Balrampur Chini Mills Limited

July 21, 2026

CareEdge ESG RATINGS
A subsidiary of CARE Ratings Limited
SEBI registered Category I ESG Rating Provider (ERP)

ESG Rating Rationale

Balrampur Chini Mills Limited (BCML)	Rating Symbol*	Rating Score	Rating Action
ESG Rating	CareEdge-ESG 1	78.6	Assigned

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

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

ESG Score

Data Transparency Level: **High**

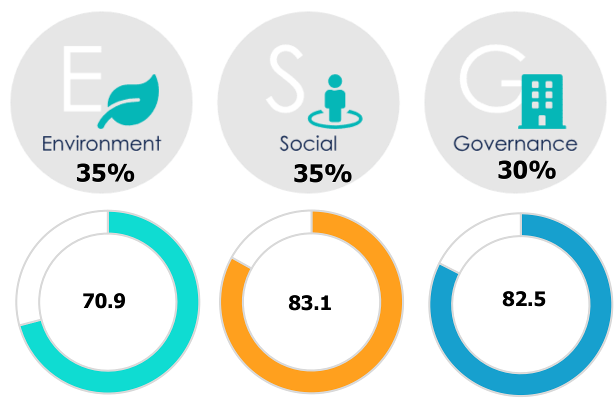
Data Reporting Boundary: **Standalone**

Overall Transition Pathway Trajectory: **Strong**

Environment Transition Pathway Trajectory: **Strong**

Social Transition Pathway Trajectory: **Strong**

Pillar Weights & Scores



Rating Scale

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

CareEdge-ESG Rating Assessment Criteria		
India & globally aligned	Physical risk evaluation	Comprehensive analysis

BCML's Policy Analysis		
Comprehensive	Board approved	Regularly reviewed

BCML's Initiatives Impact		
Adaptation	Mitigation	Resilience

ESG Disclosures			
BRSR Report	2024-25	2023-24	2022-23
Sustainability Report	2024-25	2023-24	2022-23
GRI standards	2024-25	2023-24	2022-23
CDP disclosure	-	-	-
TCFD	-	-	-

Rating Rationale

The ESG rating assigned to BCML reflects the company's structure assessed at the leadership stage of ESG performance, reflecting its well-integrated approach towards sustainability across environmental, social, and governance dimensions. BCML had a sugar production of 9.71 lakh tonnes in FY25 with approx. 103.39 lakh tonnes cane crushed. The company has established a comprehensive ESG framework supported by robust policies, effective governance mechanisms, and continuous operational improvements.

BCML demonstrates strong environmental stewardship through its extensive utilization of renewable energy, improvements in greenhouse gas emissions intensity, efficient water management practices, and structured waste management initiatives. The company has implemented ISO 14001-certified environmental management system and ISO 45001-certified occupational health & safety management system. It maintains Zero Liquid Discharge across its distillery operations and undertakes independent external assurance of its environmental disclosures. The rating is further supported by BCML's continued improvement in key environmental performance indicators during FY25, including reductions in GHG emissions intensity, lesser overall energy intensity, reduction in water consumption intensity, and higher waste recovery rates. The company also continues to maintain one of the highest renewable energy utilization levels in the industry through biomass-based cogeneration and sustainable manufacturing practices.

On the social front, BCML has demonstrated strong commitment towards employee health & safety, community development, responsible supply chain management, human rights, and workforce welfare through comprehensive policies, structured grievance mechanisms, and continuous stakeholder engagement. The governance framework is further strengthened by transparent disclosures, strong Board oversight, enterprise risk management practices, well-defined ethical policies, and independent assurance of sustainability reporting.

However, the overall assessment is moderated by certain areas requiring further improvement, including increasing waste generation intensity, higher water discharge intensity, limited biodiversity management initiatives, low female workforce representation, and the lack of environmental targets like air pollution, packaging, water discharge, and advanced decarbonization technologies. Going forward, sustained improvements in resource efficiency, biodiversity management, workforce diversity, and climate transition initiatives, along with continued strengthening of governance and ESG disclosures, are expected to further enhance BCML's overall ESG performance and support future rating improvements.

Details of each pillar are given in the subsequent sections.

Environment Score

70.9

Transition Pathway Trajectory
Strong

The Environmental pillar carries a weightage of 35% within the assessment framework for the sugar industry. Environmental performance is particularly material for sugar companies due to their dependence on agricultural raw materials, water consumption, energy-intensive manufacturing processes, air emissions from boilers and cogeneration plants, waste generation, and increasing climate-related risks. Consequently, the assessment focuses on biodiversity management, environmental compliance, emissions

management, climate change mitigation, renewable energy adoption, resource efficiency, waste management, water stewardship, sustainable sourcing, and environmental governance.
Environmental stewardship is one of the key pillars underpinning BCML's sustainability strategy. As one of India's leading integrated sugar manufacturers with diversified operations across sugar, ethanol, cogeneration, and allied businesses, the company recognizes that responsible environmental management is fundamental to ensuring long-term business resilience and operational efficiency. BCML has established a comprehensive environmental governance framework supported by Board-approved policies on environmental management, greenhouse gas emissions, climate change, waste management, water stewardship, sustainable sourcing, and responsible supply chain practices.

The company remains compliant with the applicable provisions of the Air (Prevention and Control of Pollution) Act, Water (Prevention and Control of Pollution) Act, and the Environment (Protection) Act across all manufacturing facilities. Its environmental management systems are certified under ISO 14001, while key environmental disclosures relating to energy consumption, greenhouse gas emissions, and water management continue to be independently assured, reflecting a robust governance structure and a high degree of transparency.

BCML's biodiversity score of 43.1 exceeds the industry median of 27.8 but remains below the industry best of 61.1, indicating scope to strengthen biodiversity management through structured planning and enhanced disclosures. In this regard, the Company has incorporated biodiversity conservation within its broader environmental management framework. Key initiatives include plantation drives and green belt development. The Company also conserves ecosystems surrounding its manufacturing facilities and promotes sustainable agricultural practices through farmer engagement initiatives. These efforts contribute to carbon sequestration, improved soil health and enhancement of local ecological conditions. BCML also maintains environmental clearances, statutory approvals and periodic environmental monitoring across its operations. However, the Company has not disclosed site-specific biodiversity management plans with measurable targets, biodiversity impact assessments or defined mitigation strategies. Establishing comprehensive biodiversity management plans supported by quantifiable objectives and enhanced disclosures would further strengthen BCML's biodiversity stewardship.

