JK Fenner

Powered by Innovation, Driven by excellence

70 YEARS

2024-25

SUSTAINABILITY REPORT

Disclaimer & Transparency Statement

This ESG Report contains certain statements that may be deemed "forward-looking statements" under applicable laws and regulations. These statements reflect the Company's current views, expectations, aspirations, and strategic intentions regarding its environmental, social, and governance (ESG) performance and future initiatives.

Forward-looking statements are inherently subject to risks, uncertainties, and assumptions, and are generally identified by terms such as "aims," "plans," "expects," "intends," "targets," "strives," "may," "believes," "seeks," "will," "anticipates," and similar expressions. Such statements are not historical facts and may include, but are not limited to, the Company's commitments to reduce energy and water consumption, greenhouse gas (GHG) emissions, process waste, and to uphold the highest standards of health and safety, including goals of zero fatalities and lost-time incidents.

These statements are based on current expectations and assumptions, which may change over time due to a variety of factors, including but not limited to regulatory changes, market dynamics, technological developments, and evolving stakeholder expectations. As such, actual results may differ materially from those expressed or implied in this report.

The Company does not undertake any obligation to update or revise forward-looking statements unless required to do so by applicable laws.

Unless otherwise specified, the data and metrics presented in this report have not been externally audited. However, the greenhouse gas (GHG) emissions data has been independently assured, and the relevant assurance statement is included in the report.

Contents

Abbreviations

ACMA	Automotive Component Manufacturers Association
AFIH	Associate Fellow of Industrial Health
ARPM	Association for Rubber Products Manufacturers
ASTM	American Society for Testing and Materials
BCI	Bar Council of India
BIS	Bureau of Indian Standards
CAD	Computer-Aided Design
CAPEX	Capital Expenditure
CFD	Computational Fluid Dynamics
CFS	Critical Success Factors
CFT	Cross-Functional Teams
CII	Confederation of Indian Industry
CMS	Change Management System
CNC	Computer Numerical Control
CPCB	Central Pollution Control Board
CR	Chloroprene Rubber
CSR	Corporate Social Responsibility
DG	Diesel Generator
DMS	Data Management System
DRDA	District Rural Development Agency
EFSI	Employees Federation of South India
EPD	Environmental Product Declaration
EPDM	Ethylene Propylene Diene Monomer
ESG	Environmental, Social, and Governance
ETP	Effluent Treatment Plants
EV	Electric Vehicle
FEA	Finite element analysis
FEAD	Front-End Accessory Drive
FKM	Fluorine Kautschuk Material
FMEA	Failure Modes and Effects Analysis
FO	Furnace Oil
FSI	Food Sustainability Index
FTCCI	The Federation of Telangana Chambers of Commerce and Industry
GHG	GreenHouse Gases
GMR (Group)	Grandhi Mallikarjuna Rao
GRI	Global Reporting Standards
HIRA	Hazard Identification and Risk Assessment
HOD	Heads of Departments
HR	Human Resource
HRM	Human Resource Management
IAA	Internationale Automobil-Ausstellung
IACC	Indo American Chamber of Commerce
IATF	International Automotive Task Force
IGCC	Indo-German Chamber of Commerce
IPD	Integrated Project Delivery
IRC	International Rubber Conference
ISO	International Organisation for Standardization
IT	Information Technology
JASO	Japanese Automotive Standards Organisation
JSA	Job Safety Analysis
LC	Letter of Credit
LPG	Liquified Petroleum Gas
LTIR	The Lost Time Injury Rate
MBD	Model-Based Definition
MCCI	The Madras Chamber of Commerce & Industry
MIS	Management Information System
MOC	Management of Change
MRPS	Micronized Rubber Powder
NABARD	National Bank for Agriculture and Rural Development
NPD	New Product Development
NIQR	National Institution for Quality and Reliability
NR-SBR	Natural Rubber-Styrene Butadiene Rubber
NSDC	National Skill Development Corporation
OE	Original Equipment
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
PLM	Product Lifecycle Management
PMA	People Management Award
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMS	Performance Management System
PoSH	Prevention of Sexual Harassment
PPE	Personal Protective Equipment
QCFI	Quality Circle Forum of India
QMS	Quality Management System
R&D	Research & Development
RE	Renewable Energy
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
REC	Raw Edge Cogged
RFQ	Request for Quotation

