals by reducing operational carbon footprints. As a result, we achieved **16,079 tCO<sub>2</sub>e** of emission reduction owing to these initiatives while, use of renewable sources of energy in our operations has enabled us to avoid **5,931 tCO<sub>2</sub>e** of emissions during the reporting period.



**Note**

- Increase in use of off gas across operations has led to significant reduction of our non-renewable energy consumption through grid. Thus, for the reporting period the increase in off-gas use has directly resulted in reduced requirement of non-renewable grid electricity.
- All applicable gases have been taken into consideration when reporting emission reduction across both scope 1 and scope

- 2 emissions cumulatively. To calculate avoided emissions resulting from the use of renewable energy we have considered emissions that would have been emitted through consumption of non-renewable grid electricity in absence of renewable energy sources of consumption.
- Emissions factors for various fuels have been taken from GHG protocol. Emission factor for grid electricity is taken from

- Central Electricity Authority of India. For emission factor of Di-Acetylene and Propane, US EPA has been referred. Global Warming Potential of various GHG gases have been taken from IPCC AR6 WG-1. All calculations have been as per the methodology provided by GHG Protocol.
- An operational control approach has been adopted for consolidation of emissions.



**STRATEGIC CARBON EMISSION REDUCTION**



**BACKGROUND**

In response to growing environmental concerns and enduring focus on sustainable initiatives, the Bhuj Plant launched several targeted initiatives aimed at reducing energy consumption and consequently lowering carbon emissions.



**OBJECTIVE**

To implement energy-efficient technologies and process optimizations that significantly reduce the carbon footprint of the plant, there by aligning with global environmental standards and reducing operational costs.



**RESULT ACHIEVED**

- Annual Energy Saving: 89,62,789 kWh or 32,267 GJ
- CO<sub>2</sub> Emissions Reduced: 6,418 tCO<sub>2</sub>e
- Other Benefits: Improved process efficiency and reduced occurrence of overheated rubber compound.



**ACTION TAKEN**

- Variable Frequency Drives (VFDs)**
  - Installation of VFDs on high-energy-consuming fans and pumps across the plant to optimize their operation based on real demand, reducing excess energy usage and associated emissions.
- Lighting and Control Systems Upgrade**
  - Replaced traditional lighting with high-efficiency LED fixtures and introduced smart lighting controls to minimize energy waste during non-operational hours.
- Heat Exchange and Cooling Systems Optimization**
  - Replaced less efficient systems with advanced heat exchange solutions and optimized cooling processes to reduce energy demand and enhance system longevity.
- Automation of Energy Systems**
  - Automated control systems implemented for better management of energy consumption, critical processes, further minimizing unnecessary energy use.
- Process Re-engineering**
  - Modified existing manufacturing processes to incorporate energy-saving practices, including optimizing compressed air systems and refining hydraulic operations.

**The implementation of these energy-saving measures has led to substantial reductions in greenhouse gas emissions and has also achieved significant cost savings, reinforcing the plant's commitment to environmental stewardship and financial efficiency.**

## DRIVE TOWARDS ENERGY EFFICIENCY AND EMISSIONS REDUCTION



### BACKGROUND

The Chopanki Tire Plant implemented various energy efficiency measures across sections such as mixer mills, HVAC systems, and motor operations to address high energy consumption and associated carbon emissions.



### OBJECTIVE

To enhance energy efficiency and reduce CO<sub>2</sub> emissions through the adoption of advanced technologies and process optimizations.



### RESULT ACHIEVED

- Annual Energy Saving: 38,94,533.34 Kwh or 14,020.32 GJ
- CO<sub>2</sub> Emissions Reduced: 8,776 tCO<sub>2</sub>e
- Other Benefits: Improved process efficiency and reduced occurrence of overheated rubber compound.



### ACTION TAKEN

#### Installation of VFDs

- Variable Frequency Drives were installed on Mixer-5 & 6 and RO pumps to optimize speeds and pump operations according to real-time requirements.

#### HVAC System Upgrade

- Replaced old centrifugal blowers with 44 energy-efficient axial flow fans.

#### Motor and Pump Replacements

- Upgraded old and inefficient motors and pumps with new IE3 and IE4 units across several operations.



Installed new set up for deaerators at Chopanki site to use HI curing line dome flash steam.



Air Handling Unit-Centrifugal blower replaced with energy efficient axial flow fan.

These measures contributed to significant annual cost savings along with enhanced operational efficiency and sustainability by substantially lowering CO<sub>2</sub> emissions.

## SUSTAINABLE ENERGY USE AND COOLING SYSTEM OPTIMIZATION



### BACKGROUND

At the Waluj Plant, a focus on reducing energy consumption led to several initiatives targeting the cooling systems and pump operations, which were historically energy-intensive.



### OBJECTIVE

To implement energy-efficient technologies and optimize system designs to reduce energy consumption and CO<sub>2</sub> emissions.



### RESULT ACHIEVED

- Annual Energy Saving: 2,39,148 Kwh or 860.93 GJ
- CO<sub>2</sub> Emissions Reduced: 171.23 tCO<sub>2</sub>e
- Other Benefits: Eliminated redundant energy consumption and enhanced system longevity.



### ACTION TAKEN

#### Cooling Tower Optimization

- Installed level switches and an additional pipeline to improve water circulation efficiency and reduce unnecessary pump operations.

#### Pump Operation Efficiency

- Enhanced control systems for various pumps to operate only when necessary, significantly reducing energy waste.



The DCC make-up pump now operates based on the DCC tank's water level switch, shutting off at high levels to save electrical energy.



Reduce energy consumption by stopping extra running pump.

The optimizations led to substantial energy savings, minimized operational costs, and contributed positively to environmental sustainability by reducing annual CO<sub>2</sub> emissions.

## COMPREHENSIVE APPROACH TO EMISSIONS REDUCTION

### BACKGROUND

The Bhiwadi Plant focused on upgrading air blowers and pump systems and integrating VFDs to tackle high energy consumption and emissions from outdated equipment.



### OBJECTIVE

To decrease power consumption and CO<sub>2</sub> emissions by introducing highly efficient equipment and control systems.



### RESULT ACHIEVED

- Annual Energy Saving: 9,97,206.15 Kwh or 3,589.94 GJ
- CO<sub>2</sub> Emissions Reduced: 714 tCO<sub>2</sub>e
- Other Benefits: Enhanced operational efficiency and reduced maintenance requirements.



### ACTION TAKEN

#### Air Blower Upgrades

- Replaced old centrifugal air blowers with energy-efficient EC and air blowers.

#### Pump and VFD Installation

- Replaced conventional pumps with energy-efficient models and installed VFDs on utility pumps to optimize their operation.



Replaced 11 old conventional pump with energy efficient pumps.



Installed live VFO panels in the utility section to replace Star-Delta starters, using PIO controllers for motor RPM control.

These changes significantly lowered energy costs and CO<sub>2</sub> emissions, demonstrating a strong focus on sustainable practices and operational efficiency.

### AIR EMISSIONS

Beyond meeting legal requirements, we remain proactive in maintaining emissions within prescribed limits. For effective monitoring of ambient air quality, we are utilizing Continuous Emissions Monitoring System (CEMS) at applicable sites along with monitoring through

NABL approved agencies. This advanced system aids in regulatory compliance and underscores our persistent dedication to environmental responsibility.

Through stringent adherence to environmental standards and the implementation of targeted emission reduction initiatives, we strive to mitigate our impact on

the environment while promoting sustainable practices. Additionally, our efforts are informed by the latest advancements in environmental science and guided by a commitment to continual improvement, ensuring that our operations align with global sustainability objectives.



# WASTE MANAGEMENT AND CIRCULAR ECONOMY

**AT BKT, WE ARE COMMITTED TO SUSTAINABLE WASTE MANAGEMENT, BY IMPLEMENTING ADVANCED METHODS TO REDUCE, REUSE, AND RECYCLE, EMBRACING CIRCULARITY PRINCIPLES TO MINIMIZE OUR ENVIRONMENTAL FOOTPRINT.**

We recognize that effective waste management is crucial for reducing our environmental impact and promoting sustainability. Our comprehensive strategy focuses on minimizing waste generation, enhancing recycling efforts, and responsibly handling both hazardous and non-hazardous waste. By implementing stringent monitoring systems and adopting

innovative waste reduction techniques, we strive to meet the highest standards of environmental stewardship. Central to our approach is adopting circular economy principles, with the objective to maximize resource use and minimize waste. By prioritizing the reuse and recycling of materials, we transform

waste into valuable resources that can be utilized across other aspects of our operations and avoid disposal. This reduces our need for new raw materials and supports a sustainable, resilient business model. Our circularity initiatives reflect our invariable dedication towards creating a system where waste is minimized, and resources are utilized efficiently.

## WASTE PERFORMANCE

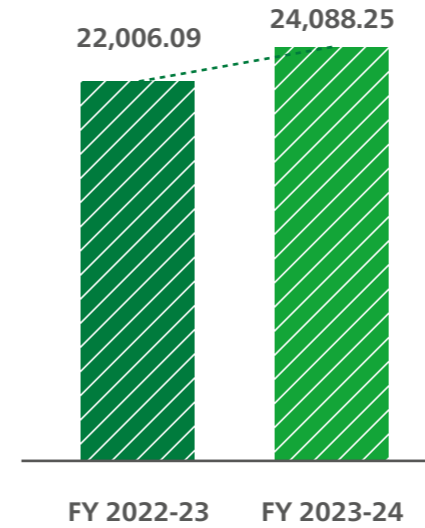
Our total waste generated increased by **9.46%** in the reporting period to **24,088.25 metrics tons** from **22,006.09 MT** in the previous reporting period. The increase is primarily due to increase in certain waste categories such as e-waste, battery waste, and other operational and process related waste such as other hazardous and non-hazardous waste.

However, we have been able to reduce our waste generated across certain key categories such as plastic owing to our continuous efforts towards resource and operational efficiency across our operations. Our plastic waste generated reduced by **22.13%** from **3,113.8 MT** in FY 2022-23 to **2,424.64 MT** in FY 2023-24.

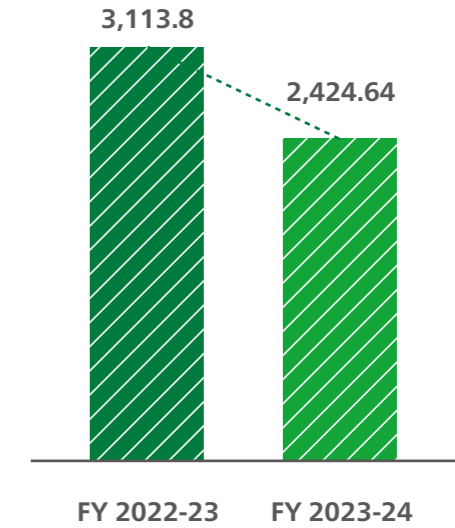
Moreover, our waste generation intensity per rupee turnover increased by **26.77%** from

**0.02 MT** per rupee turnover (in lakh INR) in FY 2022-23 to **0.03 MT** per rupee turnover (in lakh INR) in FY 2023-24. Our waste generation intensity per MT of physical output also slightly increased by **15.02%** from **0.05 MT** of waste per MT of production in FY 2022-23 to **0.06 MT** of waste per MT of production in FY 2023-24.

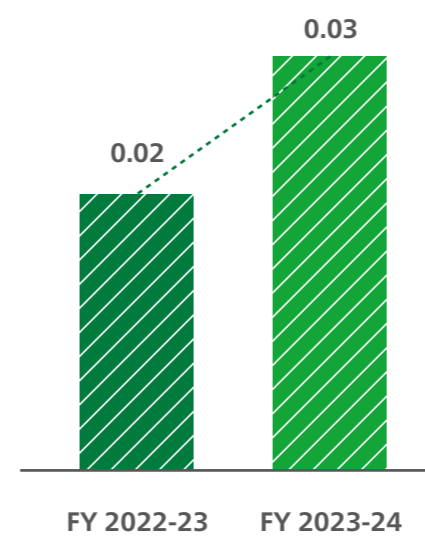
**Total waste generated (in MT)**



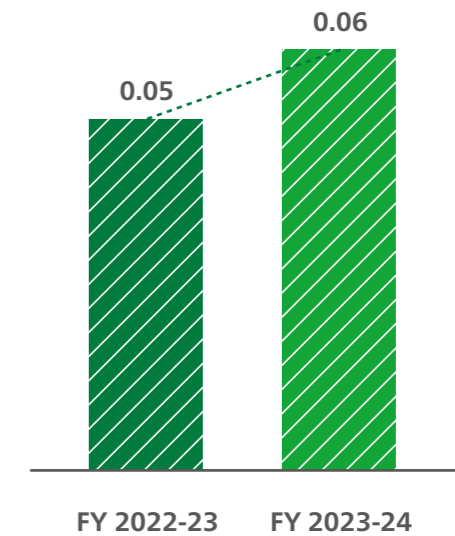
**Plastic Waste reduction (in MT)**



**Waste generation intensity per rupee turnover (in MT/INR lakh)**



**Waste generation intensity per physical output (in MT/MT of production)**



Note – Per capita intensity in value term has increased relatively higher as the YoY (FY 24 / FY 23) realization was lower majorly due to lesser freight pass through in product pricing.

**WASTE GENERATION AND MANAGEMENT OF RELATED IMPACTS**

We recognize the significant actual and potential waste-related impacts associated with our operations, which are primarily categorized into inputs, activities, and outputs. The inputs leading to these impacts include raw materials, packaging materials, and chemicals used in our production processes. These resources are essential for our operations but

also pose challenges related to disposal cost escalation, difficulty in disposition, and compliance with environmental and statutory regulations.

Furthermore, our activities generate waste through various processes. At our facilities, significant wastes include scrap rubber, poly waste, ETP sludge, waste oil, and oil-soaked materials, among others. We focus to achieve circularity measures at best possible levels to optimize waste generation along

with increased use of recyclable materials.

Managing these outputs effectively is crucial to minimize their environmental impact. In order to mitigate these impacts, we implement circularity measures and strategies to prevent waste generation and promote the reuse and recycling of materials across our operations through following measures:

**CIRCULARITY MEASURES**

We focus on circularity measures to prevent waste generation and resource depletion. By reusing waste chemicals collected in filter bags and recycling anti-talc powder and carbon from waste, we aim to keep materials in use for as long as possible. This approach prevents waste accumulation and ensures sustainable resource management.

**AUTHORIZED DISPOSAL**

All waste, including hazardous waste, e-waste, and battery waste, is managed in line with regulatory requirements. We ensure that waste is disposed of by authorized recyclers by ensuring safe storage, handling and disposal practices.

**DATA MANAGEMENT**

We employ robust processes to collect and monitor waste-related data. All data is maintained in SAP, ensuring accurate tracking and compliance. Regular audits are conducted to ensure continuous improvement and adherence to environmental regulations.

**WASTE MANAGEMENT**

We meticulously manage both hazardous and non-hazardous waste in accordance with applicable laws and regulations. Determined to set industry benchmarks, we embrace the ethos of the circular economy.

Our goal is to achieve zero waste to landfill by thoroughly assessing all business processes for potential waste generation, exploring alternative resources, technologies, and processes, and continuously monitoring and improving our waste management efforts.

We ensure to achieve segregation of waste to best possible level before it leaves our premises reflecting our persistent dedication to responsible waste management. We continuously evaluate such aspect of our operations to explore and implement industry best practices of waste management.

**HAZARDOUS WASTE MANAGEMENT**

We have established a comprehensive Hazardous Waste Handling Procedure to ensure effective regulation of hazardous waste. It is carefully managed, stored, and disposed in line with regulatory guidelines through authorized handling and disposal agencies.

**NON-HAZARDOUS WASTE MANAGEMENT**

Our facilities feature distinct areas designated for process scrap and non-process scrap, with segregated waste bins strategically placed within the plant to ensure efficient waste separation and management. We collaborate with authorized vendors to ensure proper disposal of specified non-hazardous waste, reducing our environmental impact by minimizing unnecessary packaging and optimizing transportation.



**CIRCULARITY IN OPERATIONS**

During the reporting period we made significant strides in our recycling and reuse efforts as part of our steady dedication to eco-conscious practices. Our initiatives focused on integrating extensive recycling practices across our operations, aiming to reduce waste and conserve resources.

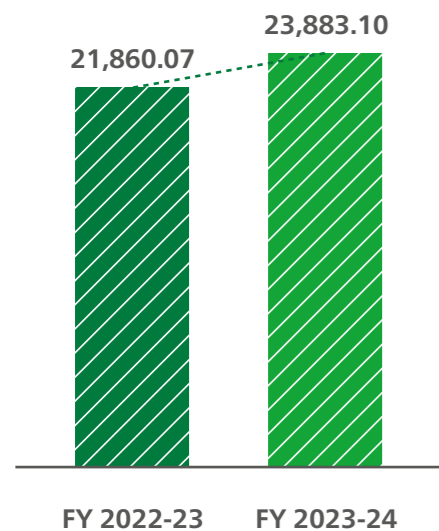
Our total waste diverted from disposal through recycling and re-use increased by **9.25%** from **21,860.07 MT** to **23,883.10 MT**

in FY 2023-24. For waste diverted from disposal through recycling, waste categories include plastic waste, e-waste, and battery waste that are managed as per the relevant regulations and local environmental laws. By utilizing recycling techniques, hazardous waste is diverted from disposal in a way that reduces its potential danger to both human health and the ecosystem, aligning with best practices for sustainable waste management. All our recyclable waste is recycled through authorized vendors and as per the

applicable rules and regulations. For our other waste resulting from office operations is managed by the local municipality as per the local rules and regulations.

Total waste disposed to secured landfill accounted for is **205.14 MT** or only **0.85%** of the total waste generated and includes, biomedical waste, hazardous waste including ETP Waste (sludge), Oily cotton waste, filter bags, and chemical waste.

**Total waste diverted from disposal through recycling or reuse (in MT)**



**PROCESS OPTIMIZATION FOR REDUCED SCRAP IN FABRIC AND COMPOUND PRODUCTION**



**BACKGROUND**

Excessive scrap generation was a persistent challenge at the Bhuj Tire Plant, with fabric production experiencing losses due to wrinkle formation during winding, and compound production facing issues due to over-milling and loading errors. These inefficiencies caused significant material waste while also affecting the overall operational costs and environmental footprint of the facility.



**OBJECTIVE**

To streamline production processes by introducing precise control mechanisms and improving material handling techniques, thereby minimizing waste and enhancing production efficiency.



**RESULT ACHIEVED**

Annual Waste Reduction: Achieved a significant reduction of **32,780 kg** in scrap (**18,980 kg** from fabric and **13,800 kg** from compound).