Climate change risk management is one of BCML's strongest performing environmental themes, with a score of 81.8 compared with the industry median of 44.8, positioning the company as an industry leader in this theme. This performance is supported by a structured climate governance framework, underpinned by policies on greenhouse gas emissions reduction, environmental management and climate risk management. Climate considerations are integrated into operational decision-making through process optimization, renewable energy adoption, resource efficiency initiatives and long-term decarbonization planning. In this regard, BCML has established ambitious long-term climate targets, including achieving carbon neutrality for Scope 1 and Scope 2 emissions by 2047 and net-zero emissions by 2055. These commitments reflect the company's long-term focus on decarbonization while aligning with India's national climate objectives.

BCML monitors greenhouse gas emissions across Scope 1, Scope 2 and Scope 3 categories, with its carbon disclosures independently assured, enhancing the credibility of its reported environmental data. To reduce emissions, the company has implemented several operational initiatives. It extensively utilizes bagasse-based cogeneration, replacing conventional fossil fuels with renewable biomass-based energy generated from sugar manufacturing by-products. The expansion of its ethanol manufacturing capacity further supports India's Ethanol Blending Programme (EBP), contributing to lower transportation sector emissions while diversifying the company's renewable energy portfolio. The company also improves operational efficiency through process optimization, energy-efficient technologies, boiler efficiency improvements, automation, LED lighting replacement, preventive maintenance and efficient steam management practices across its manufacturing operations. Continuous Emission Monitoring Systems (CEMS) have been deployed across applicable facilities to enable real-time emissions monitoring and strengthen regulatory compliance. BCML further supports environmental sustainability through products such as ethanol and potash granules, while also investing in future low-carbon technologies. The company has initiated a polylactic acid (PLA) project for biodegradable plastic production, which incorporates advanced technologies to support long-term emissions reduction. Additional emission-reduction technologies are also under evaluation as part of its future decarbonization roadmap.

BCML maintained a favourable emissions performance during FY25, with emission intensities remaining below industry medians across most parameters. Scope 1 emission intensity declined from 0.00037 tCO_2e per tonne of cane crushed in FY24 to 0.00034 in FY25, substantially lower than the industry median of 0.00802. Scope 2 emission intensity also reduced from 0.00025 to 0.00020 tCO_2e per tonne of cane crushed, in line with the industry median of 0.00019 and reflecting efficient management of purchased electricity emissions. Scope 3 emission intensity decreased from 0.08428 to 0.06873 tCO_2e per unit of production; however, it remained significantly higher than the industry median of 0.00489, indicating continued scope to reduce value chain emissions.

The company also demonstrated strong performance in managing air pollutant emissions. PM emission intensity declined marginally from 0.0000061 to 0.0000058 mg/Nm³ per tonne of cane crushed, substantially below the industry median of 0.00010 mg/Nm³ per tonne. NOx emission intensity reduced from 0.000004 to 0.000003 mg/Nm³ per tonne of cane crushed, compared with the industry median of 0.00003. Similarly, SOx emission intensity decreased from 0.0000023 to 0.0000016 mg/Nm³ per tonne of cane crushed, remaining well below the industry median of 0.00001. These results reflect the effectiveness of the company's emission control systems, efficient combustion technologies and process optimisation initiatives across its manufacturing operations.

BCML demonstrated robust energy efficiency performance in FY25, with the company achieving a theme score of 77.4, substantially higher than the industry median of 60.1. This reflects its continued focus on optimizing energy consumption across its sugar, distillery and cogeneration operations. The company has established a formal energy management policy supported by operational measures to improve energy efficiency and reduce overall energy intensity. These include process optimization, energy-efficient motors and pumps, variable frequency drives, boiler efficiency improvements, automation, LED lighting, preventive maintenance, regular energy audits and continuous monitoring of energy performance. Integrated bagasse-based cogeneration facilities further enhance fuel utilization by enabling the simultaneous generation of steam and electricity while reducing dependence on external power sources. Although BCML has not implemented an ISO 50001 Energy Management System, its energy disclosures are independently assured, strengthening the credibility of its reported performance.

These initiatives translated into improved operational performance during FY25. Energy intensity declined from 2.80 GJ per tonne of cane crushed in FY24 to 2.52 GJ per tonne in FY25, in line with the industry median of 2.53 GJ per tonne of cane crushed and reflecting more efficient utilization of energy resources.

Renewable energy continues to be another key environmental strength for BCML. The company primarily generates renewable electricity through its bagasse-based cogeneration facilities, with renewable sources accounting for approximately 99.0% of total energy consumption during FY25. Although marginally lower than 99.9% in FY24, renewable energy utilization remained broadly in line with the industry median, demonstrating the company's sustained reliance on renewable biomass-based energy and supporting lower operational carbon intensity.

Water usage and management remains one of the most material environmental themes for the sugar industry, given the water-intensive nature of sugarcane processing and distillery operations. BCML demonstrates strong performance under this theme, achieving a score of 70.5, significantly higher than the industry median of 36.5. The company has established a dedicated water management policy supported by an integrated water management framework and independent external assurance of its water-related disclosures, enhancing the reliability of its reported performance. BCML has also defined water conservation targets focused on reducing freshwater withdrawal and improving overall water-use efficiency. To support these objectives, the company has implemented several water stewardship initiatives, including rainwater harvesting, condensate recovery, wastewater recycling, reuse of treated effluents, process optimisation and efficient irrigation systems across its manufacturing facilities. A key strength is the implementation of Zero Liquid Discharge (ZLD) systems across applicable operations, enabling treated wastewater to be recycled within manufacturing processes. These initiatives are further supported by groundwater recharge measures and continued investments in water recycling infrastructure.

