

STEERING TOWARDS FUTURE



SUSTAINABILITY REPORT
FY 2022 - 2023

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STEERING TOWARDS FUTURE

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STEERING TOWARDS FUTURE

IN A WORLD GRAPPLING WITH ENVIRONMENTAL CHALLENGES, THE COLLECTIVE EFFORT TOWARDS SUSTAINABLE FUTURE HAS EMERGED AS AN IMPERATIVE MISSION.

Our theme for the Sustainability Report **Steering towards Future** encapsulates our passionate commitment to sustainability, technological advancement, and responsible business practices. It highlights our dedication to reduce the environmental impact, improve tire performance and safety while contributing to a greener, more sustainable automotive industry.

The introduction of digitalization, automation and robotics in our operational plants emboldens our capabilities to steer into a greener future with the help of Artificial Intelligence (AI). Through innovative technologies, sustainable practices, and conscious consumer choices, we navigate towards a more ecologically balanced tomorrow. Simultaneously, we are moving towards increased use of recycled raw materials as well as introducing renewable raw materials in our processes. We continue to interpret sustainability in a holistic manner and by doing so it exhibits our commitment **Steering towards Future**.

Moving forward and progressing as an organization and founded on our fundamental principles we are continuously developing innovative products and services that cater to our customer demands, utilizing cutting-edge technology as our foundation. Our focus is not solely on inventing innovative tires but also on ensuring that sustainability and the enhancement of our customers' and communities' well-being remain central to our successes.

By embracing sustainability, we take bold steps to safeguard our planet's health for generations to come, leaving a legacy of responsible stewardship for our Earth and all its inhabitants.

ABOUT THE REPORT

REPORTING GUIDELINES AND CONTENT

This report, which covers FY 2022-23, presents both the qualitative and quantitative information on how we manage opportunities and mitigate potential risks related to environmental, social and governance (ESG) factors.

IT HIGHLIGHTS THE NOTEWORTHY DEVELOPMENTS IN EACH OF THESE AREAS ALONG WITH PROVIDING A COMPREHENSIVE OVERVIEW OF THE COMPANY'S PERFORMANCE, ACHIEVEMENT OF KEY METRICS AND OBJECTIVES AND INITIATIVES UNDERTAKEN TO ADDRESS THE ENVIRONMENTAL AND SOCIAL CHALLENGES HIGHLIGHTING OUR COMPANY'S GOVERNANCE PRACTICES AND POLICIES.

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) 2021 Standards. As we are evolving in our ESG journey towards sustainability, we have reviewed and revisited KPIs and methodologies used for reporting such indicators with the aim of ensuring consistency throughout the organization in the manner in which data is presented. This entailed restatement of certain previously reported information. Such restated information has been denoted by (R*) in this Report. The reporting period is 1st April 2022- 31st March 2023. The Indian Numbering System has been used in this report.

FEEDBACK

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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.



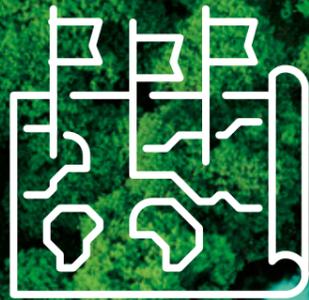
BKT AT A GLANCE

Founded in 1961, we are an Indian company specializing in the production of tires for various applications such as agricultural, industrial, construction and mining vehicles headquartered in Mumbai. We are a dynamic and forward-thinking company built on an adaptable and progressive business model resilient in today's dynamic world. We are dedicated to delivering exceptional products that redefine industry standards. We have a diverse portfolio of tire models catering specific needs and requirements of different industries. Our products are known for their quality, durability and performance and are widely used in various sectors that require off-highway vehicles. Our unwavering commitment to quality, creativity and customer satisfaction drives everything we do.



HEADQUARTERS

Mumbai
(Maharashtra)



PRESENCE

5 Continents
and 160 Countries



PRODUCTION FACILITIES

Tire Manufacturing

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

Carbon Black Manufacturing

- Bhuj – (Gujarat)

Mould Manufacturing

- Dombivali – (Maharashtra)

Drum Manufacturing

- Dombivali – (Maharashtra)

Wind Farm

- Jaisalmer – (Rajasthan)



INTERNATIONAL SUBSIDIARIES

1. BKT Europe
2. BKT USA
3. BKT Canada

EXPANDING OUR FOOTPRINT GLOBALLY

MISSION

Being a purpose-driven company dedicated to sustainability we truly believe that we have the ability to promote social responsibility and environmental stewardship.

Our sustainability **mission is to grow together**, leveraging our collective strengths to achieve shared success. We are dedicated to reducing our carbon footprint, promote eco-friendly practices and foster a culture of environmental consciousness across 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 a more sustainable future. Together, we can build a world where environmental sustainability and economic prosperity coexist.



Our vision is to be the leading provider of innovative solutions in the global off highway tire market thus revolutionizing industries and empowering individuals globally.

We strive to revolutionize the way businesses operate, enhancing efficiency, sustainability and profitability. Through innovative technologies, relentless pursuit of excellence and invincible commitment to our customers, we aspire to create a brighter future for all. Our aim is to be a globally recognized leader in our industry, inspiring positive change and transforming lives through innovation, excellence and sustainable practices.

VISION

PRODUCT PORTFOLIO



Our tire product portfolio offers a wide selection of high-quality and reliable tires for various vehicles and applications and are engineered for exceptional traction, durability and safety.

We understand the diverse needs of our customers and curate personalized solutions to provide options that meet different budget ranges, vehicle specifications and performance preferences, ensuring that customers can find the right tire for their specific requirements. We have the widest product range with more than 3,200 SKU's (Stock Keeping Units) and have carved a niche in the specialty

segments like **Agricultural, Mining, Forestry, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications** in both cross ply and radial construction. We invest consistently in R&D to introduce innovative technology and materials, ensuring that our tires provide optimal performance, resilience and value to our clients.

KEY ESG HIGHLIGHTS FOR FY 2022-23

ENVIRONMENT, SOCIAL AND GOVERNANCE HIGHLIGHTS FOR FY 2022-23

Environment

- 35.10% reduction in water intensity*
 - 24.90% reduction in GHG emissions intensity*
 - 27.36% reduction in energy intensity*
 - Reduction of 5,500 plastic jumbo bags (approx. 28 MT)
 - 51.30% reduction in coal intensity*
- (* intensity per rupee of turnover in Lakhs)

Social

- 34% increase in women employees compared to FY 2020-21
- The training hour/employee for employees and workers is 24 and 110 hours respectively
- More than 817,000 hours of training provided to employees and workers
- No cases of Human Rights violation
- 2,878 Lakhs Rs spent on 21 CSR projects
- 100% customer retention
- 100% of new suppliers are assessed based on environment and social criteria

Governance

- Zero cases of Bribery and Corruption
- Zero cases of Anti-Competitive behavior
- Zero data breaches
- 25% of Board gender diversity
- Affiliations with 9 Member associations
- Zero product recall

FROM OUR LEADERSHIP DESK



Mr. Arvind Poddar
Chairman and Managing Director

We are proud to publish our second ESG Sustainability report along with our first BRSR report for FY 2022-23 highlighting human and environmental resources as undeniably the most important elements of our journey, so far and beyond.

The sustainability report for FY 2022-23 highlights our dedication to plan for a sustainable future in line with our corporate objectives. It showcases our dedication to sustainability and progress in environmental, social, and governance objectives, driven by a strong emphasis on sustainability in our business strategy. Our inclusive culture and remarkable success over the past years are testaments of the quality we reinforce as a Company, our workforce, products, and durable stakeholder connections help us establish our brand on a worldwide scale. The adoption of sustainable practices is firmly established as a fundamental value, supported by a well-designed governance system in our company.

Looking back, FY 2022-23 was marked by substantial challenges such as inflationary pressures and escalating interest rates. Despite the global slump that impacted our exports, BKT sustained the momentum with 20% YoY growth and going forward we hold a positive outlook for demand growth in the upcoming quarters with the hope of reduced inflation.

Our smooth sailing can be attributed to BKT's ability to adapt. This ability has allowed us to prioritize and focus on issues that need attention in the face of unpredictable operating conditions. Preserving the business model, ensuring health and safety of employees, maintaining a steady supply of goods, satisfying changing customer needs, and meeting community needs have been at the heart of all our agendas in line with our Mission.

Living our Mission

Our mission of 'Growing Together' has brought us phenomenal levels of success helping us achieve several milestones. We take pleasure in running five cutting-edge tire production facilities that are outfitted with advanced technologies along with a dedicated, fully functional research and development facility. Today, we can continually develop and provide innovative solutions with the help of our people and infrastructure promoting modernizations in all facets of our business. We provide the broadest selection of specialized tires in these industries with a large portfolio that includes more than 3,200 Stock Keeping Units (SKUs). Undoubtedly, effective financial management has played a pivotal role in enabling us to attain our objectives. Noteworthy budget control and management has provided us the means to consistently invest in the holistic expansion and technological advancement of BKT. With a strong grip over our finances and how we intend to make progress with our current business model our collective focus is harmoniously evolving towards non-financial parameters especially achieving overall sustainability.

Fostering Innovation and Operational Efficiency

Viewing from the focal point of the lens providing highly effective mobility solutions while preserving strict safety standards has been on our radar in the past and that stands true for today and the future. Subsequently our commitment to achieve operational excellence will include raising operating



Mr. Rajiv Poddar
Joint Managing Director

capacity, promoting innovation and raising quality standards. We are channelizing our energy in innovations of energy, waste and water management and emissions reduction. An impetus to gradually move towards a low-carbon mobility for both individuals and our products is on the horizon.

Our People

With more than 9,400+ employees and workers, our people have played a critical role in BKT's growth story. They have helped us build our brand, our reputation and our clients. We promote and encourage our BKT mission and values to inspire our people to do more.



OUR EMPLOYEES AND WORKERS

For our people we constantly strive to build a workplace that is safe and inclusive, inculcating values of diversity and equality. Our achievements in the past year and sustained growth over the last three decades owe much to the relentless efforts, dedication, innovation and expertise of our people. We have opened a world of growth, possibilities, connections and importantly built an ecosystem where our employees, customers, suppliers, and communities can thrive together to create opportunities for themselves and us as a Company.

The Environment

Sustainability and environmental leadership are important to us. Significant reductions in the intensity of water use by 35%, GHG emissions at 24% and energy use at 27% were among our major accomplishments in FY 2022-23. We have continued to place a high priority on using resources efficiently following the principles of the circular economy across our business operations.

We actively promote research on business trends that address climate change such as studies of green technologies and sustainable materials. Through recycling and circularity models we seek to manage waste in our value chain and lower GHG emissions.

To stride ahead in our efforts towards the sustainability agenda we have launched the 'Leaf. Our Energy' a sustainability campaign which symbolizes the necessity of sustainability for a bright future.



Conclusion

While concluding we would like to tell you all that the last two years have been exciting as we could headlight and see a brighter future for the Company and the industry. This has happened as our capacity to deal with obstacles has been coinciding with our dedication to achieving client expectations. This has given us the confidence to chart our path in a systematic and sustainable way. With client confidence seen to be unruffled and consumer demand anticipated to be rather solid we expect BKT to not only maintain its position as a key player in the tire industry in India but level-up higher on the ladder of growth. Our commitment towards each of our stakeholders will be non-negotiable, offering them boundless possibilities as we travel beyond the limitations of the present and embrace a fresh trajectory of progress.



REDUCTION IN THE INTENSITY OF WATER USE



REDUCTION IN THE INTENSITY OF THE GHG EMISSIONS



REDUCTION IN THE INTENSITY OF ENERGY USE

IN CONVERSATION WITH OUR STAKEHOLDERS

Conducting stakeholder engagement and effective communication not just streamlines and smoothens business operations it also educates all stakeholders about the vital issues related to various Environmental, Social and Governance (ESG) aspects. It entails identifying, communicating and prioritizing significant concerns, as well as addressing them in a timely manner. We began by identifying key stakeholders which served as a cornerstone for the stakeholder engagement and materiality assessment approach. We engaged with both our internal and external stakeholders and understood their views, concerns, expectations and interests.

Connecting with Stakeholders

We have established organizational-level processes to encourage open and constructive dialogue with our stakeholders regularly. Participating in such dialogues works in two ways, firstly, it improves the stakeholder's understanding of important issues and secondly, it also helps us understand the value of each stakeholder. This two-way communication helps us obtain diverse opinions and apply them to our business.

KEY STAKEHOLDERS



COMMUNITIES/ NGOS



CUSTOMERS



EMPLOYEES AND WORKERS



GOVERNMENT AGENCIES, INDUSTRY ORGANIZATIONS AND EDUCATIONAL INSTITUTIONS



SHAREHOLDERS AND INVESTORS



SUPPLIERS AND VENDORS



“ We believe that long term business sustainability and growth can only be achieved by building strong relationships. Over the years, we have facilitated open and constructive dialogues on ESG aspects with our stakeholders. Through these interactions, we can better comprehend and address their challenges. We can also obtain insight to ensure a sustainable future while strengthening and making our core business model more responsive. ”

STAKEHOLDER GROUP	PURPOSE AND SCOPE OF ENGAGEMENT INCLUDING KEY TOPICS AND CONCERNS RAISED DURING SUCH ENGAGEMENT	CHANNELS OF COMMUNICATION	FREQUENCY OF ENGAGEMENT
Communities / NGOs	We work with non-governmental organizations (NGOs) to carry out CSR projects. We believe that it is critical to build connections with communities and NGOs in order to comprehend their needs and goals and properly align our project ideas.	<ul style="list-style-type: none"> Project Meetings Community interactions with NGOs Grievance mechanisms Print Media Rural relief activities Gram Panchayat meetings 	Need-based engagement
Customers	We are greatly impacted by our customer's feedback, decisions and choices. It is vital to interact with them on a regular basis and learn about their requirements, goals and current trends.	<ul style="list-style-type: none"> Engagement sessions, Meetings and Workshops (Virtual and/or Face-to-face) By Appointment and membership of industry organizations 	Regular engagement
Employees and Workers	They contribute significantly to the development and expansion of a strong and adaptable business. Their collective knowledge and experience are crucial for the business's fundamental functions, product innovation, design and profitability.	<ul style="list-style-type: none"> Face-to-face meetings Engagement sessions Rewards and recognition Team building workshops Learning and Development Grievance redressal mechanism Festivities and Celebrations 	Regular engagement
Government Agencies, Industry Organizations and Educational Institutions	We engage with Government Agencies and Industry Organizations as and when any approval / permission or assistance regarding applicability or clarification of statutes is required or to discuss industry leading policies. To attract talent and resources from diverse background, we engage with educational institutions.	<ul style="list-style-type: none"> Website and portals Industry meets, Seminars Education – Conclaves and Campus Hiring Official/Site visits Events and Sponsorships 	Need-based engagement
Shareholders and Investors	We engage with them to communicate performance of the Company as well as to resolve their grievance, if any.	<ul style="list-style-type: none"> Annual general shareholders meeting Quarterly Financial result declaration Media Release, Investors Call and e-mail In person meetings and telecommunication 	Need-based engagement
Suppliers and Vendors	We engage with our suppliers to ensure quality, business continuity and confirmation on supplier code of conduct.	<ul style="list-style-type: none"> e-mail, phone call and personal visit 	Regular engagement

REORIENTING BUSINESS PRIORITIES THROUGH MATERIALITY

We performed a materiality assessment exercise during the previous reporting period, the details of which are provided in the sustainability report for FY 2021–22.

Since, we are in an initial stage of reporting, we engaged with internal stakeholders viz. senior management and head of the departments to determine the major material topics. We also prioritized material issues based on their relevance to our business by consulting with our senior management.

Our senior management thoroughly evaluated and assessed the materiality assessment results from the perspectives of applicability and relevance. In order to lay a robust foundation and cultivate a positive organizational culture, our management decided to prioritize and focus on the same material topics as last year and the progress so far. Below is the list of our material topics.



ENVIRONMENT

- Materials Management
- Energy and Emissions
- Water Management
- Waste Management



SOCIAL

- Health and Safety
- Employee wellbeing



ECONOMIC

- Product and Technology
- Ethics and Compliance

Materiality Assessment Process

Identification

A comprehensive and elaborate list of material topics is formulated by referring to primary and secondary sources. The primary sources are business performance and strategy, risk management approaches and other internal documentation. The secondary source includes material topics of peer organizations and GRI aspects. 8 material topics were identified in total.

Prioritization

The feedback and responses received from the internal stakeholders were compiled and analyzed. The responses were arranged on a scale of 1 to 5, where 1 denoted least importance and 5 denoted the high importance of the prioritized material topics.

Verification

Top materiality topics were validated by key internal stakeholders and the highest governance body of the organization. i.e. Board of directors.

01

APPLYING GOOD GOVERNANCE

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BOARD COMPOSITION

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.

The board establishes a culture of integrity and ethical behavior throughout the organization. It oversees the implementation of effective compliance programs and monitors ethical conduct. Strong governance helps prevent legal and reputational risks associated with non-compliance or unethical behavior.

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 For more details on the collective knowledge of the highest governance body please refer to the page no. 61 of our annual report for the FY 2022-23.

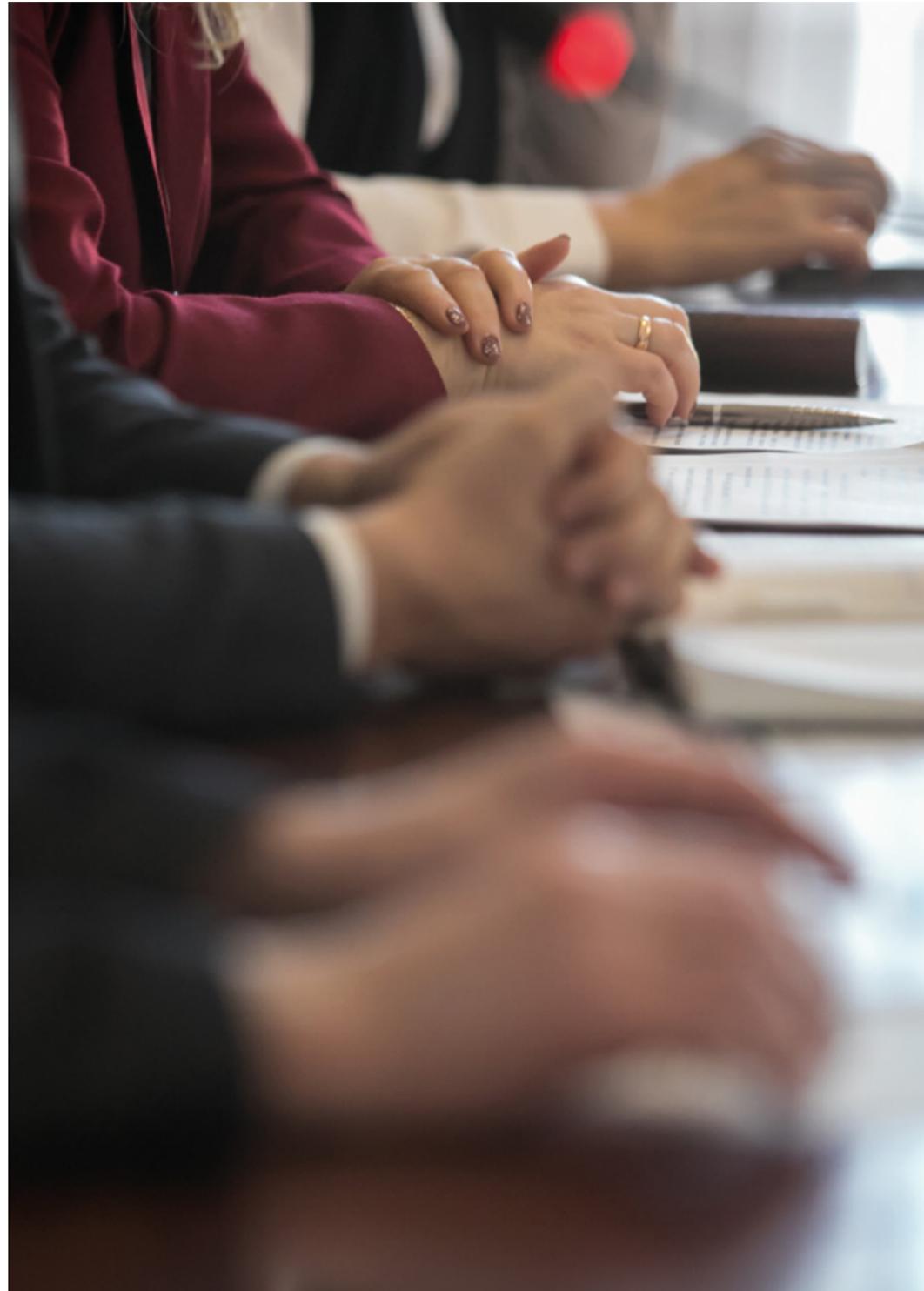


For more details on role of the highest governance body and evaluation of their performance please refer to the page no. 9 and page no 59 onwards of our annual report for the FY 2022-23.