**ACTION TAKEN**

- Calibrated Diameter Sensors**
  - The diameter sensors at fabric windups were carefully calibrated to achieve precise control over material tension, a crucial factor in preventing wrinkle formation.
- Brake Pressure Reduction**
  - Brake pressure was reduced from 6.0 kg/cm<sup>2</sup> to 3.0 kg/cm<sup>2</sup>, effectively reducing material tension and wrinkle occurrence in fabric production.
- Installation of Vertical Blender Bar**
  - A vertical blender bar was added to the milling process of compounds to prevent over-milling, which was a significant source of material waste.
- Enhanced Monitoring and Training**
  - Temperature deviations were monitored with new sensors, and staff were trained to handle materials correctly, reducing human error and enhancing overall process reliability.

These improvements have led to a reduction in material waste, contributing to the plant's sustainability objectives and reducing environmental impact, while also boosting financial performance through cost savings.

## ENHANCING PRODUCTION EFFICIENCY IN BEAD AND TIRE MANUFACTURING



### BACKGROUND

The Bhuj Tire Plant faced issues with bead and tire scrap, impacting production efficiency and material waste. Key challenges included setup errors, air pressure fluctuations in bead production, and manual errors in tire production processes.



### OBJECTIVE

To reduce waste and enhance production efficiency through targeted improvements in bead setup processes and the automation of critical tire manufacturing procedures.



### RESULT ACHIEVED

Annual Waste Reduction: The combined initiatives saved an estimated 21,000 kg of scrap annually in both bead and tire production.



### ACTION TAKEN

#### Bead Production

- Implemented an accumulator position adjustment guideline in the PLC to standardize and optimize the setup process.
- Installed a separate air reservoir tank to stabilize air pressure and introduced a POKAYOKE system to automatically stop the machine if air pressure falls below 6 kg/cm<sup>2</sup>.
- Regular inventory checks by the production team for critical sizes to ensure optimal production flow and reduce waste.

#### Tire Production

- Automated painting and lubrication processes to ensure uniform application and reduce human error. Introduced environmental controls to reduce scrap caused by external contamination.

These improvements have significantly decreased waste, improving the sustainability and efficiency of the plant's operations. The standardized processes and automation have minimized waste and have additionally enhanced the quality and consistency of the production output.



Air pressure gauge



Air reservoir tank



Accumulator position display





## FACILITY UPGRADES TO COMBAT ENVIRONMENTAL CONTAMINATION



### BACKGROUND

Environmental contamination, particularly from bird droppings, was leading to increased scrap rates in tire production at the Bhuj plant, affecting both product quality and operational costs.



### OBJECTIVE

To implement infrastructural modifications that safeguard the production environment from external contaminants, ensuring high standards of product quality and reducing waste.



### RESULT ACHIEVED

Annual Waste Reduction: This initiative alone reduced tire scrap by 21,000 kg annually.



### ACTION TAKEN

#### Installation of False Ceilings

- False ceilings were installed in critical production and stock preparation areas to prevent contamination from bird droppings, which had been a significant source of quality issues.



The installation of false ceilings has markedly improved the production environment, leading to better product quality and significantly fewer losses due to environmental contamination.

False Ceiling installed in Building & Stock preparation area, reducing cure tire waste and contamination of PP liner, thus improving tire quality.

## WATER STEWARDSHIP

### AT BKT, WE PRIORITIZE WATER CONSERVATION BY UTILIZING ADVANCED TECHNOLOGIES TO REDUCE OUR WATER FOOTPRINT. OUR PLANTS ARE EQUIPPED WITH WASTEWATER TREATMENT FACILITIES WHICH ENABLES APPROPRIATE TREATMENT OF WATER FOR OPTIMUM RECYCLING.

Recognizing the vital importance of responsible water management, we employ advanced technologies and innovative practices designed to optimize water usage and promote conservation.

Our strategy is underpinned by the implementation of rigorous water recycling and reuse strategies, ensuring sustainable management even in areas facing low groundwater levels and high evaporation. To mitigate these challenges, we have embraced alternative water sources and optimized our cooling systems to prevent water loss and reduce environmental impact, achieving significant water savings annually.

#### OUR RELATIONSHIP WITH WATER AS RESOURCE

##### Water Interaction and Impact

Our comprehensive approach involves sourcing water from local municipalities, groundwater, and third-party wastewater—all

undergoing extensive treatment to enable reuse in our operations. We emphasize innovative recycling practices, including the integration of treated sewage water for various plant operations and employing dry cooling systems to replace traditional cooling towers, thus minimizing water loss. Key technologies such as advanced reverse osmosis systems enhance water quality and efficiency, allowing us to reuse RO reject water for cooling and other processes.

#### Identification and Assessment of Water-Related Impacts

We use structured methodologies to effectively manage water-related impacts, focusing on continuous evaluation of water consumption and exploring opportunities to reduce freshwater usage. Our strategies are designed to align our operations with sustainable water management practices that meet and set industry standards.

#### Addressing Water-Related Impacts

Our environmental management plans are robust, addressing ongoing and potential water issues while ensuring compliance with stringent environmental regulations. Initiatives like rainwater harvesting are implemented to increase the capacity for water reuse, significantly reducing our dependency on external water sources. Moreover, innovative solutions like AC condensate reuse systems capture water from air conditioning units for reuse, and hydraulic press cooling water reuse systems further optimize water management. These technologies conserve water as well as reduce operational costs through innovative recycling of condensate and cooling water.

**Water-Related Goals and Targets**

Our goals include systematically tracking water usage and initiating targeted measures to enhance water efficiency. For instance, implementing sewage treatment plants for gardening purposes and other non-critical applications helps reduce overall water consumption by significant percentages annually.

**Standards for Effluent Discharge**

Our dedication to sustainable water management is demonstrated through our rigorous wastewater management practices aimed to maintain Zero Liquid Discharge (ZLD). By integrating advanced treatment technologies such as Multi Effect Evaporators (MEE), we minimize waste volume and enhance water reuse. These systems efficiently condense and recover water vapor, ensuring the treated

water meets and often exceeds environmental quality standards. Our comprehensive strategies enable effective management of water resources and effluent discharge, adhering to both external regulatory requirements and our internal sustainability goals. Through continuous monitoring, assessment practices, and stakeholder engagement, we reinforce our proactive approach to environmental protection and water stewardship, supporting a sustainable future.

**WATER PERFORMANCE**

During the reporting period, our overall water consumption reduced by **3.41%** to **19,33,589 KL** as compared to **20,01,838 KL** in the previous reporting period. Our groundwater consumption significantly decreased by **43.54%** to **1,90,312 KL** from **3,37,072 KL** in the previous reporting period. However, water sourced from third parties increased by **5.19%** and rainwater decreased by **24.83%** respectively as compared to the

previous reporting period. We do not discharge any wastewater across any of our sites to minimize our impact on the environment and communities. Wastewater discharge from our corporate office is managed as per local guidelines and through the local municipality. The water used at our corporate office is primarily for domestic purposes only.

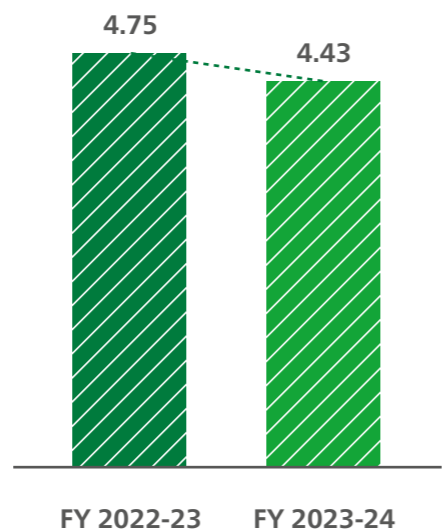
In line with our overall water performance, our water intensity per rupee of turnover slightly

increased by **1.96%** from **2.04 KL per rupee turnover** (in lakh INR) in FY 2022-23 to **2.08 per rupee turnover (in lakh INR)** in FY 2023-24. While our water intensity per MT of production decreased by **6.74%** from **4.75 KL per MT of production** in FY 2022-23 to **4.43 KL per MT of production** in FY 2023-24. Lastly, there has been no change in water storage across all our sites during the reporting period.

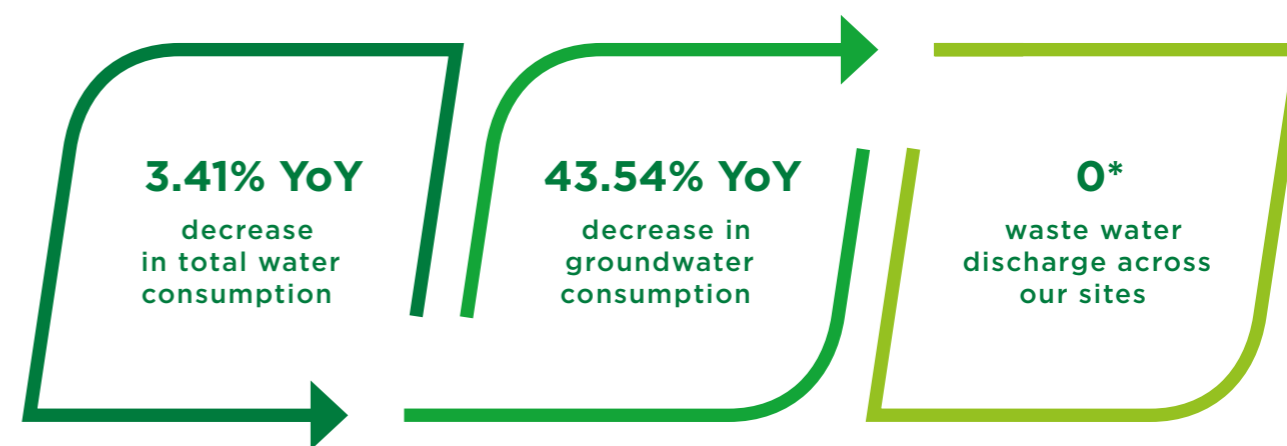
**Water Intensity per rupee turnover (in KL/lakh INR)**



**Water Intensity in terms of physical output (KL/MT production)**



Note – Per capita intensity in value term has increased relatively higher as the YoY (FY 24 / FY 23) realization was lower majorly due to lesser freight pass through in product pricing.



\* Excludes wastewater discharge from our corporate office. Wastewater discharge from our corporate office is managed by the local municipal authorities.

**WATER USE**

Water is a critical resource for our operations and supporting activities. We are determined to manage water responsibly to minimize our environmental impact and promote sustainable development. Water is primarily utilized in our facilities for cooling systems in the high-temperature process of tire curing. Additionally, treated water from our Effluent Treatment Plants (ETPs) is essential for use in process. Water from our Sewage Treatment Plants (STPs)

is used to irrigate green spaces within our facilities, enhancing the aesthetic and environmental quality of our surroundings. The volume of water we withdraw is closely aligned with production volumes and the efficiency of our processes.

Our operations rely predominantly on third-party water supplies mostly from municipalities amounting to **17,26,223 KL** or **89.17%** of our total water withdrawn during the reporting period. Other key sources of water use include groundwater (**9.83%**) and rainwater (**1%**)

captured through rainwater harvesting implemented at sites.

Most of our plants are situated in areas that are categorized as over exploited and semi-critical category of water stress area as per Central Ground Water Board (CGWB). Our water withdrawal in such sites has reduced by **3.44%** as compared to the previous year, in line with the reduction in our overall water withdrawal.

**WATER MANAGEMENT**

At BKT, our dedication to sustainable water management is deeply integrated into every facet of our operations. As water remains a vital yet finite resource, we continuously innovate to optimize its use, demonstrating our industry-leading adherence to environmental best practices.

In continuation of our efforts in the previous year, we continue to advance our water management strategies and practices, ensuring operational sustainability and resource conservation.

Across all our sites, water used for operations is treated and subsequently reused in different aspects of our operations, affirming

our commitment to achieve zero wastewater discharge. The only exception is the small amount of untreated wastewater from our corporate office (**2,393 KL**), which is situated in a shared complex and responsibly managed by the local municipal authorities, ensuring compliance with community and environmental standards.

## COMPREHENSIVE WATER MANAGEMENT



### BACKGROUND

To enhance water conservation, the Bhiwadi and Waluj plants adopted various measures to optimize water use, including adjustments in RO plant operations and rainwater harvesting.



### OBJECTIVE

To minimize freshwater intake by improving the efficiency of water use and increasing the capacity for rainwater utilization.



### RESULT ACHIEVED

Total Annual Water Saving: 11,450 KL.



### ACTION TAKEN

- RO Plant and Water Quality Management**
- Enhanced RO system efficiency and used reject water for cooling towers.
- Rainwater Harvesting**
- Implemented systems to collect and utilize rainwater across the plants.

The initiatives effectively reduced reliance on external water sources and contributed to significant financial and environmental savings.

## INNOVATIVE WATER MANAGEMENT SOLUTIONS



### BACKGROUND

Facing low groundwater levels and high evaporation losses, Chopanki employed innovative solutions to manage its water resources more sustainably.



### OBJECTIVE

To utilize alternative water sources and optimize cooling systems to prevent water loss and reduce environmental impact.



### RESULT ACHIEVED

Total Annual Water Saving: 1,27,750 KL.



### ACTION TAKEN

- STP Treated Water Utilization**
- Integrated treated sewage water for use in various plant operations.
- Dry Cooling System Installation**
- Replaces traditional cooling towers with a dry system to minimize water loss.

These strategic interventions have addressed the critical issue of low groundwater levels and have also set a standard for sustainable water management within the industry.

**ADVANCED WATER USE AND RECYCLING INITIATIVES**

Our dedication towards reducing freshwater dependency is strengthened by advanced strategies for utilizing treated wastewater and captured rainwater. Our sites are equipped with Effluent Treatment Plants (ETPs) for processing industrial effluents, and Multi-

Effect Evaporators (MEE) have been installed at significant operations, including Bhuj and Waluj plants, to achieve Zero Liquid Discharge (ZLD).

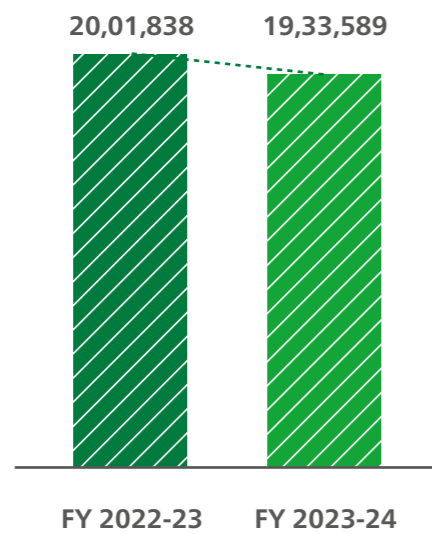
This allows treated water to be reused within our operations. Additionally, our Sewage Treatment Plants (STPs) treat domestic effluents, with the treated water being used for horticultural purposes,

ensuring that no liquid effluents are discharged. Through rigorous maintenance of water distribution systems and sophisticated recycling processes, we effectively repurpose water for cleaning, landscaping, and critical operational needs such as cooling and boiler operations, utilizing our water resources with the utmost care.

**WATER CONSUMPTION AND EFFICIENCY**

Total water consumption from all sites is calculated by subtracting total water discharge from total water withdrawal. For water consumption in areas with water stress, all water withdrawn is consumed in our operations.

**Total Water Consumption from all sites (in KL)**



**WATER CONSUMPTION BY ACTIVITIES\***

**INDUSTRIAL USES**

Industrial activities, including safety showers, boiler operations, and cooling systems, utilizing a mix of raw and reverse osmosis (RO) water.

**DOMESTIC USES**

Domestic needs such as drinking water and sanitation facilities.

**GARDENING AND LANDSCAPING**

Gardening and flushing requirements, including maintaining green spaces, mainly utilizing treated water from sewage treatment plants (STP).

\* As per Typical water consumption across our operations

**WASTEWATER MANAGEMENT AND ZERO DISCHARGE PRACTICES**

The total volume of wastewater generated is fully treated and repurposed within our plant premises, supporting activities ranging from gardening to household usage. We conduct rigorous collection and analysis of

water-related data, with **72.2%** attributed to process-related rejects and **27.8%** to domestic, gardening and landscaping related outputs. Our system ensures that ETP-treated water is reused for industrial applications, while STP-treated water predominantly supports our gardening efforts. In our Corporate office, wastewater management is coordinated with

the local administrative body to align our practices with community-based environmental goals. By continually refining our processes and engaging our workforce in sustainability practices, we aim to set new benchmarks in resource management and ecological responsibility.



## ADVANCED WATER REUSE SYSTEMS

### BACKGROUND

The Bhuj Tire Plant implemented several systems to optimize water reuse across different sections of the plant, addressing issues from AC condensate to cooling water wastage.



### OBJECTIVE

To significantly reduce water wastage by capturing and reusing condensate and cooling water in various plant operations.



### RESULT ACHIEVED

- Total Daily Water Saving: 39 KL
- Total Annual Water Saving: 14,235 KL



### ACTION TAKEN

- AC Condensate Reuse**
  - Implemented a system to collect water from 78 air conditioning units for use in the mixer area's soap solution tank.
- AHU Condensate Reuse**
  - Redirected Air Handling Unit condensate to cooling towers and air washers.
- Hydraulic Press Cooling Water Reuse**
  - Established a system to reuse cooling water from hydraulic press power packs.



