

# CareEdge-ESG Assigns ESG Rating to an Aerospace and Defence PSU

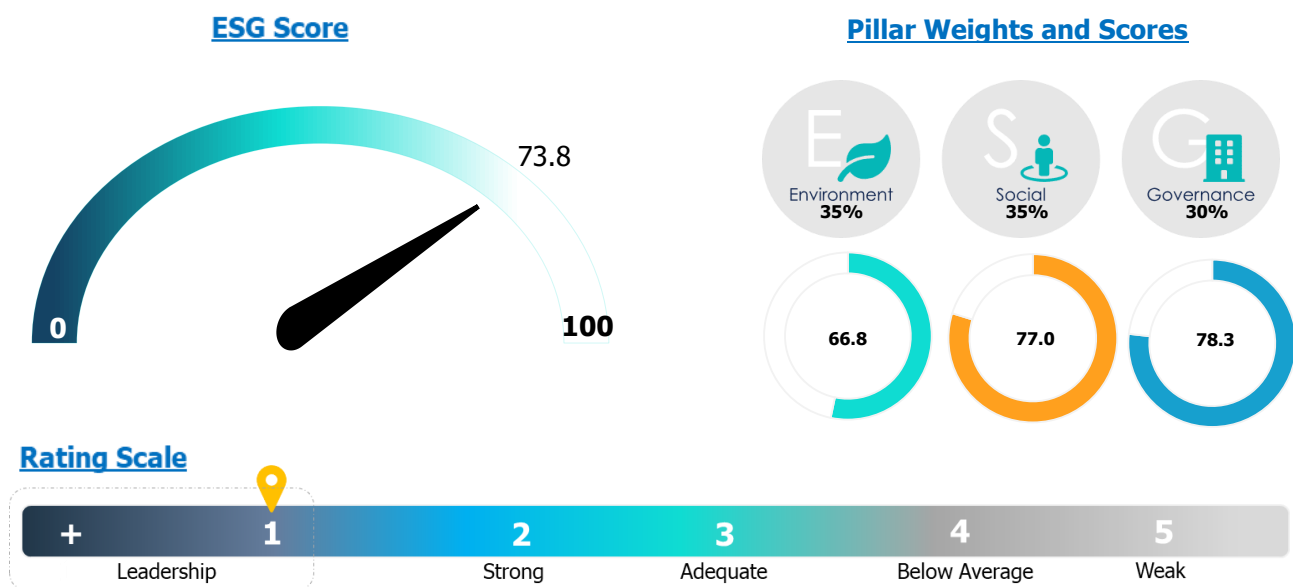


## CARE ESG Ratings Limited (CareEdge-ESG) assigns ESG rating to Bharat Electronics Limited

CARE ESG Ratings Limited (CareEdge-ESG), a Securities & Exchange Board of India (SEBI)-registered Issuer-pays ESG Rating Provider (ERP) and a wholly owned subsidiary of CARE Ratings Limited, assigned the first ESG Rating of an aerospace and defence sector entity. CareEdge-ESG assigned ESG Rating to Bharat Electronics Limited (BEL).

BEL, established in 1954, is a Navratna public sector undertaking under the Ministry of Defence, Government of India. The company specializes in the design, development, and manufacture of advanced electronic products and systems for the Indian Armed Forces and other government sectors. BEL has showcased a strong commitment to sustainability and community development, focusing on reducing carbon emissions, water stewardship, waste management, biodiversity conservation, and supporting social initiatives for the employees and local communities, along with implementing robust governance practices. BEL received a CareEdge-ESG 1 rating with an ESG score of 73.8. The ESG rating reflects its leadership position in managing ESG risk through best-in-class disclosures, policies, and performance. Please follow the [link](#) for a detailed rationale of BEL's ESG rating.

The rating assigned to BEL reflects its commitment to sustainable practices in the aerospace and defence sector. BEL has showcased leadership qualities in its ESG journey, particularly in the areas of water stewardship, emissions control, waste management, human capital, business ethics, and remuneration. BEL has demonstrated better performance over the industry median in biodiversity conservation, energy efficiency, green value chain, human rights, data privacy, value chain, and oversight on ESG. The company's consistent focus on emissions control, waste management, and reducing water consumption, positions it well for a transition toward more sustainable operations.