List of Committees and their responsibilities

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:

AUDIT	To supervise the Company's internal controls and financial reporting process.
CSR	To assist 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.
RISK MANAGEMENT	To identify, mitigate and control various risks encountered by the Company with a view to prevent unacceptable losses and to keep such risk at or below pre-determined acceptable levels.
NOMINATION AND REMUNERATION	To formulate the criteria for determining qualifications, positive attributes independence and remuneration of Directors to the Board.
FINANCE	To evaluate financial projections, revenue sources, cost estimates and resource allocation to ensure alignment with strategic objectives.
BUSINESS RESPONSIBILITY AND SUSTAINABILITY	To review matters related to sustainability and its overall governance.
STAKEHOLDER RELATIONSHIP	To deal with all matters related to addressing and resolving the grievances of the stakeholders of the Company.



For details on the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people please refer to the page no. 62 of our annual report for the FY 2022-23.

For details on the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees please refer to Annexure V of the annual report.

Board Diversity

We recognize the significance that a diverse board composition can bring. It weaves together varied perspectives, expertise and skills, enhances governance and risk management, drives innovation and adaptability, ensures stakeholder representation and contributes to the overall company's reputation and public perception. This diversity enhances the board's collective knowledge and enables a more comprehensive and informed decision-making process. Different perspectives contribute to robust discussions and help identify innovative solutions to complex challenges.

Board Diversity at BKT



Board Diversity at BKT by age



The board ratio of basic salary and remuneration of women to men is 0.12:1

(Women Board of directors are non-executive directors and receive only sitting fees)

Membership of associations

Membership of associations offers us with a range of benefits. It gives us the advantage of industry knowledge, networking opportunities, advocacy, resources and overall development. It helps us stay connected, informed and engaged within the industry, contributing to expansion, competitiveness and success.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1	All India Rubber Industries Association (AIRIA)	National
2	Bombay Chamber of Commerce (BCC)	National
3	Chemical and Allied Export Promotion Council of India (CAPEXIL)	National
4	Federation of Indian Export Organization (FIEO)	National
5	Chief Human Resource Officer Forum (CHRO)	National
6	The European Tire and Rim Technical Organization (ETRTO)	International
7	The Tire and Rim Association (T and RA)	International
8	Bhiwadi Manufacturers Association (BMA)	National
9	Chambers of Marathwada Industries and Agriculture (CMIA)	National

BUSINESS ETHICS

Our ethical business practices ensure that tires are manufactured, tested and sold according to industry standards and regulations.

This includes responsible sourcing of raw materials, reducing energy consumption, managing waste and emissions and promoting recycling and sustainable practices. We believe ethics play a critical role in shaping an organization's reputation and building trust among stakeholders. We as a business aspire to continue to demonstrate ethical behavior to enhance our credibility and foster positive perceptions among customers, employees, investors and the wider community.

We strongly feel that consistent ethical behavior can attract customers, talent and investors who value integrity and responsible business practices. We firmly believe that by prioritizing

ethical behavior we will also ensure compliance to all the regulatory and legal requirements at par with the best industry practices.

This reduces the risk of legal disputes, penalties and damage to the company's reputation. Ethical conduct also helps us stay abreast of regulatory changes and adapt to evolving legal frameworks. We did not record any significant instances of non-compliance with laws and regulations for which fines or non-monetary sanctions were incurred in the FY 2022-23.

- 100% of our operations are assessed for ethical practices including bribery, corruption, conflict of interest and anti-competitive conduct and no significant risks were identified during the reporting period
- Zero cases of Bribery involving Board of directors and employees
- Zero cases of Corruption involving Board of directors, employees and business partners
- Zero Cases of Conflict of interest involving Board of directors and employees
- Zero cases of Anti-Competitive conduct and no legal actions pertaining to it are pending or completed.

100%
THE PERCENTAGE OF OUR OPERATIONS ASSESSED FOR ETHICAL PRACTICES

Policy Charter

LIST OF POLICIES

Ethics Transparency and Accountability	This policy outlines our commitment to act ethically at all times and to operate our business in accordance with all relevant government regulations in a transparent, fair and responsible manner and establishing appropriate procedures for reporting any unethical behavior in the workplace.
Cyber Security and Data Privacy	This policy acts as an overarching framework for IT security standards and policies. It functions as a strategic guideline which establishes controls, provides direction, promotes a security-conscious organizational culture and supports efficient incident response and recovery, risk management and the protection of valuable information assets.
Anti-Bribery and Anti-Corruption	This policy affirms upholding of anti-bribery and anti-corruption laws as well as the adherence to ethical norms. It expresses zero tolerance to corruption and bribery and sets the tone for ethical conduct and supports the organization's commitment to responsible and transparent business practices.
Advocacy	This policy supports the collaboration of the company with the government and local communities to foster sustainable growth, provide employment and support civil rights. In a formal and responsible manner, we hope to bring the concerns of our Company and a group of industries to the attention of the appropriate regulatory organizations.
Code of Conduct	Our Code of Conduct describes our organization's expectations for employees' (at all levels of management) behavior towards their coworkers, supervisors, outside parties and the organization as a whole. The policy addresses applicable legal compliances, use of corporate property, commercial transactions, conflicts of interest, harassment, discrimination and disclosure of sensitive information, as well as disciplinary procedures and review of grievance redressal system.
Vigil Mechanism and Whistle Blower	The objective of this policy is to establish a framework and procedure within our company to encourage the reporting of unethical, illegal, or inappropriate activities and to safeguard the individuals who report such information.
Customer Relationship	This policy takes into account the welfare of customers and the community while producing sustainable products using the latest technologies, demonstrating a commitment to product quality without engaging in anti-competitive behavior, displaying the requisite information necessary by applicable laws, informing customers on safe and responsible usage of products.
Environment, Health and Safety	The goal of this policy is to advance workplace health, safety, environmental performance and practices. This policy aids in directing us to reduce hazards to the community and negative effects on the environment that result from activities, as well as during the transport and distribution of goods. We abide by all applicable laws, rules and restrictions outlined in the Environmental Clearance (EC), as well as take any additional measures considered necessary to go beyond compliance.

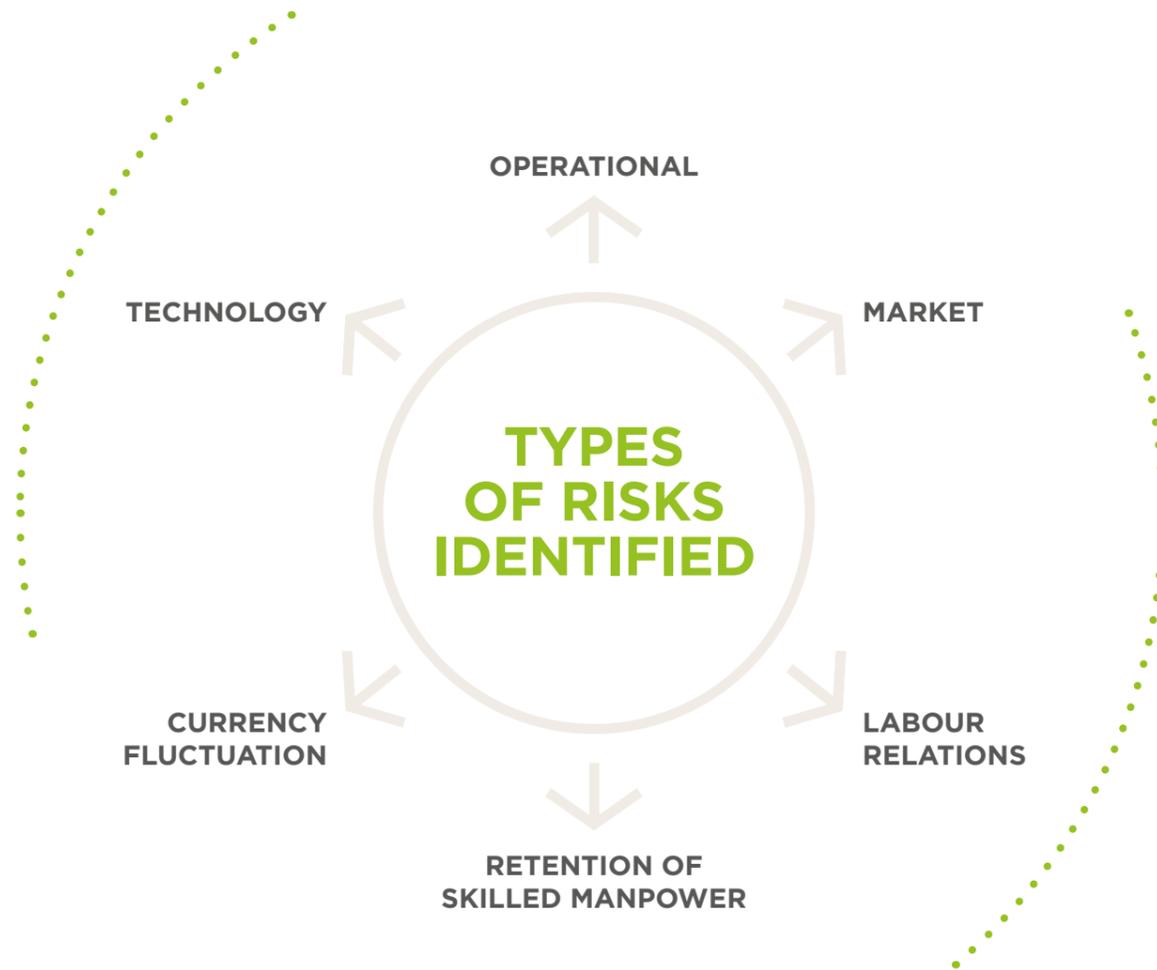
Employee Welfare	This policy encourages employee well-being by offering a workplace that is safe and devoid of any form of discrimination. The guidelines in the policy help everyone in the company or any connected third party to submit information on non-compliant practices in a fair and transparent grievance process.
Inclusive Growth and Equitable Development	This policy reaffirms our commitment to playing a larger role in the communities in which we operate by supporting various initiatives through funding, fund-raising and/or volunteering activities with a primary focus on the areas of education, healthcare and rural development. It also sets measurable goals for our social projects and places an emphasis on strong monitoring and evaluation system in place for our CSR projects.
Nomination and Remuneration	The objective of this policy is to guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel, formulate the criteria for evaluation of performance, recommend to the Board on remuneration payable to the Directors, devise a policy on Board diversity, develop a succession plan for the Board and to regularly review the plan, to implement and monitor policies and processes regarding principles of corporate governance. Please refer to our Nomination and Remuneration Policy for further information on the remuneration process and the process of nomination and selection of the highest governing body and committees, including the criteria used.
Stakeholder Relationship	This policy pertains to identification of key stakeholders, engaging with them with meaningful activities and creating awareness among the stakeholders about conducting business operations in a sustainable manner.
Sustainable Development	This policy is developed in compliance with all applicable laws by local, national and international bodies and incorporating various facets of sustainability in our operational procedures and decisions.
Diversity and Inclusion	This policy serves as an affirmation of our commitment to fostering an inclusive workplace that values diversity. Our organization values and respects all stakeholders, regardless of their age, gender, ethnicity, ability, marital status, philosophy, background, or skills.
Labor and Human Rights	The purpose of this policy is to provide the guiding principles for respecting and safeguarding human rights throughout our activities. Areas covered under this policy includes Equal opportunity and fair treatment, Forced Labor and Human Trafficking, Harassment-Free Workplace, Safe Working Conditions, Child Labor, Freedom of Association and Collective Bargaining, Customers and Community engagement.

RISK MANAGEMENT FRAMEWORK

A strong risk management framework is essential for our industry to ensure safety, mitigate product liability risks, manage supply chain disruptions, address environmental concerns and maintain financial stability.

By implementing a robust framework, we protect our reputation, enhance customer trust, comply with applicable regulations and foster long-term success in a competitive environment. The tire industry relies on complex global supply chains involving various raw materials, manufacturing processes and distribution channels.

Risk management becomes very crucial for us to identify and manage risks associated with supply chain disruptions, such as delays in raw material delivery, transportation issues, natural disasters, or geopolitical events. Our comprehensive risk management process includes the following components.



IDENTIFICATION

It entails identifying and recording possible risks, threats and uncertainties that might have a negative impact on goals or outcomes. The goal of risk identification is to create a comprehensive list of risks to carry out subsequent risk assessment and mitigative actions.



ANALYSIS

It involves assessing, evaluating and quantifying risks to understand their potential impact, likelihood of occurrence and overall significance. It allows us to make informed decisions and prioritize resources to effectively manage and mitigate risks.



PLANNING

It involves assessing, evaluating and quantifying risks to understand their potential impact, likelihood of occurrence and overall significance. It enables us to prioritize resources and make well-informed decisions in order to manage and minimize risks.



MITIGATION

It is the process of putting actions and procedures in place to reduce the effect and/or possibility of risks that have been identified. It requires being proactive in order to reduce the adverse impacts that could result from prospective risks.



MONITORING

It is an ongoing process of tracking, observing and reviewing risks activities within our organization. To ensure that risks are effectively managed and controlled, it encompasses routinely analyzing and updating risk information.

By understanding and mitigating these risks, we can stimulate seamless operations, minimize disruptions and ensure a steady supply of tires to meet the market demand.

IT FRAMEWORK

Cyber security

We have an IT framework that follows a structured approach for aligning IT strategies with business objectives, managing resources efficiently, mitigating risks and ensuring operational excellence. The framework is adopted in line with the industry best practices and provides guidelines for risk identification, assessment and mitigation.

It involves protecting sensitive and confidential information from unauthorized access, theft, or disclosure that includes customer data, financial records, intellectual property and other valuable information. By implementing robust cybersecurity measures, we aim to safeguard the data and maintain the trust of own customers and value chain partners.

We understand that cybersecurity is crucial for protecting sensitive information, preventing data breaches, ensuring business continuity, safeguarding online transactions, complying with legal requirements, protecting reputational assets and defending against evolving cyber threats. Hence, we take necessary measures to invest substantially in cybersecurity measures as it is an essential aspect of risk management and will help us maintain a secure and resilient digital environment.

WE HAD **ZERO**

NUMBER OF INSTANCES OF DATA BREACHES INVOLVING PERSONALLY IDENTIFIABLE INFORMATION OF CUSTOMERS IN THE FY 2022-23

Digitalization and Innovation

The global breakthroughs and industrial environment of the future will be defined by the digital era. Digital transformation puts technology at the core of business strategy. We feel that we may benefit greatly from the surge in digitalization of the manufacturing process in terms of improved production, cost savings and efficiency. It aids in the development of new product lines and production cycles and with the replacement of manual procedures with automated ones.

We have implemented various digital initiatives in the FY 2022-23 as follows:

- Human Resource**
 With the introduction of a digital audit log and a digital onboarding workflow in Jira, we began the paperless onboarding process for new hires. We are in process of establishing a common repository for job descriptions in collaboration with the HR team.
- Ayushman BKT**
 We launched a portal for our employees' well-being that collects information for the group insurance policy and enables them to schedule their own health checks as provided by the company. It communicates the assimilated information to the hospital in a systematic manner, tracks which employees have completed the check-ups and provides reports to the HR to view the status of various departments in a centralized manner.
- Digital Manufacturing operations**
 We launched this application to streamline and run the complete production process paperless. The system enables the production team to punch production data at the machine or nearby and the data is immediately available for planning and other operations.

Innovation serves as the basic idea guiding our product development strategy inside our Research and Development (R&D) department. We place a high priority on customer-centric strategies in our research operations. They are governed by a long-term vision and strategic planning. We embrace open innovation practices and work collaboratively with reputed technological institutes to promote continued development and advancement. We give top priority to developing new skills, using digital technologies and improving our infrastructure. In keeping with our dedication to environmental responsibility, we consistently aim to innovate in the design and development of our tires in an effort to achieve carbon neutrality.



The industry's transformation has had a substantial influence on our company in terms of impacting various aspects of production, quality, efficiency, workforce dynamics and sustainability.

SOME OF OUR INNOVATION INITIATIVES ASSOCIATED WITH THIS CONCEPT IS AS FOLLOWS.



ROBOTIC SYSTEM FOR TIRE SPRAYING



The green tire is treated from the inside and outside in the sidewall region by an auto painting system after the tire's component parts have been assembled. Robotic arms are used to pick up tires and interior and exterior painting is done in accordance with predetermined formulas.

This device applies consistent paint layers in the appropriate locations. Earlier, this procedure was manual using water-based paint which is now replaced by robotics and is fully automated.

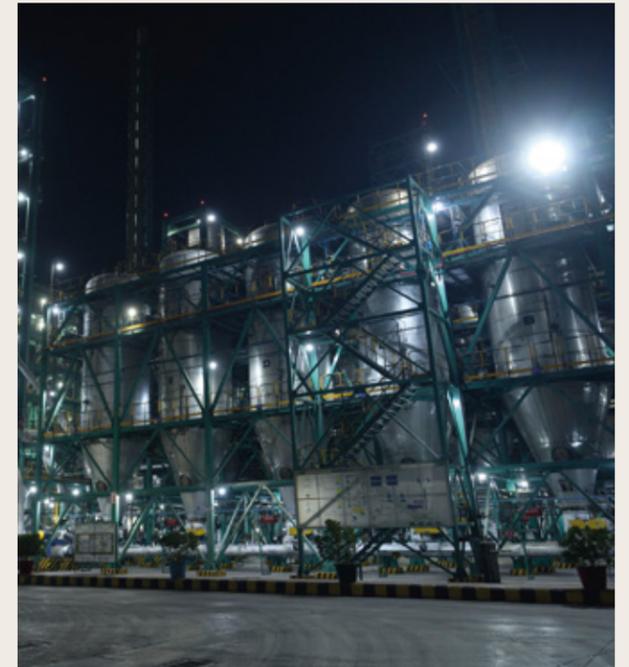


AUTOMATED STORAGE AND RETRIEVAL SYSTEM (ASRS)



We have an automated storage retrieval system for raw materials and finished goods in one of our plants that enables us to store material in a 1/3rd of the space that was traditionally required.