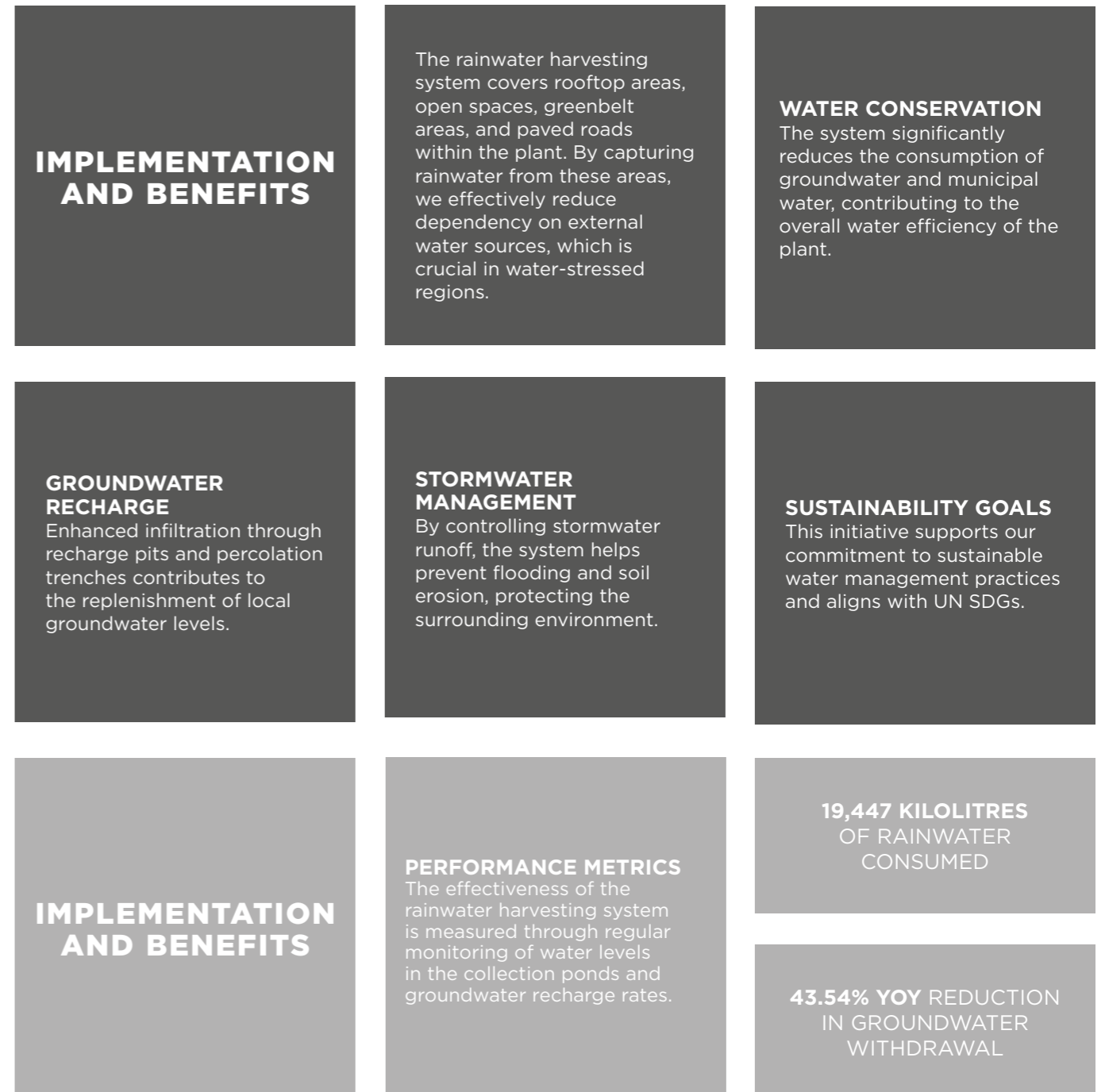
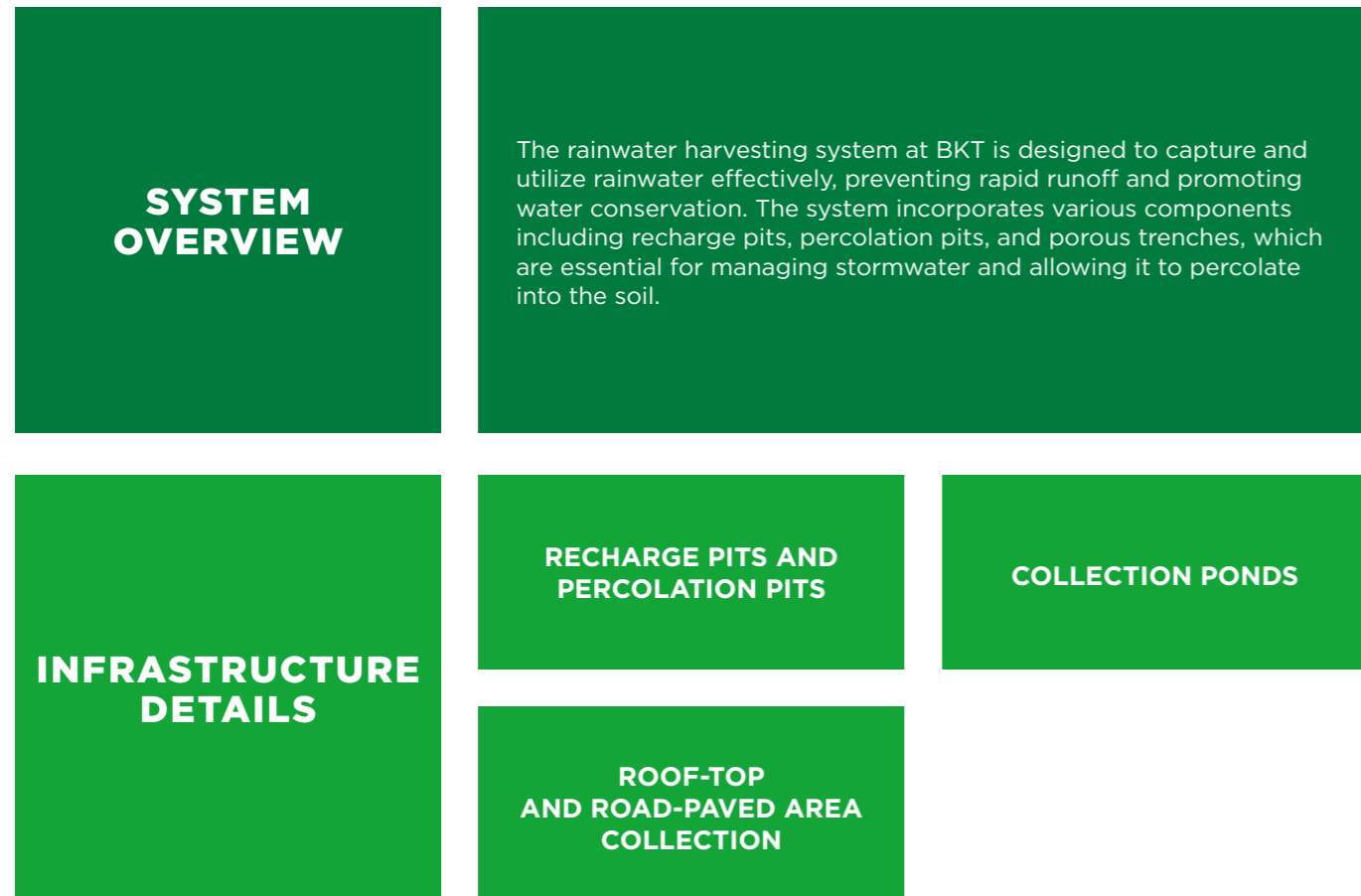
This integrated approach has conserved a significant amount of water annually and also reduced operational costs through innovative recycling of condensate and cooling water.



## BOLSTERING OUR EFFECTIVE RAINWATER HARVESTING STRATEGY



**WE HAVE IMPLEMENTED AN ADVANCED RAINWATER HARVESTING SYSTEM AT OUR OPERATING SITES. THIS INITIATIVE ALIGNS WITH OUR BROADER SUSTAINABILITY GOALS TO MANAGE NATURAL RESOURCES RESPONSIBLY AND MITIGATE ENVIRONMENTAL IMPACTS.**



# BIODIVERSITY

## AT BKT, WE ARE COMMITTED TO RESTORE LOCAL BIODIVERSITY, PRESERVING NATURAL HABITATS, PROMOTING REGIONAL BIODIVERSITY HEALTH, AND FOSTERING AN ECOLOGICAL BALANCE.

Biodiversity protection is crucial to our industry and operations as it ensures the sustainability of natural resources, which are vital for production processes. Healthy ecosystems support the availability of raw materials, such as natural rubber, and help mitigate environmental risks. Additionally, maintaining biodiversity fosters community well-being and aligns with global environmental standards,

reinforcing our commitment to responsible and sustainable manufacturing practices.

While none of our operational facilities are in or nearby any identified protected areas or areas of high biodiversity value outside protected areas as defined by the government, we take proactive steps to ensure our activities positively contribute to the surrounding ecosystems.

We continue to implement eco-restoration projects and carrying out extensive tree-planting operations in and around our plant premises. Through these efforts, we strive to minimize our environmental impact and support the resilience of the natural world for future generations. We are committed to enhance biodiversity around our facilities.

### ENHANCING BIODIVERSITY WITHIN OUR SITES

We continue to enhance biodiversity and support environmental sustainability through extensive green belt initiatives across our plant locations. During the reporting period, we have significantly expanded our green cover spread across **48,762 m<sup>2</sup>**.

Across various locations, we have established a rich diversity of tree species as part of our green belt initiatives. The trees planted include a mix of fruit-bearing, shade, and ornamental species such as Neem, Peepal, Mango, Coconut, Jamun, Shisham, Gulmohar, Mulberry, Guava, Bakul, Mahogany, Chiku, Tamarind, Lemon, and others.

Additionally, we have incorporated various medicinal and aromatic

plants like Sonajhuri, Saptaparni, Kadi Patta, Papdi, Neem, Vasaka, Ram Tulsi, Peepal, and Ashoka among others. These plantings contribute to environmental sustainability and enhance the ecological balance of the areas surrounding our facilities.

In line with our constant allegiance to corporate social responsibility, we actively collaborate with NGOs, other industries, and environmental bodies to extend our plantation activities beyond our immediate sites, enhancing regional biodiversity. A notable initiative is our involvement in the Wild-life Conservation Plan developed in consultation with the State Forest Department at Nadapa Village. This plan includes a detailed budget for various restoration activities aimed at creating sustainable ecosystems and supporting local

wildlife. We have maintained **~40,000 trees** outside our operational boundary as part of our CSR activities.

These efforts are designed to restore and maintain natural habitats as well as develop significant carbon sinks that improve air quality, regulate temperature, and enhance the overall ambiance around our facilities. Our biodiversity projects help sequester carbon dioxide through development of natural carbon sinks, thus, mitigating climate change and supporting global and local environmental goals.

The success of these restoration measures has been validated by independent external professionals who regularly monitor the growth and health of the plants.

Our emphasis on biodiversity conservation is further strengthened through partnerships with environmental NGOs and local community groups, helping to protect and restore habitat areas beyond our immediate operations. Each area's status has been assessed, showing significant growth and stabilization across all locations, with high survival rates and overall improvements in local ecosystems. Wherever possible, we adhere to national and international standards for biodiversity conservation and habitat

restoration, including global best practices and guidelines for local environmental regulations. Our methodologies include the use of native and non-invasive species for plantation, regular monitoring and maintenance, and the implementation of water-efficient irrigation systems.

Additionally, we are also honored to contribute to the Smriti Van Earthquake Memorial and Museum project, a natural ecosystem park designed to commemorate the 2001 earthquake victims. Our efforts at this site involve

the creation of a Miyawaki forest, contributing further to our responsibility towards environmental stewardship and sustainable development.

By expanding our green initiatives and collaborating on significant environmental projects, we uphold our responsibility towards ecological conservation and actively participate in shaping a sustainable future.

**"OUR OBJECTIVE IS TO INCREASE GREEN COVER AND ENHANCE BIODIVERSITY TO SUPPORT ENVIRONMENTAL SUSTAINABILITY AND IMPROVE THE ECOLOGICAL BALANCE WITHIN AND AROUND OUR PLANT PREMISES."**



**TOTAL TREES PLANTED WITHIN BOUNDARY IN FY 23-24**  
**24,937**



**TOTAL TREES MAINTAINED OUTSIDE BOUNDARY AS OF FY 23-24**  
**~40,000**



**TOTAL TREES PLANTED WITHIN BOUNDARY TILL DATE**  
**1,00,910**



**TOTAL GREEN COVE WITHIN BOUNDARY TILL DATE**  
**5,81,054 m<sup>2</sup>**

**UPHOLDING ECOSYSTEM INTEGRITY AND BIODIVERSITY ACROSS OUR SUPPLY CHAIN**

We recognize that our operations, including the construction and use of manufacturing plants and transport infrastructure, can significantly impact biodiversity. These impacts include habitat conversion, pollution, introduction of invasive species, and changes in ecological processes such as groundwater levels. These effects are addressed through various initiatives and sustainable practices across our operations, as detailed throughout our sustainability report.

Our commitment to biodiversity extends beyond our immediate operations to our entire supply chain, particularly in the sourcing of raw materials like rubber. Our Environmental, Health, and Safety (EHS) policy includes relevant provisions for biodiversity consideration.

This proactive approach highlights our emphasis on preserving natural habitats and promoting environmental sustainability. We are developing a Sustainable Rubber Policy and related supply

chain policies to ensure our materials are sourced responsibly, sustainably, and to further minimize the impact of our operations on biodiversity and local ecosystems, both within our facilities and across our value chain. This approach aligns with major international guidelines and frameworks to mitigate environmental risks and impacts.

We are also aspiring to align our rubber procurement with guidelines prescribed by International frameworks such as the Global Platform for Sustainable Natural Rubber (GPSNR) guidelines, focusing on enhancing the socio-economic and environmental performance of the natural rubber value chain. Additionally, the alignment with the National Rubber Policy promotes sustainable practices within the rubber industry, and we continue to work towards preparedness towards future regulations in regions we operate.

To strengthen our supply chain resilience, we have established comprehensive procedures in the BKT Supplier Manual, promoting sustainable sourcing and robust partnerships. Regular supplier audits

assess Environmental, Social, and Governance (ESG) parameters, health and safety standards, legal compliances, and human rights practices. These audits help identify opportunities for improvement and foster collaboration with our value chain partners. We actively implement biodiversity conservation initiatives, such as eco-restoration projects to restore natural habitats around our plant premises and extensive tree-planting campaigns to support local ecosystems. Collaborations with environmental organizations further enhance our biodiversity conservation strategies.

Our biodiversity efforts are monitored and reported in alignment with the Global Reporting Initiative (GRI) Standards and other relevant frameworks, ensuring transparency and accountability. By continuously improving our sustainability practices and integrating biodiversity considerations into our business operations, we support a healthier planet and a resilient supply chain, contributing to global sustainability goals and a sustainable future.



**SMRITI VAN EARTHQUAKE MEMORIAL & MUSEUM INITIATIVE**

**IN REMEMBRANCE OF THE VICTIMS OF THE 2001 EARTHQUAKE, THE LANDMARK SITE OF BHUJIYO DUNGAR IS BEING TRANSFORMED INTO A NATURAL ECOSYSTEM PARK, INCLUDING A MUSEUM, CONFERENCE FACILITIES, AND NATURE TRAILS. WE ARE PROUD TO CONTRIBUTE TO THE SMRITI VAN EARTHQUAKE MEMORIAL & MUSEUM.**

**OUR CONTRIBUTIONS**

**TREE PLANTATION COMMITMENT**

“We plant a tree, weaving remembrance into the fabric of new life and renewal.”  
Tasked with planting and maintaining 20 acres of the overall 120-acre site.

**IMPLEMENTATION OF THE MIYAWAKI METHOD**

Since 2021, planted a round 6,400 trees including species like Neem, Borsali, and Tamarind. Embraced the Miyawaki method to densify the plantation, successfully adding over 30,000 plants and trees in our designated zone.

**RAINWATER-BASED IRRIGATION SYSTEM**

Implemented rainwater harvesting system to irrigate the area, minimizing our ecological footprint and supporting the site’s sustainability.

**SUSTAINABLE PRACTICES AND ECOLOGICAL IMPACT PRESERVING NATURAL HABITATS**

Certain areas of the site are deliberately left untouched to promote natural regeneration, fostering a diverse and resilient ecosystem.

Our active participation in the Smriti Van project underscores our ongoing adherence to environmental stewardship and sustainable development. This project serves as a touching reminder of our capabilities to blend ecological care with meaningful remembrance, ensuring a lasting positive impact on the community and the environment.





09

# EMPOWERING OUR RESOURCES

## EMPOWERING OUR RESOURCES

At BKT, we focus on cultivating a dynamic, productive, and resilient workforce, placing a premium on the health and well-being of our employees. Companies integrating wellness into their employee benefits stand to excel in both attracting

and retaining top talent amid escalating market competition. Therefore, our commitment transcends our internal team to encompass our client services, acknowledging the intrinsic link between employee satisfaction and delivering exceptional service. This

holistic approach underscores our recognition that a healthy, engaged workforce drives organizational success and also enhances the quality and effectiveness of the services we provide to our clients.

### FOCUS AREAS



Labour Management and Human Rights



Training, Education and Wellbeing



Diversity, Equity, and Inclusion



Prioritizing Occupational Health and Safety



Product Design & Lifecycle Management



Product Quality and Safety

### KEY HIGHLIGHTS

<b>EMPLOYEES</b>	11,140 Employees and Workers
<b>TRAINING AND SKILL DEVELOPMENT</b>	The training hour/employee for employees and workers is 11.14 and 38.61 hours respectively More than 3,53,863 hours provided to employees and workers in FY 2023-24 100% Employees and Workers receive Performance and Career Development Reviews
<b>HUMAN RIGHTS AND HEALTH &amp; SAFETY</b>	No cases of Human Rights violation in FY 2023-24 Zero fatalities in the last two years
<b>COMMUNITY WELFARE</b>	INR 3,134 Lakhs spent on 21 CSR projects
<b>SUPPLY CHAIN</b>	New suppliers are assessed based on environment and social criteria



## MESSAGE FROM THE CHIEF HUMAN RESOURCES OFFICER

**AT BKT, WE UPHOLD THE HIGHEST STANDARDS OF INTEGRITY, RESPECT, AND PROFESSIONALISM.**



Our Employee Code of Conduct sets directives for ethical behaviour for all our internal and external stakeholders of the company. It promotes a culture of open communication while maintaining a respectful and collaborative environment.

We ensure compliance with occupational health and safety, labour rights, product labeling and other relevant laws by holding high ethical and responsible conduct standards in all business operations

to protect our company's reputation, finances, and products. We are committed to recruit individuals with the right skills, capabilities, and potential to address challenges.

At BKT, our sustainability and workforce empowerment initiatives are deeply intertwined. Our comprehensive focus on social aspects—such as labour management, human rights, inclusivity, employee engagement, health and safety, and product stewardship—demonstrates our commitment to sustainability.

This holistic approach reinforces our Environmental, Social, and Governance (ESG) values and strengthens our organization as a whole.

In the FY 2023-24, we dedicated over 3,53,863 hours to train our 11,140 employees and workers, ensuring their continuous development and adherence to

compliance standards. Each employee underwent performance and career development reviews, manifesting our dedication to their growth. Additionally, we take pride in reporting zero human rights violations and fatalities over the past two years. Furthermore, new suppliers are evaluated based on stringent environmental and social criteria, underscoring our dedication to responsible sourcing and sustainability.

At our workplace, we value diversity and ensure a culture that is nurturing for our workforce. At BKT, respect for colleagues is ensured, regardless of caste, creed, gender, race, position, or department. Safety and well-being are our priorities, and we provide necessary resources and training to maintain a safe workplace.