The company's operational performance remained strong during FY25. Water consumption intensity declined significantly from 0.13 kilolitres per tonne of cane crushed in FY24 to 0.07 in FY25, substantially outperforming the industry median of 0.20. Water recycled and reused increased marginally from 32.6% to 33.0% but remained below the industry median of 43.7%, reflecting need for continued enhancement towards circular water management. BCML also reported a Water Positivity Index of 0.0137, broadly in line with the industry median of 0.014.

Despite these strengths, opportunities remain to further improve water management. Water discharge intensity increased from 0.089 kilolitres per tonne of cane crushed in FY24 to 0.124 in FY25, going

above the industry median of 0.109 kilolitres per tonne of cane crushed. While the increase was primarily attributable to the commissioning of upgraded water treatment facilities that enabled a higher volume of treated water to be discharged, the company has not established a specific target for reducing water discharge. Setting measurable discharge reduction targets alongside continued expansion of water recycling infrastructure would further strengthen BCML's water stewardship.
BCML's performance under the Effluent & Waste Management theme remains broadly aligned with industry practices, achieving a theme score of 62.4, marginally above the industry median of 60.5. The company has established a structured waste management framework supported by a formal waste management policy, defined waste reduction targets and independent external assurance of its environmental disclosures, strengthening governance and transparency.

To support its waste management objectives, BCML maximises the utilisation of manufacturing by-products generated during sugar production. Bagasse is used as renewable fuel for cogeneration, press mud is converted into organic manure and compost, molasses is utilized for ethanol production, while boiler ash and other residual materials are recovered or disposed of through authorized channels. The company also undertakes waste segregation, process waste recycling and hazardous waste reduction initiatives to improve resource recovery and support circular economy practices.

Operational performance during FY25 reflected mixed trends. Waste intensity increased from 0.004 metric tonnes per tonne of cane crushed in FY24 to 0.009 metric tonnes per tonne of cane crushed in FY25, significantly higher than the industry median of 0.003 metric tonnes per tonne of cane crushed. The increase was primarily driven by higher operating days, construction-related demolition waste and improved waste data capture and reporting. At the same time, the percentage of waste recovered increased significantly from 29.6% in FY24 to 41.4% in FY25, while the remaining waste was disposed of through authorized channels in compliance with applicable environmental regulations.

Despite these strengths, BCML has not yet implemented a formal Zero Waste to Landfill mechanism, as certain process wastes, including sludge and fly ash, are inherently generated during sugar and ethanol manufacturing. While these by-products are beneficially utilized through nutrient recycling and soil application where appropriate, implementing a structured Zero Waste to Landfill roadmap with measurable milestones would further strengthen the company's circular economy performance.

BCML demonstrates strong performance under the Raw Material Sourcing & Packaging theme, achieving a score of 74.6, significantly higher than the industry median of 65.9. The company has integrated sustainable procurement and responsible resource management into its environmental strategy through policies governing sustainable sourcing, responsible procurement, raw material quality and product stewardship. These are supported by established procurement protocols and quality management systems to monitor sourcing practices and raw material safety risks.

To strengthen supply chain sustainability, BCML predominantly procures sugarcane from local farmers through long-term engagement programmes that promote sustainable agricultural practices. The company supports farmers through technical advisory services, improved seed varieties, efficient irrigation techniques, integrated pest management, balanced nutrient application, mechanization support and soil health improvement initiatives. BCML also collaborates with government agencies, research institutions and industry associations to advance sustainable agriculture, renewable energy and ethanol production. From a product stewardship perspective, the company undertakes Life Cycle Assessment (LCA) studies for its principal products and raw material, with independent verification of the assessment findings. It also maximizes the utilization of manufacturing by-products such as bagasse, molasses, press mud and boiler ash, supporting circular economy principles and improving resource efficiency across the value chain.

These initiatives translated into strong sourcing performance during FY25, with approximately 97.0% of total raw materials sourced sustainably, exceeding the industry median of 90.0%.
Despite these strengths, BCML does not currently have a formal sustainable packaging policy or quantitative packaging targets. While the company complies with applicable packaging regulations, including product labelling requirements and recycling-related markings, establishing a structured sustainable packaging framework with measurable targets would further strengthen its product stewardship practices.

Social Score

83.1

Transition Pathway Trajectory
Strong

The Social pillar, carrying a weightage of 35% for the sugar industry, reflects a company's performance across critical areas such as employee health & safety, workforce development, diversity & inclusion, human rights, community development, customer responsibility, and value chain management. For the sugar manufacturing industry, the social pillar is one of the most material components of ESG performance, reflecting the sector's extensive workforce, dependence on rural communities and farmers, occupational health and safety requirements, and responsibility towards supply chain partners and consumers.

BCML demonstrates a strong social performance supported by comprehensive governance mechanisms, employee welfare initiatives, responsible supply chain management, community development programmes, product quality assurance, and robust human rights practices. The Company records strong performance across most social themes, outperforming industry peers in several key areas including Community Support & Development, Value Chain, Product Safety & Quality, Human Rights, Employee Health & Safety, and Human Capital.

Community support & development is a key pillar of BCML's sustainability strategy, reflecting its extensive engagement with rural farming communities and local stakeholders across its areas of operation. The company achieved the highest score in the industry under this theme, with 95.3 compared with the industry median of 46.0. This performance is supported by a Board-governed Community Development Policy and CSR framework covering healthcare, education, sanitation, livelihood generation, skill development, rural infrastructure, environmental conservation, women empowerment and farmer welfare. BCML also undertakes independent impact assessments for eligible CSR projects, strengthening oversight of social outcomes and ensuring compliance with statutory CSR requirements.

The company continues to implement a broad range of community and farmer development initiatives. These include agronomic advisory services, distribution of high-yield seed varieties, soil testing, mechanisation support and sustainable farming awareness programmes aimed at improving farm productivity and strengthening the resilience of its sugarcane supply chain. Through its manufacturing operations, procurement network and allied activities, BCML also contributes to employment generation and economic development in rural and semi-urban areas.