This is achieved by using vertical space and dense two-deep position arrangements per rack rising 90 feet high. The ASRS also ensures 100% FIFO compliance without exception and makes certain that until the lab has tested and qualified the raw material sample, it is not issued to the shop floor for production thus maintaining higher quality control. The entire operation is automated and requires minimal manual intervention. This has also reduced material handling machine movement to large extent resulting into reduced energy consumption.



CARBON BLACK CONVEYING SYSTEM



We presently produce and store various grades of carbon black in multiple storage silos. Instead of using traditional bulk bag containers, we use mobile silos to transfer the carbon black to the several mixing areas. Silos are positioned on ground level so that there is no spillage of carbon black, which is an environmentally safe procedure. By means of this sophisticated conveying system, **we are able to save the usage of 5,500 jumbo plastic bags without any dust in the ambient.** The pneumatic conveying system has **reduced the energy needed to transfer the product by large extent.**

Carbon Black Manufacturing Process

The flue gas obtained during decomposition process during the carbon black production process, is conveyed to our cogeneration plant. This enabled us to replace coal by using this flue gas. In line with our overall sustainability goals, the Carbon Black projects helps us save substantial CO₂ emissions in our Bhuj plant. Today, we are self-sufficient in carbon black as a raw material.



ECONOMIC PERFORMANCE

Driving sustainable economic development, raising living standards and creating general economic success requires effective finance allocation procedures and practices.

We monitor the effective and efficient use of financial resources as well as maintaining an ideal capital structure and regulate them by modifying investment choices, sectoral development,

innovation, entrepreneurship, financial stability and effective resource allocation, which has a considerable impact on economic performance.

The total Export Incentive of INR 7,067 Lakhs Rs. received by the organization during the FY 2022-23*

All below figures are in rupees in lakhs except explicitly mentioned otherwise.

DIRECT ECONOMIC VALUE GENERATED (A)

Revenues from operations	981,052
Other Income	33,779
TOTAL	1,014,831

ECONOMIC VALUE RETAINED (A-B)

Direct Economic Value Generated (A)	1,014,831
Economic Value Distributed (B)	771,746
TOTAL	243,085

ECONOMIC VALUE DISTRIBUTED (B)

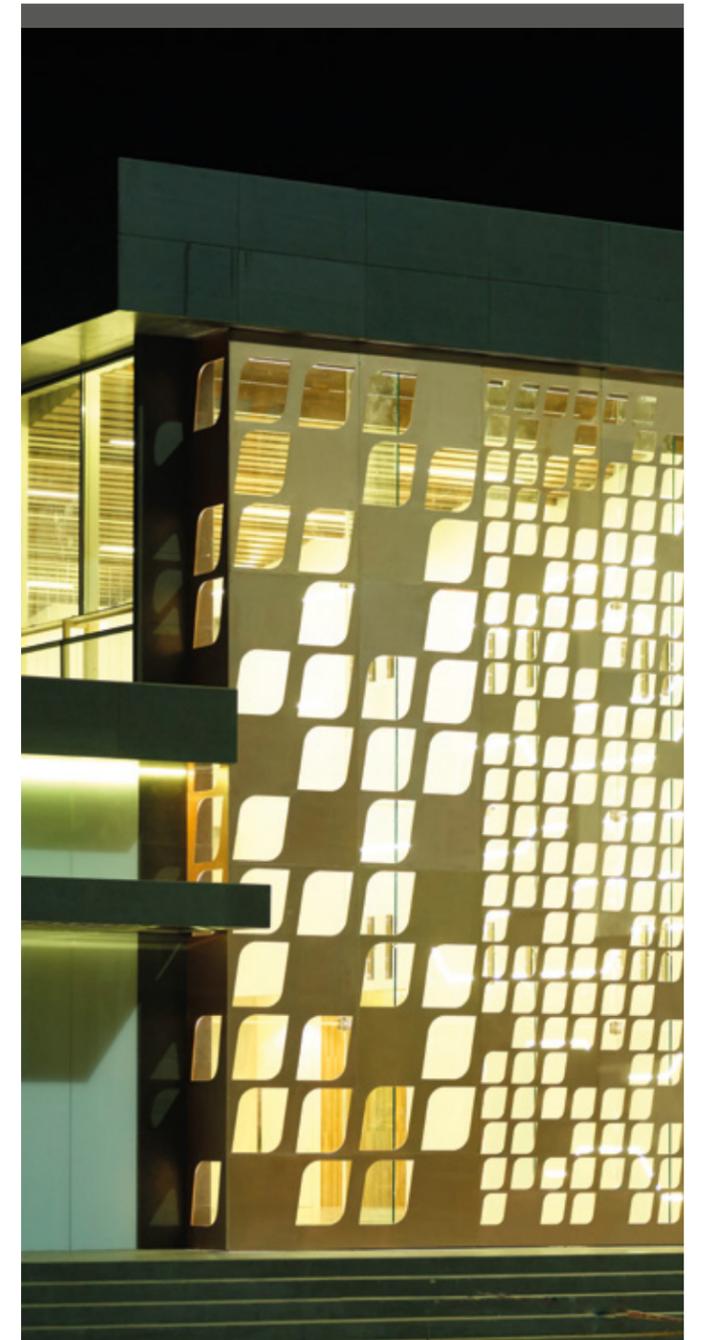
Operating Costs	655,734
Employee Benefits	40,416
Payment providers of capital	35,473
Payment to governments	37,245
Community investments	2,878
TOTAL	771,746

* Government is not present in the shareholder structure.

Tax Strategy

In order to uphold our credibility as a responsible taxpayer, we are dedicated to act ethically with respect to all our tax affairs and consistently adhere to all the tax laws. The tax incentives and exemptions that apply to us and that we may take benefit of complying with applicable regulatory requirements. Our internal tax team comprising of our Head of Finance and Head of Accounts are entrusted with overseeing the administration of the tax strategy including specific concerns from the stakeholders.

Our board of directors reviews the tax-related policies, strategies, filings and provisions on a regular basis. Based on the Company's development goals, company operating plans and changes in regulatory standards, we are evaluating the tax strategy for the short- and long-term and tax policy to optimize our tax position. More investment can be done in research and development and resources can be allocated to areas that foster growth and innovation while minimizing the risk of non-compliances, related penalties and fines.



1,014,831

LAKHS RS. DIRECT ECONOMIC VALUE GENERATED DURING THE FY 2022-23

02

PRESERVING OUR PLANET: EXPLORING SUSTAINABLE SOLUTIONS

Energy Performance	46
Emissions Management	56
Water Stewardship	60
Waste Management	70
Biodiversity and Land-use	75

We are dedicated on improving the working environment and building a sustainable future. To achieve this, we continuously work to improve our ESG performance.

We strive to include sustainable practices across our value chain, using the industry's best practices in our production facilities to reduce GHG emissions as much as feasible. In order to steadily reduce our emissions and outperform environmental and social parameters, we are dedicated to measuring, monitoring and assessing our performance on these parameters.

With strategic planning and persistent efforts, we aim to effectively decrease our dependency on natural resources. We also aggressively encourage the use of Environmental Management Systems (EMS) in our business and majority of our plants are ISO 14001:2015 certified.

We place a high priority on the effective use, recycling and reuse of resources while preserving product quality and minimizing adverse environmental impacts. This includes waste management and water conservation. In addition to adhering to the concepts of reuse, recycling and reduction, we are extensively carrying out R&D on alternative materials.

With the goal of encouraging the reuse and recycling of resources wherever feasible, we are gradually introducing circularity in our business operations. In addition, one of our production facilities have integrated Zero Liquid Discharge (ZLD) system and other production facilities are moving towards ZLD.

BKT intends to apply for an ESG (Environmental, Social and Governance) rating on a global platform in the coming year, which will help us assess and enhance our entire sustainability performance across the value chain.

**KEY HIGHLIGHTS
(BASED ON TURNOVER)**



35.1%

REDUCTION OF THE WATER INTENSITY



24.91%

REDUCTION OF THE GHG EMISSION INTENSITY



27.36%

REDUCTION OF THE ENERGY INTENSITY



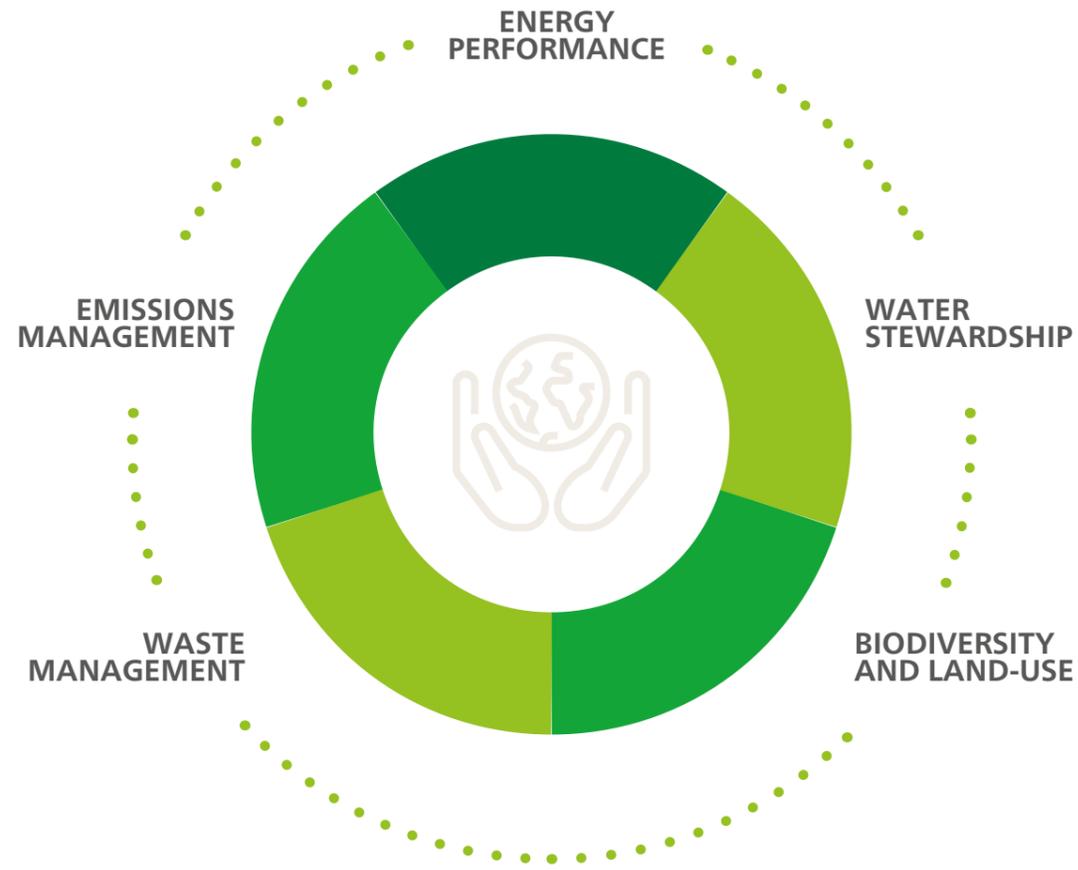
51.3%

REDUCTION IN THE COAL CONSUMPTION INTENSITY



Our commitment to produce tires while minimizing environmental impact aligns with our Environmental, Health and Safety Policy. As a responsible manufacturer, we prioritize on legal compliance, environment sustainability and a culture of consciousness towards the planet. Together, we focus on protecting nature, reducing waste and the responsible use of water to build a sustainable co-existent ecosystem.

Key Focus Areas



Energy Performance

Energy conservation and the use of renewable energy sources is given top priority. We have developed an Energy Policy which stands as a backbone for all plant level operations. To guarantee maximum energy efficiency across our operations, we continuously evaluate our energy management systems, including consumption, generation sources and efficiency programs.

Water Stewardship

Water is prioritized by BKT as a common and valued resource. We are committed to using water resources wisely and managing water resources efficiently. This is done through responsible practices including extraction, consumption, recycling and legally discharging wastewater. We also regularly examine our water footprint and put conservation measures in place as part of our commitment.

Biodiversity and Land-use

BKT is committed to fostering the restoration of the local biodiversity and natural landscape. Our aim is to nurture the preservation and restoration of natural habitats, promote the health of regional biodiversity and create a harmonious environment that supports

and strengthens the ecological balance. For this, we are implementing eco-restoration projects and carrying out tree-planting operations in and around our plant premises.

Emissions Management

BKT is aware of how climate change may affect the industry, society and the environment. As a responsible business, we are committed to putting in place policies and programs to lessen the effects of climate change. This involves adhering strictly to applicable legal requirements for regulating and monitoring air pollutants (such as SOx, NOx and suspended particulate matter). Regarding the usage of fossil fuels, we rigorously abide by the regulatory directives issued by the national and state pollution control boards.

Waste Management

BKT is dedicated to deploying good waste management practices across the value chain. To minimize our waste generation, we promote the 4R principles: Reduce, Reuse, Recycle and Recover in our production facilities. Our waste management plan complies with all the applicable regulations and norms set out by the relevant government authorities.

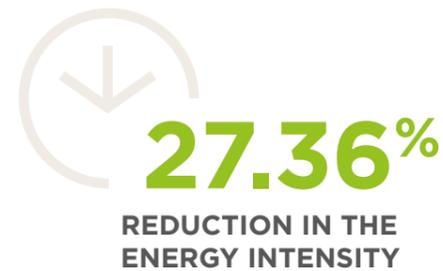


ENERGY PERFORMANCE

Our organization is committed to creating a more sustainable future for the coming generations. As a result, we actively promote conservation and environmental stewardship and have put in place policies and programs to support this effort.

WE ARE DEDICATED TO LOWERING OUR CARBON FOOTPRINT AND STRIVE TO IMPLEMENT SUSTAINABLE PRACTICES, SUCH AS ENERGY CONSERVATION AND THE PROMOTION OF RENEWABLE ENERGY ACROSS OUR OPERATIONS. IN ORDER TO FOSTER A SENSE OF SHARED ENVIRONMENTAL RESPONSIBILITY, OUR VALUE CHAIN PARTNERS ARE ENCOURAGED TO PROMOTE ENVIRONMENTAL STEWARDSHIP.

As a moment of pride, we have achieved a reduction of 27.36% of energy intensity. We have also begun investigating various mechanisms to optimize our energy consumption and identified 4 focus areas to support our goal for achieving sustainability.



Carbon Black Plant - Offsetting carbon intensive fuels

We have greatly decreased our dependency on coal in our production process as part of our effort to achieve environmental sustainability. Our new approach involves the utilization of flue gas, a byproduct generated during the carbon black manufacturing process. This flue gas serves as a viable substitute for coal in our boilers, enabling us to generate steam for various purposes. Not only does it power our turbines for electricity generation, but it also facilitates the vulcanization of our tires.

Additionally, through the use of waste heat recovery boilers, the heat produced by our reactors is effectively captured. The steam created from this heat is then used to pre-heat the Carbon Black Feed Stock Oil (CBFS) before it enters the reactors. Our carbon black plant produces a final product without any waste or scrap, as every component is usable in different grades of the product. Even the polythene packs used for packing and transportation are sold to authorized resellers, ensuring minimal waste generation.

Carbon black plant's initiatives:

- Control wiring interlock being established with the compressor cooling fan. This enabled the draft fan to operate in parallel.
- Additionally, Line 3's Silo-P and Silo-Q screw conveyors' control wiring underwent changes. Due to these adjustments, the packaging machine, RAV (Reactive Absorption Vessel) and conveyors could all work simultaneously.
- High-Pressure Sodium Vapor (HPSV) lamps were swapped out with Light-Emitting Diode (LED) lights in the high mast lighting system at the Water Treatment Plant (WTP).
- Rotary Airlock Valve (RAV), the packaging machine and the gyro screen with the help of a customized control wire panel could function concurrently.
- The rejection silo gyro screen control wire in the Carbon Black facility was also modified to enable parallel operation.
- Installation of Variable Frequency Drive (VFD) which was installed in the Line 3 vapor fan.



Tire plant's initiatives:

Key Initiatives

- Implementing a networked interconnection for York 555 TR chiller pipelines to effectively minimize chiller load.
- Successful installation of a plate heat exchanger in the Marangoni RO system resulted in the elimination of chilled water mix-up.
- With the help of an inverted bucket type trap replacing the Ball float trap has enabled a reduced bypass of steam to condensate line, thus reducing steam consumption in curing presses for the manufacturing processes.
- Power savings were achieved with the elimination of 9 nos. of 2.20 kW and 1 no. of 5.50 kW DCC1&2 basement exhaust fans by redirecting HBD flash steam vent to the atmosphere.
- Upgrading the TCU make-up pump at TBM by replacing the existing 7.50 kW pump with a more efficient 1.50 kW pump.



BKT plants have received the valuable 'Energy Conservation Award' by State and Central Government.

Energy efficiency

Our endeavor is to maximize the optimization of energy use by introducing energy-efficient technologies. We have a cross-functional energy team carrying out meticulous monitoring of our performance for the implementation of our projects to increase energy efficiency.

Key Initiatives

- Enhanced energy efficiency by installing EC fans in AHU, leading to a substantial reduction in power consumption.
- Conventional centrifugal pumps were replaced with energy efficient pumps.
- Optimized power usage by replacing standard fans with energy-efficient EC fans in all 15 air washers.

15

AIR WASHERS



Fuel efficiency

We are aiming to reduce our dependence on fossil fuels and encourage the usage of alternative fuels to achieve and enhance operational efficiency.

Key Initiatives

- An additional hot water recovery tank was installed which has almost eliminated overflow of hot water in the hot water recovery system.
- Ceramic blanket and LRB insulation used in place of LRB insulation to reduce the radiation loss. Total 9,225 sq. meter of insulation completed.

9,225
TOTAL SQ. METER INSULATION
COMPLETED

Renewable Energy

With renewables currently accounting for 4.89% of total power usage and over FY 2021-22, a significant increase in absolute renewable energy consumption of 2.74% showcases our progress in integrating renewable energy sources.

Currently, 5 MW wind turbines have been installed as well as 1 MW solar power plants in two of our plants as part of our portfolio of renewable energy sources. Furthermore, to strengthen our exploration of alternate energy sources, we have consumed 737 GJ of energy generated through biogas resulting to 40 t CO₂e of biogenic emissions.

We are committed to using sustainable energy sources and we have plans to strengthen that commitment in the future. In order to progress towards our 'Green energy' goals and increase our capacity for renewable energy, we are in the process of building solar power systems at our other plants.

Innovations

BKT emphasizes on utilizing strategic initiatives to continually enhance our business performance consistently by application of innovation and upgradation of strategies. We recognize how critical it is to update and modernize our procedures to stay ahead of the competition and achieve sustained success.