**Sudhir Mishra**  
Chief Human Resources Officer

### LINKING WITH UN SDG'S



# LABOUR MANAGEMENT AND HUMAN RIGHTS

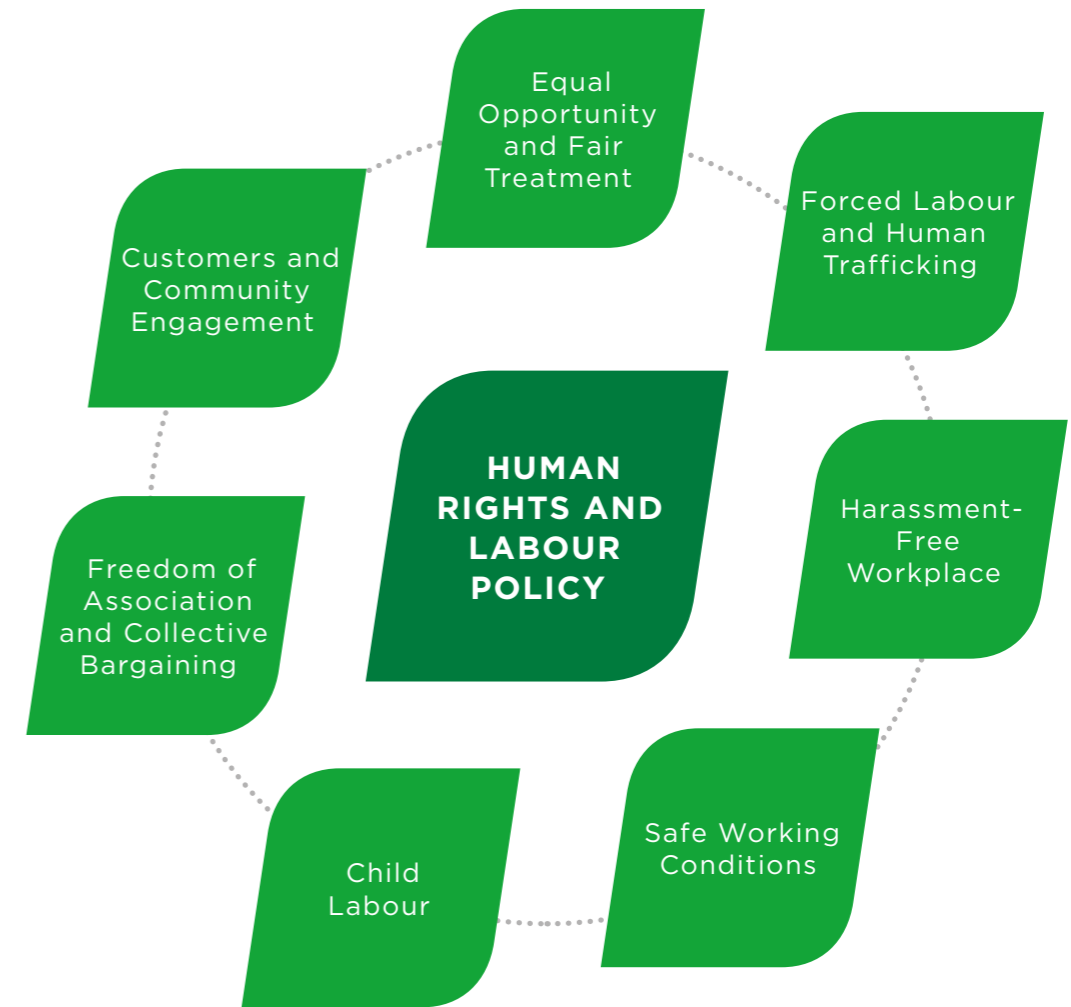
**AT BKT, WE ARE COMMITTED TO UPHOLD HUMAN RIGHTS IN ALL ASPECTS OF OUR OPERATIONS. WE PLEDGE TO RESPECT AND PROMOTE HUMAN DIGNITY, DIVERSITY, AND EQUALITY, FOSTERING AN INCLUSIVE WORKPLACE AND PARTNERING WITH STAKEHOLDERS TO ADVANCE HUMAN RIGHTS GLOBALLY.**

Respecting human rights is integral to our corporate ethos and ethical standards. Our Human Rights and Labour Policy highlights our resolute adherence to the principles outlined in India’s Constitution, the Universal Declaration of Human Rights (UDHR), the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work (ILO Declaration), and the United Nations Global Compact. We strictly adhere to local laws and regulations across all regions of operation and are dedicated to organization-wide implementation and communication of this policy through comprehensive training efforts. This ensures all stakeholders are well-informed.

We have established clear guidelines to address human rights concerns and mitigate associated risks. Our commitments include prohibiting child labour, forced labour, and human trafficking; ensuring equal opportunity and fair treatment; maintaining a harassment-free workplace; and providing safe working conditions in accordance with local laws. We uphold the right to Freedom of Association and collective bargaining. Additionally, we are dedicated to prevent discrimination against our customers and communities.

Through our Grievance Redressal Mechanism, accessible via our website, stakeholders can confidently voice human rights concerns without fear of bias. We have allocated dedicated platforms and focal points to receive, address, and document these issues promptly.

We prioritize the highest ethical standards across our operations and supply chain. Our Supplier Manual, including the Supplier Code of Conduct, mandates adherence to anti-child labour policies and human rights protections. During supplier evaluations and onboarding, we enforce these standards through comprehensive Supplier Audit Checklists. We are dedicated to ensure safe working conditions, mitigating safety risks, and combating discrimination and prejudice against individuals and vulnerable groups throughout our value chain. In FY 2023-24, we recorded no proven cases of violations involving the rights of indigenous peoples. Furthermore, as an evidence of our dedication to human rights stewardship, there were zero incidents of discrimination during the reporting period.



## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Percentage of total employees covered by collective bargaining agreements

25.08% (221 workers out of 881 are part of the association(s) or Union)

## LABOUR PRACTICES

Our workers are crucial to our growth, embodying a promise to excellence and consistently giving their best efforts. At all our plants, we engage in respectful and peaceful negotiations to establish long-term wage agreements tied to productivity.

We adhere to both state and central laws, ensuring that all employees and workers receive wages above the minimum wage. This approach reflects our belief in fair compensation, which is essential for fostering motivation and a sense of belonging among our workforce.

# TRAINING, EDUCATION AND WELLBEING

**AT BKT, WE ARE COMMITTED TO CREATE A CULTURE OF CONTINUOUS LEARNING THAT ENSURES OUR PEOPLE AND TEAMS ARE FUTURE READY. WE SEEK TO CREATE A LEARNING ENVIRONMENT FOR OUR EMPLOYEES AND WORKERS BY UTILIZING A STRUCTURED TRAINING APPROACH TO ENSURE THEIR INDIVIDUAL DEVELOPMENT.**

## EMPOWERING TALENT AND SKILL DEVELOPMENT

At BKT, we are committed to the comprehensive development and wellbeing of our workforce. By strategically acquiring talent, implementing development programs, and managing

performance, we align our human capital with our organizational objectives, ensuring seamless integration of talent with business goals. Our learning experience platform is continually updated to offer employees a wide range of opportunities to stay current on

business knowledge, products, systems, and industry regulations. Our training team provides digitized learning with specialized e-modules and simulation-based environments for practical learning, allowing employees to apply their knowledge in real-life scenarios within controlled settings.

In FY 2023-24, training programs broadly emphasized on health and safety, fire safety drills, first-aid, IT security awareness, safety training for our tire, carbon, and power plants and professional development, particularly in alignment with the company's digital transformation goals. Training was delivered through a mix of in-person sessions, virtual classes, and online self-paced

modules, each tailored to meet specific learning objectives. At BKT, we are committed to provide comprehensive training across all employee levels, tailored to both plants and corporate office. Our approach ensures that every team member, from non-permanent workers to senior management, receives the knowledge and skills necessary to excel in their roles.

At our plant sites, we focus on on-the-job training to equip workers and trainees with essential knowledge of products, processes, and systems. This hands-on approach ensures a continuous stream of well-trained employees to support plant operations. Additionally, we offer customized Supervisory Development Programs to enhance the managerial competencies of first-line supervisors.

## PLANT LOCATIONS

At our plant locations, we prioritize on-the-job training to equip workers and trainees with crucial product, process, and system knowledge, ensuring a skilled workforce to support operations effectively. We also offer customized Supervisory Development Programs aimed at enhancing the managerial capabilities of first-line supervisors.

For mid-management, our Management Development Programs (MDPs) are designed to refine managerial skills and prepare them for future leadership roles.

Recently, a three-day MDP held at Gurukul from February 21 to 23, 2024, focused on 'Leadership for Strength, Progress, and Togetherness', 'Succession Planning (Successful Leadership and Creating a Strong Leadership

Pipeline)', and 'Change Adaptability Management'. The program drew participation from 39 senior management members (AGM to unit head) from our Bhiwadi and Chopanki plants. This initiative highlights our resolve towards nurturing leadership capabilities and fostering a culture of continuous improvement across our organization's operational landscape.



## ESG TRAINING

We have provided extensive training to employees on materiality assessment, climate change, and Business Responsibility and Sustainability Reporting (BRSR) to ensure they are well-versed with these critical aspects. Materiality assessment training focuses on identifying and prioritizing the environmental, social, and governance (ESG) issues that are most significant to the company and its stakeholders. Climate change training covers the impact of climate change on business operations and strategies to mitigate these effects.

As BRSR is an evolving regulation, employees are regularly updated on the requirements and reporting standards. Additionally, Scope 3 emission training was also provided to educate employees on measuring and managing indirect emissions from the value chain, which is crucial for comprehensive sustainability reporting. These training programs ensured employees are equipped to contribute to the company's sustainability goals and regulatory compliance.



**CORPORATE OFFICE**

Recognizing the critical importance of leadership, we introduced a comprehensive Leadership Development program at our corporate office. This initiative

included coaching for senior and middle management, fostering high-speed decision-making and supporting a long-term succession planning. Over eight months, 36 employees participated in this ambitious program. These

comprehensive training programs ensure that our employees at all levels are equipped with the skills and knowledge necessary for their roles and prepared for future challenges and leadership opportunities.



**SPECIALIZED PROGRAMS**  
For the past three years, we have provided selected technology employees the opportunity to pursue dual certification programs in Rubber Science & Technology, including both Diploma and Post Graduate Diploma through the Indian Rubber Institute. This initiative supports career advancement and knowledge enhancement.

**CONTINUOUS LEARNING**  
To promote a culture of continuous learning, we have launched the **One Hour Learning** platform. This e-learning initiative offers bite-sized modules aligned with our organizational objectives, allowing employees to learn anytime and anywhere. By integrating the latest technology and domain-specific knowledge, we aim to give our employees a competitive edge and foster a workplace culture of lifelong learning and development.

**PERFORMANCE MANAGEMENT SYSTEM**

At BKT, we have implemented an advanced digital Performance Management model that comprehensively addresses talent recognition and performance evaluation. This system ensures continuous engagement between managers and employees throughout the year, aligning with strategic priorities and functional requirements. It supports real-time feedback, goal setting, and annual

performance appraisals, allowing for agile adjustments and optimizations.

For FY 2023-24 and the previous two fiscal years, all employees received thorough feedback on their annual performance, ensuring every team member is heard and evaluated thoroughly. We believe in empowering employees to take ownership of their development while encouraging leaders to mentor and support others. Our digital Performance Management System (PMS)

consistently monitors employee performance and facilitates the creation of Performance Improvement Plans (PIP), enhancing organizational productivity. Additionally, our internally developed 'Digital Onboarding Process' ensures a seamless onboarding experience for new hires. This system allows new employees to input personal and employment information and submit necessary documents efficiently, ensuring a smooth transition into the organization.

Our cutting-edge HR analytics platform streamlines and automates HR processes, including recruitment, leave and attendance management, payroll, employee movement and engagement, talent management, and people analytics. This intranet system empowers employees and simplifies HR procedures.



**CAMPUS HIRING**

Our 'Campus to Corporate' initiative aims to infuse our organization with fresh talent and diverse perspectives annually. In collaboration with prominent educational institutions, we recruit top candidates across various disciplines, including Graduate and Diploma Engineers, MSc and BSc graduates, Rubber Technologists, and MBAs specializing in Operations, Marketing, HR, IT, and Finance. We actively seek BTech Engineers and Polytechnic Diploma holders to cultivate a skilled and diverse workforce. This

program ensures a continuous flow of innovative thinking and also demonstrates our dedication to nurture a dynamic and forward-looking team. By adopting this approach, we create valuable opportunities for recent graduates to actively engage in and contribute to the economic development of our country.

**CAMPUS RECRUITMENT DRIVE 2024 AT BHUJ**

Our team at Bhuj successfully executed the 2024 Campus Recruitment Drive, covering over 6,000 kilometers across the northern part of the country by air and road. Over 16 days, 7 colleges in 6 cities across 3 states were visited. During this extensive drive, nearly 900 candidates were screened to fill 215 approved trainee positions for the Bhuj plant. This rigorous process highlights our dedication to identify and recruit top talent for our organization.

### RETAINING OUR TALENT

At BKT, we believe that effective employee retention strategies are crucial for enhancing productivity and ensuring long-term organizational success. Recognizing our people as our most valuable resource, we invest in various engagement strategies and skill-building initiatives to retain top talent. Our retention strategy emphasizes constant communication, providing growth opportunities, and promoting holistic well-being. To achieve this, we focus on developing our employees' skills through comprehensive training programs, empowering them to thrive within the organization. We are currently developing a specialized transition assistance program to support employees navigating career transitions resulting from retirement or termination offering 4 weeks to ensure timely transition for significant operational changes. However, we retain highly qualified

employees as advisors after their superannuation. Additionally, retiring employees may be engaged post-retirement based on technical expertise, extending their involvement basis business needs. Throughout their tenure, employees benefit from various skill-upgradation programs aimed at enhancing their employability and career continuity. These initiatives ensure that employees are equipped with updated skills and knowledge, contributing to their professional development within and beyond their tenure with us.

### MENTORING AND COUNSELLING

At BKT, we prioritize the seamless integration of new hires by pairing them with mentors who guide them through their initial stages. These mentors play a vital role in helping new employees adapt to their roles and contribute effectively. Regular mentorship sessions allow mentors to share insights and provide guidance, channeling the energy and enthusiasm of new hires effectively. Similarly, lateral hires receive dedicated support until they are fully acclimated and capable of fulfilling their job responsibilities. This robust onboarding and mentorship approach highlights our dedication to nurture a supportive and productive work environment where all employees can thrive and contribute meaningfully from day one.

The following training programs were carried out to enhance employee development:



- Various training programs on technical and functional skills such as safety awareness, fire safety drills, first-aid, occupational health and safety, safety training at tire plant, carbon plant and power plant are carried on regular basis.

- Our training initiatives also focus on self-help and interpersonal skills. We regularly conduct programs on communication, personality development, team building, self-motivation, positive attitude, time management, health, and wellness, among others.
- We emphasize specific training on sustainability awareness, anti-bribery, and anti-corruption policies (ABAC), whistle-blower policy, Code of Conduct, Environment Health and Safety (EHS) awareness, human rights, and the prevention of sexual harassment. These trainings are conducted at both our plants and corporate office.
- Furthermore, all our security personnel receive formal training on the organization's

human rights policies, specific procedures, and their application to security processes.

### EMPLOYEE ENGAGEMENT

Employee engagement is essential for the success and sustainability of any organization. It reflects employees' emotional engagement and involvement in their work and the organization's objectives. Engaged employees are more productive, innovative, and loyal, significantly contributing to the company's overall growth and success. At BKT, we aim to foster healthy employee relations, growth, and work satisfaction through an agile working model that promotes a trust-based, outcome-oriented culture. We also provide industry-leading employee benefits to employees and their families.

BKT prioritizes the health, safety, and overall well-being of its employees by focusing on attracting and retaining a diverse workforce, creating an inclusive and positive work environment, sourcing local labour, and implementing welfare practices for all staff. Recognizing the critical role of employees in the company's success, we engage with them through various channels, ensuring their voices are heard and valued. Our innovative policies and best practices are designed to ensure healthy employee relations, facilitate growth and development, and enhance work satisfaction. By fostering a supportive and inclusive work environment, BKT aims to drive sustainable business growth and success. To further enhance

morale, satisfaction, and motivation, we regularly organize recreational activities such as birthday celebrations and sports events. These activities, held in our offices, help employees and their families build close relationships with BKT.

BKT's unwavering devotion to employee engagement, well-being, and satisfaction is central to our organizational strategy. By investing in our employees and creating a positive work environment, we ensure that our workforce remains motivated, productive, and dedicated to achieve our collective goals. This approach benefits our employees and drives the sustainable growth and success of our company.

*"Joining Balkrishna Industries Ltd. was the best career decision I've made. The opportunities for growth and learning are limitless. I've been able to take on challenging projects that have not only expanded my skill set but also allowed me to grow professionally in ways I never imagined."*

**– Sachin Kulkarni,  
Operations - Waluj Plant**

*"Working at BKT Tires has been a collaborative journey from the start. The teamwork here is exceptional – everyone is willing to pitch in and support each other, which creates a positive and productive work environment."*

**– Ravikant Mishra,  
Accounts**

*"What drew me to BKT initially was their focus towards making a difference. Every day, I come to work knowing that my contributions are part of a larger mission to "To achieve leadership in the Off-Highway Tire Market Worldwide". It's incredibly fulfilling to be part of a team that is truly making an impact."*

**– Prakash Ladda,  
Earthmover Tires**

## HERE ARE SOME OF THE ENGAGEMENT ACTIVITIES CARRIED OUT AT BKT ON A TIMELY BASIS

### SPORTS AND GAMES

Various sports and games are organized throughout the year, fostering a competitive spirit and camaraderie among employees such as the Shri Mahabir Prasad Poddar Ji Inter Unit Cricket Tournament.



### BLOOD DONATION CAMP

BKT Waluj conducted an annual Blood Donation Camp in collaboration with the Government Blood Bank to commemorate the birthday of Chairman Shri Arvind ji Poddar. The camp supports poor patients at the Government Medical College who require blood for treatment. Over 270 employees voluntarily donated blood.



### FESTIVAL AND NATIONAL DAYS CELEBRATION

Chopda Pujan, Holi, Ganesh Chaturthi, Dussehra, Diwali, Christmas, Republic Day and Annual Days are celebrated with fun and frolic.



### EMPLOYEE HEALTH AND WELL-BEING

Our support to employee wellness starts with a comprehensive medical check-up during the onboarding process. New employees are welcomed into a safe and secure work environment designed to support their health, well-being, and personal growth. We have established no-smoking zones across all our facilities and ensured that medical centers are accessible to all staff within our plant premises.