CareEdge-ESG's ratings are derived from a comprehensive analysis of the environmental, social, and governance risks and opportunities associated with a company. A composite score is calculated based on the company's performance across key indicators, addressing significant themes from the three pillars of ESG. CareEdge ESG's methodology encompasses approximately 430 indicators across 19 themes for an aerospace and defence industry. The sector's environmental pillar holds significant relevance due to its large-scale ecological impact, which includes significant carbon emissions, considerable waste generation, and intensive water usage and energy consumption. The environmental pillar has been assigned a weight of 35%.

Although ESG ratings are relatively new, their importance is rapidly increasing among investors, regulators, and other stakeholders. These ratings help investors make informed decisions by highlighting an entity's exposure to and management of non-financial risks and long-term performance objectives and values. Companies with strong ESG credentials often demonstrate superior financial performance and are more successful in attracting a diverse array of investors and raising capital. Moreover, ESG ratings offer valuable insights to rated entities through peer benchmarking and industry medians, allowing them to pinpoint areas for improvement, incentivising them to design sustainable transitions, and encouraging responsible business practices.

**Saikat Roy, Chief Executive Officer, CareEdge-ESG**, commented, "The release of our ESG rating for an aerospace and defence sector marks an important step in CareEdge-ESG's mission to advance responsible and sustainable business practices across industries. ESG performance is becoming a critical driver of resilience, trust, and long-term value creation, and our ratings are designed to offer credible insights that help businesses benchmark themselves, enhance transparency, and integrate sustainability into their core strategies. By enabling informed decision-making, we aim to empower organizations to lead with purpose and contribute meaningfully to a more sustainable and inclusive economy."

**Nikunj Dube, Chief Ratings Officer, CareEdge-ESG**, commented, "With the release of India's first issuer-pays ESG rating specifically for an entity in the aerospace and defence sector, CareEdge-ESG steps forward as a catalyst for positive transformation by delivering deeply insightful ESG assessments. Given the complexity of supply chains, government-contracting dynamics and shifting regulatory expectations in this strategic industry, our ESG ratings allow firms to sharpen governance, elevate environmental performance and strengthen their social responsibility. These ratings empower businesses to lead purposefully and responsibly, integrating sustainability as a key driver of long-term success."

**Manoj Jain, Chairman and Managing Director, Bharat Electronics Limited**, commented, "We are delighted to announce that BEL has earned an ESG score of 73.8 from CareEdge-ESG, underscoring our strong dedication to sustainable growth and ethical business conduct. This achievement highlights our continued efforts to integrate ESG values throughout our organisation, as reflected in the significant progress we've made in areas such as reducing our carbon footprint and enhancing water use efficiency. BEL is firmly pursuing its long-term sustainability vision, which includes an ambitious goal to attain net-zero Scope 1 and 2 emissions by 2030. This recognition serves both as validation of our progress and as a reaffirmation of our commitment towards the responsibility entrusted to us. We remain dedicated to embedding sustainability at the heart of our business strategy, ensuring that BEL continues to generate lasting value for all stakeholders while advancing India's journey toward a more sustainable and resilient future."

**About CARE ESG Ratings Limited**

CareEdge-ESG is a category I ERP registered with SEBI and a wholly owned subsidiary of CARE Ratings Limited. With over thirty years of experience as an Indian credit rating agency, CARE Ratings’ move to expand into ESG ratings through its subsidiary would help to enhance investor confidence while promoting accountability and transparency in businesses. Through our comprehensive and nuanced ESG assessments, CareEdge-ESG enables stakeholders to make informed sustainability decisions, fostering positive transformation and enhancing stakeholder trust.

### Analytical Contact

Nikunj Dube	Chief Ratings Officer	Nikunj.dube@careedge.in	+91 – 72191 09995
Sohini Majumdar	Analyst	Sohini.majumdar@careedge.in	+91 – 22 – 6837 4400
Sanghamitra S	Analyst	Sanghamitra.s@careedge.in	+91 – 22 – 6837 4400

### Relationship Contact

Saikat Roy	Chief Executive Officer	Saikat.roy@careedge.in	+91 - 22 - 6754 3404
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### Media Contact

Mradul Mishra	Media Relations	Mradul.mishra@careedge.in	+91 – 22 – 6754 3596
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### CARE ESG Ratings Limited

Corporate Office: A Wing – 1102 / 1103, Kanakia Wall Street, Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400 093  
Phone: +91 - 22 - 6837 4400 | CIN: U66190MH2016PLC285575 | www.careedgeesg.com

Connect: 

### About Us:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's leading ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.

### Disclaimer:

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