Key Initiatives

- Enhanced energy efficiency by substituting the super-giant OTR cold water KSB pump with a more optimized Grundfos pump.
- Isolated the server room split AC from the VRF AC circuit in the admin building, leading to reduced power consumption during nighttime when VRF AC remains idle.
- Enhanced cooling efficiency in the Agri plant by installing a two-stage air washer, reducing room temperature by 8 degrees Celsius from the current 3 degrees Celsius below ambient.
- The air washer blower unit's motor was replaced with the electronically commuted fan.
- Another initiative in order to reduce the energy consumption was observed by providing VFD and synchronized mill speed with cooling conveyors resulting in energy saving and improvement of compound quality.
- Implemented a Variable Frequency Drive (VFD) operated compressor to achieve notable energy consumption reduction.

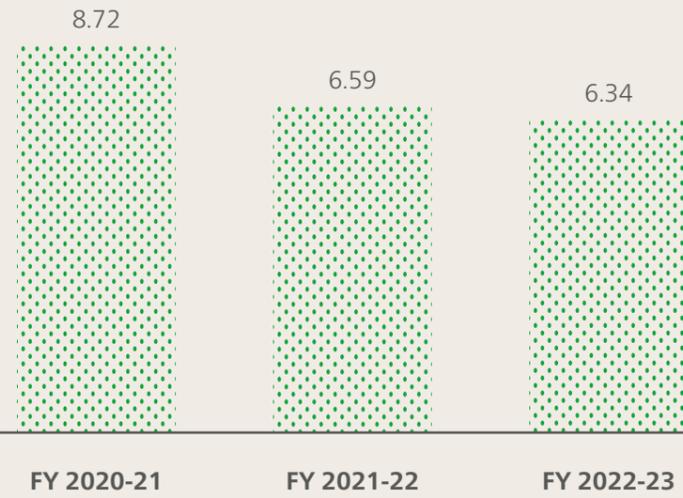
8

DEGREES CELSIUS REDUCTION FROM THE CURRENT 3 DEGREES CELSIUS BELOW AMBIENT



Energy Consumption

Energy Intensity (GJ/Turnover in Rupees in Lakhs)



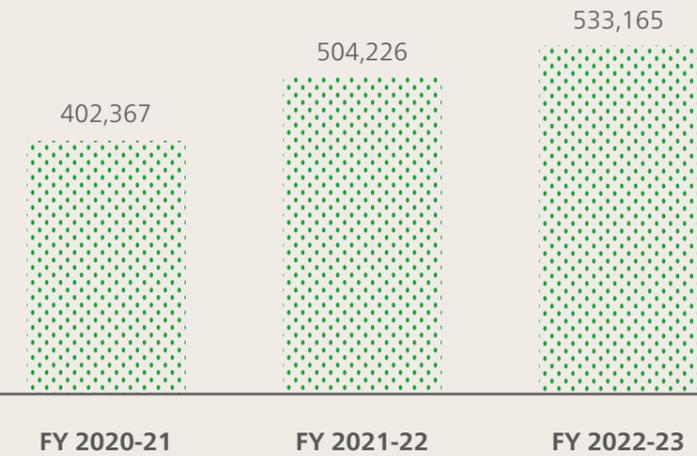
Absolute Energy Consumption* (in GJ)



Renewable Electricity (in GJ)



Grid Electricity (in GJ)



Fuel Consumption (in GJ)



*(Calculation methodology and emission factors derived as per IPCC Guidelines).

EMISSIONS MANAGEMENT

In accordance with the global objectives of minimizing carbon footprint and addressing climate change risks, our emissions management strategy actively contributes towards achieving these shared goals.

STREAMLINING OUR PROCESSES TO REDUCE GREENHOUSE GAS (GHG) EMISSIONS FORMS AN INTEGRAL PART OF OUR COMMITMENT TOWARDS ENVIRONMENTAL STEWARDSHIP.

GHG Emissions and Climate Change

The global evidence of climate change and its effects is now evident and businesses need to adapt their business models to a low-carbon economy to combat climate change and contribute to the reduction of greenhouse emissions. Since GHGs directly contribute towards climate change, reducing direct and indirect GHG emissions has earned top priority for us. To lessen our GHG footprint, we are making investments in low-carbon technologies and circular solutions.

By extending our GHG measures to our other operational locations, such as our corporate headquarters and production facilities, we are broadening the scope of inventorization. The rationale used for choosing the base year is directly linked with the inception of our internal sustainability report in FY 2020-21 and an operational control approach is taken for consolidation. All our plants are actively implementing various projects aimed at reducing greenhouse gas emissions. We closely monitor the production processes and utilization of green energy, ensuring the diligent implementation of emission reduction programs.

In Bhuj, we are extensively harnessing solar electricity generated by a solar plant. Consecutively at Bhiwadi,



we generate renewable energy through a wind power plant with a capacity of 5 MW. In Bhiwadi and Chopanki plants, we are achieving energy conservation through the use of energy-efficient motors, heat recovery from boiler flue gas and reduced gas boiler fuel consumption. We have also replaced centrifugal air blowers with EC+ type air blowers in air washers and upgraded fluorescent fittings to LED fittings.

Near our largest facility in Bhuj, we have created a green belt spanning an area of nearly 4 lakh square meters. This expansion of our greening project involves planting trees, bushes and grass in and around the Bhuj plant. Our ecosystem has provided a sanctuary for many endangered species, with a total of 57,895 trees within the Bhuj plant area and 43,059 trees outside the premises. Our diverse plant projects and green technology solutions effectively decrease GHG emissions, leading to a reduction in our overall carbon footprint. As a long-term goal to strengthen our commitment to environmental sustainability we intend to switch the boilers at our Waluj and Bhuj facilities from a coal-fired system to a gas-fired system to reduce air emissions.



5MW
RENEWABLE ENERGY GENERATED THROUGH A WIND POWER PLANT

4 LAKH M²
GREEN BELT AREA

57,895
TREES WITHIN THE BHUJ PLANT AREA

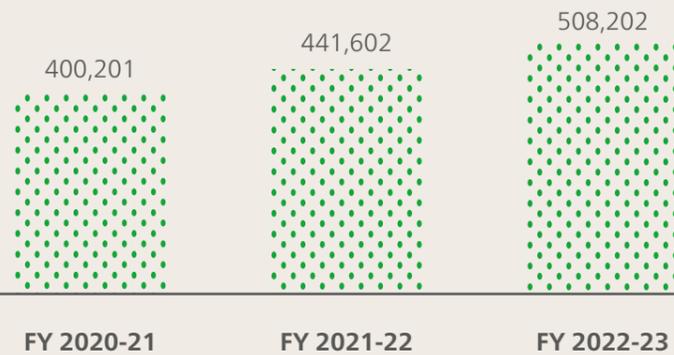
43,059
TREES OUTSIDE THE PREMISES OF BHUJ PLANT AREA

Emissions Management

Scope 1 and Scope 2 Intensity (tCO₂e/Turnover in Rupees in Lakhs)



Scope 1 Emissions* (tCO₂e)

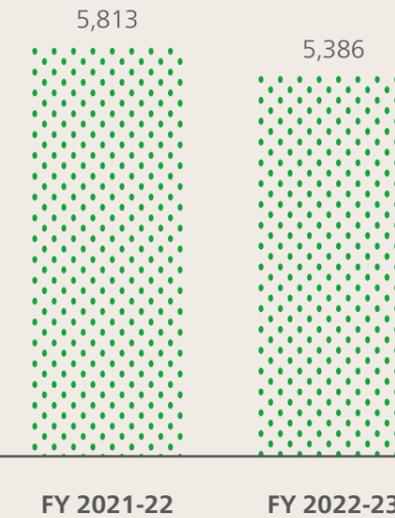


Scope 2 Emissions* (tCO₂e)



*(Calculation methodology and emission factors derived as per GHG Inventory Guidance and IPCC Guidelines).

Emissions from Refrigerants* in kg CO₂e**



*(The substances included in the refrigerant calculations are R-410 A, R-32, R-134 A, R-22, R-407 A, R-404)
 **(Calculation methodology and conversion factors are derived as per IPCC AR 4 and AR 5)

Air Emissions:

For the purpose of detecting and monitoring our ambient air pollutants we have put in place a Continuous Emissions Monitoring System (CEMS) in two of our plants. Beyond complying with legal regulations, we diligently work to keep these emissions under prescribed limits. By prioritizing environmental stewardship, we ensure strict compliance by actively pursuing emission reduction measures.

Parameter (in mg/nm ³)	FY 2022-23	FY 2021-22
NOx	61.64	52.90 (R*)
SOx	112.39	91.52 (R*)
Particulate matter (PM)	41.20	31.48

Note: All our ambient air emissions are well within prescribed limits.

* NABL certified external party measure the SOx emissions as per IS 11255 (P-2) 1985 reaffirm 2019, NOx emissions as per IS 11255(P-7) 2005 and reaffirm 2017, PM as per IS 11255 (P-1) 1985 reaffirm 2019.

WATER STEWARDSHIP

In the areas around our operational limits, we are dedicated to improving water accessibility and minimizing our water footprint. We recognize excessive usage of water resources will result in the lesser availability of freshwater in the upcoming years.

WE FREQUENTLY MEASURE AND TRACK THE QUANTITY OF WATER USED AND WE EMPLOY WATER-ABATEMENT STRATEGIES TO REDUCE IMPACT ON WATER BODIES. OUR USAGE OF FRESHWATER IS MINIMAL AS WE PREFERABLY USE RECYCLED WATER FOR OUR PLANT-RELATED ACTIVITIES.

BKT has taken several initiatives to reduce its water usage as it is recognized as a valuable resource for responsible management. We actively participate in projects to further optimize water use, including the use of treated wastewater, rainwater harvesting, measuring water use intensity and conducting training and awareness programs.

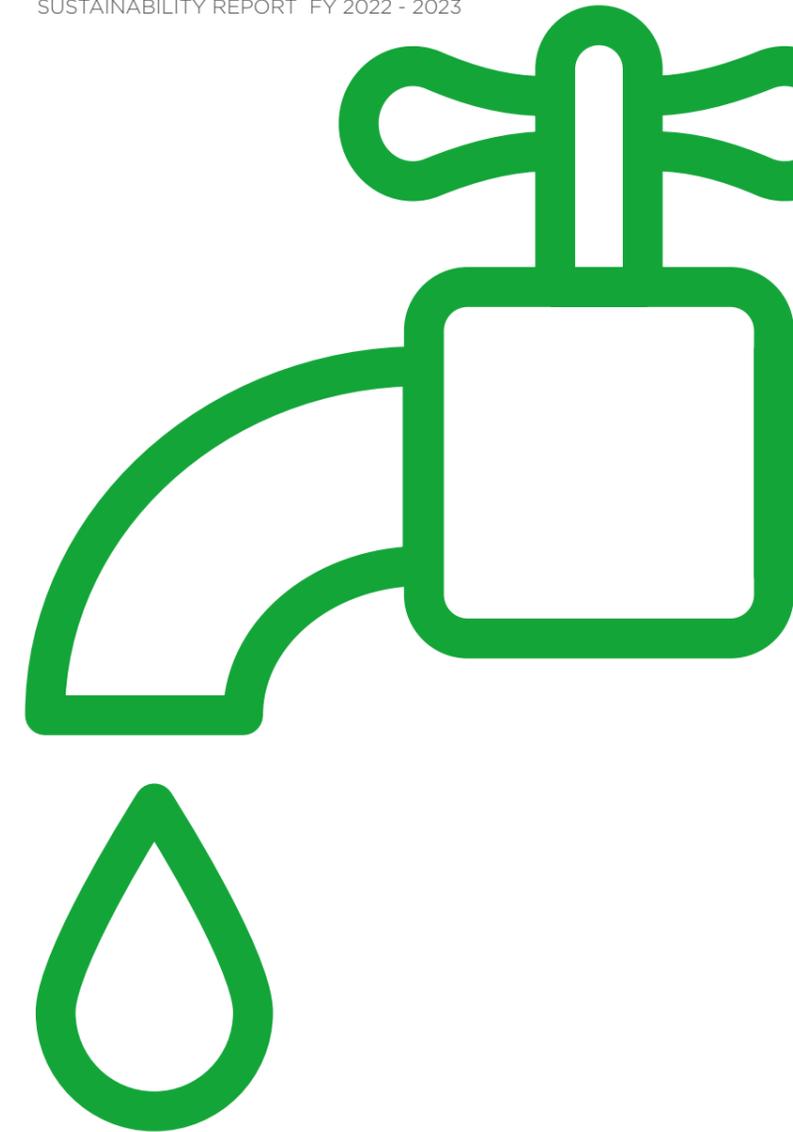
To reduce wastage of water, we perform routine maintenance of our water distribution system. Following the treatment, water is recycled for a variety of uses, at Sewage Treatment Plant (STP) the treated water is used in cleaning and gardening and with Effluent Treatment Plant (ETP) the treated water is used in cooling towers and boilers. At our operations, we do not discharge any effluent water outside the plant boundary. Also, our water storage capacity has not changed compared to FY 2021-22.

Sustainable Water Consumption

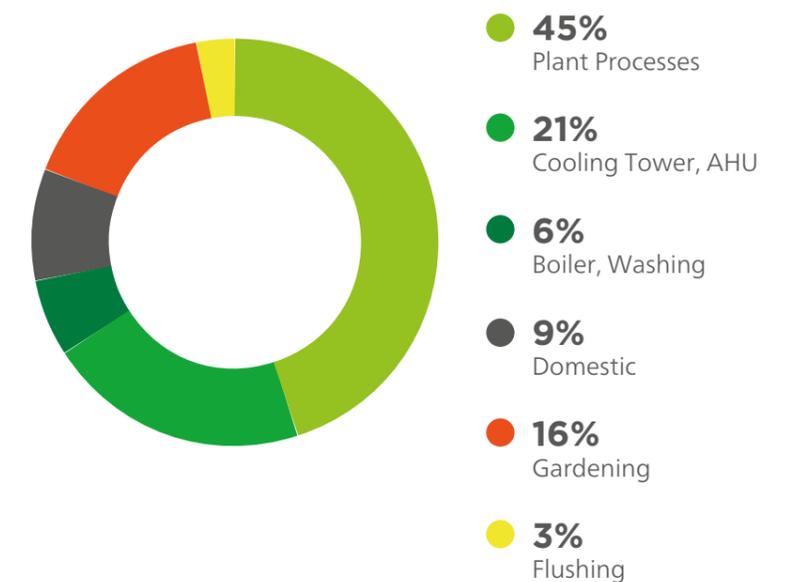
The industry process area is the plant's biggest water user, utilizing around 45.50% of all the total water used. For general process operations, safety showers and floor cleaning, this section depends on the usage of raw water and recycled water. About 5.90% of the total water usage is designated for boiler and washing needs. RO water and raw water are two of the types of water utilized, particularly for the generation of boiler feed water and related cleaning tasks. Approximately 20.80% of the water is used for cooling tower and AHU uses, which are essential to plant operations.

To ensure that the cooling systems and AHUs operate well, RO water is the preferable type of water. Water usage in the domestic sector makes up around 8.80% of the overall demand. Through the usage of RO systems, processed water is used for providing drinking water and bathroom facilities throughout the plant area. A sizeable portion of water resources—roughly 16% of total consumption is needed for gardening activities. To maintain and care for plantation areas, STP treated water is used, adding to the plant's green cover.

About 3% is used for flushing needs. At the Corporate office the wastewater is sent to the local administrative body for consequent treatment.



Source of Water Consumption



Water Circularity

The total volume of wastewater produced is treated and used in cleaning, gardening, cooling towers and household usage in and around the plant premises.

We collect and maintain our water related data annually from all the operations. Around 75.58% of this amount is attributable to process rejects from various processes, while the remaining 24.42% comes from domestic demands. All wastewater is discharged into the ETP and STP for treatment, including wastewater from utilities and operations. A Zero Liquid Discharge (ZLD) system is used to further process the ETP treated water before it is utilized in industrial applications. The STP treated water, on the other hand, is majorly used for gardening purposes.

Plant-wise ETP and STP capacities is given in the table below:

Plant	ETP Capacity	STP Capacity
Bhuj	2,610 KLD	850 KLD
Waluj	365 KLD	95 KLD
Chopanki	240 KLD	80 KLD
Bhiwadi	150 KLD	135 KLD

100%

ALL WASTEWATER IS DISCHARGED INTO THE ETP AND STP FOR TREATMENT, INCLUDING WASTEWATER FROM UTILITIES AND OPERATION



Future of Water Conservation

Rainwater harvesting is a beneficial practice that aids in the reduction of storm-water runoff volume and velocity.

The plant successfully stops rainwater runoff from flowing quickly via storm water drains by integrating rainwater harvesting systems and instead collects and utilizes it. Recharge pits, percolation pits and porous trenches are built to properly manage storm water, allowing the storm water to percolate into the soil. This helps with storm-water management in addition to reducing wasteful runoff.

We have installed a roof-top and road-paved area rainwater collecting equipment in order to effectively collect rainfall. These systems gather runoff from the plant grounds and channel it into a specific rainwater collection pond. We have put in place rainwater collection systems for the open spaces, greenbelt areas and paved roads as well.



Key Initiatives

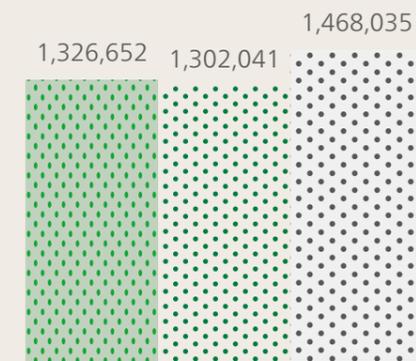
- Eliminated Hot Blowdown (HBD) tank water overflow by interconnecting HBD.
- Enhanced Curing Hydraulic system efficiency by incorporating a side stream filter.
- Enhanced operational efficiency by installing an auto make-up system in the canteen's three tanks.
- Implemented STP treated water for efficient solar panel cleaning, gardening, and provided potable water in office space.
- Electric heater 9x2 kW installed in AHU in place of condensate water.
- The higher water consumption at the cooling tower was mitigated by providing one Stainless Steel (SS) filter and excess Hot Blowdown (HBD) water filtration. This resulted in the reduction of water consumption.
- Optimize cooling tower performance by incorporating HBD water after side stream filtration in the Giant OTR system.
- Solid plant condensate water is re used in chiller cooling tower.
- Installed side stream filter in CT 500 CMH to minimize blowdown and enhance system efficiency.
- The usage of ETP and STP treated water in production processes and civil activities along with the reduction of blow down water of the gas boilers.

BKT-Bhuj was awarded the 'National Water Excellence Management Award' by the Confederation of Indian Industries (CII).



Water Consumption (In m³)

- FY 2020-21 (R*)
- FY 2021-22 (R*)
- FY 2022-23



Water Consumption

Water Intensity m³/Turnover in Rupees in Lakhs



FY 2020-21 (R*) FY 2021-22 (R*) FY 2022-23

Water Withdrawal in Water Stress Area (in m³)	FY 2020-21	FY 2021-22	FY 2022-23
Surface water	872,060	823,234	1,033,620
Groundwater	353,311	407,358	337,072
Third party water	93,004	44,670	91,532
Rainwater, Packaged Drinking Water	4,340	22,785	1,735

Water Withdrawal by Source (in m³)	FY 2020-21 (R*)	FY 2021-22 (R*)	FY 2022-23
Surface water	872,060	823,234	1,033,620
Groundwater	353,311	407,358	337,072
Third party water	96,874	48,546	95,429
Rainwater, Packaged Drinking Water	4,407	22,903	1,914

Water Discharge to Local Municipal Body (in m³)



Rainwater Harvesting Pond

WASTE MANAGEMENT

We are making progress in how we manage our generated waste in a sustainable manner. This is being done by putting into place methods and practices for monitoring our hazardous and non-hazardous waste.

