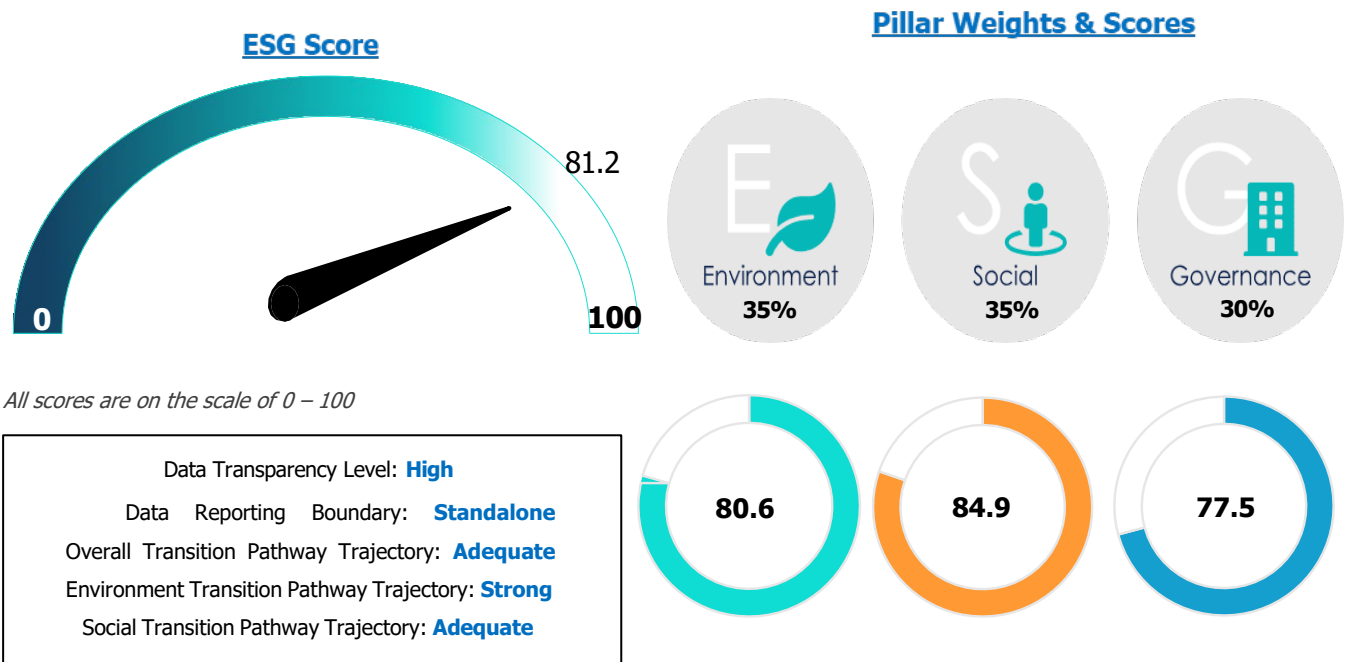


Rating Rationale

JK Tyre & Industries Limited	Rating Symbol*	Rating Score	Rating Action
ESG Rating	CareEdge-ESG 1+	81.2	Assigned

* Please refer www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definition

Leadership position in managing ESG Risk through best-in-class disclosures, policies, and performance



Rating Scale



Please note: all scores mention in this document are on the scale of 0 – 100

Rating Rationale

With an overall score of 81.2, JKT holds a leadership position, marked by best-in-class disclosures, policies and performance. With an environmental score of 80.6, the company outperforms the industry median through proactive carbon and energy management, underpinned by comprehensive policies,

advanced monitoring systems, and significant investments in renewable energy and decarbonisation technologies.

In January 2025, JKT secured a \$100 million Sustainability-Linked Loan (SLL) from the International Finance Corporation through which it aims to promote energy-efficient tyre production, strengthen local supply chains, and create employment opportunities, while adhering to sustainability-linked financing principles that incentivize improved environmental and operational performance. JKT's commitment to circular economy principles, waste minimisation, water stewardship, and sustainable raw material sourcing is reinforced by third-party certifications and well-defined long-term targets. JKT scores 84.9 on the social pillar, leading its industry peers through strong performance across product safety & quality, employee health & safety, human capital, value chain management, consumer protection, and community development. The company maintains robust quality management systems and collaborates with leading research institutions to ensure high product standards. Employee safety and well-being are prioritized through comprehensive policies, proactive training, and health programs, resulting in zero fatalities. The company demonstrates responsible supply chain practices, including a supplier code of conduct, training, audits, and sustainable procurement aligned with ISO 20400:2017. Consumer protection efforts include continuous feedback, safety awareness, and efficient grievance redressal. In community engagement, JKT implements CSR initiatives supporting local employment, social welfare, and inclusion. On the governance front, the company maintains a sound oversight framework with clearly defined board and committee responsibilities, board-approved ESG policies, and effective stakeholder engagement. Its commitment to ethical conduct, anti-corruption, and whistleblower protection further reinforces transparency and accountability.