In addition to promoting a healthy workplace, we provide nutritious food options in our plant canteen at subsidized rates. This determined effort towards to health, safety, and wellness underscores our integrity and compassion and also highlights our dedication to the holistic prosperity of our workforce.

In our modern workplace, innovation thrives where brilliant minds come together to push the boundaries of possibility. By fostering a culture that values and supports employee well-being, we empower our workforce to excel both personally and professionally. This holistic approach enhances individual success and moreover lays the groundwork for sustained organizational growth and leadership.

#### SALIENT FEATURES OF OUR HEALTH AND WELL-BEING INITIATIVES

- **Health Surveys and Medical Check-Ups**  
We conduct regular health surveys and extensive medical check-up programs to monitor and maintain employee health.
- **Comprehensive Medical Assistance**  
We provide medical assistance and guidance for follow-up treatments required by employees, workers, and their immediate family members through comprehensive health insurance plans.
- **Occupational Health Centers**  
All manufacturing locations are equipped with Occupational Health Centers staffed by qualified doctors and expert paramedical personnel to handle emergencies.
- **ICU Ambulances**  
We have ICU ambulances fitted with advanced medical devices available for immediate response in emergencies.
- **Partnership with Hospitals**  
We have established partnerships with leading hospitals to ensure critical care for employees, workers, and their families.
- **Counseling Sessions**  
Regular counseling sessions are conducted at our plants and offices to address work-life balance, manage emotional stress, and promote stable personal growth.

*“One of the things I appreciate most about working at BKT Tires is the emphasis we place on work-life balance. The flexible work arrangements and supportive environment have enabled me to excel in my role while still having time for my personal life and interests.”*

**– Sachin Avatimath,  
Corporate HR**

## HERE ARE SOME OF THE HEALTH AND WELL-BEING INITIATIVES CARRIED OUT AT BKT ON A TIMELY BASIS

### EYE CHECK-UP CAMP

In Bhiwadi, a 1½-day eye check-up camp was organized on July 14-15, 2023, in Pathshala. Over 300 employees, particularly those in critical skilled roles, received eye examinations.



### AYURVEDIC CAMP

On July 22, 2023, a half-day Ayurvedic camp was held, providing information on treatments for various diseases. Organized by Santhigiri Ayurveda & Siddha Hospital, Bhiwadi, 52 employees consulted with doctors.



### HEALTH AWARENESS SESSION

A health awareness session was conducted on July 27, 2023, discussed post-COVID happiness with 30 staff members attending in Bhiwadi.



### EMOTIONAL WELLBEING SESSION

On December 22, 2023, a two-hour session on emotional well-being was held in Gurukul with 78 staff members from Bhiwadi and Chopanki plants. Activities included Laughter therapy, Stress management techniques, and Meditation.



### HEALTH AWARENESS FOR WORKMEN

A one-hour health awareness session took place on January 18, 2024, in Pathshala. Dr. Sunita from City Nursing Home discussed stress management and seasonal precautions with 24 participants.





**HOUSING COLONY FOR OUR PEOPLE**

At BKT’s Bhuj plant, we provide a housing colony located just 18 km from Bhuj City in Kutch, Gujarat. This proximity to our manufacturing facility reduces commute time, lowers emissions and also enhances employee engagement and productivity. The housing colony offers adequate accommodations tailored to the grade of each employee, ensuring comfort and convenience.



Our colony is equipped with a wide range of amenities, including housekeeping services for common areas, parks, a shopping complex, electrical and plumbing complaint services, and a clubhouse. We also organize various events to engage and entertain the families living there. For educational needs, the colony features a pre-primary school and a state-of-the-art bachelor’s hostel.

Families residing in the colony benefit from the well-rounded infrastructure and community activities designed to create a supportive and enjoyable living environment.

*“The work environment at BKT is exceptional. From modern facilities to amenities that support our well-being, the company has created a space where employees can thrive and feel motivated to do their best work.”*

**– Pravin Kor, Administration**



**EMPLOYEE BENEFITS**

As of FY 2023-24, our workforce receives applicable benefits from a comprehensive range of perks, including group life insurance, healthcare, maternity leave, canteen services, housing with facilities, transportation, and medical access.

These benefits enhance employees’ fulfillment and efficiency. Rooted in our cultural values, our policies foster a supportive and inclusive work environment, ensuring employees feel valued. By addressing their immediate needs and supporting their overall well-being and professional growth, we

cultivate a motivated and engaged workforce that drives productivity and innovation. Our extensive benefits package and positive work culture emphasize our dedication to employees’ health, safety, and satisfaction. These efforts attract and retain top talent, fueling our sustainable growth and success.



We also offer substantial benefits such as health insurance, accidental insurance, and maternity benefits. During FY 2023-24, one female employee has availed maternity leave and is due to return to work in FY 2024-25. By integrating these benefits and services with our cultural values, we strive to create a supportive and engaging work environment that fosters employee satisfaction and retention.

**COMMUNITY WELLBEING**

At BKT, our CSR vision focuses on promoting education, health, and rural development. We believe that achieving our social objectives is crucial to our overall success and are dedicated to foster sustainable transformation and rural advancement. Collaborating with government entities, NGOs, and other organizations, we strive

to create equitable and inclusive societies. Our initiatives aim to positively impact vulnerable communities by enhancing access to quality education and healthcare. Additionally, we undertake various rural development projects to empower local communities and promote long-term growth.

## BELOW ARE FEW INITIATIVES WE HAVE UNDERTAKEN FOR SOCIAL CAUSE

### DR. BABASAHEB AMBEDKAR VAIDYAKIYA PRATISHTHAN (BAVP)

Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP), a registered charitable trust, collaborated closely with BKT to deliver impactful medical and social services to the underprivileged. BKT's unwavering support as a donor and enabler has enabled BAVP to provide world-class healthcare locally, addressing critical needs in rural Marathwada. This partnership, built on trust and transparency, has significantly enhanced BAVP's capacity to deliver intensive post-surgery care and affordable medical treatments, saving lives and reducing financial burdens for patients



BKT's commitment to social responsibility is evident through their meticulous approach to compliance and their supportive, educative engagement with NGOs like BAVP. Looking ahead, BAVP and we are set to expand

Dr. Hedgewar Hospital by 286 beds and establish a medical college, marking a transformative step towards becoming a teaching institute and furthering their mission of promoting health and education in the community.

### IMPACT ASSESSMENT OF THE BAVP

In partnership with Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP) and its flagship Dr. Hedgewar Hospital, BKT aimed to expand healthcare infrastructure by constructing a third floor with 120 additional beds, specialized OPDs, and ICU facilities. BAVP, renowned for its ethical medical services since 1989, treats over 4 lakh patients annually with a commitment to quality and accessibility. BKT's CSR initiative reflects its dedication to enhancing healthcare accessibility and promoting sustainable



community development, aligning with national health priorities and ensuring impactful, transparent, and compliant contributions to societal well-being.

### THE AKSHYAPATRA FOUNDATION

Food and nutrition profoundly influence individual well-being. In India, 43 lakh children, including 14 lakh severely malnourished, face critical nutritional deficits, particularly in marginalized communities entrenched in poverty. The School Meals Program, pivotal in addressing classroom hunger, persists alongside prevalent malnutrition challenges. The Government's integration of this program into PM POSHAN Shakti Nirman emphasizes nutrition enhancement for children. The Akshaya Patra Foundation collaborates with state governments, supported by CSR initiatives, individual donors, and grant-making agencies, to combat malnutrition effectively in government schools. This year, Akshaya Patra reached a significant milestone, serving over 2.2 million children daily, continually expanding its impact with support from partners like BKT. Our CSR activity has facilitated meals for 28,000 children in Bhuj for the academic year 2023-24, stresses their determination to eradicate hunger and malnutrition. This support sustains education and safeguards children from the risk of child labour, ensuring holistic development.



**IMPACT ASSESSMENT OF THE MID-DAY MEAL PROJECT**

Partnering with The Akshaya Patra Foundation, we supported the provision of mid-day meals to 28,000 children in Bhuj, aiming

to curb dropouts and improve health and education outcomes. Akshaya Patra, renowned for its extensive reach and efficient management, operates across 15 states and 2 Union Territories, serving over 2 million meals daily.



**Riya Odhana**  
VIII Std, Student

*I felt I should become a doctor. Big hospitals charge huge fees. I'll start a small hospital and provide healthcare to all the people for free.*



**Manishaben Patel**  
Staff - Akshaya Patra (Bhuj)

*My son feels very happy that he is getting different variety of breakfast and lunch. After coming from school in the afternoon, he will tell the same thing every day that the food was tasty!*



**Mehul Rajubhai Barot**  
VIII Std, Student

*When we went to Akshaya Patra kitchen, we saw huge machines to make rotis, cut vegetables, etc. The people working there were wearing a hairnet and gloves. They told us they wear these things to ensure that the food is not contaminated.*

**IMPACT ASSESSMENT OF THE BHUJ KITCHEN MID-DAY MEAL PROJECT**

Partnering with The Akshaya Patra Foundation, we aimed to upgrade a centralized kitchen in Bhuj, Gujarat, capable of serving 50,000 meals daily to government school children. This initiative aligns with Akshaya Patra's mission to combat classroom hunger and enhance educational outcomes, supported by robust transparency, financial capability, and operational excellence.



**MUKTANGAN EDUCATION TRUST**

To fulfill our commitment to advance education, we have chosen to collaborate with the Muktangan Education Trust. This partnership aims to deliver comprehensive, inclusive education to students and enhance professional development opportunities for teachers and educators at Gokhale Road South Mumbai Public School. Our initiative focuses on fostering quality education and supporting the holistic development of students through enriched learning experiences. By empowering educators with ongoing training and resources, we aim to elevate



teaching standards and nurture a conducive learning environment. This strategic alliance reflects our dedication to promote educational

excellence and ensure sustainable impact within the community.

**IMPACT ASSESSMENT OF THE MUKTANGAN EDUCATION TRUST**

Our company is committed to support underprivileged students through our CSR initiatives. This includes sponsoring education with merit-based scholarships, enhancing school facilities, and promoting better educational outcomes. Partnering with Muktangan Education Trust exemplifies our dedication to provide holistic, inclusive education and professional development opportunities for educators at Gokhale Road South Mumbai Public School. This collaboration underscores our focus on sustainable impact, driven by transparency, financial stewardship, and community engagement, ensuring a brighter future for India's youth.

**TESTIMONIALS**

Children can flourish when they are offered a conducive learning environment. It's not just what you teach a child but how you teach the child that truly goes a long way in their development. For Sudiksha and Shirish, learning in Muktangan has been transformative in more ways than one and their parents too have seen their growth over the years.

"As parents we feel that teachers and children share a very good understanding with each other. Unlike other schools, Muktangan concentrates on all areas' academics, skill development, socio-emotional learning and nutrition of children. Most importantly my children are learning in a very happy environment which is getting them more interested in learning."



*"There is a happy environment for every child. Shirish is more outgoing as a person whereas Sudiksha is quieter and prefers independent activities. Yet both children feel accepted and valued as individuals and are very confident. We also like how children are asked about their feelings and emotions in school, and we too are trying to communicate better with them at home."*

**Shirish and Sudiksha's Parent**



**KEM HOSPITAL, MUMBAI**

We have introduced the CUVIS Joint, an advanced robotic system for knee arthroplasty. It integrates fully automated surgery capabilities with a Navigation System, enhancing precision and surgical outcomes. It is expected to treat 100-150 patients annually, this technology contributes to leading-edge orthopedic care and patient-focused healthcare solutions.



**AMBULANCES IN DAMAN & SILVASSA**

We delivered Tata Winger Shell 3,488 ambulances, customized into Type D ambulances, to Marwad Hospital and Shri Vinoba Bhave Civil Hospital. Located in Daman and Dadra and Nagar Haveli, these enhancements ensure improved emergency medical services for the community, highlights our dedication to healthcare accessibility and support.



**DEEPSHIKA, MUMBAI**

We have made a significant contribution to provide free meals to approximately 3,500 cancer patients and their families at Arogya Bhawan in Vashi, Navi Mumbai, Maharashtra. This initiative aims to support those undergoing treatment, ensuring they receive nutritional support during their challenging times.



Apart from the above-mentioned CSR initiatives, we have collaborated with The Child Welfare Trust, Bhuj, Sapna Shikshalaya, New Delhi, Sunshine Society, Noida, Enviro Creators Foundation, Swasthya Vidhya Foundation, Panna Narendra Dalal Charitable Trust in Mumbai, and many more for social wellbeing.

## EMBRACING DIVERSITY AND INCLUSION

### BKT FOSTERS A DIVERSITY-CONSCIOUS, INCLUSIVE WORKPLACE TO ATTRACT TALENT, BOOST INNOVATION, AND IMPROVE PRODUCTIVITY THROUGH A SUPPORTIVE ENVIRONMENT FOR A DIVERSE WORKFORCE.

At BKT, we prioritize embracing diversity across race, gender, age, ethnicity, sexual orientation, and background. We believe that diversity drives innovation, creativity, and resilience, and it is a fundamental part of our corporate principles. By emphasizing diversity, equity, and inclusion (DEI), we enhance our organizational resilience and build a more equitable and sustainable future for all stakeholders.

Our initiatives are designed to create a workplace where every voice is heard, respected, and valued. To reinforce our commitment, we link a portion of executive compensation to diversity targets. Notably, there were no proven incidents of discrimination during FY 2023-24 and the previous two financial years.

A diverse and inclusive environment is vital for fostering innovation and ensuring employees feel a sense of belonging. At BKT, we recognize that everyone brings unique qualities, experiences, and dedication to their work. We are dedicated to offer equal opportunities to all, regardless of age, gender, disability status, marital status, caste, creed, race, ethnicity, or religion.

As we progress towards an inclusive workplace for our workforce, the ratio of basic salary of women to men is 0.84 for our permanent employees.

Our DEI policy reflects our dedication to equal opportunity and our zero-tolerance stance against discrimination. Guided by senior management, this policy ensures that everyone has access to the same rewards, recognition, and benefits, fostering a motivating culture. Our HR management sets DEI goals and continuously strives to create a workplace where everyone can succeed.

We are determined to create a barrier-free, inclusive workplace for people with disabilities. Special provisions are made for especially

abled employees at our offices and plant locations, with environments and job positions tailored to meet their needs. At our plant operations, we employ specially abled workers and continue to guide industry initiatives to create inclusive workplaces.

We aim to nurture a sense of belonging through equitable practices and embracing all forms of differences. Gender diversity is considered when assembling committees, and we aim to close the gender gap by engaging more women at all levels of management. Currently, there has been significant growth in the number of females in managerial positions, reflecting our ongoing efforts to promote gender diversity and inclusion.

*“The leadership at Balkrishna Industries truly invests in their employees’ growth. I’ve had the opportunity to work closely with mentors who have provided invaluable guidance and helped me develop both personally and professionally”.*

**– Pratibha Gawali,  
Costing and MIS**

*“What stands out to me about BKT is their dedication to diversity and inclusivity. I’ve always felt respected and valued for who I am, and the company actively promotes a culture where everyone’s voice is heard and celebrated.”*

**– Aniruddha Pandit,  
Export Marketing**



**SUPPORTIVE WORK CULTURE**

At BKT, we prioritize creating a supportive workplace that maximizes employee productivity and motivation.

Our stringent policies enforce zero tolerance against discrimination and harassment based on race, color, religion, disability, age, gender, sexual orientation,

appearance, or marital status. Specifically, we maintain a zero-tolerance policy against sexual harassment and uphold a strong non-retaliation principle.

To ensure our employees feel safe and empowered to raise concerns, we have implemented comprehensive grievance management and misconduct reporting policies. These policies

outline a clear, multi-channel procedure for lodging complaints related to procedures, personnel, or resources. They also delineate roles, responsibilities, and an escalation process to ensure prompt and effective resolution of all grievances, fostering a workplace environment built on trust and respect.

**WOMEN'S DAY CELEBRATION**

At BKT, International Women's Day was commemorated with engaging activities celebrating women's achievements across social, economic, cultural, and political spheres. Events included greeting cards, a Haldi Kumkum ceremony, and inspirational sessions honoring women's contributions, fostering unity, and recognizing their profound impact locally and globally.



*"At BKT Tires, I've had the privilege of not only advancing my career but also breaking new ground as the first female Assistant General Manager. This milestone is a testament to BKT's commitment to diversity and inclusion, fostering an environment where merit and capability shine regardless of gender. I'm grateful for the support and opportunities provided by BKT, which have enabled me to grow professionally while maintaining a healthy work-life balance. It's empowering to work for a company that values its employees' contributions and celebrates diversity as a driver of success."*

**- Dipti Bhosale,  
Corporate Communications**

# PRIORITIZING OCCUPATIONAL HEALTH AND SAFETY

## WE PRIORITIZE HEALTH AND SAFETY WITH A 'SAFETY FIRST' PRINCIPLE AT THE CORE OF OUR APPROACH.

At BKT, ensuring occupational health and safety is integral to our commitment to enhance the well-being of our employees and workers. Our primary objective is to maintain an accident-free workplace by integrating safe practices into all facets of our operations. We cultivate a positive health and safety culture through comprehensive training programs, empowering our team to actively contribute to workplace safety.

Our Environment, Health and Safety (EHS) Policy provides a robust framework for promote a safe and secure workplace. We conduct thorough investigations of incidents, identify hazards, assess risks, and implement corrective actions, ensuring continuous improvement in operational and process safety measures. While we strive to mitigate workplace hazards and minimize risks for employees, visitors, and contract workers on our premises, we also support the development of programs to enhance psycho-physical well-being and work-life balance. We promote consultation and participation of workers and their representatives in health and safety matters, ensuring their voices are heard. Emergency management programs are in place to prevent harm to people



and the environment in case of accidents. We define, monitor, and communicate specific objectives to stakeholders for continual enhancement of health and safety at work. We empower, train, and motivate our workforce to work safely through a continuous program of training and information, fostering an occupational health and safety culture. Our responsibilities and procedures in these areas are regularly updated, communicated, and understood at all levels of the organization.

Furthermore, we require our service providers to implement an occupational health and safety management model across their sites and supply chains, ensuring compliance with international standards and local regulations. At BKT, we prioritize responsible management of occupational health, safety, and hygiene, continuously improving initiatives and collaborating with stakeholders to uphold high safety standards and environmental stewardship aligned with ISO 14001:2015 and ISO 45001:2018 standards.