The company's community development performance remained strong during FY25. All CSR beneficiaries belonged to vulnerable & marginalized communities with approximately ₹3,964 per crore of turnover allocated towards CSR projects in Aspirational Districts, substantially higher than the industry median of ₹70.7. In addition, the company maintained an effective community grievance redressal mechanism, with no community complaints or significant issues reported through social impact assessments.

Despite these strengths, the proportion of wages paid to employees in smaller towns declined from 86.1% in FY24 to 82.6% in FY25, remaining below the industry median of 85.7%. The company attributed the decline to workforce optimization following increased mechanization.

Employee health and safety is a key material theme for BCML, given the operational nature of its sugar, distillery and cogeneration businesses. The company outperforms the industry median, achieving a theme score of 81.4 compared with the industry median of 77.0. This performance is supported by a comprehensive Environment, Health and Safety (EHS) policy and structured occupational health and safety management systems focused on hazard identification, risk mitigation and regulatory compliance.

To strengthen workplace safety, BCML undertakes regular safety inspections, internal and external assessments, safety training, behavioural safety programmes, contractor safety management, permit-to-work systems, hazard identification studies, incident investigations and periodic emergency response drills. During FY25, 100% of the company's manufacturing facilities were assessed for occupational health and safety practices, demonstrating comprehensive oversight across all operational locations. The company also provides occupational healthcare through regular medical examinations, health surveillance, occupational disease monitoring, emergency medical facilities and employee wellness programmes covering hygiene, communicable diseases, lifestyle management and mental well-being.
These initiatives contributed to improved workplace safety performance during FY25. The employee Lost Time Injury Frequency Rate (LTIFR) declined from 0.57 in FY24 to 0.38 in FY25, while the total

number of workplace fatalities reduced significantly from eight in FY24 to one in FY25. However, the total number of recordable work-related injuries increased from four in FY24 to seven in FY25, indicating the need to further strengthen preventive safety measures. In addition, health and safety training coverage remained below industry levels, with 69.3% of employees and 33.4% of workers receiving health and safety training during FY25, compared with industry medians of 87.6% and 65.4%, respectively.

While BCML extends financial support to families in the event of workplace fatalities and provides suitable alternate roles for employees affected by high-consequence injuries or ill health, it does not currently have a formal practice of providing employment support to families of deceased employees. Strengthening health and safety training coverage, reducing recordable injuries and establishing a structured rehabilitation and family support framework would further enhance the company's employee health and safety practices.

BCML recognizes its workforce as a key driver of long-term business success and has established comprehensive policies covering diversity and inclusion, equal opportunity, employee wellbeing, learning and development, grievance redressal, performance management and employee engagement. Consequently, the company achieves a Human Capital theme score of 57.1, outperforming the industry median of 50.1. The company also maintains a formal grievance redressal mechanism for employees and contract workers, alongside maternity and paternity benefits in accordance with applicable statutory requirements. BCML supports workforce development through structured technical, behavioural, managerial, leadership, safety and compliance training programmes, complemented by employee engagement initiatives, performance appraisal systems, career development programmes and internal growth opportunities. Employee wellbeing is further supported through healthcare, insurance, medical facilities, housing assistance, welfare programmes and workplace wellness initiatives.

These initiatives contributed to a strong employee wellbeing performance during FY25. Employee wellbeing expenditure increased from 0.26% of revenue in FY24 to 0.31% in FY25, substantially exceeding the industry median of 0.12%. Employee turnover remained stable at 12.3%, broadly in line with the industry median. The female-to-male employee ratio improved marginally from 0.009 in FY24 to 0.014 in FY25; however, it remained below the industry median of 0.023.

Despite these strengths, opportunities remain to strengthen workforce diversity and capability development. The median pay of female employees declined from ₹99.4 for every ₹100 earned by male employees in FY24 to ₹71.4 in FY25, falling below the industry median of ₹87.8. Similarly, the median pay of female workers declined from ₹97.7 to ₹89.2 for every ₹100 earned by male workers, although it remained above the industry median of ₹82.4. The company attributed these movements primarily to changes in workforce composition given its relatively small female employee base. In addition, only 94.3% of employees received training on BRSR principles, compared with the industry median of 98.9%. Skill upgradation training also remained below industry levels, covering 72.5% of employees and 33.9% of workers against industry medians of 94.5% and 38.3%, respectively. Strengthening female representation and expanding training coverage would further enhance BCML's human capital profile.

Human rights form an integral part of BCML's governance and workforce management practices. The company achieved a Human Rights theme score of 82.4, outperforming the industry median of 73.2. This performance is supported by a formal human rights policy, Board-level oversight through designated personnel responsible for human rights matters, and the integration of human rights requirements into business agreements and contracts. BCML has also established mechanisms to protect complainants from retaliation in cases relating to discrimination and harassment, reinforcing its commitment to a fair and respectful workplace.

To support its human rights framework, the company undertakes periodic assessments of its operations, with 100% of its plants and offices assessed for human rights practices during FY25. BCML also maintains a comprehensive Prevention of Sexual Harassment (POSH) policy, supported by grievance redressal mechanisms, employee awareness initiatives and human rights training programmes. These measures strengthen the company's ability to identify, prevent and address potential human rights risks across its operations.

The company demonstrated strong performance during FY25, reporting no human rights complaints, no POSH complaints and no significant human rights concerns across its operations. Human rights training coverage was also marginally above industry levels, with 63.1% of employees trained on human rights policies compared with the industry median of 60.9%, while training coverage for workers was 48.7%, in line with the industry median.

Despite these strengths, opportunities remain to strengthen awareness and capacity building across the workforce. Only 27.8% of employees received training on POSH guidelines during FY25, significantly below the industry median of 92.0%. Expanding POSH training coverage across all employee categories would further reinforce BCML's human rights framework and promote a more inclusive and respectful workplace.

Product safety and quality remain fundamental to BCML's operations, given the nature of its sugar, ethanol and allied products. The company achieved a Product Safety & Quality theme score of 83.7, outperforming the industry median of 79.6. This performance is supported by a formal policy on product quality, a consumer grievance redressal mechanism and established quality assurance processes to ensure product safety and regulatory compliance.