Environment Score



For the tyre industry, the environment pillar has high relevance given its high impact on emissions, effluent and waste, therefore, this pillar carries the highest weight of 35%. Carbon emissions and energy efficiency are the highest weighted themes within this pillar. With an environmental score of 80.6, JKT surpasses the industry median demonstrating its proactive efforts across key environmental themes. JKT demonstrates a strong and structured approach toward mitigating its environmental impact through comprehensive emission control and decarbonization strategies. The company has established dedicated GHG and sustainability policies integrated within its corporate framework, emphasizing environmentally

responsible operations and renewable energy adoption. Its growing reliance on renewables—raising the renewable share in its energy mix from 37% in FY 2023–24 to 51.4% in FY 2024–25—demonstrates tangible progress, supported by a clear target of 2–5% annual growth. Moreover, JKT’s GHG intensity metrics outperform industry medians, with Scope 1 intensity at 0.2916 TCO_{2e}/MT (vs. industry median 0.4 TCO_{2e}/MT) and Scope 2 intensity at 0.2570 TCO_{2e}/MT (vs. industry median 0.3433 TCO_{2e}/MT), reflecting operational efficiency and strong emission management. The company’s commitment to long-term goals, such as aligning with SBTi to cut absolute Scope 1 and 2 emissions by 37.5% by FY 2034–35 (base year FY 2019–20) and joining the RE100 initiative to reach 100% renewable electricity by 2050, underscores a science-based and future-oriented climate strategy. The company has made investments in projects like steam condensate recovery, flash steam recovery systems, and BECCS technology, which reflect a proactive stance toward achieving net-negative carbon outcomes. With independent verification by the British Standards Institute (BSI) India and clear year-on-year progress in renewable integration, JKT has positioned itself as a responsible industry leader in emission management and climate accountability. However, there remains scope to strengthen its transition roadmap and operational consistency. While internal targets such as achieving a 3% annual reduction in stack emissions are commendable, linking these goals to absolute emission reductions across sites could improve comparability and impact measurement. By expanding its renewable energy integration strategy beyond electricity—into heat energy and logistics—and providing greater clarity on the outcomes of energy conservation projects, JKT can further consolidate its leadership in sustainable manufacturing and low-carbon transition.

In the theme of energy efficiency, JKT demonstrates a strong commitment, as reflected in its standalone Energy Policy. This policy explicitly emphasizes the continuous improvement of the company’s energy management system by integrating it into core business processes such as planning, product development, and performance evaluation. While the company’s energy consumption intensity (per MT of physical output) has gone up by 6% from the previous year (FY24: 8.30 GJ/MT of physical output, FY25: 8.76 GJ/MT of physical output), its intensity remains below the industry median of 8.89 GJ/MT of physical output. The company has implemented several energy-saving measures across its manufacturing operations including replacement of outdated and rewind motors with high-efficiency IE3 models, replace of induction lamps to energy-efficient LED lights, installation of Variable Frequency Drives (VFDs) across various equipment enables. Its energy data is externally assured by British Standards Institute (BSI) India. Additionally, the company holds an ISO

50001 certification for its Energy Management System. Furthermore, JKT has set ambitious long-term targets, aiming to achieve a cumulative improvement in overall energy efficiency by the fiscal year 2030-31. The company is committed to reducing its specific energy consumption by 2 to 5% annually through targeted, measurable energy-efficiency initiatives, underscoring its dedication to continuous improvement.

JKT exhibits alignment with circular economy principles through practices that extend product life, minimize waste, and enhance material efficiency. Its retreading initiatives reduce raw material consumption and overall environmental impact, while Kaizen-driven employee participation ensures continuous improvement in waste management. The company has implemented a Zero Waste to Landfill initiative across all plants, backed by third-party certification, reflecting operational rigor and accountability. Additionally, JKT's Asbestos Control Policy, approved at the Board level, demonstrates commitment to safe material use and hazardous substance elimination. The shift toward bio-sourced and silica-based materials, alongside reductions in naphtha and solvent-based lubricants, further underlines its proactive approach to cleaner production. A target of 2–5% annual reduction in specific waste generation and landfill disposal through FY 2030–31 highlights a structured, forward-looking sustainability roadmap. However, its waste intensity of 0.0975 MT per tonne of finished product exceeds the industry median, suggesting potential to improve material recovery and process optimization.

In the theme of water usage and management, JKT exhibits a strong commitment to responsible water usage, ensuring compliance with the Water (Prevention and Control of Pollution) Act. The company has developed a board-approved Water Policy that underscores its dedication to water conservation through recycling and efficient resource utilization. Though the company's water consumption intensity (per intensity per MT of physical output) has gone up by 3% from FY24 to FY25 (FY24: 1.58 KL/ MT of physical output, 1.62 KL/MT of physical output), its intensity remains well below the industry median of 2.84 KL/MT of physical output). Its data on water is externally assured by BSI India. The company has ISO 46001 certification for Water Efficiency Management Systems, reflecting adherence to the best international practices in water management. JKT's commitment to water stewardship is further demonstrated by its achievement of Zero Liquid Discharge certification at all manufacturing plants. Complementing this, the company has installed rainwater harvesting systems at all plants, which capture and store rainwater to offset groundwater use and meet operational

demands, thereby reducing reliance on freshwater sources. The company has introduced advanced metering systems facilitates for precise water monitoring, while several plants employ Multi-Effect Evaporation Technology (MEET) to further support ZLD by converting wastewater into solid residues. The company has set an ambitious target to reduce raw water consumption by 50% by 2030, using 2018 as the baseline year.

JKT has demonstrated a conscientious approach toward sustainable raw material sourcing, integrating environmental responsibility into its operational core. This commitment is reflected in the initiation of research in advanced material technologies, particularly focusing on bio-based alternatives. JKT has taken initiatives to reduce the use of hazardous substances in its operations. Key initiatives include lowering naphtha consumption, eliminating solvent-based lubricants, and exploring alternatives such as silica- based husk and other bio-sourced inputs. These measures reflect a strategic shift toward safer, more environmentally friendly manufacturing practices. A standout initiative in JKT's sustainability strategy is the development of retread tyres, which utilize up to 75% recycled material. This multi-lifecycle product design significantly conserves resources and minimizes dependency on virgin materials like oil, rubber, and steel. Despite these advances, recycled rubber as input materials currently only account for only 1.01% by weight and 0.31% by value of the total materials used in production, suggesting there is considerable room for scaling up these efforts.