**HEALTH AND SAFETY TRAININGS**

At BKT, our goal is to achieve an accident-free workplace. This responsibility starts with comprehensive health and safety training during employee onboarding. This initial training covers essential topics such as process safety, environmental standards, health protocols, and specific "dos and don'ts." Additionally, all employees and workers receive Personal Protective Equipment (PPE) kits to ensure their safety. The training also includes familiarization with new

machinery and improved processes. We are dedicated to continuously enhancing health and safety awareness for all our stakeholders. This is achieved through various initiatives, including cross-functional team audits, external audits, safety reviews, monthly meetings, refresher trainings, and more. We strongly encourage all staff members to familiarize themselves with our Environment, Health, and Safety (EHS) policy and Standard Operating Procedures (SOPs). Our SOPs detail all necessary procedures and criteria for safe operations within the plant facility.

Regular emergency preparedness exercises ensure adherence to these procedures.

Furthermore, all employees, workers, and contractors have walk-in access to our health centers located near the plants. These centers provide first aid and hospitalization services as needed, ensuring immediate and comprehensive healthcare support. By embedding these practices into our daily operations, we strive to create a safe, healthy, and productive work environment for everyone at BKT.



**SAFETY PROCESS AT BKT**



**INCIDENT ASSESSMENT AND MANAGEMENT SYSTEMS**

We have implemented a robust incident reporting, investigation, and analysis framework to promote transparent communication among our employees regarding work-related incidents, accidents, near misses, and unsafe conditions. Our investigative teams meticulously review worker participation records to identify risks and uncover root causes, enabling us to implement targeted corrective and preventive measures. Comprehensive Hazard

Identification and Risk Assessment (HIRA) processes, along with Aspect-Impact (AI) registers, manage risks across all functions. Each plant features robust fire safety measures, including hydrant systems and varied fire engines. Safety Committees actively engage stakeholders to implement suggestions, and ongoing training ensures our workforce is prepared for process enhancements and new technologies, fostering continuous improvement in Occupational Health and Safety (OHS) management.

## PRODUCT DESIGN & LIFECYCLE MANAGEMENT

**DEDICATED TO EXCELLENCE IN PRODUCT DESIGN & LIFECYCLE MANAGEMENT, ENSURING INNOVATION, QUALITY, AND SUSTAINABILITY THROUGHOUT EVERY STAGE OF DEVELOPMENT AND IMPLEMENTATION.**

BKT utilizes tire simulations that significantly reduce development time by over 40% compared to traditional methods. Initially, tires are designed to meet rigorous international standards such as ETRTO for Europe, BIS for India, and TRA for the US. Prototyping of tire designs through 3D printing minimizes the need for extensive trial tests and reduces resource wastage. These simulations aim to achieve a balanced performance across the

Tire Design Triangle—addressing Wear and Tear, Rolling Resistance, and Grip. The virtual simulations focus on optimizing tire efficiency, enhancing mileage, durability, and controlling lateral forces.

Modular designs are instrumental in minimizing physical iterations during the development phase. Simulation technologies also help identify and mitigate various technical challenges such as issues related to rubber

heating and dissipation, which can lead to tire damage due to casting and rubber separation. BKT employs advanced designing software to ensure the highest standards of quality and safety in tire design. The emphasis is on reducing the overall risk of tire failure through predictive criteria integrated into BKT’s simulation models. These measures ensure that BKT delivers tires that meet stringent performance and safety requirements.



*“At BKT innovation is at the heart of everything we do. I’ve been encouraged to think creatively and explore new ideas, which has led to some exciting projects and breakthroughs in our industry.”*

**- Amit More, Technology**

## PRODUCT QUALITY & SAFETY

**AT BKT, WE ARE FOCUSED ON ENSURING THE HIGHEST STANDARDS OF PRODUCT QUALITY AND SAFETY THROUGH RIGOROUS PROCESSES AND CONTINUOUS IMPROVEMENT INITIATIVES.**

### COMMITMENT TO QUALITY AND SAFETY AT BKT

Throughout its history, BKT has built a strong reputation by prioritizing customer needs and maintaining the highest quality in its products and services. This focus has fostered trust in the BKT brand and driven its performance. Ensuring quality is essential for the safety and compliance of BKT’s products with applicable standards.

BKT believes that enhancing the mobility of people and goods requires a rigorous focus on the safety and quality of every product and service offered. To achieve this, every employee at BKT, across all stages of the value chain, is

thoroughly trained and dedicated to uphold the company’s high standards of quality. This collective endeavour ensures that every customer receives the exceptional quality synonymous with the BKT name.

Every BKT branded OTR tire comes with a complete and original serial number molded into the sidewall, warranted to be free from manufacturing defects. BKT guarantees the life of the original usable tread down to 0/32nds (0/MM) remaining, for up to 5 years (60 months) from the date of sale. This warranty reinforces BKT’s assurance of the quality of its products.

Leveraging its technical expertise and market intelligence, BKT has established its own safety standards tailored to each product type and usage category. BKT’s commitment to safety is demonstrated through exhaustive testing procedures, ensuring that every product complies with applicable regulations and meets the highest quality standards. This approach confirms BKT’s dedication to provide reliable, high-quality products that enhance mobility safely and effectively. We have not observed any non-compliance concerning health and safety impacts of our products in FY 2023-24.





## TIRE CARE AND MAINTENANCE

The selection, application and tire economics, correlates to efficient productivity and performance of the tire. The application of our tires are in varied conditions from soft soil to wet severe rock, hence it is important to ensure proper tire care and maintenance of the tires. Multiple parameters such as speed, gradient, climatic condition and operator skill and maintenance practice plays an important role. The selection process is conducted with an evaluation of the project, so that the right tire is selected for the right application. A curated tire maintenance is developed for the customers with job profile of the tire defined with inclusion of additional factors. These include proper inflation pressure, avoiding mismatch of duals, deterioration due to overloading and endorsing proper storage of tires.

BKT implements a comprehensive approach to ensure tire safety and quality, which includes several critical measures:

- Tire Safety Warning Plate**  
 Each BKT tire comes with a Tire Safety Warning Plate to ensure customers are aware of essential safety information.
- Standard Operating Procedures (SOP)**  
 BKT provides a detailed SOP with safety instructions related to the tire mounting process and air pressure guidelines, which is sent out before the sale of the tire.

### MISMATCH OF DUALS



- Demonstrations and Maintenance**

Regular demonstrations and maintenance services are offered to customers both nationally and internationally to ensure optimal tire performance.

- Customer Consultation**

BKT offers consultation to new customers regarding gear ratios and loading capacities to help them select the best tires for their needs.

- Certifications**

All BKT plants are ISO 9001 and ISO 14001 certified. Additionally, the Bhuj Carbon plant holds the IATF ISO/TS 16949 certification. BKT products also meet the E-Marking certification requirements for the EU, ensuring compliance with European standards.

- Compliance and Testing**

All BKT plants comply with REACH regulations, and the laboratories at these plants are NABL certified. Tires undergo extensive safety trials on various terrains such as soil, mud, pebbles, and sand. Each

tire is also X-rayed to check for off-center issues and defects. For heavy loading critical sizes, BKT conducts stereography tests to ensure quality.

- Vendor Quality Assurance**

Vendors must provide trial consignments for BKT to produce test tires. Suppliers are onboarded only after passing quality assurance checks, following an 80/20 rule for supplier audits.

- Customer Feedback System**

BKT has a robust customer feedback system that records product quality ratings from customers, categorized into green, red, and yellow zones.

- In-Plant Quality Training and Checks**

All employees receive quality training, and any deviations in quality result in counseling for plant-specific points of contact (SPOCs). Internal quality checks are conducted at regular intervals during shifts, with over 10,000 checks per day and 500+ checks for each tire.

- Handling Quality Issues**

In case of quality-related issues, customers can approach distributors who then contact the BKT sales team. After verification, the issue is relayed to the technical team to determine if it is a logistic or quality defect, and appropriate actions are taken.

BKT demonstrates its dedication to quality and safety through rigorous measures, ensuring that each tire meets stringent standards and exceeds customer expectations. These comprehensive efforts showcase our determination to deliver products of the highest quality and prioritize safety at every stage of production and distribution.

### TIRE LABELLING

BKT ensures that all product labeling adheres to international and national standards, facilitating efficient tracking and identification of all manufactured tires. Safety directives and detailed product information are published in the Product Service Catalog, providing comprehensive guidance for the safe use of tires. Additionally, BKT has implemented a Tire Warranty Policy, outlining the dos and don'ts for customers and end consumers to ensure optimal tire usage.

In FY 2023-24, BKT notably did not incur any fines or penalties for non-compliance with regulations or voluntary codes concerning product and service information and labeling, underscoring its firm dedication to regulatory adherence and quality assurance.



**CUSTOMER CENTRICITY**

For over 60 years, we have built a reputation as a reliable and responsive provider, fostering long-term relationships with our customers through collaboration and trust. Our commitment to customer satisfaction, a key driver of our success, is evident in our active listening and responsive approach to customer feedback. Our mission is to deliver mobility through responsibly and sustainably produced Off-Highway

tires. Our tire designs cater to the specific needs of customers across various applications and sectors, ensuring compliance with environmental and legal standards. At BKT, we offer an extensive range of products, serving multiple market segments with diverse categories and a wide selection of SKUs, providing consumers with numerous options.

To promote the safe and responsible use of our products, we regularly organize educational

events for our consumers. Each tire is equipped with a safety warning plate, detailing inflation pressure and load/speed index, engraved on the sidewall. We also provide Standard Operating Procedures (SOPs) to guide customers in the safe and responsible use of our tires. Throughout the year, there have been no incidents of non-compliance regarding product and service information, labeling, or marketing communication, reinforcing our dedicated perseverance to quality and transparency.

**BUILDING BRAND**

Our market success is underpinned by our unflinching dedication to customer-centricity. The company places a high priority on understanding and meeting the unique needs of its customers, delivering exceptional products and services tailored to their requirements. Beyond the point of sale, we actively engage with our customers to build lasting trust

and loyalty, ensuring ongoing satisfaction. In addition to our customer-focused approach, we have strategically positioned itself through various marketing and advertising initiatives, establishing a distinct presence in the industry.

To continually enhance its understanding of customer preferences, BKT maintains a dedicated communication channel and employs a robust customer

research team. This team collects feedback from diverse sources such as customer meetings, workshops, exhibitions, advertising campaigns across print and television media, industry bulletins, and direct interactions. Insights are also gathered from a network of importers, distributors, resellers, repair shops, and end users, ensuring comprehensive insights into market dynamics and customer expectations.



**Few Salient Features of our tires**

- Highest quality standards
- REACH compliant
- Lowest rejection rate in Industry
- Highest customization levels: 3200+ SKUs
- 500+ quality tests done across our product cycle
- Sustainable life cycles with enhanced lives of products



**CUSTOMER FEEDBACK MECHANISM**

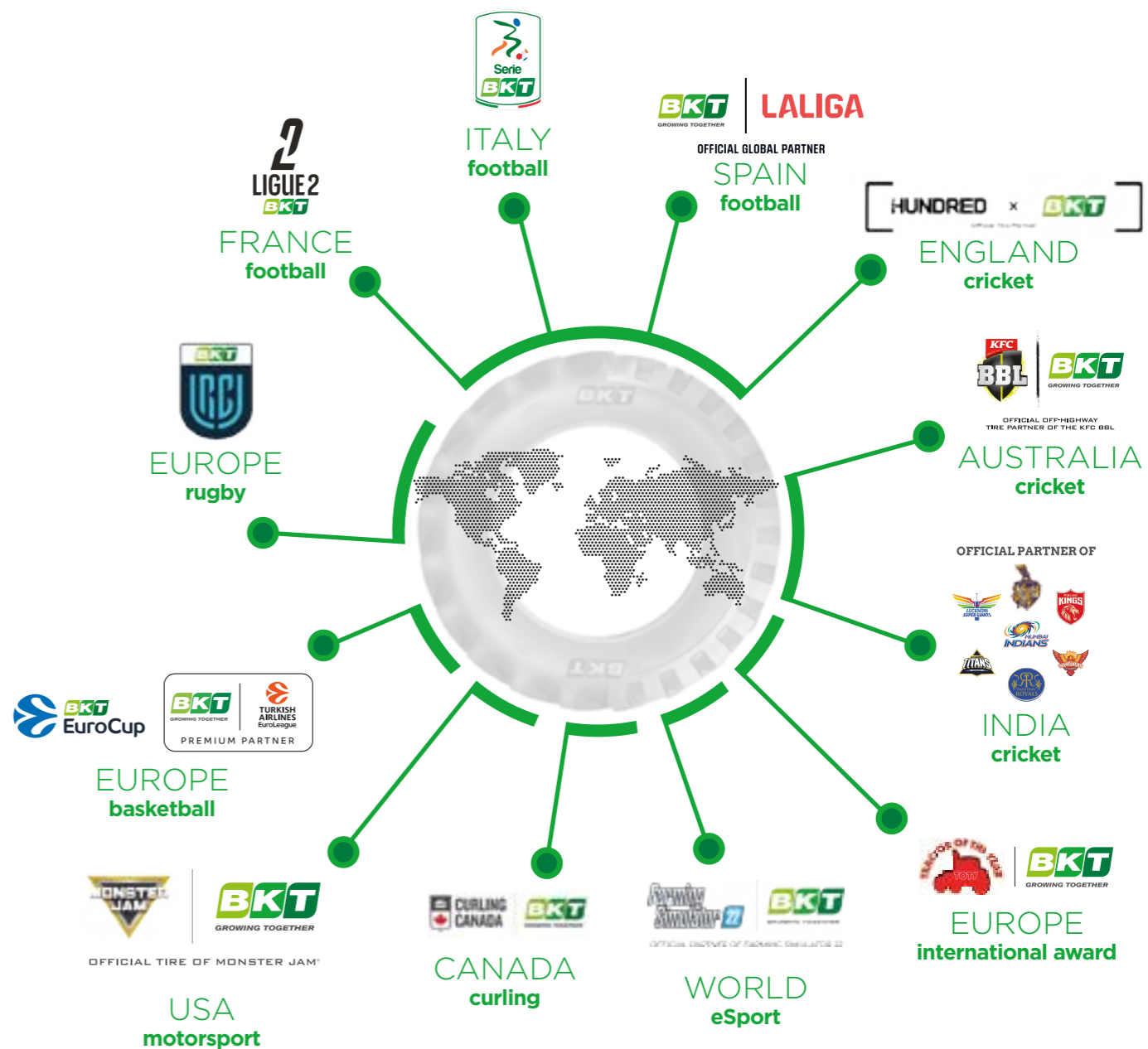
Ensuring excellent customer service is fundamental to build trust and maintain our strong reputation. At the heart of our approach is a commitment to responsiveness and efficiency in meeting customer needs. We have implemented a robust feedback system that actively solicits and incorporates customer suggestions, driving

continuous improvement in our service delivery. Through regular customer assessment surveys and meticulous documentation of feedback, we gather valuable insights to refine our offerings and enhance customer satisfaction.

Transparency is paramount in our grievance resolution process. We keep our customers fully informed throughout, providing regular updates on the progress

of their concerns, and detailing the actions taken to address them promptly. This proactive engagement demonstrates our firm dedication to exceptional customer care, reinforcing trust and fostering lasting relationships with our valued clientele. There were zero incidents in relation to any complaints or breaches with respect to data privacy, advertising and cyber-security.

**SPONSORSHIPS**



CUSTOMER TESTIMONIALS



“WE HAVE BEEN USING YOUR PRODUCTS FOR THE LAST 5 TO 6 YEARS AND ARE FULLY SATISFIED WITH THE SUPPLY QUALITY AND AFTER-SALE SERVICE (ULTRA FLEX SYSTEMS). YOUR 10.00-20 XL GRIP & STEER GRIP, 900-19 XL GRIP, AND 13.00-24 & 14.00-24 XL GRIP TIRES MEET OUR REQUIREMENTS EXCELLENTLY.”



“PLEASE ACCEPT OUR SINCEREST THANKS AND GRATITUDE FOR YOUR RECENT SUPPORT IN AUDIT WITH US, WE ARE ALSO THANKFUL TO BKT FOR THEIR ORDERS, TECHNICAL SUPPORT & TIMELY PAYMENT TO US! IT IS TRULY OUR PLEASURE TO SERVE YOU. WE STRIVE TO PROVIDE THE HIGHEST LEVEL OF SERVICE POSSIBLE. WE HOPE THAT YOUR EXPERIENCE WITH US WAS A PLEASANT ONE, AND HOPE THAT WE CAN BE OF SERVICE TO YOU AGAIN IN THE FUTURE. AS A VALUED CUSTOMER, YOUR COMMENTS AND OPINIONS ARE VERY IMPORTANT TO US. IF YOU HAVE ANY CONCERNS, QUESTIONS OR COMMENTS, WE HOPE THAT YOU WILL BRING THEM TO OUR ATTENTION. IF THERE ARE ANY OTHER WAYS THAT WE CAN SERVE YOU BETTER AT THIS TIME OR IN THE FUTURE PLEASE LET US KNOW. THANK YOU ONCE AGAIN FOR YOUR BUSINESS, AND WE WILL LOOK FORWARD TO SERVING YOU AGAIN IN THE FUTURE.”