To maintain high product quality standards, BCML undertakes quality control initiatives across its manufacturing operations and subjects its production facilities to periodic verification by external agencies. The company has also implemented a Food Safety Management System certified to ISO 22000, reinforcing its commitment to food safety and quality management. In addition, information relating to its products and services is made available through established customer communication channels, enhancing product transparency and consumer awareness. The company reported no significant consumer-related concerns during FY25, reflecting the effectiveness of its quality management and customer grievance handling processes.

Despite these strengths, opportunities remain to further strengthen customer engagement and quality management practices. BCML does not currently conduct customer satisfaction surveys and has not implemented an ISO 9001 Quality Management System. Introducing structured customer feedback mechanisms and obtaining ISO 9001 certification would further strengthen the company's product quality framework and consumer-centric practices.

Value chain management is one of BCML's strongest ESG themes, with the company achieving an industry-leading score of 95.6, significantly outperforming the industry median of 54.4. This performance is supported by a comprehensive governance framework comprising policies on responsible sourcing, environmentally responsible supply chains, supplier health and safety, and human rights. The company has also established a grievance redressal mechanism for its value chain partners and monitors compliance with statutory obligations across its supplier base.

To strengthen responsible procurement practices, BCML has adopted a Board-approved Supply Chain and Responsible Sourcing Policy, which is communicated to suppliers through regular sensitisation initiatives. The company also undertakes environmental and human rights assessments of its value chain partners, provides training on environmental issues and BRSR principles, and implements remedial actions in the event of environmental non-compliance. In addition, BCML promotes supplier health and safety through dedicated policies and engagement initiatives, reinforcing responsible practices across its supply chain.

The company's value chain performance remained strong during FY25. Environmental assessments covered 90.0% of value chain partners by business value, substantially exceeding the industry median of 25.0%. Similarly, 90.0% of value chain partners were trained on BRSR principles, significantly higher than the industry median of 54.7%. The company also reported no significant health and safety or human rights concerns relating to its value chain partners during the year.

Governance Score

82.5

Governance forms the foundation of Balrampur Chini Mills Limited's ESG framework and underpins the Company's ability to deliver sustainable long-term value to its stakeholders. The governance pillar assesses the effectiveness of board oversight, ethical business conduct, transparency, regulatory compliance, risk management, executive remuneration, ESG governance, and stakeholder engagement. Owing to the highly regulated nature of the sugar industry and the importance of robust governance mechanisms in ensuring operational resilience and stakeholder confidence, governance remains one of the most material pillars of BCML's ESG performance.

BCML demonstrates a mature governance framework characterised by strong ethical conduct, effective Board oversight, robust sustainability governance and transparent decision-making processes. The company outperforms the industry across five of the six governance themes, reflecting well-established governance systems that support accountability, regulatory compliance, risk management and long-term value creation.

Business ethics represents a key governance strength for BCML, with the company achieving a score of 83.0 compared with the industry median of 69.5. The company has established a comprehensive governance framework supported by policies governing anti-bribery and corruption, whistleblower protection, fraud prevention, conflict of interest, code of conduct and ethical business practices. These are reinforced through a structured compliance framework, designated oversight mechanisms and grievance redressal channels that enable employees and stakeholders to confidentially report unethical conduct without fear of retaliation. BCML also undertakes awareness programmes on ethical business conduct and monitors compliance across its operations through periodic reviews and internal control mechanisms. The company reported no material incidents relating to bribery, corruption, fraud or anti-competitive behaviour during FY25, reflecting the effectiveness of its ethics and compliance framework.

Despite these strengths, training coverage on key ethics-related policies remained below industry levels. During FY25, 27.8% of employees received training on the Code of Conduct, Anti-Corruption and Anti-Bribery Policy, and Whistleblower Protection Policy, compared with industry medians of

88.0%, 79.5% and 63.9%, respectively. The company clarified that these trainings are mandatory for all new employees, while existing employees are provided with ready reckoners and guidance on these policies instead of mandatory refresher training. Expanding formal ethics training across the broader workforce would further strengthen employee awareness and reinforce BCML's strong ethical culture.

Oversight on ESG is another area where BCML demonstrates strong governance practices, achieving a score of 77.4 against the industry median of 62.4. Sustainability considerations are integrated into the company's governance framework through Board and senior management oversight, supported by clearly defined roles and responsibilities for monitoring ESG performance. The company’s board has members who are experts in the fields of Environment and Social. It also has established Board-approved policies covering key environmental, social and governance topics, enabling sustainability-related risks and opportunities to be incorporated into strategic decision-making. ESG performance is periodically reviewed through established governance mechanisms, while sustainability disclosures are independently assured, strengthening the reliability and transparency of reported information. This structured approach enables BCML to embed ESG considerations across its operations while supporting long-term value creation and responsible business practices.

BCML also maintains a well-balanced Board composition, reflected in its score of 82.7 compared with the industry median of 79.0. The Board is constituted in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ensuring an appropriate balance of executive, non-executive and independent directors. The company has constituted all mandatory Board committees, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee, each operating in accordance with applicable regulatory requirements. The company has also adopted a formal Board Diversity Policy to promote diversity of skills, experience, gender and professional background while appointing directors.

The Board structure is further strengthened by a majority of non-executive directors, ensuring independent oversight of strategic and operational matters. The Audit Committee and Nomination and Remuneration Committee comprise the required majority of independent directors and are chaired by independent directors, reinforcing objective oversight of financial reporting, Board appointments, remuneration and internal controls. During FY25, only 0.25% of non-promoter shareholder votes were cast against the appointment of independent directors, reflecting a high degree of shareholder confidence in the company's governance practices.

BCML demonstrates strong Board effectiveness, achieving a Board Functioning score of 90.5, significantly higher than the industry median of 83.1. The company has established a disciplined governance framework supported by regular Board and Committee meetings, clearly defined governance processes and transparent decision-making. During FY25, BCML complied with all statutory requirements relating to the conduct and frequency of Board meetings, while maintaining comprehensive disclosures on Board attendance, meeting outcomes and resolutions. The company also ensures continuous capacity building, with 100% of Board members and Key Managerial Personnel (KMPs) receiving training on BRSR principles during FY25, matching the industry median. In addition, the Audit Committee fully complies with regulatory requirements relating to financial literacy and financial expertise, strengthening oversight of financial reporting, internal controls and risk management.