JKT has made notable progress in fostering a sustainable value chain through a structured and policy-driven approach. Its Sustainable Procurement Policy, aligned with the UN SDGs and ISO 20400, promotes responsible sourcing and collaborative vendor engagement to reduce Scope 3 emissions. The company's focus on multimodal transport, local sourcing, and optimized packaging further enhances supply chain efficiency while cutting logistics-related emissions. Compliance with EPR regulations through waste collection plans approved by the Pollution Control Board as well as the purchase of EPR credits for End- of-Life Tyres, reflect strong regulatory adherence and accountability. Awareness programmes for value chain partners on environmental and social issues also demonstrate JKT's efforts to embed sustainability beyond its direct operations. While JKT's supplier engagement is evolving, only 35% of its value chain partners have been assessed for environmental impacts. Expanding the coverage of supplier assessments and integrating performance-based sustainability criteria could strengthen oversight and transparency across the value chain. Increasing disclosure on

measurable outcomes of partner sensitization programs would also help evaluate their effectiveness and drive continuous improvement.

At the policy level, JKT has a board-approved Product Stewardship Policy that outlines commitments to sustainable design innovation, responsible manufacturing, circular economy principles, and end-of-life product management. JKT has initiated several forward-looking sustainability efforts, including sourcing natural rubber from EUDR-compliant areas and investing in R&D for advanced sustainable materials like bio-sourced synthetic rubber, graphene, and carbon nanotubes. The company has undertaken Life Cycle Assessment of its products. 14.75% of the company's product portfolio is covered under cradle-to-grave Life Cycle Assessment (LCA). While JKT's initiatives and compliance measures are commendable, scaling up sustainable material usage and improving LCA coverage will further strengthen the company's performance in the theme of product footprint stewardship.

JKT has embedded biodiversity protection into its governance framework through a publicly available, board-approved Biodiversity Protection Policy. The company conducts third-party ecological assessments at all manufacturing sites, ensuring proactive identification and mitigation of ecosystem risks. With 25% of its plant areas maintained as green zones housing over 1.1 million trees and shrubs, JKT contributes meaningfully to habitat preservation and carbon sequestration. Its collaboration with the Rubber Board of India and the Quality Council of India, along with participation in the CII-IBBI initiative, underscores a commitment to collective action and continuous improvement in biodiversity management. While JKT's initiatives are commendable, greater transparency on biodiversity outcomes—such as measurable improvements in local flora and fauna—could strengthen impact communication. Expanding biodiversity management practices to include supply chain monitoring and developing site-specific restoration targets would further enhance ecological stewardship.

Social Score



The social pillar accounts for 35% of the sector's overall weight. With a social score of 84.9, JKT holds the leadership position among its industry peers, showcasing its strong performance across parameters such as product safety & quality, employee health & safety, community support & development, consumer protection, and value chain.

JKT demonstrates strong performance under the theme of product safety and quality, supported by robust processes and systems to ensure product reliability and customer satisfaction. It has established a robust product quality management policy designed to consistently anticipate and understand customer requirements, translate them into performance benchmarks. To enhance productivity and maintain superior quality standards, JKT implements quality management systems and embraces quality management practices across all operations. These daily practices have resulted in improved product performance, higher equipment and process efficiency, enhanced first-time quality, and reduced waste and non-value-added activities. Demonstrating resilience in a dynamic environment, JKT has strengthened its agility and responsiveness to raw material fluctuations, ensuring seamless operations and cost efficiency. The company also collaborates with leading academic and research institutions, to deepen its focus on research and development and adopt global best practices. In line with its sustainability objectives, JKT has implemented a Green Purchase policy that encourages reduction in the use of hazardous and toxic substances, promoting responsible sourcing minimizes environmental impact. All manufacturing facilities are ISO 9001 certified (Quality Management System) and hold IATF 16949 certification (Automotive Quality Management System). It has conducted verifications for its production facilities by British Standards Institute. Comprehensive information about JKT's products and services is readily available on the company's official website.

JKT held the leadership position among its peers in the theme of employee health and safety, demonstrating the strength of its comprehensive health and safety management framework across all operations. The company has instituted a robust policy dedicated to ensuring the well-being of its workforce, with a primary objective of minimizing work-related injuries and occupational illnesses across all sites under its management. To foster a strong safety culture, JKT implements a wide range of proactive initiatives, including blood donation camps, annual health check-ups, and yoga day celebrations. In addition, it has also implemented multiple measures to ensure a safe and healthy workplace environment. These include the installation of plant safety instruction display boards and one-point lesson charts, as well as conducting on-the-job safety training programmes to reinforce safe work practices. The company also recognises and rewards good safety behaviour through Kaizen Awards, promoting a culture of continuous improvement in workplace safety. To strengthen its safety management system, JKT follows both reactive and proactive monitoring mechanisms. Reactive monitoring includes tracking and analysing near-miss incidents, illness cases, reportable and non-reportable injuries and accidents, along with feedback from risk assessments, employee suggestions,