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# ANNEXURES

# ESG DATABOOK

## SOCIAL PERFORMANCE

### WORKFORCE

CATEGORY	EMPLOYEES	UNIT	FY 2021-22	FY 2022-23	FY 2023-24
Senior Management	Male	No.	152	188	179
	Female	No.	2	2	1
	<30	No.	0	0	0
	30-50	No.	61	63	60
	>50	No.	93	127	120
Middle Management	Male	No.	641	720	767
	Female	No.	9	9	1
	<30	No.	12	7	7
	30-50	No.	525	610	627
	>50	No.	113	112	142
Junior Management	Male	No.	1,540	1,661	1,723
	Female	No.	29	32	30
	<30	No.	741	835	845
	30-50	No.	754	781	830
	>50	No.	74	77	78
Other Employees	Male	No.	33	45	68
	Female	No.	0	0	1
	<30	No.	0	3	3
	30-50	No.	0	3	3
	>50	No.	33	39	63
Workers (Permanent)	Male	No.	856	860	881
	Female	No.	0	0	0
	<30	No.	107	100	59
	30-50	No.	603	607	655
	>50	No.	146	153	167
Workers (Other than permanent - Contract Labour)	Male	No.	6,545	5,963	7,453
	Female	No.	0	0	28
	<30	No.	0	3,691	4,022
	30-50	No.	0	2,208	3,270
	>50	No.	0	64	189

### NEW EMPLOYEE HIRES

CATEGORY	EMPLOYEES	UNIT	FY 2022-23	FY 2023-24
Senior Management	Male	No.	20	29
	Female	No.	0	0
	<30	No.	0	0
	30-50	No.	12	20
	>50	No.	8	9
Middle Management	Male	No.	67	37
	Female	No.	1	0
	<30	No.	2	2
	30-50	No.	64	35
	>50	No.	2	0
Junior Management	Male	No.	441	405
	Female	No.	7	2
	<30	No.	356	326
	30-50	No.	92	79
	>50	No.	0	2
Other Employees	Male	No.	0	0
	Female	No.	0	0
	<30	No.	0	0
	30-50	No.	0	0
	>50	No.	0	0
Workers (Permanent)	Male	No.	34	52
	Female	No.	0	0
	<30	No.	15	1
	30-50	No.	19	48
	>50	No.	0	3

**NEW EMPLOYEE HIRE RATE**

CATEGORY	EMPLOYEES	UNIT	FY 2022-23	FY 2023-24
Senior Management	Male	%	11.76	15.80
	Female	%	0	0
	<30	%	0	0
	30-50	%	19.35	32.52
	>50	%	7.27	7.29
Middle Management	Male	%	9.85	4.98
	Female	%	11.11	0
	<30	%	21.05	28.57
	30-50	%	11.28	5.66
	>50	%	1.78	0.
Junior Management	Male	%	27.55	23.94
	Female	%	22.95	6.45
	<30	%	45.18	38.81
	30-50	%	11.99	9.81
	>50	%	0	2.58
Other Employees	Male	%	0	0
	Female	%	0	0
	<30	%	0	0
	30-50	%	0	0
	>50	%	0	0
Workers (Permanent)	Male	%	3.96	5.97
	Female	%	0	0
	<30	%	14.49	1.26
	30-50	%	3.14	7.61
	>50	%	0	1.88

**EMPLOYEE TURNOVER**

CATEGORY	EMPLOYEES	UNIT	FY 2022-23	FY 2023-24
Senior Management	Male	%	16	36
	Female	%	0	0
	<30	%	0	0
	30-50	%	6	10
	>50	%	10	26
Middle Management	Male	%	66	59
	Female	%	1	1
	<30	%	3	0
	30-50	%	46	51
	>50	%	18	9
Junior Management	Male	%	267	268
	Female	%	3	4
	<30	%	191	171
	30-50	%	76	90
	>50	%	3	11
Other Employees	Male	%	0	0
	Female	%	0	0
	<30	%	0	0
	30-50	%	0	0
	>50	%	0	0
Workers (Permanent)	Male	%	31	31
	Female	%	0	0
	<30	%	4	0
	30-50	%	16	12
	>50	%	11	19

**EMPLOYEE TURNOVER RATE**

CATEGORY	EMPLOYEES	UNIT	FY 2022-23	FY 2023-24
Senior Management	Male	%	8.72	19.62
	Female	%	0	0
	<30	%	0	0
	30-50	%	9.16	16.26
	>50	%	8.33	21.05
Middle Management	Male	%	8.88	7.94
	Female	%	11.11	11.11
	<30	%	31.58	0
	30-50	%	7.32	8.25
	>50	%	15.72	7.09
Junior Management	Male	%	16.39	15.84
	Female	%	9.68	12.90
	<30	%	23.29	20.36
	30-50	%	9.90	11.17
	>50	%	4.14	14.19
Other Employees	Male	%	0	0
	Female	%	0	0
	<30	%	0	0
	30-50	%	0	0
	>50	%	0	0
Workers (Permanent)	Male	%	3.56	0
	Female	%	0	0
	<30	%	4.37	0
	30-50	%	2.56	1.90
	>50	%	7.17	11.88

**RETURN TO WORK AND RETENTION RATE**

GENDER	PERMANENT EMPLOYEES		PERMANENT WORKERS	
	RETURN TO WORK	RETENTION RATE	RETURN TO WORK	RETENTION RATE
Male	NA	NA	NA	NA
Female	NA <sup>#</sup>	100%	NA	NA
<b>Total</b>	<b>NA<sup>#</sup></b>	<b>100%</b>	<b>NA</b>	<b>NA</b>

# In FY 2023-24, one female permanent employee has availed maternity leave and is due to return to work in FY 2024-25, hence return to work rate is not applicable.



**AVERAGE TRAINING HOURS**

CATEGORY	UNIT	FY 2023-24
Employees (Staff Permanent)	Avg. hours of training	11.11
Employees (Staff Contract)	Avg. hours of training	12.54
Workers (Permanent)	Avg. hours of training	7.04
Workers (Contract)	Avg. hours of training	42.34

**BOARD DIVERSITY**

CATEGORY	FY 2022-23	FY 2023-24
% of Women representation in Board of Directors	25%	25%

**GENDER PAY INDICATORS**

EMPLOYEE LEVEL	AVERAGE WOMEN SALARY (IN INR)	AVERAGE MEN SALARY (IN INR)
Executive level (base salary)	27,40,008	52,56,440
Management level (base salary)	16,11,273	13,57,049
Non-management level (base salary)	6,60,350	5,72,940

**GENDER PAY INDICATORS**

EMPLOYEE LEVEL	DIFFERENCE BETWEEN MEN AND WOMEN EMPLOYEES (%)
Mean Gender Pay Gap	15.28
Median Gender Pay Gap	14.24

**RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN**

EMPLOYEE CATEGORY	RATIO OF THE BASIC SALARY AND REMUNERATION OF WOMEN TO MEN FOR EACH EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATION OF OPERATION
Permanent Employees	0.84

\* The definition of 'Significant location of operation' is limited to the national boundary since reporting is on standalone basis

**PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY**

EMPLOYEE LEVEL	PERCENTAGE OF SENIOR MANAGEMENT AT SIGNIFICANT LOCATIONS OF OPERATION THAT ARE HIRED FROM THE LOCAL COMMUNITY. FY 2023-24
Senior Management	100%

\* The definition of Local community is limited to the national boundary

**HUMAN RIGHTS TRAINING FOR SECURITY PERSONNEL**

CATEGORY	FY 2023-24
Total number of Security Personnels	310
Security Personnels Received training on Human Rights Policy and Procedures	310

**HEALTH AND SAFETY**

	CATEGORY	FY 2021-22	FY 2022-23	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0	0
	Workers	2.22	1.63	0.09
Total recordable work-related injuries	Employees	0	0	0
	Workers	26	21	2
No. of fatalities	Employees	0	0	0
	Workers	1	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0	0
	Workers	0	0	0

**HUMAN RIGHTS**

CATEGORY	UNIT	% OF PLANTS AND OFFICES COVERED FOR ASSESSMENT FOR FY 2023-24
Child Labour	%	100%
Forced Labour/Involuntary Labour	%	100%
Sexual harassment	%	100%
Discrimination at workplace	%	100%
Wages	%	100%

**GOVERNANCE PERFORMANCE**

**DATA SECURITY**

PARTICULAR	FY 2021-22	FY 2022-23	FY 2023-24
Number of Data Breaches	0	0	0
Percentage Involving Personally Identifiable Information (PII)	0	0	0
Number of Users Affected	0	0	0

**COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES**

PARTICULAR	FY 2023-24
Total number of governance body members in the organization	8
Number of governance body members that the organization’s anticorruption policies and procedures have been communicated to	8
Percentage of governance body members that the organization’s anticorruption policies and procedures have been communicated to	100%
Number of governance body members that have received training on anti-corruption	8
Percentage of governance body members who have received training on anti-corruption	100%
Total number employees in the organization	3,590
Number of employees that the organization’s anticorruption policies and procedures have been communicated to	3,590
Percentage of employees that the organization’s anticorruption policies and procedures have been communicated to	100%
Number of employees that have received training on anti-corruption	3,590
Percentage of employees who have received training on anti-corruption	100%

**COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES**

PARTICULAR	TOTAL	LOCAL	NON-LOCAL
Total number of business partners	164	102	62
Percentage business partners that the organization’s anticorruption policies and procedures have been communicated to, broken down by region	100%	100%	100%

\* The definition of Local community is limited to the national boundary



**ECONOMIC PERFORMANCE**

PARTICULAR	UNIT	FY 2021-22	FY 2022-23	FY 2023-24
<b>Economic Value Generated</b>				
Total revenue	INR lakhs	8,26,671	9,81,052	9,29,870
Other income	INR lakhs	43,060	33,779	44,774
<b>Total Economic Value Distributed</b>				
Operating cost	INR lakhs	5,09,247	6,55,734	6,21,759
EBITDA	INR lakhs	2,40,610	2,05,342	2,65,180
Total employee-related expenses (salaries and benefits)	INR lakhs	38,043	40,416	44,125
Payments to providers of capital	INR lakhs	56,848	35,473	41,838
Payment to government	INR lakhs	54,378	37,245	46,148
Community investments including CSR spent	INR lakhs	2,909	2,878	3,134
Economic value retained	INR lakhs	2,08,306	2,43,085	2,17,641

**COMPLIANCE WITH LAWS AND REGULATIONS**

PARTICULAR	UNIT	FY 2021-22	FY 2022-23	FY 2023-24
Political contributions	INR lakhs	0	0	0
Significant instances of non-compliance with laws and regulations	No.	0	0	0
Monetary value of fines for instances of noncompliance with laws and regulations	INR lakhs	0	0	0
Instances for which non-monetary sanctions were incurred	No.	0	0	0
Ongoing investigations related to anti-competitive practices	No.	0	0	0
Confirmed cases of corruption and bribery	No.	0	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	No.	0	0	0
Incidents of discrimination and harassment	No.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	No.	0	0	0

Complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0
Incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling	No.	0	0	0
Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	No.	0	0	0

**ANNUAL TOTAL COMPENSATION RATIO**

PARTICULAR	FY 2021-22	FY 2022-23	FY 2023-24
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees	819:1	629:1	672:1
Percentage Increase in highest paid employee's remuneration	21%	(15%)	10%
Percentage increase in remuneration of other employees	(1.76%)	10%	3%

**NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN**

PARTICULAR	UNIT	FY 2023-24
Number of suppliers assessed for social impacts	Nos	18
Number of suppliers identified as having significant actual and potential negative social impacts	Nos	0
Significant actual and potential negative social impacts identified in the supply chain	Nos	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon because of assessment	%	0%
Suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	Nos	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	%	0%

**NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA**

	UNITS	FY 2023-24
Total Number of New Suppliers	Nos	2
No of new suppliers screened using environment criteria	Nos	2
Percentage of suppliers screened using environment criteria	%	100%

**MATERIALS USED BY WEIGHT OR VOLUME**

SR. NO	PARTICULARS	UNITS	FY 2022-23	FY 2023-24
1	Non-renewable materials used	MT	2,02,671	2,00,286
3	Renewable Materials Used	MT	91,883	91,389
5	<b>Total volume</b>	<b>MT</b>	<b>2,94,554</b>	<b>2,91,675</b>

Total weight or volume of materials that are used to produce and package the organization’s primary products and services

**RECYCLED OR RE-USED INPUT MATERIAL TO TOTAL MATERIAL IN PERCENTAGE**

SR. NO	PARTICULARS	UNITS	FY 2022-23	FY 2023-24
1	Crumb powder, recycled rubber, rubberized friction compound, Recovered Carbon Black	Percentage	0.40%	0.51%

**NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA**

SR. NO	PARAMETER	UNITS	FY 2023-24
1	Total Number of New Suppliers	Nos	2
	No of new suppliers screened using environment criteria	Nos	2
2	Percentage of suppliers screened using environment criteria	%	100 %

**NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN**

SR. NO	PARAMETER	UNITS	FY 2023-24
1	Number of suppliers assessed for environmental impacts	Nos	18
2	Number of suppliers identified as having significant actual and potential negative environmental impacts	Nos	0
3	Number of suppliers having negative environmental impacts with which improvements were agreed upon	Nos	0
4	Percentage of suppliers having potential negative environmental impacts with which improvements were agreed upon	%	0
5	Number of suppliers terminated for having negative environmental impacts	Nos	0
6	Percentage of suppliers terminated for having negative environmental impacts	%	0

## ENVIRONMENT PERFORMANCE

### MATERIAL USED FOR PRODUCTION OF OUR PRODUCTS (IN MT)

MATERIAL	FY 2022-23	FY 2023-24
Non-renewable material used	2,02,671	2,00,286
Renewable material used	91,883	91,389

CONSUMPTION IN GJ		FY 2022-23	FY 2023-24
Renewable Metrics	Electricity (R.)	27,438	29,069
	Fuel (R.)	737	751
	Renewables Total	28,175	29,820
Non-Renewable Metrics	Electricity (NR.)	5,33,165	3,93,177
	Fuel (NR.)	56,53,894	63,06,710
	Non-Renewables Total	61,87,059	66,99,887
<b>Total Energy Consumption</b>		<b>62,15,234</b>	<b>67,29,707</b>

TOTAL EMISSIONS (SCOPE 1 + SCOPE 2) IN tCO <sub>2</sub> e BY TYPE FOR FY 2023-24		ALL VALUES IN MT OF CO <sub>2</sub> e (tCO <sub>2</sub> e)	AS SHARE OF TOTAL EMISSIONS
Scope 2	Purchased Electricity	78,216.00	11.06%
	Coal	1,59,620.92	22.56%
	Diesel	23,189.69	3.28%
	Petrol	30.50	0.004%
	Off Gas	4,12,187.77	58.27%
Scope 1	LPG	319.98	0.05%
	Propane	0.00002	~0%
	PNG	30,909.98	4.37%
	Fugitive	2,803.22	0.40%
	Process	122.63	0.02%
Total Scope 1 emissions in tCO <sub>2</sub> e for FY 2023-24		6,29,185	89%
Total Scope 2 emissions in tCO <sub>2</sub> e for FY 2023-24		78,216	11%
Total Scope 1 + Scope 2 Emissions in tCO <sub>2</sub> e for FY 2023-24		7,07,401	
Total Biogenic Emissions in tCO <sub>2</sub> e for FY 2023-24		Biogenic Emissions 41	

ALL VALUES IN MT OF CO <sub>2</sub> e (tCO <sub>2</sub> e)	FY 2022-23	FY 2023-24
Total Scope 2 emission	1,06,041*	78,216
Total Scope 1 emission	5,08,202	6,29,185
<b>Total Scope 1 + Scope 2 emissions</b>	<b>6,14,243</b>	<b>7,07,401</b>

\* The value of scope 2 emissions for FY 2022-23 have been recalculated and restated due to adoption of RES weighted average emission factor as per Central Electricity Authority.

Note – Emissions factors for various fuels have been taken from GHG protocol. Emission factor for grid electricity is taken from Central Electricity Authority of India. For emission factor of Di-Acetylene and Propane, US EPA has been referred. Global Warming Potential of various GHG gases have been taken from IPCC AR6 WG-1. All calculations have been as per the methodology provided by GHG Protocol. Operational control approach has been adopted for consolidation of emissions.

### SCOPE 3 GHG EMISSION INVENTORY

SCOPE 3 CATEGORIES (FY 2023-24)	GHG EMISSIONS (tCO <sub>2</sub> e)	PROPORTION OF SCOPE 3 EMISSIONS (%)
Cat 1: Purchased goods and services	3,40,592	9.30%
Cat 2: Capital goods	32,052	0.88%
Cat 3: Fuel and energy related activities (not in Scope 1 and 2)	73,741	2.01%
Cat 4: Upstream transportation and distribution	14,488	0.40%
Cat 5: Waste generated in operations	836	0.02%
Cat 6: Business travel	778	0.02%
Cat 7: Employee commuting	1,497	0.04%
Cat 8: Upstream leased assets	183	0.01%
Cat 9: Downstream transportation and distribution	46,728	1.28%
Cat 10: Processing of sold products	1,66,175	4.54%
Cat 11: Use of sold products	29,55,234	80.73%
Cat 12: End-of-life treatment of sold products	14,388	0.39%
Cat 13: Downstream leased assets	398	0.01%
Cat 15: Investments	13,738	0.38%
	<b>36,60,829</b>	

PARTICULARS	UNIT	FY 2022-23	FY 2023-24
NOx	Milligram per cubic meter or mg/nm <sup>3</sup>	61.64	75.94
SOx	Milligram per cubic meter or mg/nm <sup>3</sup>	112.39	65.84
Particulate Matter	Milligram per cubic meter or mg/nm <sup>3</sup>	41.2	27.88

**EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)**

ODS emission in tCO <sub>2</sub> e for FY 2023-24	2,803
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Note - Total ODS emissions include emissions from use of CO<sub>2</sub> cylinder use, Diacetylene (DA) Cylinder use, and refrigerants across our operations and have been reported in MT of CO<sub>2</sub> equivalent (t CO<sub>2</sub>e).

**CHANGE IN WASTE GENERATED ACROSS VARIOUS CATEGORIES DURING THE REPORTING PERIOD (FY 2023-24) AS COMPARED TO THE PREVIOUS REPORTING PERIOD (FY 2022-23)**

E-waste	107.10% increase in e-waste generated
Battery waste	17.86% increase in battery waste generated
Other hazardous waste (ETP Waste, MEE Residue, Oily cotton waste, spent oil, paint residues, discarded containers, barrels, and drums, Filter bags, chemical waste, paper chemical bags)	40.03% increase in other hazardous waste generated
Other Wastes (process and non-process related waste)	13.37% increase in other process and non-process related waste generated

WASTE TYPE (IN MT)	FY 2022-23	FY 2023-24
Plastic Waste	3,113.8	2,424.64
E-waste	115.79	239.81
Bio-medical waste	0.03	0.02
Construction and demolition waste	0.00	0.00
Battery waste	12.91	15.22
Radioactive waste	0	0
Other hazardous waste (ETP Waste, MEE Residue, Oily cotton waste, spent oil, paint residues, discarded containers, barrels, and drums, Filter bags, chemical waste, paper chemical bags)	511.05	715.60
Other Wastes (Process and non-process related waste)	18,252.51*	20,692.96
<b>Total Waste</b>	<b>22,006.09</b>	<b>24,088.25</b>

WASTE RECYCLE AND RE-USE (IN MT)	FY 2022-23	FY 2023-24
Total Waste Recycled	10,668.07*	14,206.23
Total Waste Reused	11,192.00*	9,676.87
Other Recovery Operations	0.00	0.00
<b>Total waste recycled and reused</b>	<b>21,860.07</b>	<b>23,883.10</b>

WASTE DISPOSAL (IN MT)	FY 2022-23	FY 2023-24
Waste Disposal through incineration	0.03	0.00
Waste Disposal to landfill	145.99	205.14
Total waste disposed	146.02	205.14
<b>Total waste disposed (Share of total waste)</b>	<b>0.66%</b>	<b>0.85%</b>

\* The value of waste generated and other relevant disclosures for FY 2022-23 have been recalculated and restated due to certain re-classification and change in methodology of computation in order to maintain a consistent approach.