BCML's remuneration practices remain aligned with industry standards, with the company achieving a Remuneration theme score of 62.7, in line with the industry median. The company has established a Board-governed remuneration framework administered through the Nomination and Remuneration Committee, ensuring that remuneration policies comply with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The framework seeks to attract, retain and motivate qualified talent while promoting transparency, fairness and regulatory compliance. The committee periodically reviews remuneration policies and compensation structures for directors, Key Managerial Personnel and senior management, while also overseeing succession planning, Board appointments and performance evaluation. The company's remuneration practices remain consistent with prevailing industry standards, with no significant governance concerns identified during the assessment period.

Reporting, Filing & Disclosures represents BCML's strongest governance theme, with the company achieving an industry-leading score of 99.6, substantially higher than the industry median of 71.5. The company maintains a comprehensive reporting and disclosure framework supported by robust financial governance, transparent regulatory filings and structured enterprise risk management practices. During FY25, there were no instances of delayed financial filings or restatements of financial statements, while the statutory auditors issued an unqualified audit opinion, reinforcing the reliability of the company's financial reporting. BCML has implemented an Enterprise Risk Management (ERM) framework aligned with the internationally recognised ISO 31000 Risk Management Framework, enabling systematic identification, assessment and mitigation of strategic, operational, financial, regulatory and sustainability-related risks. The company also maintains a strong external credit profile, reflecting prudent financial management and sound governance practices.

Transparency is further strengthened through comprehensive disclosures in the Integrated Annual Report, Sustainability Report, statutory filings and investor communications, enabling stakeholders to assess the company's financial and ESG performance. Auditor independence also remains strong, with non-audit fees accounting for only 3.4% of total audit and non-audit fees, significantly lower than the industry median of 9.9%. Collectively, these practices demonstrate BCML's commitment to high standards of corporate governance, transparent reporting and effective risk management, reinforcing stakeholder confidence and positioning the company as a governance leader within the sector.

Key Rating Drivers

Strengths

Climate Change & Resource Efficiency

BCML demonstrates a well-established environmental management framework supported by strong climate governance, extensive adoption of renewable energy, efficient resource utilization and integrated decarbonization initiatives. The company's focus on process optimization, energy efficiency, water stewardship and emission reduction has enabled it to consistently outperform industry peers across several key environmental themes, reflecting a proactive approach towards managing climate-related risks and improving operational sustainability.

Responsible Supply Chain Management

The company has established a comprehensive responsible sourcing framework that integrates environmental considerations across its supply chain. Through supplier engagement, environmental assessments, sustainability awareness programmes and responsible procurement practices, BCML promotes sustainable agricultural practices while strengthening supply chain resilience and improving environmental performance across the value chain. Further reinforcing its commitment to responsible sourcing, the company's Rauzagaon unit was Bonsucro certified during FY2025, reflecting adherence to sustainable sugarcane sourcing and responsible production practices.

Human Rights & Responsible Workplace Practices

BCML has embedded human rights principles within its governance and workforce management framework through formal policies, grievance redressal mechanisms, anti-retaliation safeguards and regular operational assessments. These are complemented by robust mechanisms for addressing workplace concerns and promoting ethical conduct, fostering a safe, inclusive and respectful working environment. Further strengthening its occupational health and safety management framework, the company has also obtained ISO 45001 certification.

Community Development & Rural Livelihoods

Community development remains one of BCML's strongest social differentiators, supported by a structured CSR framework and long-standing engagement with rural communities. The company undertakes targeted initiatives across healthcare, education, livelihood generation, farmer welfare, rural infrastructure and skill development, demonstrating a strong commitment towards inclusive growth and creating long-term socio-economic value for its stakeholders.

Governance Framework & Transparency

BCML maintains a mature governance framework characterized by effective Board oversight, transparent reporting practices, robust enterprise risk management and strong regulatory compliance. Comprehensive governance policies, independent oversight mechanisms and high-quality disclosures support informed decision-making while reinforcing accountability, stakeholder confidence and long-term value creation.

Weaknesses

Biodiversity Management

While BCML has incorporated biodiversity conservation within its broader environmental management framework, opportunities remain to strengthen its approach through the development of site-specific biodiversity management plans supported by measurable targets, detailed impact assessments and clearly defined mitigation strategies. Enhanced disclosures would further strengthen the company's biodiversity stewardship.

Occupational Health & Safety Performance

BCML has established a comprehensive occupational health and safety framework supported by structured policies, monitoring mechanisms and employee welfare initiatives. Nevertheless, continued efforts to reduce workplace injuries, expand health and safety training coverage and strengthen rehabilitation and family support mechanisms would further enhance employee safety outcomes and reinforce the company's safety culture.

Workforce Diversity & Capability Development

Although BCML has established comprehensive human capital policies and employee development programmes, opportunities remain to strengthen workforce diversity and capability development. Increasing female representation across the workforce, improving training coverage on sustainability and skill development initiatives, and further enhancing gender diversity across operational roles would strengthen the company's long-term human capital profile.