investigations, and audit findings, all of which are recorded and reviewed as part of the company's continual improvement process. Proactive monitoring involves conducting regular safety tours, workplace inspections, statutory audits, hygiene surveys, and mock drills, supported by the outcomes of risk assessments and safety audits, to identify and mitigate potential hazards before incidents occur. The company provides comprehensive insurance coverage and has introduced preventive programs targeting repetitive strain injuries. All employees undergo mandatory safety and ergonomic training during onboarding, followed by regular refresher sessions. Shop-floor managers continuously monitor adherence to safety standards to maintain a secure working environment. JKT's dedicated Health and Safety Committee oversees the implementation of safety protocols. All employees of the company are covered under health and accident insurances. The company has obtained ISO 45001 certification (Occupational Health and Safety Management System). Routine activities are monitored by strict compliance with job safety analysis, hazard identification & risk assessment, standard operating procedures, and operational control procedures. Non-routine activities are monitored under a structured six-tier work permit system that includes hot work, cold work, confined space entry, working at height, excavation work, and electrical work, ensuring the safety of personnel, equipment, and materials. All employees and workers have access to non-occupational medical and healthcare services. JKT operates fully equipped 24x7 occupational health centres at its manufacturing locations to provide first aid and medical treatment for both occupational and non-occupational ailments, such as fever, cold, or dental pain, under professional medical supervision. In FY25, JKT maintained zero workforce fatalities along with no high consequence work-related injuries. They however had one recordable work-related injury, and its average lost time injury frequency rate clocked to 0.01 in FY25 from 0 in FY24 (FY25 industry median: 0.05).

JKT performed better than the industry median in the theme of Human Capital. The company has a strategy in place underscoring its commitment to fostering diversity, equity, and inclusion while creating economic opportunities, reducing inequalities, and promoting inclusive growth across its operations. To strengthen workforce capabilities, JKT has implemented a structured framework for training and career development, ensuring continuous learning and skill enhancement for its employees. The company also maintains a robust grievance redressal mechanism for employees and workers, designed to ensure fair and timely resolution of concerns. Issues can be raised with supervisors, HR representatives, or department heads, with responses expected within 72 hours. Unresolved matters are escalated to the Unit Head or President, with resolutions targeted within two

weeks. JKT supports employee well-being by offering flexible working hours, however, there is no provision of paid paternal leave for its workforce. JKT is committed towards diversity and inclusion, showcased by prioritising inclusive hiring practices, particularly during campus recruitment, to build a workforce enriched with diverse perspectives that drive innovation and collaboration. At its Vikrant Tyre Plant in Mysuru, JKT pioneered an all-women chemical sealing function within the Banbury department, a first-of-its-kind initiative and has since expanded the programme to other roles, with 30 women actively working in the second shift. Encouraged by the success of this initiative, the company plans to extend similar models to other facilities, with a focus on recruiting diverse candidates for support functions and campus placements. On the learning and career development front, JKT has undertaken multiple initiatives, such as providing targeted training programmes covering quality improvement, sustainable practices, operational efficiency, and knowledge-sharing sessions to enhance awareness of evolving ESG standards and compliance requirements. In FY25, JKT reported an employee turnover rate of 22%, an increase from 15% in FY24. Despite the higher turnover, the company recorded an improvement in gender diversity across organizational levels. The female-to-male employee ratio rose by 5.5% from FY24, reaching 3 females per 100 males in FY25. While this marks progress in gender representation driven by inclusive hiring initiatives, there remains scope for improvement, particularly at the employee level, where the gender ratio continues to lag behind that of the worker category. To address this, JKT has undertaken targeted hiring programs and set a goal of achieving a 5% female workforce by 2028. Women currently take up 70% of their management trainees. Notably, the company has achieved gender pay parity at the employee level, with 1:1 median pay ratio of female to male employees higher than the industry benchmark of ₹97 earned by females for every ₹100 earned by males. This parity in the context of a low ratio of female to male employees reflects the concentration of women in higher-level positions.

Under the theme of human rights, JKT reflects its commitment to upholding human rights across all aspects of its operations by establishing a comprehensive human rights strategy that recognizes and respects the rights of all stakeholders — including employees, communities, consumers, and supplier partners both within and beyond the workplace. To ensure compliance with human rights standards, JKT's internal audit team conducts periodic assessments across its manufacturing facilities. Human rights requirements are also integrated into business agreements and supplier contracts, reinforcing responsible business conduct throughout its value chain. The company has implemented a robust mechanism to safeguard complainants against retaliation in cases of discrimination or harassment.

This includes structured training and awareness programmes on the Code of Conduct supported by a comprehensive harassment policy aimed at maintaining a respectful workplace. JKT has also adopted a formal policy to ensure the safety of women and prevent sexual harassment, complying with statutory provisions related to the formation and functioning of the internal complaints committee at all locations. The company provides training to its workforce on human rights policy and POSH policy. There have been no complaints regarding human rights or sexual harassment and all plants of the company have been assessed by third parties on human rights practices with no serious concerns being reported.

JKT showcases responsible and sustainable supply chain management. The company has established a comprehensive supplier code of conduct (CoC) that integrates principles of human rights protection, environmental stewardship, health and safety, local community development, ESG metrics reporting, and business integrity into all supplier contractual agreements. To ensure ethical and transparent operations, JKT has implemented a grievance redressal mechanism for its value chain partners and regularly assesses their human rights practices. The company also ensures statutory compliance across its supply chain through a monthly compliance monitoring system, complemented by periodic internal and external audits to achieve 100% adherence to statutory requirements. As part of its commitment to fostering a responsible value chain, JKT actively engages with its supply chain partners to promote health, safety, and sustainability, integrating ESG principles into core business practices to drive long-term sustainability across the entire value chain. The company conducts regular supplier audits under the JKT supplier excellence index framework, which includes ESG performance parameters, and provides collaborative support to suppliers in adopting sustainable and environmentally responsible practices. To enhance awareness, JKT conducts webinars and training sessions on key sustainability topics, including occupational health and safety, covering elements such as ISO 45001, HIRA, and occupational health management. These initiatives help suppliers strengthen their workplace safety systems and implement structured OHS frameworks. The company also integrates environmental and social criteria into supplier selection and evaluation processes, ensuring responsible sourcing practices. JKT's commitment to sustainable procurement is validated by its ISO 20400:2017 certification under which the company closely supported its value chain partners in making policies, undertaking initiatives and overall helped them transition to more sustainable business practices. In FY25, 45% of total input materials were sourced directly from domestic suppliers, while procurement from MSMEs and small producers declined from 19% in FY24 to 14% in

FY25. To further strengthen supplier engagement, JKT regularly organises forums, conferences, and MSME-focused webinars including collaborations with the Quality Council of India to enhance supplier technical capabilities. These initiatives focus on quality improvement, sustainability awareness, and ESG performance enhancement, fostering long-term, resilient, and responsible supplier relationships across the value chain.