Our guiding principle is to ensure that no desegregated waste leaves our premises, reflecting our commitment to responsible waste management throughout our value chain. We systematically evaluate all aspects of our operations and implement strategies to mitigate risks associated with waste.

We have implemented a waste management system that involves the identification and categorization of waste into two streams: hazardous and non-hazardous waste. Separate storage areas have been designated for each type of waste. Hazardous waste is managed in compliance with regulatory laws and we maintain detailed records. We employ State Pollution Control Board (SPCB) registered trucks for the safe handling and disposal of hazardous waste. For non-hazardous waste, we collaborate with authorized vendors who ensure proper disposal. During the transit stage, we employ a practice which involves transporting our products without unnecessary packaging, thus reducing waste.



Embracing the principles for the circular economy, we have recognized the environmental benefits of utilizing recycled material and therefore we use recycled friction compound, reclaimed rubber and rubber crumb powder for our manufacturing processes. Thus, we have significantly enhanced our environmental performance contributing to the sustainable use of resources.

For the disposal of hazardous waste, authorised recyclers are chosen in accordance with consent conditions and regulatory requirements. Hazardous waste, such as Chemical Sludge from wastewater treatment and oily cotton waste are collected, stored, transported and disposed of in TSDF (Treatment, Storage and Disposal Facility) facilities. Used oil is collected, stored, transported and then disposed of by selling to authorised recyclers. Paint and ink sludge/residues are gathered, stored, moved and burned at a single incinerator facility.

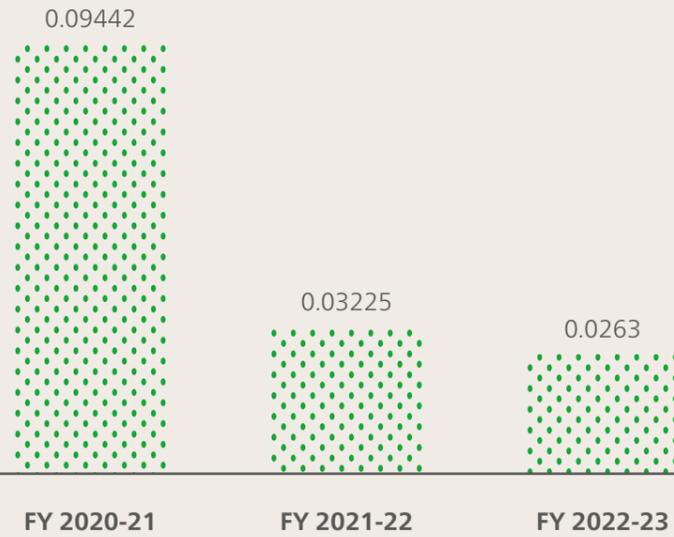
Categories of Waste Generated



- **9.33%**
Plastic Waste
- **0.39%**
E-waste, Battery Waste, and Biomedical Waste
- **1.53%**
Other hazardous waste
- **83.64%**
Non-Process waste
- **5.11%**
Process waste

Waste Management

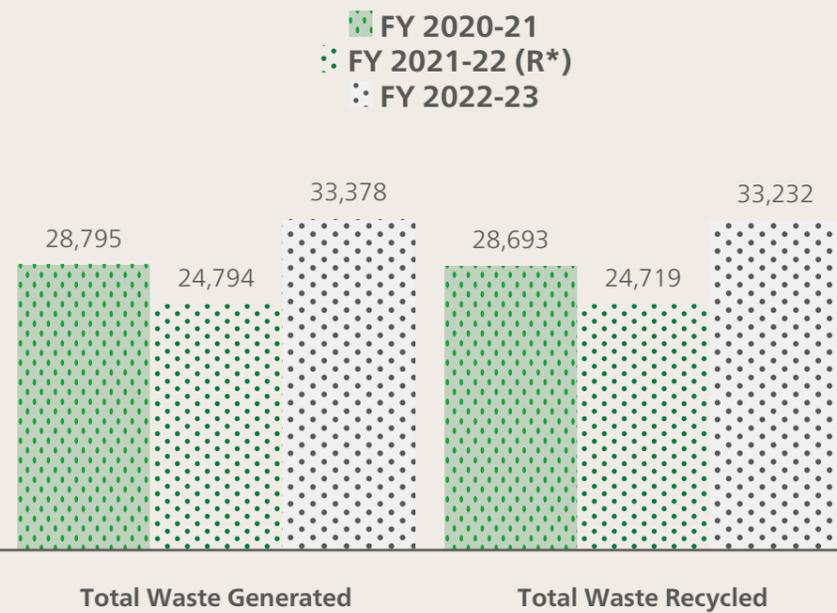
Waste Incinerated (in MT)



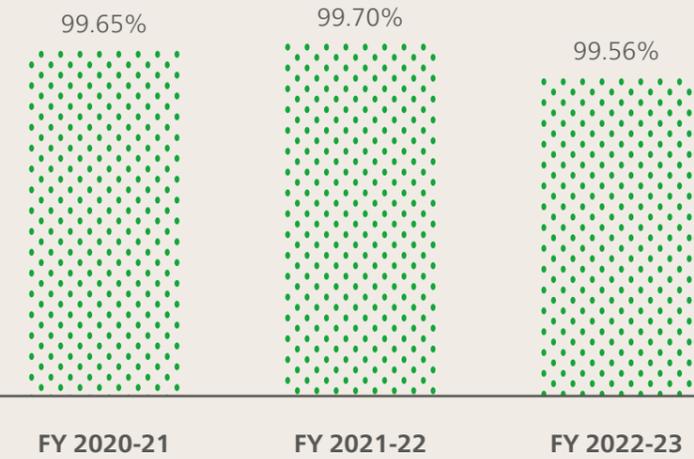
Waste to Landfill (MT)



Total Waste Generated vs. Total Waste Recycled (MT)



Waste Diverted from landfill



Waste Management

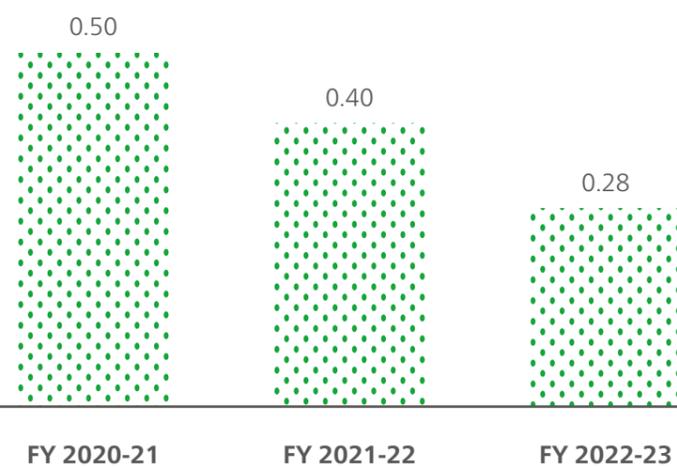
Key Waste Reduction Initiatives

- Reduction in the use of Plastic jumbo bags is being observed with the help of carbon conveying system installed in the tire plant which has resulted in elimination of more than 5,500 plastic jumbo bags.



- Key Highlights of Bead wire scrap reduction project
 - › The implementation of individual air tanks on each Bead winding machine ensures proper air supply to the air former.
 - › Bead wire scrap is reduced from 0.50 KG/MT to 0.28 KG/MT.
 - › It is also coupled with an alarm and machine stoppage system for quality control checks after every 30 beads.
 - › These initiatives have led to a significant 44% reduction in Bead wire scrap (measured in Kg/MT of total production).
 - › In future, a Poke yoke system is to be installed to sense spool rotation at let-off so that beads are not made with less number of wires.

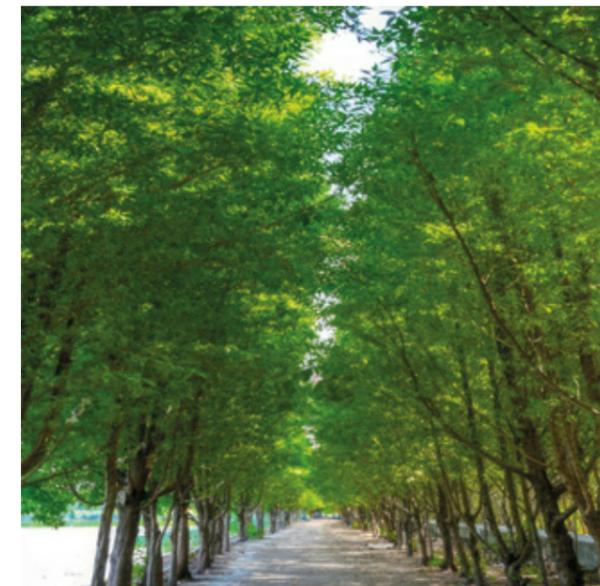
Reduction Bead wire Scrap in kg per MT of Production



BIODIVERSITY AND LAND-USE

Our operational facilities are not located in any of the identified biodiversity protected areas.

Despite the fact that our production facilities are located in designated industrial districts, our operations do not have an effect on the regional biodiversity. It is crucial to manage these connections with biodiversity. We satisfy the legal criteria for green belt development. Additionally, we grow native varieties of plants within our facilities, avoid clearing existing forests and protect wildlife all to increase local biodiversity. To coordinate our activities, we have a strong biodiversity management strategy in place.



In one of our plants an extensive biodiversity assessment was undertaken in January 2022 to evaluate the location surroundings of BKT. Water bodies and tree/vegetation cover both saw positive net rates of change from 2010 to 2020. This extensive green cover demonstrates the company's potential to sequester carbon within its premises.

03

RESPONSIBLE SOCIAL ACTIONS

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OUR PEOPLE ARE AT THE CORE OF WHO WE ARE AND IT IS PEOPLE WHO DRIVE OUR SUCCESS.

We invest in our employees, provide opportunities for upskilling and are dedicated to creating an empowered workplace that is guided by our core values of excellence.

We have earned the trust of our stakeholders (customers, employees, vendor partners and communities) with continued efforts to understand their aspirations and meet their expectations.



OUR PEOPLE, OUR COMMITMENT

Our people are our most valuable assets, the cornerstone of our inside-out approach and the driving force behind our progress towards our goals. The enormous contributions of our employees and workers, their commitment and dedication are key to the development and success of our organization.

Our goal is to continue focusing, investing and creating an inclusive workplace where employees' skills and efforts are acknowledged, their perspectives are valued and they have the chance to grow both personally and professionally. People are an undeniably critical investment for us as business driven by values and a heart.

The foundation of our Company's success is our competent, experienced and intensely committed workforce, which represents diverse educational and ethnic backgrounds. Our human capital is the foundation for developing new strategies, execution, sustainable performance, stakeholder management and product stewardship.

We set high ambitious goals for our staff at all levels and attempt to meet them on a continuous basis. As a trustworthy employer, we always strive to establish a welcoming workplace by offering equal opportunities, rewards and recognition as well as by encouraging a variety of learning opportunities.

This Section will include:

- Prioritizing Employee Engagement, Wellbeing and Safety
- Embracing Diversity & Inclusion
- Nurturing Talent
- Attracting Talent and Managing Performance

Prioritizing Employee Engagement, Wellbeing and Safety

Care and engagement are inextricably linked. We try to provide a differentiated employee experience where our employees feel strongly connected and engaged.

We understand our employees. We appreciate their perspectives, interests and requirements and we value them in our decision-making processes.

In view of this, we have implemented a comprehensive multi-channel approach for employee engagement with the aim to determine the essential facets which interest our employees and workers.

Our leadership routinely requests a thorough evaluation of employee engagement activities.

Employee Engagement

The cornerstone of our strategy for employee engagement is fostering genuine connections between employees within and across teams. We encourage work-life balance for employees and workers by hosting company-sponsored family events and activities on a regular basis. We also provide our employees access to support groups which they may use to exchange knowledge and ask questions with others in similar groups.

As of March 31st, 2023, our total workforce is of 9,480 employees and workers. We offer various benefits to all our employees and workers. We offer standard benefits to our employees such as group medical insurance, group personal accident insurance, parental leave, a canteen, housing colony with various conveniences, transport facility, access to doctor and treatment.

Further, major operational changes are discussed with employees by providing adequate number of days to ensure a smooth transition. Workers are provided notice of change in working conditions as per the regulatory requirement. Under collective bargaining agreement between the worker's union and BKT, there is a mandatory clause of notice period.

BUILDING RELATIONSHIPS

Employee Engagements	Health and Safety	Supportive Work Culture	Holistic Wellness	Work-life Balance
Fostering connections with people and providing benefits	Keeping Safety above all	Ensuring trust and commitment	Promoting employee healthcare	Creating motivation



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

- Festival celebration such as Holi, Ganesh Chaturthi, Janmashtami, Dussehra, Diwali, Christmas are celebrated with fun and frolic.
- National festivals are also celebrated with enthusiasm at all locations.
- Sports and games are organized through the year at a competitive level.



- A theme based Annual Day is celebrated with participation of all employees.
- Various milestones in manufacturing operations are celebrated with fun and joy.
- Safety Day and Environment Day are celebrated with competitions and awards distribution.
- Women's Day and Haldi Kum-Kum celebration are organized.



- Birthday wishes of all the employees are displayed on notice board.



Holistic Wellness

We make sure that our initiatives for employee wellness are comprehensive and aimed towards enhancing both the physical and emotional health and wellbeing of our staff.

Our employee wellness initiative begins with an initial medical check-up during the employee onboarding process. When any employee or worker joins our organization, they are provided a safe and secure work environment that promotes their health, well-being and personal growth. We have made sure that all our facilities are labelled as no-smoking areas and our plant premises include occupational health centers for all our people.

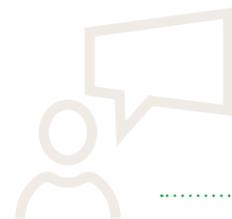
Along with our efforts to promote wellness, we also provide our employees and workers with healthy food choices in the plant canteen at subsidized rates.

EMPLOYEE'S AND WORKER'S WELLNESS PARAMOUNT TO BKT

- We undertake health surveys and extensive medical check-up programs at regular intervals.



- Assistance and medical guidance are provided in all cases where a follow up treatment is required for employees, workers and their immediate family members. This is facilitated through well covered Health Insurance Plans.
- All manufacturing locations have well equipped Occupational Health Centers managed by doctors and expert para medical staff to deal with any emergencies.
- We have our own ICU ambulances fitted with the best medical devices which are available whenever required.
- We have tied with the best of the hospitals for critical care of the employee, workers and their families.
- Regular counselling sessions are conducted at plants and offices on work life balance to deal with emotional toll and draw out remedial action for stable personal growth.



EMPLOYEE TESTIMONIAL

"I joined BKT in 2018, as a Campus Recruit. Before joining any organization, there are two things that matter – people and the kind of work. The decision to join a company depends on this as it encompasses the company ethics, its goals and its members. BKT has been a perfect organization on all these fronts.

Over the years BKT has given me ample opportunities to work with some of the great minds which helped me grow as a professional as well as an individual. Within the organization, I have always witnessed a collaborative culture and a management which is focused on growth of its people and the organization. Working with BKT has been a great experience, a complete package in itself!"

Jahangir Shahabadi

HOUSING COLONY FOR OUR PEOPLE

BKT has built a modern residential complex for employees of the Bhuj Plant. The colony keeps our employees near to our production center hence decreasing their commute time. This reduces carbon footprint and increases engagement and productivity for our operations.

The township extends to 15 acres, comprising of 406 flats for employees' families. The colony has all the amenities like housekeeping of common areas, electrical and plumbing complaint services, parks, jogging trails, shopping complex, clubhouse with large recreation center for indoor and outdoor activities, gym, gaming zone, restaurant, pre – primary school and a well-equipped medical center. In addition, the colony also has a state-of-the-art bachelor's hostel comprising of 90 rooms for university students who have opted to work with BKT, within the scope of an industry-university cooperation project.

352

**FAMILIES RESIDE
IN THE COLONY**

We also organize various events, festive celebrations and sports tournaments to keep the families engaged and entertained.

To add on, the buildings are earthquake resistant to withstand an earthquake tremor of 9 on Richter scale. Presently, 352 families reside in the colony – more is set to expand soon.



EMPLOYEE BENEFITS

Permanent Employees	Contractual Employees	Permanent Workers	Contractual Workers
Accidental insurance	Accidental insurance	Accidental insurance	Accidental insurance
Health insurance	Health insurance	Health insurance	Health insurance
Maternity benefits	Maternity benefits		
Loan facility	Loan facility		

Apart from the above-mentioned benefits we also provide employees with retirement benefits. For more details on the benefit plan obligations and other retirement plans please refer to the page no 126 of our annual report for the FY 2022-23.

RETURN TO WORK RATE AND RETENTION RATE

Maternity leaves are provided to all our permanent women employees and information about the return-to-work rate and retention rate of the permanent employees who availed maternal leaves, is showcased in the below table:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not applicable		Not applicable	
Female	100%	100%	Not applicable	
Total	100%	100%	Not applicable	



“ Our approach to Health and Safety is based on the “Safety first” principle.

PRODUCTION CAN HALT IF REQUIRED - SAFETY FIRST.

Health and Safety

Occupational health and safety are essential components of BKT’s commitment to enhance the working lives of its employees and workers. Our purpose is to create an accident-free workplace. To achieve a zero-injury status, we lay major focus on integrating safe practices into every aspect of our daily duties. To actively encourage a positive health and safety culture, we make use of training and capacity-building programs.

Our Environment, Health and Safety (EHS) Policy provides a comprehensive framework for enabling a secure and incident-free working environment. We have rigorous mechanisms in place to investigate work-related incidents, identify hazards, assess risks and develop corrective action plans. The policy also encourages employees and workers to take part in activities that support a secure and healthy workplace. Under our health and safety management system we have covered all employees and workers.

BKT is highly dedicated to eliminating workplace hazards and reducing risks for employees, visitors and contract workers on the premises. Some precautions the company has taken include offering Personal Protective Equipment (PPE) as applicable. We have also installed exhaust ventilation systems, implemented safety practices to ensure regular workplace monitoring, training, periodic health checks and any needed counselling. Further, majority of our plants have also undertaken Hazard Identification and Risk Assessment to detect any work-related risks.

HEALTH AND SAFETY TRAININGS

We aim towards achieving an accident-free workplace. Therefore, the health and safety training process for our employees and workers begins during onboarding. This training includes process safety, environment, health, 'dos and don'ts' etc. At this stage a PPE kit is given to all the employees and workers in plant. Familiarization on new machines and improved processes are also provided during these training programs.

We continuously improve Occupational Health and Safety (OH&S) awareness among our staff through cross-functional team audits, external audits, safety reviews, monthly meetings,

refresher trainings, among other approaches. Staff members are strongly encouraged to become familiar with EHS policy and Standard Operating Procedures (SOPs). Our SOPs encompass all procedures and criteria that must be maintained and followed when operating inside the plant facility. We also routinely have mock drills exercises to check emergency preparedness to ensure that SOPs are adhered to.