Key ESG Parameters of BCML

Parameters	Unit	2024-25	Industry Median
Environment			
Scope 1 intensity	tCO2e/unit of production	0.0003	0.008
Scope 2 intensity	tCO2e/unit of production	0.0002	0.0002
Scope 3 intensity	tCO2e/unit of production	0.069	0.005
Renewable energy consumption	% (of total energy consumption)	99.0%	99.4%
Energy intensity	GJ/unit of production	2.52	2.53
Water consumption intensity	KL/unit of production	0.08	0.20
Waste generation intensity	MT/unit of production	0.01	0.003
Waste recovery rate	%	41.4%	41.4%
Zero waste to landfill	Waste to landfill/total waste	0.51	-
Achieved Zero liquid discharge	Yes/No	Yes	-
Social			
Employee turnover	%	12.3%	12.3%
Female to male employees' ratio	Per 100 male employees	1	2
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	71.46	87.77
Health & safety complaints	per employee	0.00	0.00
Health insurance coverage	%	98.54%	100%
Accident insurance coverage	%	98.61%	100%
Differently abled workforce	% of total workforce	0.15%	0.04%
POSH complaints upheld over reported	X/Y	0.00	0.00
Average lost time injury frequency rate	#	0.19	0.19
Workforce fatality rate	Per employee	0.0001	0.00
Total recordable injury rate	#	0.0007	0.0025
Governance			
No. of female in board	#	3	0
% board members trained on BRSR	%	100%	100%
% KMPs trained on BRSR	%	100%	100%
Income gap ratio (CEO pay to median pay)	X:Y	199.00	121.71

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

Industry median based on FY25 data

tCO_2e– tonnes of CO_2 equivalent| GJ – Gigajoules | KL – Kilolitres | MT – metric tonnes | KMP – Key Managerial Personnel |

Rating Sensitivities

Potential Future Rating Upside Drivers

- Increase in workforce diversity
- Improvement in gender pay equity
- Increase in training coverage
- Adoption of more standards and certifications

Potential Future Rating Downside Risks

- Increase in environmental intensities (emissions, energy, water, waste)
- Decline in renewable energy usage
- Deterioration in safety outcomes
- Reduced focus on CSR initiatives

Analytical approach:

Rating boundary: CareEdge-ESG has considered standalone data of BCML for assessment. The same is in line with their disclosure in BRSR.

Methodology/Criteria:

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

About the company and industry:

Balrampur Chini Mills Limited (BCML) is one of India's largest integrated sugar manufacturing companies and a leading participant in the country's sugar, ethanol, and renewable energy sectors. Headquartered in Kolkata, the company has established a strong presence across Uttar Pradesh through its integrated sugar manufacturing, distillery, and cogeneration facilities. BCML plays a significant role in supporting India's food security, rural economy, and energy transition objectives through its diversified business model and extensive agricultural value chain.

The company operates primarily across three business segments: sugar manufacturing, ethanol production, and cogeneration of renewable power. BCML procures sugarcane from a large network of farmers and processes it into sugar, while simultaneously utilizing by-products such as bagasse, molasses, and press mud to maximize resource efficiency. The company is one of the largest ethanol producers in the country and contributes significantly to the Government of India's Ethanol Blending Programme (EBP), which aims to reduce dependence on fossil fuel imports and promote cleaner transportation fuels. Additionally, BCML operates cogeneration facilities that utilize bagasse as a renewable fuel source for the generation of electricity and steam, supporting both captive energy requirements and grid supply.

BCML has developed a strong operational footprint through its multiple integrated manufacturing facilities, modern distilleries, and renewable energy assets. The company's strategic focus on ethanol capacity expansion, operational efficiency, and sustainable agriculture enables it to create value across the entire sugarcane ecosystem. Through continuous investments in process automation, energy-efficient technologies, and capacity enhancement projects, BCML seeks to improve productivity while maintaining operational resilience.

The company is committed to responsible and sustainable business practices, with a focus on reducing environmental impacts, improving resource efficiency, supporting rural livelihoods, and maintaining high standards of occupational health and safety. BCML undertakes various initiatives related to water conservation, waste utilization, greenhouse gas reduction, renewable energy generation, and community development. Through its integrated business model, strong farmer engagement programmes, and sustainability initiatives, the company aims to contribute to India's renewable energy goals, rural economic development, and long-term sustainable growth.

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 the last three years:

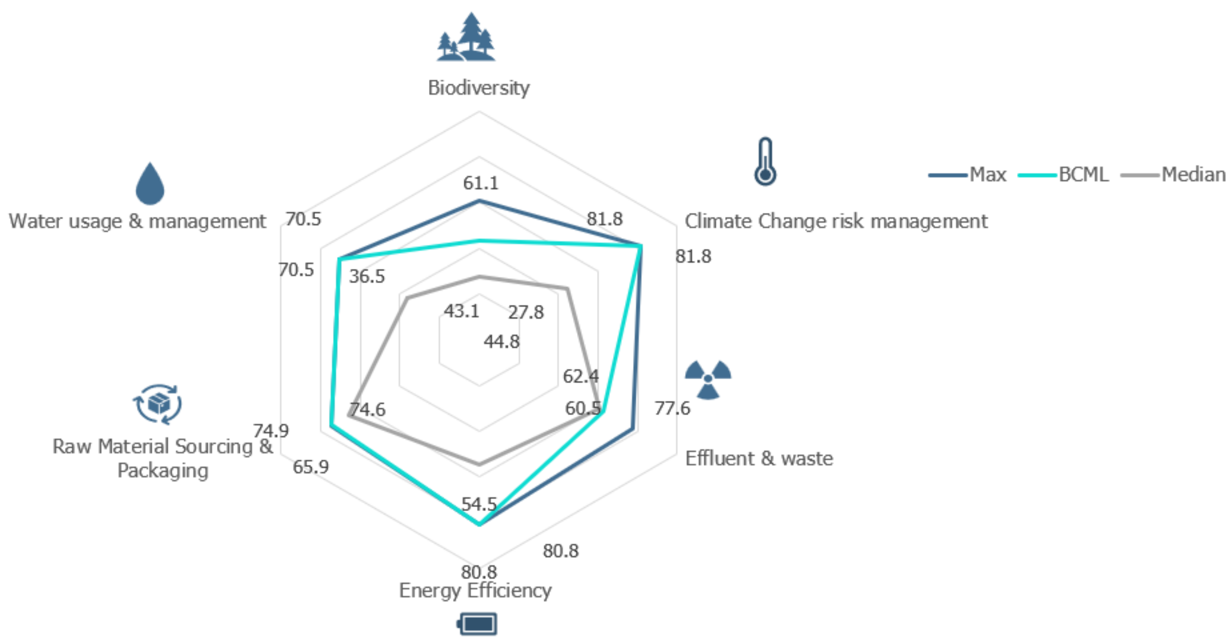
Sr. No.	Name of Product	Current Rating		Rating history		
		Rating	Score	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1	ESG Rating	CareEdge-ESG 1	78.6	-	-	-