The company closely monitors consumer satisfaction and behaviour through a combination of in-house and third-party surveys, including customer satisfaction studies aligned with its total quality management approach. Feedback is also gathered through customer interactions at various forums and real-time inputs captured via contact centres, catering to both channel partners and truck fleet operators. Insights from the voice of the customer are systematically used to inform strategic business planning, guide new product and service development, and improve operational efficiency, thereby enhancing the overall customer experience. To promote safe and responsible usage of its products, JKT regularly shares tyre care and usage information with end users and channel partners through interactive programs throughout the year. Furthermore, the company maintains dedicated mechanisms to receive and address consumer complaints and feedback, ensuring timely responses and a seamless experience for all customers.

JKT demonstrates a structured, transparent, and compliant approach to community development, fully aligned with the Corporate Social Responsibility (CSR) requirements under the Companies Act, 2013. JKT has formulated a comprehensive CSR policy that underscores its long-standing commitment to social welfare and inclusive growth. Through its initiatives, the company has contributed to employment generation in rural and semi-urban regions during FY25, thereby supporting local livelihoods, with the proportion of wages paid to employees in smaller towns increased to 30% of total wage cost, compared to 28% in FY24. Over the past three years, JKT has consistently utilised more than 100% of its CSR allocations, reflecting its strong focus on social impact and accountability. In FY25, the company allocated INR 10 lakhs towards CSR projects in Aspirational Districts, with 50% of the beneficiaries of the company's CSR projects belonging to individuals from vulnerable and marginalized groups. To strengthen community engagement, JKT has established an effective feedback and grievance mechanism, enabling communities to share their inputs and concerns directly. Dedicated CSR teams at each plant location are responsible for gathering feedback and ensuring timely redressal of community issues. Under its CSR framework, JKT follows a rigorous and

participatory implementation process, which includes conducting comprehensive need assessment surveys, designing projects based on local priorities, implementing initiatives in collaboration with community stakeholders, and carrying out participatory monitoring and third-party impact assessments. The company also conducts regular community satisfaction surveys to evaluate both the short- and long-term outcomes of its interventions. Insights from these surveys help JKT continually refine and enhance its CSR strategy, ensuring that its efforts deliver measurable and meaningful benefits to the communities it serves.

Governance Score



The Governance pillar carries a weight of 30% for the sector. With governance score of 77.5, JKT ranks above industry median of 73.2. JKT scored 81.7 on the Business Ethics theme, which is higher compared to the median score of 72.7, reflecting the company's well-established ethical and compliance systems. The Company has robust frameworks in place,

including a Code of Conduct, Whistleblower Protection Policy, and commitments to Anti-Bribery, Anti-Corruption, and Anti-Money Laundering, which extend to both employees and suppliers. JKT strictly adheres to SEBI regulations on insider trading and related party transactions (RPTs'), with all RPTs approved by the Audit Committee and shareholders. Clear procedures exist for conflict-of-interest management, grievance redressal, and investor engagement, supported by an investor contact webpage. Employees and suppliers are regularly trained on these policies, achieving 81% coverage this year. No significant incidents of corruption, anti-competitive conduct, or investor complaints were reported. Three shareholder complaints were filed, of which two have been resolved and one remains pending. Overall, the score reflects JKT's strong ethical compliance framework and proactive measures to uphold integrity across its operations and value chain.

In Oversight on ESG, JKT scored 75.6, which is above the industry median of 58.2. The company demonstrates a comprehensive approach to sustainability, with policies, targets, and initiatives covering the majority of the BRSR principles, all approved by the Board. The company has established strong governance mechanisms, including a Board-level committee and a dedicated sustainability team, supported by members of senior management who possess expertise in environmental, climate, and social aspects. Stakeholder engagement is well integrated into business processes, with formal policies, structured consultation mechanisms, and regular updates provided to the Board. The company has also developed an ESG materiality assessment framework, with a detailed materiality

matrix. An external agency has conducted an independent evaluation of policy implementation, Investments toward improving environmental and social constitute 74% of total R&D and 5% of total capital expenditure.

In theme of Board functioning, JKT scored 81.5. The company complies with all statutory requirements related to AGM conduct, auditor rotation, board meetings, and committee structures. The Company disclosed AGM details, including attendance, participation, and minutes, in its Corporate Governance report, with meetings held within 15 months of the previous session during FY25. It adheres to the Companies Act 2013 and RBI guidelines for rotation of external auditors and board members, and ensures the Board convenes at least four meetings annually, with a minimum of one-third of directors attending. Directors hold directorships in fewer than seven listed companies, and audit committee members meet SEBI requirements for financial literacy and expertise, conducting at least three meetings per year. However, scope remains to extend 100% coverage of training on BRSR principles to KMP and board of directors.