All our employees, workers, contactors are provided with walk-in access to our occupational health center located inside plants and hospitalization, as required.

TRAINING PROGRAMS

First-aid	PPE awareness	Fire fighting	Chemical Safety	Mechanical, Electrical and Process Safety	Emergency Preparedness and Response Plan
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SAFETY PROCESS AT BKT



CONDUCTING REGULAR AUDITS to identify and avoid hazardous situations



INSPECTION OF THE WORK AREA by the on-duty safety officer



MAINTAINING AND MONITORING SAFETY CHECKLIST DAILY as well as conducting regular fire drills



HIRA (HAZARD IDENTIFICATION & RISK ASSESSMENT) PROCESS followed at frequent intervals



PROVIDE EMPLOYEES AND WORKERS with adequate PPEs as applicable

INCIDENT ASSESSMENT

We have established a stringent incident reporting, investigation and analysis approach to enable our workers and employees to communicate about work-related incidents, accidents, near misses and unsafe conditions. The agenda for a strong reporting system is to investigate incidents, identify related risks and identify the underlying root causes so that the appropriate corrective and preventative measures may be taken. The investigative team analyses worker participation documentation. To evaluate the application and efficacy of our EHS policy, internal assessments are conducted. Where the audits highlight the scope for improvement, the Safety committee's agenda includes corrective measures and a resolution plan. All Plants have elaborate fire hydrant systems supported by multiple type of fire engines. Valuable suggestions of the Safety Committees are implemented through the stakeholders themselves. We have a dedicated health and safety committee at all the plants consisting of a nominated chairman, employees and workers.

LABOR PRACTICES

The relationship with our workers is based on trust, mutual respect and commitment. All plants have long term productivity linked wage settlements which are concluded in a most respectful and peaceful manner. All our employees and workers are paid above the minimum wage as per the state and central law.



CASE STUDY

Air pollution was causing fatigue to the painting operator.

This was mitigated with the installation of a robotic auto painting machine. This invariably increased the operator's health and safety indicator as well as efficiency in the painting of the tires with reduced air pollution.



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



Supportive Work Culture

We create a supportive workplace which ensures all employees perform at their highest level of productivity and motivation. To meet the ever changing demands of the business the need to help people resolve their concerns, at work place and spillover from personal life is considered as a focus area for management intervention.

Additionally, in order to protect our employees and give them the confidence to speak out when required, we have put in place a zero-tolerance policy for sexual harassment and we strongly stand on the principle of non-retaliation.



EMPLOYEE TESTIMONIAL

"I am immensely proud to reflect on my 31-year journey with BKT, which began as a Fresher in June 1992. Joining this organization in the presence of our esteemed Founder Chairman and witnessing its remarkable growth from INR 18 CR to over INR 10,000 CR has filled me with joy and gratitude. Currently, I am honored to lead the Planning & Logistics department, and these last two decades have provided me with invaluable experiences and growth.

Throughout my tenure, I have had the privilege of working alongside three generations of the BKT family, an accomplishment that fills me with deep pride. The fact that the values and core ethics that have defined BKT's success have remained unwavering over the years brings me great delight.

I wholeheartedly embrace our Founder Chairman's philosophy, which places emphasis on creating a work environment where every individual feels happy and eagerly looks forward to returning with even greater enthusiasm the next day. This ethos has been ingrained in our organizational culture since its inception and continues to inspire us daily.

I would like to express my heartfelt appreciation to the senior management for their consistent support and dedication to empowering employees. Their provision of opportunities for professional and personal growth has fostered an environment that nurtures success. The management's decisive actions, trust in their team, courteous demeanor, and ethical approach have played a pivotal role in maintaining smooth operations and translating into excellent performance. Though

I am an employee, I have always felt an unyielding sense of ownership and belonging to the company. BKT has been more than just a workplace for me; it has been a place where I could wholeheartedly contribute my best and thrive as an individual.

Being a part of an organization that reveres tradition, cherishes continuity, and truly values the contributions of its employees is a profound honor. As I reflect on my enriching career at BKT, I am sincerely grateful for the myriad of experiences and growth opportunities that have come my way. With enthusiasm and dedication, I eagerly look forward to many more years of shared success and continuous growth with this reputable organization."

Rajesh Kakani

"My work experience with BKT is very good. The environment of this organization is work friendly which encourages me to work hard and give my best. All employees are treated as family members. The day ends with learning something new every day."

Sureshbabu Nair

"I feel immensely honored to work at BKT. I enjoy and look forward to showing up for work every day because of my amazing team members. At BKT, every day is a new opportunity for me to learn and grow in my professional life."

Sunil Darak



OVER THREE DECADES AGO, OUR FOUNDER STATED:

When a person walks into our organization, he or she must feel happy to come to work; when leaving, he or she must do it with a heavy heart waiting to return the next day with greater enthusiasm.

Work-Life Balance

For us, maintaining a work-life balance is necessary for our employees to remain enthusiastic, effective and creative in their work. To uphold this work-life balance, we provide extended vacation time and flexible working. Furthermore, we sponsor family gatherings and activities on a regular basis, allowing employees to network and seek assistance from one another. This connects employees together and fosters a positive work atmosphere.

Embracing Diversity and Inclusion

BKT believes in fostering a diversity conscious, diversity ready and socially inclusive workplace. To attract and retain a wider pool of talent, we have been focusing on creating an inclusive environment for a diverse workforce. This is manifested through increased innovation, creativity and improved productivity.

A diverse and inclusive workplace is essential to create a vibrant environment. It promotes innovation and allows our employees to perform in an environment where they feel that they belong and can thrive.

We acknowledge that everyone brings their unique qualities, experience and commitment to work; hence, we are focused on offering equal opportunities to all our staff. We do not discriminate based on race, color, religion, sex, sexual orientation, gender identity or expression, pregnancy, age, national origin, person with disabilities (PWD) and/or other actions that might promote an objectionable or hostile work environment, including unwanted or unsolicited sexual approaches. We ensure that each of our employees receives ample opportunities to showcase their capabilities and achieve their ambitions.



EMPLOYEE TESTIMONIAL

“Being a part of the BKT family for the past 16 years has been nothing short of an exhilarating experience. It has given me the space to grow, learn and work on diverse projects. I am proud and honored to be a BKTian.”

Vikash Naithani

We believe that emphasizing equality in the workplace and ensuring everyone has access to the same kinds of rewards, recognition and other benefits fosters a motivating culture. Our diversity and Inclusion policy demonstrates our dedication to equality of opportunity and our zero-tolerance policy against discrimination. This policy was created with our values in mind and is being monitored by the senior management.

Our commitment against discrimination

We strive to create a barrier-free, friendly and inclusive workplace for people with disabilities. We have made special provisions for differently abled employees and workers at our corporate offices and plant locations. At our plants, we employ 5 differently abled male workers and continue to guide industry

initiatives to create inclusive workplaces. We consider gender diversity when assembling committees and we hope to close the gender gap by engaging more women at all levels of management. In FY 2022-23, we recorded 14% female workforce at managerial positions in the total women employee count.

ZERO

CASES OF DISCRIMINATION RECORDED IN THE CURRENT FY 2022-23

WORKFORCE HIGHLIGHTS

Category	Age group						Gender		Total FY 2022-23	FY 2021-22 (R*)	FY 2021-20 (R*)
	<30		30-50		>50		Male	Female			
	Male	Female	Male	Female	Male	Female					
Employees (permanent)	828	14	1,429	25	312	4	2,569	43	2,612	2,373	2,041
Employees (Other than permanent)	3	0	3	0	39	0	45	0	45	33	25
Workers (Permanent)	100	0	607	0	153	0	860	0	860	856	820
Workers (Other than permanent)	3,691	0	2,208	0	64	0	5,963	0	5,963	6,545	6,335

Note: Employees other than permanent consist of contractual employees. Workers other than permanent consist of contractual workers.

NEW EMPLOYEES AND WORKERS HIRED

The diversity amongst the workforce in terms of the age profile and gender breakup observed in the newly hired employee and worker groups are shown in the below charts:

New Employees Hired (Age Wise)



New Employees Hired (Gender Wise)



New Worker Hired (Age Wise)



Ratio of median salary of women to men (Employees)

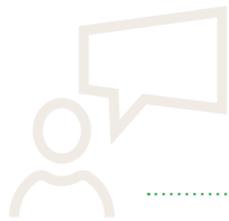


1:1 Ratio of women to men wages paid as per local minimum wage rule



Creating A Better World for Women

BKT being a responsible employer prioritizes the comfort and security of its female staff. At our corporate office, 16% of our workforce consists of women. Our overall percentage of female employees has increased by 34% from the base year of FY 2020-21. We are taking significant action to increase the number of women employees and workers in the foreseeable future. We offer benefits to our female employee's equivalent to our male employees.



EMPLOYEE TESTIMONIAL

"My experience in BKT has been extremely enriching. I have seen myself grow with the organization with a plethora of opportunities irrespective of gender. BKT truly stand by their entrepreneurial culture, identifying and mentoring talent. I am glad to be a part of BKT."

Sadhana Ilake

"I am working with BKT since last 15 years and it has always been a wonderful experience. Over the years I have been part of various projects and businesses which has enriched my internal understanding of the company. I am truly proud to be working at BKT."

Dipali Gawade

"I am proud to say I work at BKT. The company truly values its employees, this enables us as employees to grow and feel passionate about our careers."

Swapna Tawde



Respecting Human Rights

We are committed to respecting human rights at every stage to implement ethical and inclusive practices across our operations and supply chain without compromises. We have a comprehensive human rights policy that mandates compliance with relevant regulatory standards by all our staff and supply chain partners. This policy helps us uphold the human rights of our stakeholders diligently.

During the FY 2022-23, 100% of our employees and workers have successfully completed the training, ensuring a safe workplace for all. In addition, no incidents of violations involving rights of indigenous peoples were recorded.

HUMAN RIGHTS POLICY COVERAGE



FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Percentage of total employees covered by collective bargaining agreements

235 workers out of 860 are part of the association(s) or Union

% OF PLANTS AND OFFICES THAT WERE ASSESSED (BY ENTITY OR STATUTORY AUTHORITIES OR THIRD PARTIES)

Unit	% of Plants and Offices Covered for assessment 2022-23
Child Labor	%
Forced Labor/Involuntary Labor	%
Sexual Harassment	%
Discrimination at workplace	%
Wages	%
Others- please specify	%

100%
All our plants and offices have internally been assessed on child labor, forced / involuntary labor, sexual harassment, discrimination at workplace and wages. We have not come across any significant risks / concerns based on internal assessment.

Empowering our People

We are committed to creating 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.

Our success and growth are driven by the actions of our people. It is our ongoing endeavor to strengthen their skills by fostering a culture of learning.

Through learning and development programs, we aim to empower our workforces to access information and resources to facilitate both formal and informal learning.



We make a concerted effort to provide our employees with the latest technology, domain specific knowledge and skills through continuous training and upskilling programs. Considering this, we have differentiated training to be imparted at the plant's locations and at the office locations. At the plant unit, we are relying on the concept of 'On the Job Training' to impart the necessary product, process, systems knowledge to the workers and the Graduate Engineer Trainees (GET) and Diploma Engineer Trainees (DET) cadres. Furthermore, we provide customized 'Supervisory Development Programs' to ensure that first-line supervisors are competent and are in the process of developing of their management abilities. At the management levels,

we conduct 'Management Development Programs' in order to improve our people's leadership skills and to assure the growth of future leaders.

From several years, we have been providing an opportunity for 'Dual Certification Program on Rubber Science and Technology' diploma (DIRI) and Post Graduate Diploma from Indian Rubber Institute (PGD-IRI) for selected employees from Technology department for career advancement and knowledge enhancement.

In order to foster a culture of continuous learning among our employees, we have launched e-learning through the 'One Hour Learning' platform at our head office.



LEADERSHIP DEVELOPMENT

OUR LEADERS TRUST IN TEAM ORIENTATION WITH AN INTEGRATING MINDSET.

Starting from shop floor management to senior management team both informal and formal feedback is given to employees and workers for the development of effective leadership behavior. We impart training through experienced faculty considering the needs arising out of formal assessment process. For senior members at plant location, an annual 3-day Management Development Program (MDP) is conducted to acquaint them on latest management practices and leadership skills.

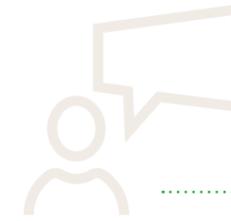
External reputed speakers are invited regularly for motivational sessions.



SKILL ENHANCEMENT

THE FOLLOWING TRAINING INITIATIVES 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 plants, carbon plant and power plant are organized on regular basis. Capsule programs are also conducted to impart critical skills to improve productivity and reduce redundancy.
- Programs on self-help and interpersonal skills, including communication, personality development, team building, self-motivation and positive attitude, time management, health and wellness and many such trainings are regularly carried out.
- Trainings such as Hazard Identification and Risk Assessment (HIRA), Integrated Management System (IMS), Power BI and cyber security are conducted.



EMPLOYEE TESTIMONIAL

"My overall experience at the company has been fantastic. I got the opportunity to learn a lot from my coworkers. I have been able to grow professionally. It has been an amazing work experience."

Sneha Thakker

- Specific trainings on sustainability awareness, anti-bribery and anti-corruption policy (ABAC) and whistle-blower policy, Code of Conduct, Environment Health and Safety (EHS) awareness, human rights and prevention of sexual harassment trainings have been carried out at plants and head office.
- All our security personnel have received formal training on the organization's human rights policies, specific procedures and their application to security processes.

TRAINING AND EDUCATION

Category	Employees	Workers
Total training hours	63,796.30	753,447.25
Total workforce	2,657	6,823
Average hours of training per year per employee and worker	24	110
Male (Average training hours)		24.64
Female (Average training hours)		11.06

Attracting Talent and Managing Performance

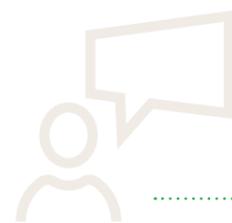
We believe that our employees are the driving force in catalyzing the growth of our business. Our talent development practices help create, foster and strengthen the capability of our people to deliver critical outcomes on the vectors of strategic impact, operational efficiency and capital productivity.



We acknowledge the need of providing proper knowledge and expertise to our people in order to function smoothly and to maintain our cultural fundamentals and long-term working environment. To keep a motivated and high-performing workforce it is essential to hire people with the appropriate mindsets.

We firmly believe that our employees are the driving force in catalyzing the growth of our business. Therefore, it becomes crucial to put together an assortment of choices that satisfy various employee demands and organizational objectives. We attract a diverse range of highly skilled candidates for each available position, recruit on merit basis and follow equal opportunity principle.

As we work towards our mission to make BKT a 'great place to work', our Talent Acquisition Team is continually adapting and evolving in order to maintain an appealing offer and experience for potential employees and workers, boost recruiting performance and increase the quality of hiring.



EMPLOYEE TESTIMONIAL

"Being a part of BKT is a matter of great honor for me as I was a fresher but the team and colleagues are friendly and welcoming to create a comfortable working environment."

Hiren Rathod

"I joined BKT in 2020. My experience since then has been very enriching. I appreciate and glad to be part of such an organization that values diversity and are culture oriented."

Vishal Jha

Business application tools

We advocate that every employee should own their development and every leader should coach others to succeed. Therefore, we have established a digital 'Performance Management System' (PMS) which is a mechanism for tracking the performance of employees consistently and measurably. It also facilitates the formulation of a Performance Improvement Plan (PIP).

We also use Darwin box. It is a platform (intranet portal) that interacts with and empowers employees while streamlining and automating all HR procedures. It automates HR processes such as core transactions (leave, attendance and employee directory), payroll, employee movement and engagement, talent management and people analytics.

Our 'Digital Onboarding Process' is an in-house developed system for onboarding the new hires. With the help of this system, new recruits can fill out their personal information and other employment-related information, as well as submit supporting documents.

CAMPUS HIRING

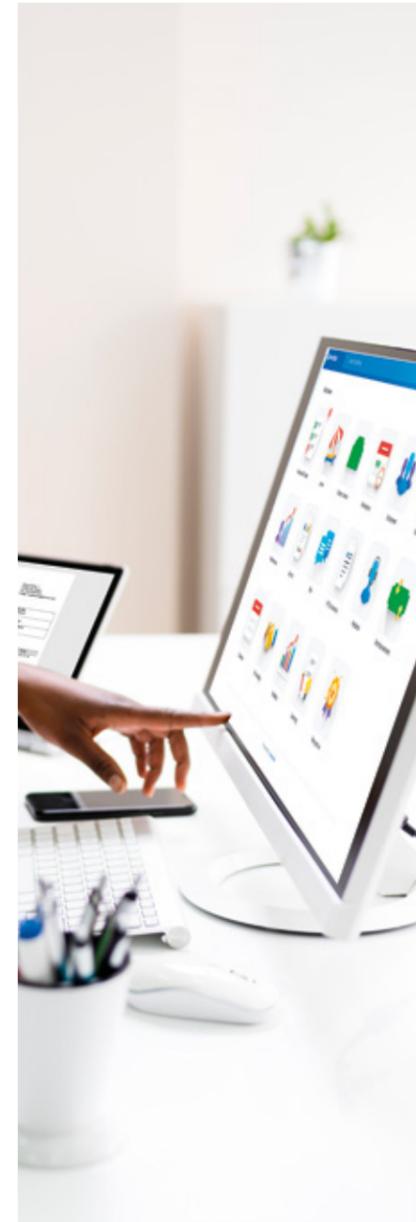
Our 'Campus to Corporate' program brings in new talents every year ensuring fresh wind and new thinking. We collaborate with the most prestigious educational institutions to recruit best talent as Graduate/ Diploma Engineers, MSc and BSc Trainees, Rubber Technologists, MBAs from Operations, Marketing, HR, IT and Finance streams.

PERFORMANCE MANAGEMENT

The performance management process is a comprehensive strategy designed to cater to employee aspirations. During the FY 2022-23, 100% of the employees and workers received performance and career development reviews.

RETAINING OUR TALENT

In our opinion, implementing effective employee retention strategies significantly improves an organization's productivity and long-term performance. Our most valuable resource is our people; therefore, we invest in several engagement strategies and skill-building initiatives to retain our people. Our retention strategy revolves around constant communication, growth opportunities and holistic well-being.



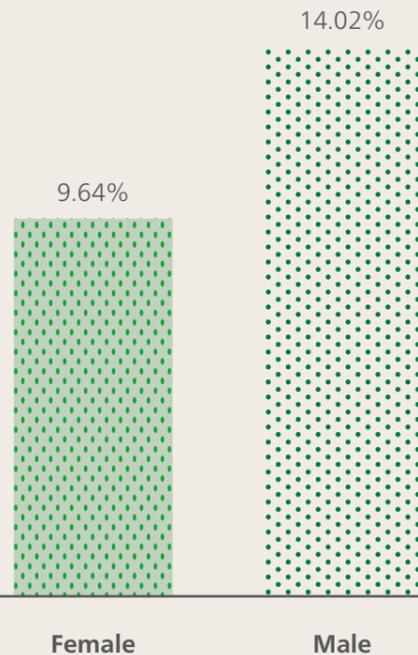
SENIOR MANAGEMENT MEMBERS HIRED FROM LOCAL COMMUNITY

No. of Senior Management Members hired from Local Community	No.	6
% of Senior Management Members hired from Local Community	%	30%

Employee Attrition

We provide an open and nurturing environment that allows our employees to prosper and be who they are. As a result, we have a low attrition rate, reflecting our high quality, employee-friendly work environment. **During FY 2022-23, worker's attrition rate was low at 3.61%.**

Employees Turnover (Gender Wise)



Category	Age group			Category	Gender Wise	
	<30	30-50	>50		Male	Female
Employees left the organization	194	128	31	Employees left the organization	349	4
Workers left organization	4	16	11	Workers left organization	31	0

PRIORITIZING CUSTOMER ENGAGEMENT AND RETENTION

We believe that building and maintaining robust relationships with customers is important for the sustainability of the business. Our bond with customers is cemented with the goal of adding value to their business in distinct and innovative ways.