**WASTE MANAGEMENT PRACTICES ACROSS OUR OPERATIONS DURING FY 2023-24**

WASTE CATEGORY	WASTE SUB-CATEGORY	WASTE MANAGEMENT PROCESS	WHERE IS THE WASTE MANAGED?	TOTAL AMOUNT (IN MS)
Plastic		Recycled	Offsite	2,424.64
E-Waste		Recycled	Offsite	239.81
Bio medical waste		Disposal – Landfill	Offsite	0.02
Construction and demolition waste		NA	NA	0.00
Battery waste		Recycled	Offsite	15.22
Radioactive waste		NA	NA	0
Hazardous waste				
	ETP Waste (Sludge)	Disposal – Landfill	Offsite	173.12
	MEE Residue	Recycled	Offsite	0.00
	Oily cotton waste	Disposal – Landfill	Offsite	25.90
	Spent Oil	Recycled	Offsite	363.26
	Paint residues	Recycled	Offsite	0.00
	Discarded Containers, barrels and drums	Recycled	Offsite	30.06
	Other hazardous waste not mentioned above (Please specify) (Filter bags)	Recycled and Disposal – Landfill	Offsite	29.06
	Chemical Waste	Recycled and Disposal – Landfill	Offsite	32.00
	Paper Chemical Bags	Recycled	Offsite	62.20
Other Non-hazardous waste				
	Process (Non-Hazardous)	Recycled	Offsite	7,091.65
	Non-Process (Non-hazardous) (inc. Fly Ash)	Reused	Onsite	13,601.31

**WATER WITHDRAWAL FROM ALL AREAS (IN KILOLITERS (KL))**

WATER WITHDRAWAL BY SOURCE	FY 2022-23 (IN KL)*	SHARE IN TOTAL WATER	FY 2023-24 (IN KL)	SHARE IN TOTAL WATER	GROWTH/ DECLINE RATE IN FY 2023-24 AS COMPARED TO FY 2022-23
1) Surface water	0	0.00%	0	0.00%	
2) Ground water Actual	3,37,072	16.82%	1,90,312	9.83%	- 45.54%
3) Third party water (outsource water)*	16,41,025	81.89%	17,26,223	89.17%	5.19%
4) Sea water/ Desalinated water	0	0.00%	0	0.00%	
5) Others/Rainwater	25,872	1.29%	19,447	1.00%	- 24.83%
<b>Total Withdrawal</b>	<b>20,03,969</b>	<b>100.00%</b>	<b>19,35,982</b>	<b>100.00%</b>	<b>- 3.39%</b>
<b>Water Consumption</b>	<b>20,01,838</b>		<b>19,33,589</b>		<b>- 3.41%</b>

**WATER WITHDRAWAL FROM ALL AREAS (IN MEGALITERS)**

SOURCE	FY 2022-23 (IN MEGALITERS) *	FY 2023-24 (IN MEGALITERS)
Surface water	0.00	0.00
Ground water	337.07	190.31
Third party water (outsourced water)	1,641.03	1,726.22
Sea water/ Desalinated water	0.00	0.00
Others/Rainwater	25.87	19.45
<b>Total Water Withdrawal</b>	<b>2,003.97</b>	<b>1,935.98</b>
<b>Total Water Consumption</b>	<b>2,001.84</b>	<b>1,933.59</b>

\* The value of water withdrawal for FY 2022-23 have been recalculated and restated wherever applicable due to certain re-classification and change in methodology of computation in order to maintain a consistent approach.

**WATER WITHDRAWAL BY SOURCE FROM WATER STRESSED AREAS (IN KILOLITERS (KL))**

	<b>FY 2022-23 (IN KL)*</b>	<b>SHARE IN TOTAL WATER</b>	<b>FY 2023-24 (IN KL)</b>	<b>SHARE IN TOTAL WATER</b>	<b>GROWTH/ DECLINE RATE IN FY 2023-24 AS COMPARED TO FY 2022-23</b>
1) Surface water	0	0.00%	0	0.00%	
2) Ground water Actual	3,37,072	16.88%	1,90,312	9.87%	- 43.54%
3) Third party water (outsource water)*	16,34,448	81.83%	17,18,866	89.12%	5.16%
4) Sea water/ Desalinated water	0	0.00%	0	0.00%	
5) Others/Rainwater	25,872	1.30%	19,447	1.01%	- 24.83%
<b>Total Withdrawal</b>	<b>19,97,392</b>	<b>100.00%</b>	<b>19,28,626</b>	<b>100.00%</b>	<b>- 3.44%</b>
<b>Water Consumption from water stressed areas</b>	<b>19,97,392</b>		<b>19,28,626</b>		<b>- 3.44%</b>

**WATER WITHDRAWAL FROM WATER STRESSED AREAS (IN MEGALITERS)**

<b>SOURCE</b>	<b>FY 2022-23 (IN MEGALITERS)*</b>	<b>FY 2023-24 (IN MEGALITERS)</b>
Surface water	0.00	0.00
Ground water	337.07	190.31
Third party water (outsourced water)	1,634.45	1,718.87
Sea water/ Desalinated water	0.00	0.00
Others/Rainwater	25.87	19.45
<b>Total Water Withdrawal</b>	<b>1,997.39</b>	<b>1,928.63</b>
<b>Total Water Consumption from water stressed areas</b>	<b>1,997.39</b>	<b>1,928.63</b>

\* The value of water withdrawal for FY 2022-23 have been recalculated and restated wherever applicable due to certain re-classification and change in methodology of computation in order to maintain a consistent approach. Bhuj, Bhiwadi, Chopanki and Waluj plants are located in over exploited and semi-critical category of water stress area as per Central Ground Water Board (CGWB)

**WATER DISCHARGE (IN KL)**

<b>SOURCE</b>	<b>FY 2022-23 *</b>	<b>FY 2023-24</b>	<b>GROWTH/DECLINE RATE IN FY 2023-24 AS COMPARED TO FY 2022-23</b>
To surface water	-	-	-
To ground water	-	-	-
To seawater	-	-	-
Sent to third parties	2,131	2,393	12.30%
Others	-	-	-
<b>Total Discharge</b>	<b>2,131</b>	<b>2,393</b>	<b>12.30%</b>

**WATER DISCHARGE (IN MEGALITERS)**

<b>SOURCE</b>	<b>FY 2022-23*</b>	<b>FY 2023-24</b>
To surface water	-	-
To ground water	-	-
To seawater	-	-
Sent to third parties	2.13	2.39
Others	-	-
<b>Total Discharge</b>	<b>2.13</b>	<b>2.39</b>

\* The value of water discharge for FY 2022-23 has been recalculated based on Guidance as per National Building Code 2016, Vol. 2, Part 9 Section 1, Clause 4.1.2 and restated.

Note:

- Water discharge sent to third parties is classified as Other water (>1,000 mg/L Total Dissolved Solids. No other discharge is reported across any of our sites.
- Water discharged (in megaliters) to Others (No Treatment) has been re-categorized as Sent to third parties categories for FY 2021-22, for consistency.

# GRI CONTENT INDEX

**STATEMENT OF USE** Balkrishna Industries Limited has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.

**GRI 1: USED** GRI 1: Foundation 2021

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# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX







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		ESG Databook – Environment Indicators		
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## ACRONYMS

ABBREVIATIONS	FULL FORM
ABAC	Anti-Bribery and Anti-Corruption
AHU	Air Handling Unit
AI	Aspect - Impact
AIRIA	All India Rubber Industries Association
ATV	All-Terrain Vehicle
APS	Accelerated Policy Scenario
BAVP	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan
BCC	Bombay Chamber of Commerce
BCP	Business Continuity Plan
BIS	Bureau of Indian Standards
BMA	Bhiwadi Manufacturers Association
BOD	Board of Directors
BRSR	Business Responsibility and Sustainability Report
CAPEXIL	Chemical and Allied Export Promotion Council of India
CBAM	Carbon Border Adjustment Mechanism
CBFS	Carbon Black Feed Stock Oil
CCUS	Carbon Capture, Utilization and Storage
CEMS	Continuous emissions monitoring systems
CGWB	Central Ground Water Board
CHRO	Chief Human Resource Officer
CII	Confederation for Indian Industries
CMIA	Chambers of Marathwada Industries and Agriculture
CSR	Corporate Social Responsibility
CMP	Claims Management Portal
CTC	Cost to Company
DCC	Direct Current Charge
DEI	Diversity, Equity and Inclusion
DG	Diesel Generator
DET	Diploma Engineer Trainees

ABBREVIATIONS	FULL FORM
EBITDA	Earnings before Interest, Taxes, Depreciation, and Amortization
EC	Environment Clearance
EHS	Environment, Health and Safety
EMS	Environmental Management Systems
EPCG	Export Promotion Capital Goods
ESG	Environmental, Social and Governance
ETP	Effluent Treatment Plant
ETRTO	The European Tire and Rim Technical Organization
EUDR	European Union Deforestation Regulation
EV/FCEV	Electric Vehicle/ Fuel Cell Electric Vehicles
FEA	Finite Element Analysis
FIEO	Federation of Indian Export Organization
FY	Financial Year
GET	Graduate Engineer Trainees
GHG	Greenhouse gas
GJ	Gigajoule
GPSNR	Global Platform for Sustainable Natural Rubber
GRI	Global Reporting Initiative
HIRA	Hazard Identification and Risk Assessment
HR	Human Resource
HVAC	Heating, Ventilation and Air Conditioning
IATF	International Automotive Task Force
ICU	Intensive Care Unit
IE1 – IE4	IE1 = Standard Efficiency. IE2 = High Efficiency. IE3 = Premium Efficiency. IE4 = Super Premium Efficiency
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IUCN	International Union for Conservation of Nature
ILO Declaration	International Labour Organization Declaration on Fundamental Principles and Rights at Work

ABBREVIATIONS	FULL FORM
IMS	Integrated Management System
INR	Indian Rupee
IPCC	Intergovernmental Panel on Climate Change
IPCC AR6 – WG1	Intergovernmental Panel on Climate Change Sixth Assessment Report – Working Group I
ISO	International Organization for Standardization
IT	Information Technology
Kg/cm <sup>2</sup>	Kilograms per centimeter square
KL	Kilolitre
KMP	Key Managerial Personnel
KW	Kilowatt
KwH	Kilowatt per hour
LCA	Life Cycle Assessment
LDP	Leadership Development Program
LED	Light-Emitting Diode
LPG	Liquified Petroleum Gas
LTIFR	Lost Time Injury Frequency Rate
MDP	Management Development Program
mg/nm <sup>3</sup>	milligrams per normal cubic meter
MEE	Multi-Effect Evaporator
MIDC	Maharashtra Industrial Development Corporation (MIDC)
ML	Megaliters
MMRDA	Mumbai Metropolitan Region Development Authority
MOMS	Manufacturing Operations Management System
MT	Metric Ton
MW	Megawatts
NABL	National Accreditation Board for Testing and Calibration Laboratories
NGO	Non-Governmental Organization
NOx emission	Nitrogen Oxide Emissions
OEM	Original Equipment Manufacturer

ABBREVIATIONS	FULL FORM
ODS	Ozone Depleting Substances
OHS	Occupational Health and Safety
OHT	Off Highway Tire
OPD	Outpatient Department
ORS	Oral Rehydration Solution
OTR	Off the Road Tires
PET	Polyethylene Terephthalate
PGD-IRI	Post Graduate Diploma from Indian Rubber Institute
PID	Proportional-Integral-Derivative
PIP	Performance Improvement Plan
PM	Particulate Matter
PMS	Performance Management System
PNG	Piped Natural Gas
PPE	Personal Protective Equipment
PLC	Power Line Communication
QCI	Quality Council of India
R-410 A, R-32, R-134 A, R-22, R-407 A, R-404, and R-125	Refrigerants (R-410A (Puron), R-32 (HFC-32), R-134A (Tetrafluoro ethane), R-22 (Chlorodifluoromethane or Freon 22), R-407A (blend of R-32, R-125, and R-134a), R-404A (blend of R-125, R-143a, and R-134a), R-125 (Pentafluoro ethane))
R&D	Research and Development
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RCC	Reinforced Cement Concrete
RO	Reverse Osmosis
RPM	Revolutions Per Minute
SAP	Systems Applications and Products in Data Processing
SASB	Sustainability Accounting Standards Board
SEBI	Securities and Exchange Board of India
SKU	Stock Keeping Units
SOP	Safety Operating Procedures





11

# ASSURANCE STATEMENT





## INDEPENDENT ASSURANCE STATEMENT

To

The Board of Directors of Balkrishna Industries Limited

### Introduction and objectives of work

Balkrishna Industries Limited (hereafter stated as 'BKT' or the 'Company') has engaged us to undertake an Independent Assurance of the company's Sustainability/ Non-Financial Performance disclosures in its Sustainability Report (SR) for the financial year ended 31<sup>st</sup> March 2024 and provide "Type 2 - High"/Reasonable Assurance Statement on the aforesaid report. BKT has prepared SR document as per GRI Standard with stated parameters for the period (FY 2023-24), based on which this overall assessment has been carried out. This Assurance Statement applies to the related information included within the scope of work described below.

### Intended User

The intended user of this assurance statement is BKT. We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this assurance Statement. BV planned and performed our work to obtain the evidence, BV considered necessary to provide a basis for our assurance opinion. The assurance engagement considers an uncertainty of  $\pm 5\%$  based on materiality threshold for estimation / measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

### Scope of Work

We have performed the Assurance engagement in accordance with the requirements of the Accountability Assurance Standard (AA1000AS) version 3, Type 2 High assurance and in line with the requirements of Bureau Veritas's standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

**Level of assurance:** "Type 2 High" as per Accountability Assurance Standard (AA1000AS) version 3, which is equivalent to "reasonable" assurance as defined in 'International Standard on Assurance Engagements' (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board.

The reporting boundaries considered for this reporting period are as follows:

Entire organization of Balkrishna Industries Limited on Standalone basis for the reporting period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

As part of independent Reasonable/High assurance, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported. In this process, we undertook the following activities:

Assessment was conducted by means of physical site visits at corporate office and sites, as well as remote assessment. Bureau Veritas interviewed personnel of Company including Maintenance & Operations, HR, Finance, Supply Chain Management and other relevant departments and review of Company's data & information systems for collection, aggregation, analysis and review.

The assurance process involved carrying out an Assessment by experienced assessors from Bureau Veritas.

### Reporting Boundary of Assurance

The reporting boundary for this assessment is –

#### Corporate Office:

BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013 (Maharashtra)

#### Tire Manufacturing:

- B-66, Waluj MIDC, Waluj Industrial Area, Chhatrapati Sambhaji Nagar 431 136 (Maharashtra)
- F 19/20, Gut no 62, 65, 66, Waluj MIDC, Village Wadgaon Kolhati, Chhatrapati Sambhaji Nagar 431 136 (Maharashtra)
- SP-923, RIICO Industrial Area, Phase-III, P.O. Bhiwadi 301 019, District – Khairthal -Tijara (Rajasthan)
- A-300-305 & E-306-313 RIICO Industrial Area, Chopanki P.O. Bhiwadi 301 707, District – Khairthal-Tijara (Rajasthan)
- Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, District - Kutch (Gujarat)

#### Carbon Black Manufacturing:

Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, District - Kutch (Gujarat)

#### Mould Manufacturing:

C-21, M.I.D.C, Phase No. I, Dombivli (E) 421 203, District - Thane (Maharashtra)

#### Drum Manufacturing:

Plot No. TS-1, MIDC Phase II, opposite to Don Bosco School, Manpada Road, Sagaon, Dombivli (E) 421204 (Maharashtra)

#### Wind Farm:

Village Soda Mada, Tehsil: Fatehgarh 345 027, District - Jaisalmer (Rajasthan)

### Management Responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the Sustainability report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of Sustainability Report. Our sole responsibility is to provide independent reasonable/high assurance on the Sustainability report for the financial year ended 31<sup>st</sup> March 2024.

### Our findings

On the basis of our methodology and the activities described above,

- Nothing has come to our attention to indicate that the Sustainability disclosures are inaccurate or that the information included therein is not fairly stated.
- It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures in the Sustainability.
- The Sustainability Report provides a fair representation of the Company's sustainability activities as included therein.



- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over Sustainability/Non-Financial performance disclosures of the Company as reported in Sustainability for the reporting period.

**Alignment with AA1000 Principles**

Inclusivity	BKT has processes in place for engaging with its key stakeholders including socially responsible investors, value chain partners, Government officials, local community representatives, and has undertaken stakeholder engagement activities. The entity is also involved in many CSR projects for the local community.
Materiality	The SR addresses the range of environmental, social and economic issues of concern that BKT has identified as being of highest material importance. The material issues were identified by a process of stakeholder engagement and interaction. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.
Responsiveness	BKT is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations.
Impact	There is no finding from our assessment that BKT has not monitored, measured or has not been accountable for its actions related to its material topics.

**Limitations and Exclusions**

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

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by the Company and statements of future commitment.
- Competitive claims, if any, in the report claiming, "first company in India", "first time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of the Company outside of the scope and reporting boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

Our assurance on economic and financial performance data or information of the Company is based only on the annual audited statement of accounts of the Company for the Financial Year 2023-24 and our conclusions rest solely upon that audited report.

The reliability of assurance is subject to uncertainty(ies) that are inherent in the assurance process. Uncertainties stem from limitations in the accounting and quantification models used for various parameters, or emission factors used or may be present in the estimation of data used, to arrive at conclusions or results. Our conclusions in respect of this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

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



**Statement of Independence, Integrity, and Competence**

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 195 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Balkrishna Industries Limited

**Competence**

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

**Restriction on use of Our Report**

Our Limited assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables.

BV neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.



*Shankha Suvra De*

*M. Rama Mohan Rao*

**Shankha Suvra De**  
**Lead Assuror**  
**Bureau Veritas (India) Private Limited**

**M Rama Mohan Rao**  
**Technical Reviewer**  
**Bureau Veritas (India) Private Limited**

**Kolkata, India**  
**Dt: August 7<sup>th</sup>, 2024**

**Hyderabad, India**  
**Dt: August 9<sup>th</sup>, 2024**





### Registered Office

B-66, MIDC, Waluj Industrial Area, Waluj, Chhatrapati Sambhaji Nagar 431 136 (Maharashtra).  
Tel: (0240) – 6646950 / 999, Fax: (0240) – 2554143

### Corporate Office

**Balkrishna Industries Ltd.**  
CIN : L99999MH1961PLC012185  
BKT HOUSE, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, India  
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[bkt-tires.com](http://bkt-tires.com)