In terms of board composition and governance, board diversity is supported by the presence of two women directors and a variety of professional experiences. While most committees comply with SEBI and Companies Act norms, the Risk Management Committee has only 40% independent members, highlighting a minor gap for potential improvement. Currently, no women hold senior management positions at JKT. The company has maintained a sound and transparent financial reporting track record, with no restatements or delays in its financial filings over the past two fiscal years. It has a robust enterprise risk management framework in place to monitor and mitigate credit, market, operational, and legal risks. The company's financial statements have consistently received an unqualified opinion from the external auditor, indicating compliance with accounting standards and reliability of disclosures. A standalone ESG report/data book along with further strengthening if independence in the risk management committee and representation of women in senior management can strengthen the company's ESG performance. Key Rating Drivers

Key Rating Drivers

Strengths

Leadership in emission reduction and energy efficiency

The company exhibits a clear, science-based decarbonization strategy aligned with SBTi, targeting a 37.5% reduction in absolute Scope 1 and 2 emissions by FY 2034–35. JKT's GHG intensity metrics are lower than the industry benchmarks (Scope 1: 0.2916 vs. 0.4 TCO_{2e}/MT; Scope 2: 0.2570 vs. 0.3433 TCO_{2e}/MT), demonstrating operational efficiency and strong emission management. The rapid increase in renewable energy share—from 37% to 51.4% within a year—with a steady annual growth target reflects tangible progress towards a low-carbon energy mix. Certifications such as ISO 50001 and independent verification by BSI India reinforce the credibility of its energy management systems.

Strong health and safety management ensuring zero fatalities and low workplace injury rate

JKT has established itself as a frontrunner in occupational health and safety. The company ensures strict compliance with regulatory and international standards, with all manufacturing units certified under ISO 45001. A combination of reactive and proactive monitoring mechanisms—including real-time hazard assessments, safety audits (aligned with IS 14489), behavioural-based safety (BBS) programs, and emergency response drills—supports a culture of continuous risk mitigation. In FY25, JKT reported zero fatalities and maintained a remarkably low Lost Time Injury Frequency Rate (LTIFR) of 0.01, both of which are below the industry median, underscore the effectiveness of its systems in protecting workforce well-being. The company also invests in preventive health measures, including annual medical check-ups, blood donation drives, yoga day celebrations, and 24x7 occupational health centres across its manufacturing locations. A structured six-tier work permit system ensures safety in non-routine operations, while Kaizen Awards recognise and incentivise safe behaviours. These comprehensive and well-integrated measures reflect JKT's strong leadership in ensuring a safe, healthy, and resilient workplace environment.

Sustainable and efficient value chain management

JKT has made significant strides in embedding sustainability within its value chain through a structured, policy-driven approach. Its Sustainable Procurement Policy, aligned with the UN

Sustainable Development Goals (SDGs) and ISO 20400 standards, fosters responsible sourcing and strengthens collaborative engagement with vendors to effectively reduce Scope 3 emissions. The company's strategic emphasis on multimodal transport, local sourcing, and optimized packaging enhances overall supply chain efficiency, simultaneously lowering logistics-related carbon emissions and supporting its broader environmental objectives.

Comprehensive biodiversity management strategy

JKT exhibits a strong commitment to biodiversity conservation through a robust governance framework, highlighted by a publicly available, board-approved Biodiversity Protection Policy. The company conducts third-party ecological assessments across all manufacturing sites, ensuring early identification and mitigation of ecosystem risks. By maintaining 25% of its plant areas as green zones with over 1.1 million trees and shrubs, JKT actively supports habitat preservation and carbon sequestration. Its collaborations with the Rubber Board of India, Quality Council of India, and participation in industry initiatives reflect a proactive, collective approach to continuous improvement in biodiversity stewardship.

Strong governance framework with detailed policies covering BRSR principles

JKT has established a robust governance framework supported by board-approved policies that cover all BRSR principles, ensuring comprehensive integration of environmental, social, and governance considerations into corporate decision-making. Oversight is actively maintained by the Corporate Social Responsibility (CSR) & Sustainability Committee, which monitors ESG initiatives, evaluates performance against targets, and guides strategic priorities.

Weaknesses

Lack of paid paternal leave for employees

While JKT has implemented various initiatives to support employee well-being, it does not currently offer paid paternal leave. This gap in its benefits framework undermines its broader commitment to diversity, equity, and inclusion, particularly in terms of supporting shared caregiving responsibilities and fostering a more gender-equitable workplace.

Low supplier environmental assessment coverage

Only 35% of JKT's value chain partners have been assessed for environmental impacts, compared to the industry median. This is a significant gap in supply chain oversight, especially given the company's stated commitment to sustainable procurement. Lack of comprehensive supplier assessment undermines efforts to reduce Scope 3 emissions and limits ESG performance transparency across the value chain.

High waste intensity compared to industry peers

JKT's waste intensity of 0.0975 MT per tonne of finished product is higher than the industry median, despite implementing Zero Waste to Landfill policies. This indicates a need to improve material efficiency, waste minimization practices, and the effectiveness of waste recovery systems across manufacturing sites.

High employee turnover rate

The company reported an employee turnover rate of 22% in FY25, a significant increase from 15% in FY24. High turnover can negatively affect operational continuity, training costs, and institutional knowledge retention.

Lack of female representation in senior management

Currently, no women hold positions within JKT's senior management team, highlighting a significant gap in gender representation at the leadership level. While the Board includes two women directors, this diversity does not extend to the executive management layer.