We have established ourselves as a reliable and responsive provider to our customers over 60 years. Our long-term engagements are built on the foundation of collaborative relationships with our customers. We seek to enhance our customers' experiences by actively listening and responding to their feedback during our interactions with them. One of the key drivers of our organization and our success is customer satisfaction.

Our tires are designed to cater for customers' specific needs in a variety of applications in multiple sectors and segments. We make sure that our products are environmentally suitable and lawfully compliant. We also provide a wide variety of SKUs and variations for consumers to choose from within the product categories.

We periodically organize various events to educate our consumers about the safe and responsible usage of our products. Each tire is provided with safety warning plate containing inflation pressure and load / speed index duly engraved on side wall of tire. We also share SOPs with our customers for safe and responsible usage of tire. During FY 2022-23, there were no incidents of non-compliance concerning product and service information, labeling or marketing communication.

100%

DURING FY 2022-23, WE WERE ABLE TO MAINTAIN 100% CUSTOMER RETENTION COMPARED TO 2021-22

Building Brand

Through our various marketing and advertising initiatives, we thrive in carving out our distinctive niche. We are Official Partner of Teams in the Cricket T20 League for the past 4 years, BKT has reached an important turning point in its connection with Indian cricket.

In addition to a dedicated communication channel, our customer research team gathers customer feedback from various sources such as customer meetings, workshops, exhibitions, product advertising campaigns, corporate print and TV campaigns, bulletins and news, as well as one-on-one interactions. We also receive inputs from our network of importers and distributors, dealers and end users.

OUR USP

- Highest quality standards**
- REACH compliant**
- Lowest rejection rate in Industry**
- Highest customization levels: 3,200+ SKUs**
- 500+ quality tests done across our product cycle**
- Sustainable life cycles with enhanced product life**



Customer Feedback Mechanism

We believe that prompt customer service is critical to establish trust with our customers and maintaining a strong customer service reputation. We have a robust mechanism in place to receive and incorporate suggestions to assure an excellent customer experience. We conduct customer assessment surveys and document customer feedback.

We are committed to keeping our customers informed throughout the grievance resolution process and in providing regular updates on the status of their complaints and the actions taken to address their complaints.

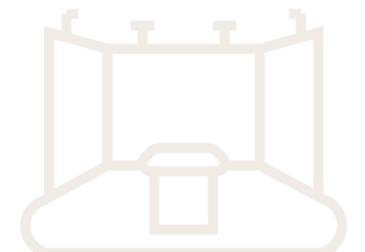
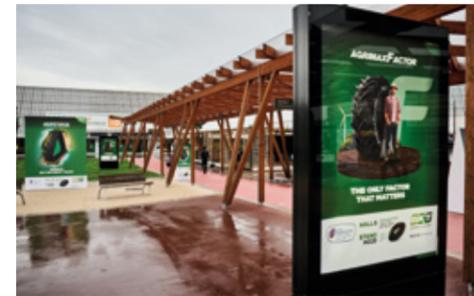
Category	FY 2022-23		FY 2021-22	
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0

EXHIBITIONS

BAUMA SHOW, Germany



SIMA SHOW, France

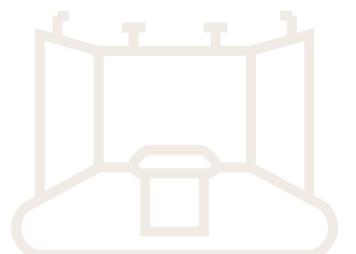


EXHIBITIONS

EIMA SHOW, Italy



NATIONAL FARM MACHINERY SHOW, USA



CUSTOMER TESTIMONIALS



"We have started to use 12,00- 24 XL Grip Ultra tires from October 2021 and till date we have purchased approx. 250 tires. We are highly satisfied with the performance as against competitor's tire which were giving life of approx. 2-3 months and BKT tires has given life of more than 8 months and still running.

In addition, we are getting better service from BKT team, time to time which help to improve the tire life."

Date: 18th July 2022

"We want you to know that we are very much pleased with the quality of BKT tire and services company provide. We are working in Odisha a road Construction Project of 80 Km. Here we have 80 number of Tipper (10.00-20 & 11.00-20) and the road Construction related equipment's in sufficient numbers. We were using competitor's Tier in Tipper section and getting a life of max. 3 Months but since last 1,5 year we started using BKT XL- Grip ULTRA tier and it give a life of 6 months. We Sincerely appreciate Company's product and responsiveness. We look forward to doing business with you for years to come."

Date: 25th May 2022

"We are using BKT Tires in our Mobile Cranes from Last 3 Years. We use Tire Size 445/95R25 & 14.00-25 in our Mobile Crane. We found that this tire is performing very well and puncher in the field have also reduce to great extent. We wish a bright future to BKT Tires as well we strongly recommended BKT Tires to other customers also."

Date: 10th June 2022

"We are using BKT Tires of Size 445/95 R25 Airomax AM27 in our running mobile Crane since 2019. We have noticed that these tires are giving excellent service with very less puncture. These tires are helping us for reducing our operational cost & maximize vehicle utilization in Raipur Industrial Area. We suggest others to fit brand BKT for better service & minimize operational cost."

Date: 14th May 2022

"We are using BKT tires since 2019 in all our maximum vehicles like- Tipper (Hyvas), Backhoe Loader, Wheel Loaders and Cranes. The size which are used in above tires are 1000.20, 1100.20, 14.00.25 & 17.05.25. In first purchase we were hesitated to purchase it because it is more expensive than other branded tires, but after use we declare that it's durability & cost effectiveness is 70-75% more than other branded off-road tires. Special remark is that there is an individual supervisor provided by BKT company who comes a maintain the report of tire which is free of cost & it shows how the company is serious about its works, products and customer.

Overall, we suggest BKT is BETTER THAN THE BEST tire for off road area."

Date: 9th June 2022



COMMUNITY WELFARE

Our CSR approach towards communities is based on our values to offer people the care they need and increasing awareness to enhance quality of life.

Our CSR vision is 'Promotion of Education, Health and Rural Development'.

BKT strongly believes that the execution of social objectives is a key element of its success and constantly endeavors to promote its development. We commit ourselves to create equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development. BKT either by itself or through partnerships with the Government, NGO's and other organizations, seek to create a positive impact in communities and foster growth in quality education, healthcare for all vulnerable sections of society and undertake rural development initiatives.

During FY 2022-23, 2,878 Lakhs Rs. were spent on total 21 CSR projects.

Below are few initiatives we have undertaken for social cause.



₹ 2,878

LAKHS WERE SPENT ON TOTAL 21 CSR PROJECTS DURING FY 2022-23

DR. BABASAHEB AMBEDKAR VAIDYAKIYA PRATISHTHAN (BAVP)

BKT intends to sponsor the basic healthcare facility. It will include providing free medical facilities of the needy and underprivileged population. Therefore, we are partnering with BAVP- Aurangabad for setting up an expansion of existing Dr. Hedgewar Hospital infrastructure. The Trust has undertaken to build an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

Our contribution to this project: 1,900 Lakhs Rs.

IMPACT ASSESSMENT OF THE BAVP

With the BAVP project, the commitment is to improve significantly improve the infrastructure of the hospital, ensure consistent functioning so as to provide quality care to needy patients. The additional floor will be able to add 120 more beds and thereby serve approximately 175,000 more patients annually after the project execution.



THE AKSHYAPATRA FOUNDATION

- We partnered with Akshyapatra Foundation for serving Mid-day meals to children in various school at Bhuj (Gujarat) and Jaipur (Rajasthan).

IMPACT ASSESSMENT OF THE MID-DAY MEAL PROJECT

With the current project, mid-day meals will be provided to approximately 23,000 children studying in schools in and around the city of Bhuj.

- We partnered for Capex in Bhuj kitchen for providing all the necessary appliances, vessels along with vehicles for smooth process.

IMPACT ASSESSMENT OF THE BHUJ KITCHEN MID-DAY MEAL PROJECT

Under this project, mid-day meals will be provided to 50,000 children studying in schools in and around the city of Bhuj.

Our total contribution to this project: 474,55 Lakhs Rs.



MUKTANGAN EDUCATION TRUST

In order to achieve our CSR vision of 'Promotion of Education' and in alignment with our CSR Policy, we have identified and decided to partner with Muktang Education Trust as our education partners. It provides quality, holistic, inclusive education to the students as well as in service teacher education to the teachers and teacher educators in Gokhale Road South Mumbai Public School.

Our contribution to this project: 133 Lakhs Rs.

IMPACT ASSESSMENT OF THE MUKTANGAN EDUCATION TRUST

With the current project, quality, holistic, inclusive education to the students and in-service teacher education is to be provided to teachers and teacher educators. The education will be provided to 495 students and support to 68 in-service teachers ranging from preschool to Grade 10 of Sayani Road School, Gokhale Road South MPS, Dadar (West).



Testimonials

"I always dreamt of becoming a teacher since my childhood. I took the required steps and work towards it. I was soon occupied with household responsibilities and taking care of my child who was only a year old at that time so my desire to become a teacher took a backseat. While travelling with my son to school, another parent brought Muktang to my notice and she was kind enough to bring the teacher training form for me. I saw a glimmer of hope and decided to pursue my dream of becoming a teacher again. I started my journey in Muktang as a preschool teacher (Young tree class) in 2005 from there I never looked back. From 2006 to 2011 I was a primary teacher. Every year I moved up the ladder. I became a history teacher for 3 years. When our first batch of students entered class 7th knowing the need of the students Marathi as a special subject was given to me. Muktang is my family, I am really feeling proud that I choose the right path and here I am today, 18 years later as a Leader of the Marathi Department."

Sanjana Pandit

"As a child, I never knew what I eventually wanted to grow up to be, but at the back of my mind, I would I always say a teacher because I saw this profession as one where I could learn, gain respect and bring changes in society. When I joined Muktang I had just completed my HSC. In 2004, I was trained as a preschool teacher. I had a lot of learning in the training center where I was trained in various skills like making puppets, storytelling and role-plays. Gradually I climbed the success ladder. Every year, I was promoted and received the opportunity to teach higher-grade students. I was called an all-rounder in school because I taught all subjects like English, Maths, Science, P.E and Social Studies in my journey of teaching. I have never thought of changing my job for 18 years because of the love and care that each member of Muktang gives me and makes me feel this place is a second home. It is not only my story but everyone who is a part of Muktang. Muktang has not only given me knowledge of different subjects and skills but also made me realize what real learning is because of its unique processes."

Sarita Sachin Narmula



WHITE DESERT MAHAMAYA TRUST

We contributed for basic computer education class for Kasturba Gandhi Balika Vidhayalaya, Padhdhar, Bhuj.
Our contribution to this project: 6,05 Lakhs Rs.



NIRVANAVAN FOUNDATION

This foundation works in the remote areas for educational, ecological and social issues. We contributed for Advaita Garden School village, Rajasthan with 350 children for basic primary education.
Our contribution to this project: 11 Lakhs Rs.

SOCIAL ACTION FOR MAN POWER CREATION (SAMPARC)

We partnered with trust for overall care, education, health, nutrition and development of 100 children of SAMPARC Poyndar Balgram, Bandhan Village, Pune, Shel-Pimpalgaon, Pune and Gangani-Jodhpur centers.
Our contribution to this project: 40 Lakhs Rs.

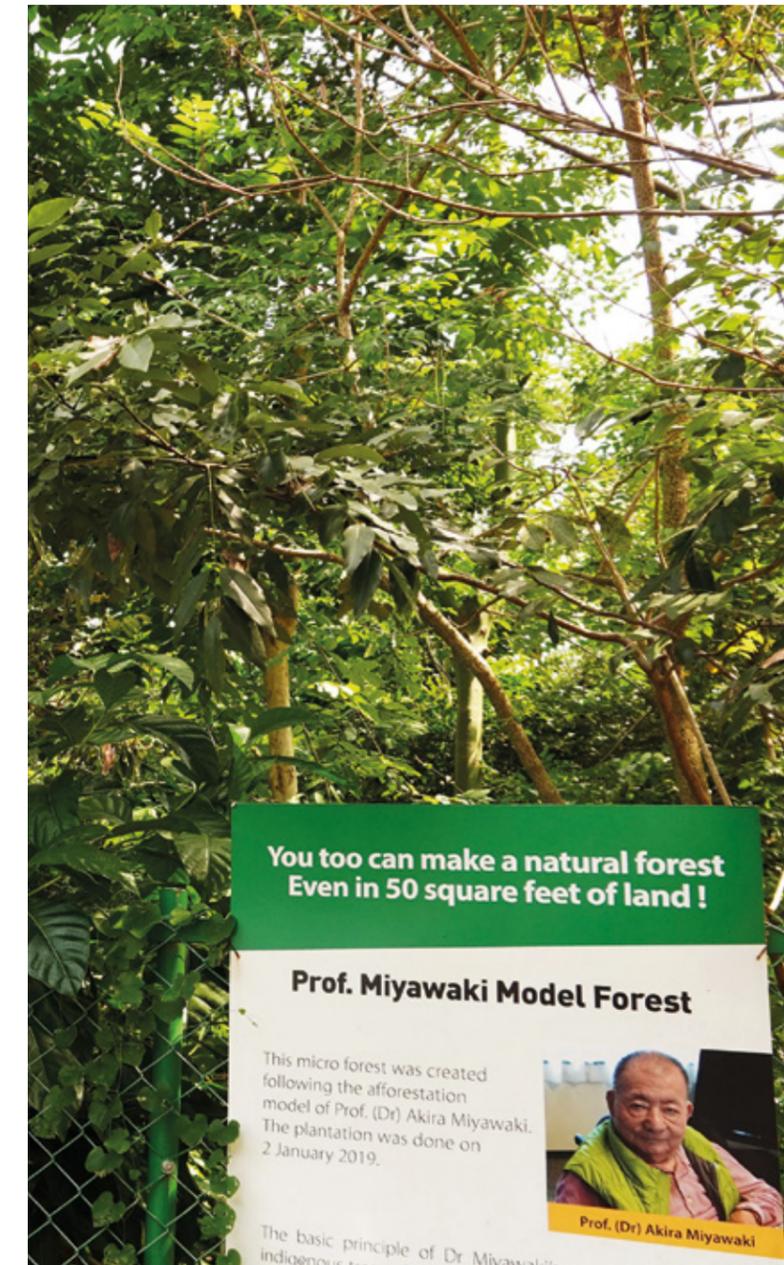


ENVIRO CREATORS FOUNDATION

We collaborated with Enviro Creators Foundation for plantation of 30,000 trees using the Japanese Technique Miyawaki method for Smritivan Memorial Project at Bhuj.
Our contribution to this project: 1,5 Lakhs Rs.



Apart from the mentioned CSR initiatives, we have collaborated with Kutch Navpallav Education and Medical Charitable Trust, Shri Harijan Sevak Sangh, Panna Narendra Dalal Charitable Trust, Swasthya Vidhya Foundation and many more for social wellbeing initiatives.



SUSTAINABLE SUPPLY CHAIN

Our mission is to cultivate collaborative partnerships with our esteemed suppliers. We attempt to do this by mutually enhancing our joint capabilities in the pursuit of excellence by providing high-quality and cost-effective materials and services to our facilities in a timely manner. We are devoted to supporting our suppliers' growth and development since we are aware that they play a unique and critical role in our success and cannot be undermined.

Our success is built upon a foundation of strong principles and values that guide our interactions with suppliers, subcontractors and traders. We believe that maintaining these standards is essential for fostering a culture of trust, collaboration and sustainability across our entire supply chain.

We actively encourage the adoption of environmentally friendly practices and socially responsible policies throughout the entire supply chain. This encompasses manifold efforts in responsible resource management, waste reduction, energy efficiency, ethical labor practices and community engagement.

BKT spends more than 4,42,200 Lakhs Rs sourcing for 7 major raw materials from approximately 160 suppliers. Our major suppliers are from rubber, textile, steel, chemicals, crude oil refineries and heavy machinery industries. Responsibly managing supply chain at this scale is complex.

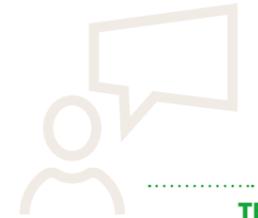
Responsible sourcing is BKT's deliberate and conscientious commitment to address social and environmental concerns while managing supplier relationships and performance. We have no adverse effects from the field on our business.

100%

100% OF NEW SUPPLIERS ARE ASSESSED BASED ON ENVIRONMENT AND SOCIAL CRITERIA. IN ADDITION, WE EVALUATE SUPPLIERS WITH A TOTAL PROCUREMENT SPEND OF 80% ON AN ANNUAL BASIS
There have been no significant environmental or social impacts identified during the supplier assessment

100%

100% OF OUR SUPPLIERS ABIDE BY THE SUPPLIER CODE OF CONDUCT AND ENSURE COMPLIANCE WITH ALL THE NECESSARY POLICIES INCLUDING CORRUPTION



SUPPLIER TESTIMONIAL

Material Management

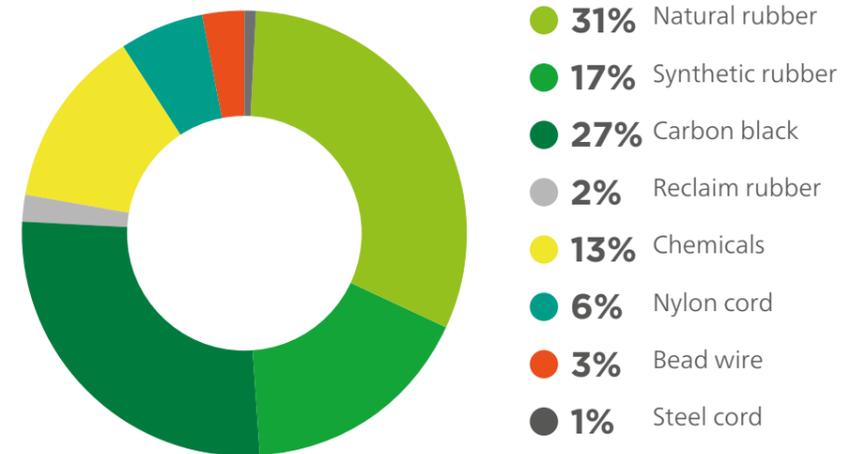
Material management is a key component of our environmental approach. We make the best use of our resources and use strategies to reuse and reintroduce surplus material into our manufacturing process without compromising the quality of our goods and solutions in order to assure the availability of raw materials needed for our business operations.

BKT has put in place reliable storage solutions that enables seamless operations throughout production, shipping and logistical activities in order to reduce any risks related to materials management. Our internal procedures place a high priority on preventing product damage by ensuring that dependable storage procedures are used all throughout the supply chain.