Annexure: Graphical summary of key rating drivers[1]

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

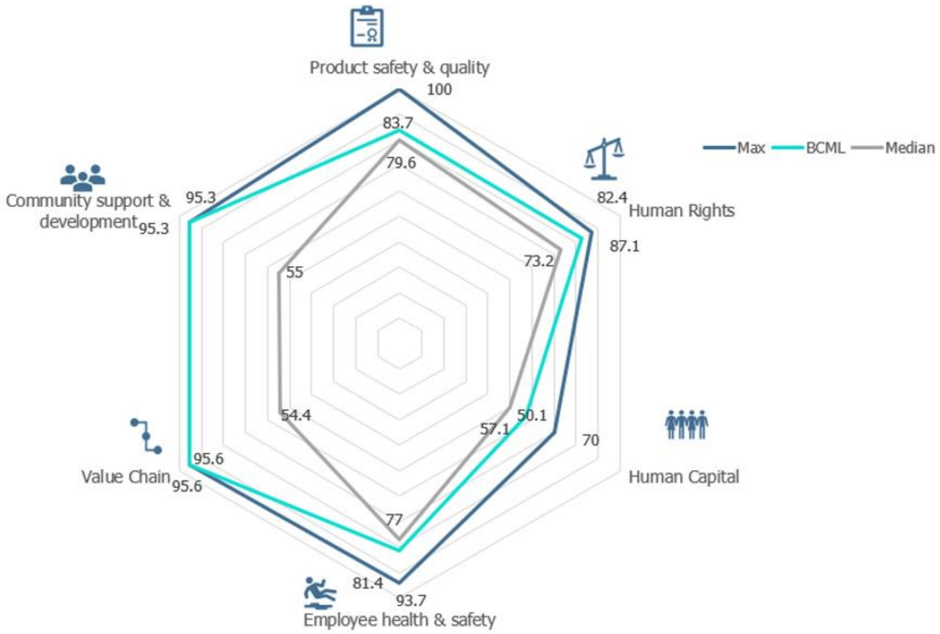
Materiality	Environment	Social	Governance
HIGH	Effluent & waste Water Usage & Management	Employee Health & Safety Community support & development	Business Ethics Oversight on ESG
MEDIUM	Climate change risk management Energy Efficiency Raw material sourcing & Packaging	Product safety & quality Human Capital	Reporting, filing & disclosures Board Functioning
LOW	Biodiversity	Human Rights Value Chain	Board composition Remuneration

Environment Pillar: BCML's theme-wise performance and industry benchmarks

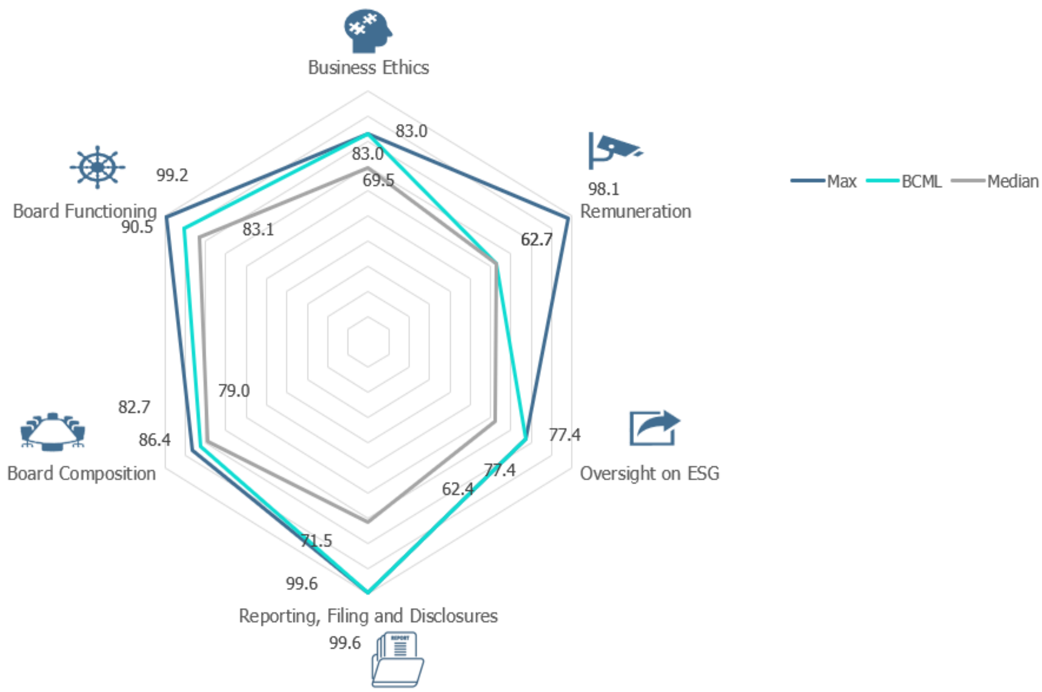


[1] *Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report*

Social Pillar: BCML's theme-wise performance and industry benchmarks



Governance Pillar: BCML's theme-wise performance and industry benchmarks



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Summary Pillars and Theme Scores

Theme	BCML FY24-25	Industry Median
Biodiversity	43.1	27.8
Climate change risk management	81.8	44.8
Effluent & waste	62.4	60.5
Energy Efficiency	80.8	54.5
Raw material sourcing & Packaging	74.6	65.9
Water usage & management	70.5	36.5
Total Environment Score	***70.9***	***46.8***
Product safety & quality	83.7	79.6
Human Rights	82.4	73.2
Human Capital	57.1	50.1
Employee health & safety	81.4	77.0
Value Chain	95.6	54.4
Community support & development	95.3	46.0
Total Social Score	***83.1***	***67.8***
Reporting, Filing and Disclosures	99.6	71.5
Remuneration	62.7	62.7
Business Ethics	83.0	69.5
Board Functioning	90.5	83.1
Board Composition	82.7	79.0
Oversight on ESG	77.4	62.4
Total Governance Score	***82.5***	***65.6***
Total ESG score	**78.6**	**58.5**

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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.