Key ESG Parameters of JKTs

Parameters	Unit	FY 2025
Environment		
Scope 1 intensity	tCO ₂ equivalent/MT of physical output	0.29
Scope 2 intensity	tCO ₂ equivalent/ MT of physical output	0.25
Renewable energy consumption	% (of total energy consumption)	53%
Energy intensity	GJ/ MT of physical output	8.76
Waste intensity	MT/ MT of physical output	0.09
Social		
Female to male employees' ratio	Per 100 male employees	2.6
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	100
Health & safety complaints	#	137
LTIFR	Per one million-person hours worked	0.005
Fatalities	#	0
POSH complaints upheld over reported	X/Y	0/0
Governance		
No. of Female in board	#	2
% board members trained on BRSR	%	85

Data source: company information, public sources, CareEdge-ESG research & analysis

NR = Not Reported | MT = metric tons | GJ = gigajoules

Key rating sensitivities

Positive

- Improving coverage of ESG assessment for value chain partners
- Increasing CSR spend in Aspirational Districts
- Providing paternity leaves to male employees
- Transition to lower energy and waste intensities in the following year

Negatives

- Increase in GHG intensity of the company
- Occurrence of workplace fatality or increase in workplace injury rate
- Decrease in customer complaints resolution rate
- Increase in non-renewable energy and fuel sources in operations

Analytical approach

Rating boundary: CareEdge-ESG has considered standalone data of JKTs & Industries Limited for assessment, which is in line with JKT's disclosure in BRSR.

Methodology/Criteria

For detailed understanding of the criteria and methodology used by CareEdge-ESG, please refer to the methodology document available on www.careedgeesg.com

About the company and industry

JKT, part of the JK Organisation, is one of India's leading tyre manufacturers and among the top 25 tyre companies globally. Established in 1974, the company has built a strong presence across the entire automotive tyre segment, offering a comprehensive range of products for passenger vehicles, commercial trucks, buses, farm, and off-the-road vehicles. A global leader in the tyre industry, JKT has a presence in 105 countries through a network of over 230 international distributors. The Company operates 12 world-class, sustainable manufacturing facilities, 9 in India and 3 in Mexico with a combined annual production capacity of approximately 35 million tyres. Its robust distribution network includes more than 6,000 dealers and over 650 exclusive brand outlets, known as Steel Wheels and Xpress Wheels. The company's R&D centres in Mysuru and Mexico focus on continuous innovation, advanced materials, and sustainable product design to enhance performance, safety, and environmental efficiency.

Guided by its core values of quality, innovation, and sustainability, JKT integrates responsible business practices across its operations. The company is committed to reducing its environmental footprint through resource-efficient manufacturing, circular economy initiatives such as tyre retreading, and renewable energy adoption. With a strong focus on people, community development, and ethical governance, JKT continues to drive excellence in mobility solutions while contributing positively to society and the environment. As of October 2025¹, JKT. has a market capitalisation of approximately ₹10,689.52 crore reflecting its status as a significant player in India's tyre manufacturing industry.

Source of information

While assigning the ratings, CareEdge-ESG has considered publicly available information such as annual reports of the company and other policies, sustainability reports, certifications, BRSR reports, additional information and comments provided by the company.

Status of non-cooperation with previous ERP: Not applicable

Rating history for last three years:

Sr. No.	Name of Product	Current Rating		Rating history		
		Rating	Score	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	ESG Rating	CareEdge-ESG 1+	81.2	-	-	-

Annexure: Graphical summary of key rating drivers¹

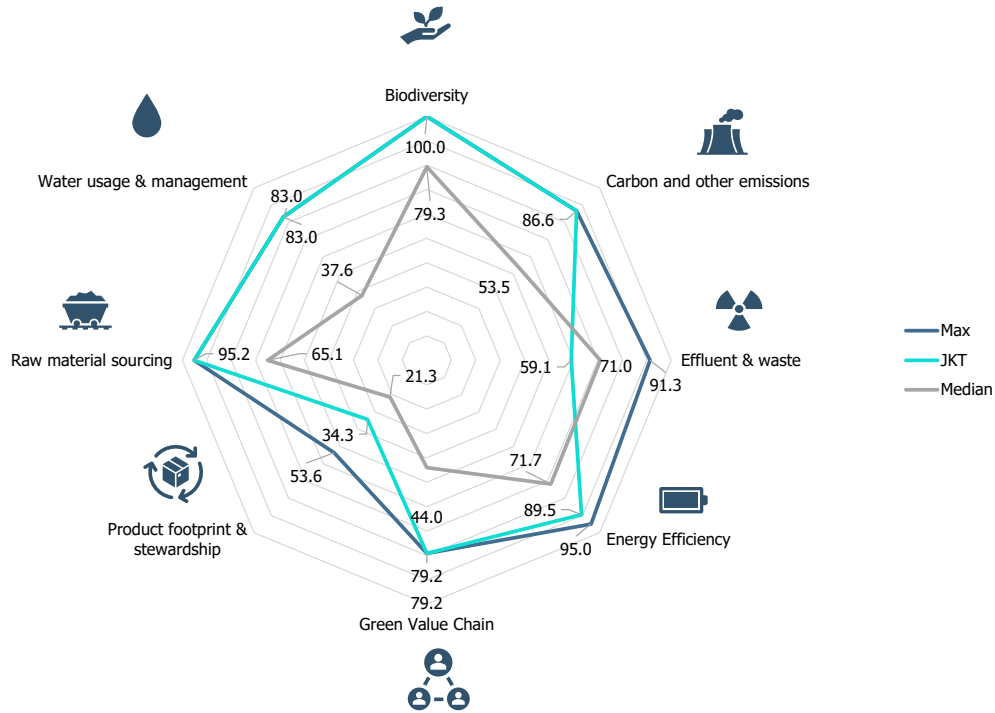
Hierarchy: While arriving at pillar level scores for JK Tyre and Industries Limited, CareEdge-ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