"Dear Balkrishna Industries, 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."

Date: March 2023

Percentage of Raw Material (By Weight)



Indicate input material	Recycled or re-used input material to total material in percentage		Categories	FY 2022-23	FY 2021-22
	FY 2022-23	FY 2021-22			
Crumb powder, Reclaimed rubber, rubberized friction compound	0.45%	0.51%	Directly sourced from MSMEs/ small producers	4%	4%
			Sourced directly from within the district and neighboring districts	1.74%	1.55%

Procurement Principles

Our purchasing principles are designed to ensure the alignment of procurement processes with our overall mission, our values and our commitment to sustainability. As a leading Off-Highway tire manufacturer with focus on innovation. We cater to every specific need of our regular and prospective customers by adhering to the following guidelines:

- ETHICAL PROCUREMENT**
 We conduct our procurement activities in an ethical, transparent and professional manner. This includes maintaining fair and unbiased supplier selection processes, avoiding conflicts of interest and ensuring that our suppliers adhere to our standards in terms of ethical conduct and social responsibility.
- VALUE FOR MONEY AND CONTINUOUS IMPROVEMENT**
 We aim to achieve the best possible value for money in our procurement activities by continually improving the value chain and supplier capabilities.



- SUPPLIER DEVELOPMENT AND COLLABORATION**
 By building long-term, collaborative relationships with our suppliers, we can identify opportunities for improvement, drive innovation and create shared value that benefits our and our suppliers' businesses.
- SUSTAINABLE PROCUREMENT AND SHARED PRACTICES**
 We are committed to promoting sustainability throughout our supply chain and we actively seek suppliers who share this commitment. We mutually seek and share environmentally sustainable practices, contributing to a greener future for all.
- COMPLIANCE WITH STATUTORY REQUIREMENTS**
 We maintain statutory requirements by procuring materials from technically approved sources and in compliance with legal requirements in all commercial transactions. We expect our suppliers to comply with all applicable laws, regulations and industry standards, as well as our purchasing principles and internal policies.
- SUPPLIER DIVERSITY AND INCLUSION**
 We believe in fostering a diverse and inclusive supply chain that promotes equal opportunities for all suppliers, regardless of their size, location, or ownership structure. This approach supports local and underrepresented businesses while encouraging innovation and resilience in across our supply chain.
- RISK MANAGEMENT**
 We proactively manage risks in our supply chain by identifying potential vulnerabilities, assessing their potential impact and implementing appropriate mitigation strategies.

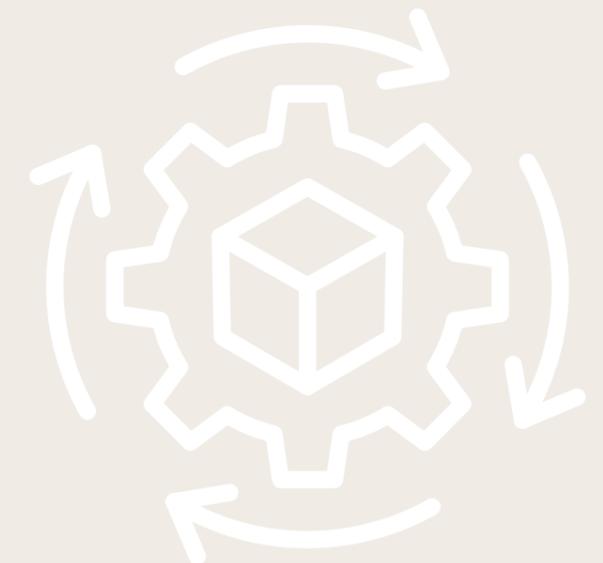
Purchase Policy

Our purchase policy provides a framework for implementing our purchasing principles and ensuring consistency and compliance throughout all our procurement activities. Key elements of our purchase policy includes:

- SUPPLIER SELECTION**
 The rigorous assessment process enables us to identify suppliers who align with our values and meet our high standards for performance and reliability.
- CONTRACT MANAGEMENT**
 We establish clear and legally binding contracts with our suppliers that outline the terms and conditions of our business relationship, including product specifications, delivery requirements, payment terms and performance expectations.
- PERFORMANCE MONITORING AND EVALUATION**
 We regularly monitor and evaluate the performance of our suppliers to ensure that they continue to meet our expectations and adhere to our purchasing principles. We provide feedback and support to help our suppliers address any areas for improvement and maintain their competitive edge.
- COMPLIANCE AND AUDITS**
 We conduct regular audits and assessments to verify compliance with applicable laws, regulations and industry standards, as well as our purchasing principles and internal policies.

AUTOMATION INITIATIVES IN SUPPLY CHAIN

- We have taken strides to automate purchase related activities through our in-house portal.**
- We have initiated 'auto reminder system' in SAP to update suppliers about the dispatch schedule.**
- SAP's MDM module stores documents (such as invoices, packing lists, COAs and so on) relating to a certain purchase order.**
- In SAP, raw material codes are now linked to raw material requirements and we have begun maintaining approved source list in SAP.**
- Further, supplier ratings are monitored through SAP.**



WAY FORWARD

We are dedicated to promoting sustainable growth while establishing ourselves as leaders in the tire industry. We have laid out our future course with a clear vision, a succinct strategy map and a customer-centric strategy to accomplish our objectives.

Inculcating the principles of sustainability as a foundation to processes we are building ourselves by weaving our world and people around us in a more holistic way, step by step.

- With the intention of reducing our environmental effect and fostering a more sustainable future, we will concentrate on incorporating sustainable practices into our production processes, support recycling programs and create environmentally friendly products.
- We will continue to keep our people at the heart of everything we do and aim to look after employee wellbeing, health, safety and security. A nourishing, happy and secure work environment will augment people productivity and reduce attrition rate further.
- We will continue to promote a culture of cooperation, creativity and ongoing learning. We aspire to develop and give opportunities to the talent inside the company who share our passion for excellence by offering training and growth opportunities as we feel that our success is largely due to our workforce.
- We are dedicated to conducting our business with integrity, transparency and respect for all stakeholder and will continue to adhere to the highest ethical standards in our relationships with customers, employees, suppliers and the communities in which we operate.
- Through effective cost management, cash flow optimization and prudent investment decisions, we will maintain a strong financial position and deliver consistent profitability and ensure sound financial management practices to sustain our growth trajectory.

It's important to note that the specific strategies and initiatives will depend on the company's unique situations, market conditions and strategic goals. We will be regular reviewing, monitoring and adapting to this way forward plan to ensure its effectiveness and relevance over time.



GRI INDEX

GRI CONTENT INDEX

Statement of use	Balkrishna Industries Limited has reported the information cited in this GRI content index for the period of 1st April 2022- 31st March 2023 with reference to the GRI Standards 2021
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

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	2-3 Reporting period, frequency and contact point	About the Report	06
	2-4 Restatements of information	About the Report	06
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	2-8 Workers who are not employees	Workforce Highlights	91
	2-9 Governance structure and composition	Board composition and List of committees and their responsibilities	24-26
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	2-14 Role of the highest governance body in sustainability reporting	Board composition	24
	2-15 Conflicts of interest	Business Ethics	29
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	2-19 Remuneration policies	Policy Charter	30
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	2-21 Annual total compensation ratio	Board Diversity	27
	2-22 Statement on sustainable development strategy	From the leadership's desk	14
	2-23 Policy commitments	Policy Charter	30
	2-26 Mechanisms for seeking advice and raising concerns	Policy Charter	30
	2-27 Compliance with laws and regulations	Business Ethics	29
2-28 Membership associations	Membership of Associations	28	
2-29 Approach to stakeholder engagement	Connecting with Stakeholders	18	
2-30 Collective bargaining agreements	Respecting Human Rights	96	

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	201-3 Defined benefit plan obligations and other retirement plans	Employee Benefits	84
	201-4 Financial assistance received from government	Economic Performance	38
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GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Gender pay ratio	38
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GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics	29
	205-2 Communication and training about anti-corruption policies and procedures	Empowering our people	97
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MATERIALS			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Material Management	119
	301-2 Recycled input materials used	Material Management	119
	301-3 Reclaimed products and their packaging materials	Material Management	119
ENERGY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 302: Energy	302-1 Energy consumption within the organization	Energy Consumption	54
	302-3 Energy intensity	Energy Consumption	54

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
WATER AND EFFLUENTS			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
	303-2 Management of water discharge-related impacts	Water Circularity	62
	303-3 Water withdrawal	Water Stewardship	60
	303-4 Water discharge	Water Stewardship	60
	303-5 Water consumption	Water Stewardship	60
BIODIVERSITY			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	BKT does not operate in protected areas and areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products and services on biodiversity	BKT does not operate in protected areas and areas of high biodiversity value outside protected areas	
	304-3 Habitats protected or restored	BKT does not operate in protected areas and areas of high biodiversity value outside protected areas	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	BKT does not operate in protected areas and areas of high biodiversity value outside protected areas	
EMISSIONS			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions and Climate Change	58
	305-4 GHG emissions intensity	GHG Emissions and Climate Change	58
	305-5 Reduction of GHG emissions	GHG Emissions and Climate Change	58
	305-6 Emissions of ozone-depleting substances (ODS)	GHG Emissions and Climate Change	59
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	GHG Emissions and Climate Change	59

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
WASTE			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
	306-2 Management of significant waste-related impacts	Waste Management	70
	306-3 Waste generated	Waste Management	70
	306-4 Waste diverted from disposal	Waste Management	70
	306-5 Waste directed to disposal	Waste Management	70
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain	118
	308-2 Negative environmental impacts in the supply chain and actions taken	No significant actual or potential impacts identified	
EMPLOYMENT			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 401: Employment	401-1 New employee hires and employee turnover	New Employees and Workers Hired	92
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Engagement	80
	401-3 Parental leave	Return to work Rate and Retention Rate	84
LABOR/MANAGEMENT RELATIONS			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	Employee Engagement	80

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Health and Safety	85
	403-2 Hazard identification, risk assessment, and incident investigation	Incident Assessment	87
	403-3 Occupational health services	Health and Safety Trainings	86
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety Trainings	86
	403-5 Worker training on occupational health and safety	Health and Safety Trainings	86
	403-6 Promotion of worker health	Health and Safety Trainings	86
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Incident Assessment	87
	403-8 Workers covered by an occupational health and safety management system	Health and Safety	85
	403-9 Work-related injuries	Labor Practices	87
	403-10 Work-related ill health	Labor Practices	87
TRAINING AND EDUCATION			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 404: Training and Education	404-2 Programs for upgrading employee skills and transition assistance programs	Empowering our People No Transition Assistance Programs in place	97
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management	101

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Board Diversity Workforce Highlights	27-91
	405-2 Ratio of basic salary and remuneration of women to men	Gender Pay Ratio	92
NON-DISCRIMINATION			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Respecting Human Rights	96
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Respecting Human Rights	96
CHILD LABOR			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Respecting Human Rights	96
FORCED OR COMPULSORY LABOR			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respecting Human Rights	96

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
SECURITY PRACTICES			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Empowering our People	97
RIGHTS OF INDIGENOUS PEOPLES			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	Respecting Human Rights	96
LOCAL COMMUNITIES			
GRI 3: Material Topics	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Welfare	112
	413-2 Operations with significant actual and potential negative impacts on local communities	No significant actual or potential impact identified	
SUPPLIER SOCIAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain	118
	414-2 Negative social impacts in the supply chain and actions taken	No significant actual or potential impacts identified	
PUBLIC POLICY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 415: Public Policy 2016	415-1 Political contributions	BKT has not made any political contributions, directly or indirectly, in monetary value or in-kind.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
CUSTOMER HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Prioritizing Customer Engagement and Retention	103
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No Incidences occurred	
MARKETING AND LABELING			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
	417-2 Incidents of non-compliance concerning product and service information and labeling	Prioritizing Customer Engagement and Retention	103
	417-3 Incidents of non-compliance concerning marketing communications	Prioritizing Customer Engagement and Retention	103
CUSTOMER PRIVACY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Reorienting Business Priorities through Materiality	21
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Feedback Mechanism	105

ACRONYMS

SHORT FORM	FULL FORM
ABAC	Anti-Bribery and Anti-Corruption
AHU	Air Handling Unit
AI	Artificial Intelligence
AIRIA	All India Rubber Industries Association
ASRS	Automated Storage Return System
ATV	All-Terrain Vehicle
BAVP project	Dr. Babasaheb Ambedkar Vaidyakiya Pratishtan
BCC	Bombay Chamber of Commerce
BMA	Bhiwadi Manufacturers Association
BSR	Bonded Store Room
CAPEXIL	Chemical and Allied Export Promotion Council of India
CBFS	Carbon Black Feed Stock Oil
CHRO	Chief Human Resource Officer Forum
CII	Confederation for Indian Industries
CMIA	Chambers of Marathwada Industries and Agriculture
CPCB	Central Pollution Control Board
CSR	Corporate Social Responsibility
DET	Diploma Engineer Trainees
DIRI	Dual Certification Program on Rubber Science and Technology
EC	Environment Clearance

SHORT FORM	FULL FORM
EHS	Environment, Health and Safety
EMS	Environmental Management Systems
EPR	Extended Producer's Responsibility
ESG	Environmental, Social and Governance
ETP	Effluent Treatment Plant
ETRTO	The European Tire and Rim Technical Organization
FIEO	Federation of Indian Export Organization
FIFO	First In, First Out
FY	Financial Year
G.OTR	Giant OTR
GET	Graduate Engineer Trainees
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HBD Tank	Hot Blowdown Tank
HIRA	Hazard Identification and Risk Assessment
HP	Horse Power
HPSV	High-Pressure Sodium Vapour
ICU	Intensive Care Unit
IMS	Integrated Management System

SHORT FORM	FULL FORM
INR	Indian Rupee
ISO	International Organization for Standardization
IT	Information Technology
Kg/MT	Kilograms per metric ton
KL	Kilo liter
KLD	Kilo liter per day
KW	Kilowatt
KwH	Kilowatt per hour
LED	Light-Emitting Diode
LTIFR	Lost Time Injury Frequency Rate
mg/nm3	milligrams per normal cubic meter
MIS	Management Information System
MT	Metric Ton
MW	Megawatts
NOx emission	Nitrogen Oxide Emissions
OH&S	Occupational Health and Safety
OPD	Outpatient Department
OTR	Off the road tire
PGD-IRI	Post Graduate Diploma from Indian Rubber Institute
PM	Particulate Matter

SHORT FORM	FULL FORM
PMS	Performance Management System
PPE	Personal Protective Equipment
PWD	Person With Disabilities
RAV	Reactive Absorption Vessel
RMS	Raw Material Store
RO	Reverse Osmosis
SAMPARC	Social Action For Man Power Creation
SAP	Systems Applications and Products in Data Processing
SOP	Safety Operating Procedures
SOx emissions	Sulphur Oxide Emissions
SS filter	Stainless Steel Filter
STP	Sewage Treatment Plant
T and RA	The Tire and Rim Association
TBM	Tire building machine
TCU	Temperature controlling unit
TSDF	Treatment, Storage and Disposal Facility
VFD	Variable Frequency Drive
WTP	Water Treatment Plant
ZLD	Zero Liquid Discharge



INDEPENDENT ASSURANCE STATEMENT

To
The Management of Balkrishna Industries Limited

Introduction and objectives of work

BUREAU VERITAS has been engaged by Balkrishna Industries Limited (hereinafter abbreviated "BKT") to conduct an independent assurance of its **Sustainability Report** for the year **2022-23**. This Assurance Statement applies to the related information included within the scope of work described below. This information and its presentation in the **Sustainability Report 2022-23** are the sole responsibility of the management of BKT. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard **AA1000AS ver3, Type 2-Moderate** assurance. The scope of work included:

- Data and information included in Sustainability Report 2022-23 for the **reporting period 1st April 2022 to 31st March 2023**.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 AS Assurance Standard ver3
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact

Methodology

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

1. The assurance process involved carrying out an audit by experienced auditors from Bureau Veritas. The assessment process was carried out through remote (virtual) mode by use of suitable Information & communication (ICT) tools.
2. BV interviewed relevant personnel of BKT including heads of various departments and functions.
3. BKT had submitted performance data on reported Sustainability Reporting Framework topics.
4. The data was audited on a sampling basis. Later, it was confirmed that the same verified data went into preparation of the final data within the Sustainability Report 2022-23.
5. Bureau Veritas reviewed stakeholder engagement activities that had been undertaken by BKT. Evidences of the stakeholder engagement activities were reviewed to confirm how aspects material to BKT stakeholders had been determined. Above work was conducted against Bureau Veritas' standard procedures and guidelines for external assurance of Sustainability Reports, based on current best practice in independent assurance.

Our findings

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

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate, and the information included therein is not fairly stated.
- In our opinion, there is nothing to suggest that BKT has not established appropriate and reliable systems for collection, aggregation, and analysis of quality data in respect of specified performance information pertaining to Environmental, Health & Safety, Human Resources, Labour & Community interventions as well as Product and Investor related data.
- The organization may review the system of disclosing operational changes well in advance such as notice periods to further ameliorate labour management relation. The organization could also initiate Transition assistance Programme for upgrading employees' skill towards building competent teams.

- Stakeholder engagement process may also include vulnerable/ marginalized groups. Action of value chain partners may be periodically assessed to mitigate potential adverse impact that may be caused to the organization.
- Conduct of Human Right assessment will strengthen, protect, and preserve every individual's humanity so that every individual can live with dignity in all times.

Alignment with the principles of AA1000AS ver. 3

Inclusivity

There is nothing we came across that would suggest that BKT does not have processes in place for engaging with a range of key stakeholders including socially responsible investors, shareholders, suppliers & contractors, government officials, local community representatives and employees.

Materiality

We did not come across any finding to indicate the Report does not address the range of environmental, social and economic issues of concern that BKT and its stakeholders have identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The material issues were identified by a process of stakeholder engagement through one-on-one meetings and other engagements. BKT has used the materiality matrix that was prepared for previous financial year. Organization engaged with internal stakeholders to determine material topics, based on relevance to its business.

Responsiveness

There is no indication that BKT has not responded to those issues it has identified as material and has not demonstrated this in its policies, objectives, indicators and performance targets. The reported information can be used by the organization and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact

We did not come across any finding to indicate that BKT did not monitor, measure or evaluate effect of its behavior, performance and outcome on economy, environment, society, stakeholder and organization itself.

Evaluation against GRI Standard

Bureau Veritas undertook an evaluation of BKT Sustainability Report 2022-23 against the GRI standard 2021. GRI 1: used is Foundation 2021

Based on our work, it is our opinion that the **Sustainability Report 2022-23** has been prepared in accordance with the **GRI Standard**.

Limitations and Exclusions

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

- Activities outside the defined assurance period stated hereinabove.
- Positional statements (expressions of opinion, belief, aim or future intention) by BKT and statements of future commitment.
- Our assurance does not extend to the activities and operations of BKT outside of the scope and geographical boundaries mentioned in the report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with BKT;
- Our assurance of the economic and financial performance data of BKT is based only on the audited annual reports of BKT and our conclusions rely entirely upon that audited report

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

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety & Social and Environmental management with almost 195 years history in providing independent assurance services. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

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.

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Date: 25/08/2023

Place: **Mumbai, India**



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