Materiality	Environment 	Social 	Governance 
HIGH	<ul style="list-style-type: none"> Carbon and other emissions Energy Efficiency Water Usage & Management 	<ul style="list-style-type: none"> Employee Health & Safety Product Safety & Quality 	<ul style="list-style-type: none"> Business Ethics Oversight on ESG Reporting, filing & disclosures
MEDIUM	<ul style="list-style-type: none"> Effluent & Waste Raw material sourcing Packaging Materials 	<ul style="list-style-type: none"> Human capital Value Chain Human Rights 	<ul style="list-style-type: none"> Board composition Remuneration
LOW	<ul style="list-style-type: none"> Product Footprint & Stewardship Biodiversity Green Value Chain 	<ul style="list-style-type: none"> Consumer Protection Community support & development 	<ul style="list-style-type: none"> Board Functioning

¹Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report

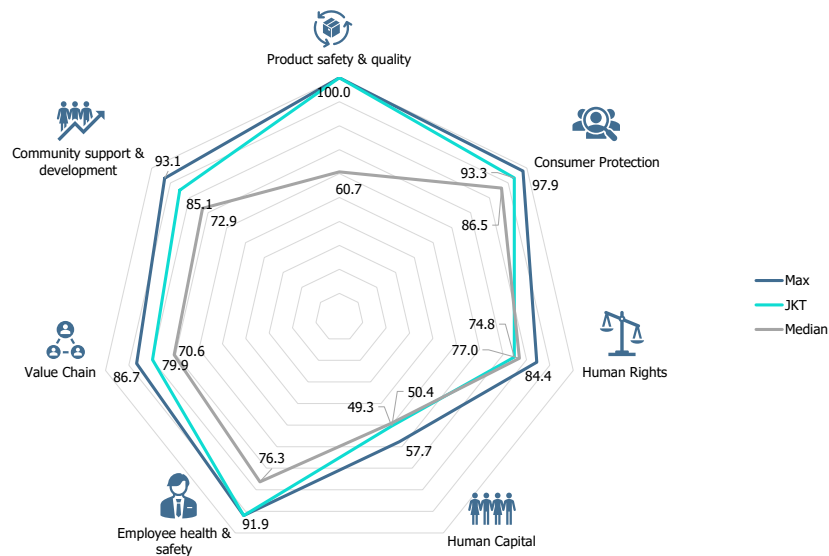
Environment Pillar

Environment Pillar: Theme-wise performance and industry benchmarks



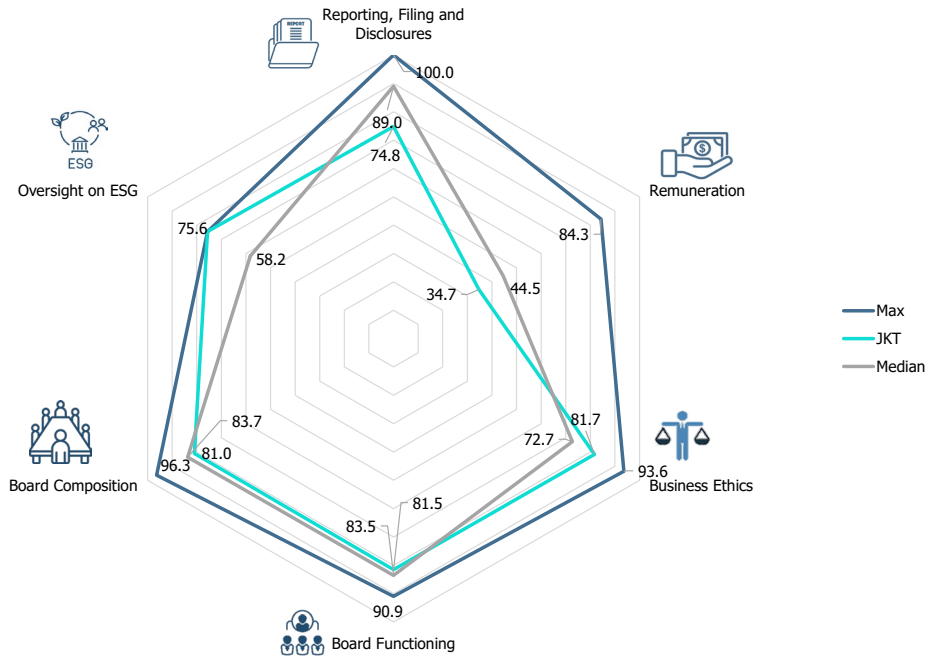
Social Pillar

Social Pillar: Theme-wise performance and industry benchmarks



Governance Pillar

Governance Pillar: Theme-wise performance and industry benchmarks



Summary Pillars and Theme Scores

Theme	JK Tyres	Median
Biodiversity	100.0	79.3
Carbon and other emissions	86.6	53.5
Effluent & waste	59.1	71.0
Energy Efficiency	89.5	71.7
Green Value Chain	79.2	44.0
Product footprint & stewardship	34.3	21.3
Raw material sourcing	95.2	65.1
Water usage & management	83.0	37.6
Total Environment Score	80.6	58.5
Product safety & quality	100.0	60.7
Consumer Protection	93.3	86.5
Human Rights	74.8	77.0
Human Capital	50.4	49.3
Employee health & safety	91.9	76.3
Value Chain	79.9	70.6
Community support & development	85.1	72.9
Total Social Score	84.9	69.4
Reporting, Filing and Disclosures	74.8	89.0
Remuneration	34.7	44.5
Business Ethics	81.7	72.7
Board Functioning	81.5	83.5
Board Composition	81.0	83.7
Oversight on ESG	75.6	58.2
Total Governance Score	77.5	73.2
Total ESG Score	81.2	67.4

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About:

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 pioneer 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.

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