Abbreviations

RMA	Return Merchandise Authorization
RoSH	Restriction of Hazardous Substances
RWH	Rainwater Harvesting
SA	Social Accountability
SBP	Strategic Business Plans
SDG	Sustainable Development Goals
SKU	Stock Keeping Unit
SMED	Single Minute Exchange of Die
STP	Sewage Treatment Plant
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TPM	Total Productive Maintenance
TRIR	Total Recordable Incident Rate
TS	Technical Specification
UA	Unsafe Act
UC	Unsafe Condition
USA	United States of America
VHS	Voluntary Health Services
VMC	Vertical Machining Center
VP	Vice President
VSM	Value Stream Mapping
ZED	Zero Elimination of Defects

Units

GJ	Gigajoule
GJ/MT	Gigajoules per metric ton
GJ/ton	Gigajoules per ton
kL	Kilolitre
kL/MT	Kilolitres per metric ton
kL/ton	Kilolitres per ton
kWh	Kilowatt-hour
MT	Metric ton
MWh	Megawatt-hour
tCO_2	Tonnes of carbon dioxide
tCO_2e	Tonnes of carbon dioxide equivalent
tCO_2e/MT	Tonnes of carbon dioxide equivalent per metric ton

01

REPORT OVERVIEW

- Company Overview
- Scope & Boundary
- Our Manufacturing Base
- Message from Leadership
- Awards & Recognition
- Memberships & Associations
- Sustainability Highlights

Company Overview

J.K. Fenner (India) Limited (JK Fenner), a prominent company within the renowned J.K. Organisation, has its registered office in Madurai and corporate office in Chennai, Tamil Nadu. The company's operations span multiple locations across India. As a trusted name in industrial and automotive solutions, JK Fenner is recognised for its performance-driven products and strong R&D capabilities.

JK Fenner has been recognised as one of the "Companies with Great Managers" by the Great Managers Institute. This award is a testament to the organisation's strength in leadership development and reflects its people-first approach in managing excellence.

The company currently has six (6) manufacturing facilities across India, three (3) R&D facilities, 1000+ distributors, 40,000+ SKUs, warehouses, and representative offices abroad. JK Fenner's advanced manufacturing facilities and cutting-edge research & development centres reflect its commitment to innovation, quality, and operational excellence.

The company is a leading provider of industrial solutions, offering a diverse portfolio of products and services across multiple sectors. Its expertise spans power transmission systems, including belts and sealing solutions, as well as industrial drives and automation solutions, encompassing transmission systems and automation drives.

Within the automotive sector, the company delivers original equipment (OE) solutions focused on engine systems, along with after market offerings such as transmission belts and accessories. In the electric vehicle (EV) segment, it provides Belt drive system and E axles.

For railway applications, the company specialises in wheel bearing seals and vibration control mounts, while its defence solutions include track pads designed for high-performance applications. Additionally, the company excels in the design and manufacturing of critical components such as oil seals, hoses, gearboxes, geared motors, pulleys, front-end accessory drive (FEAD) systems, and molded rubber products, catering to both automotive and industrial requirements.

6	3	1K+	40K+	13
Plants	**R & D facilities**	**Distributors**	**SKUs**	**Sales Offices**

GRI 2- 1, 2, 6

Company Overview

The continual and synergistic efforts of JK Fenner have played an integral role in positioning the organisation as the preferred solution provider to Auto OEMs and industrial sectors such as steel, coal, agriculture, sugar, power, paper, cement, and more.

Through a wide-reaching network of channel partners in India, JK Fenner has not only secured national coverage but also expanded its global presence, exporting to over 50 countries.

Our Vision and Values

VISION

To become a global player in our core businesses & grow all businesses significantly

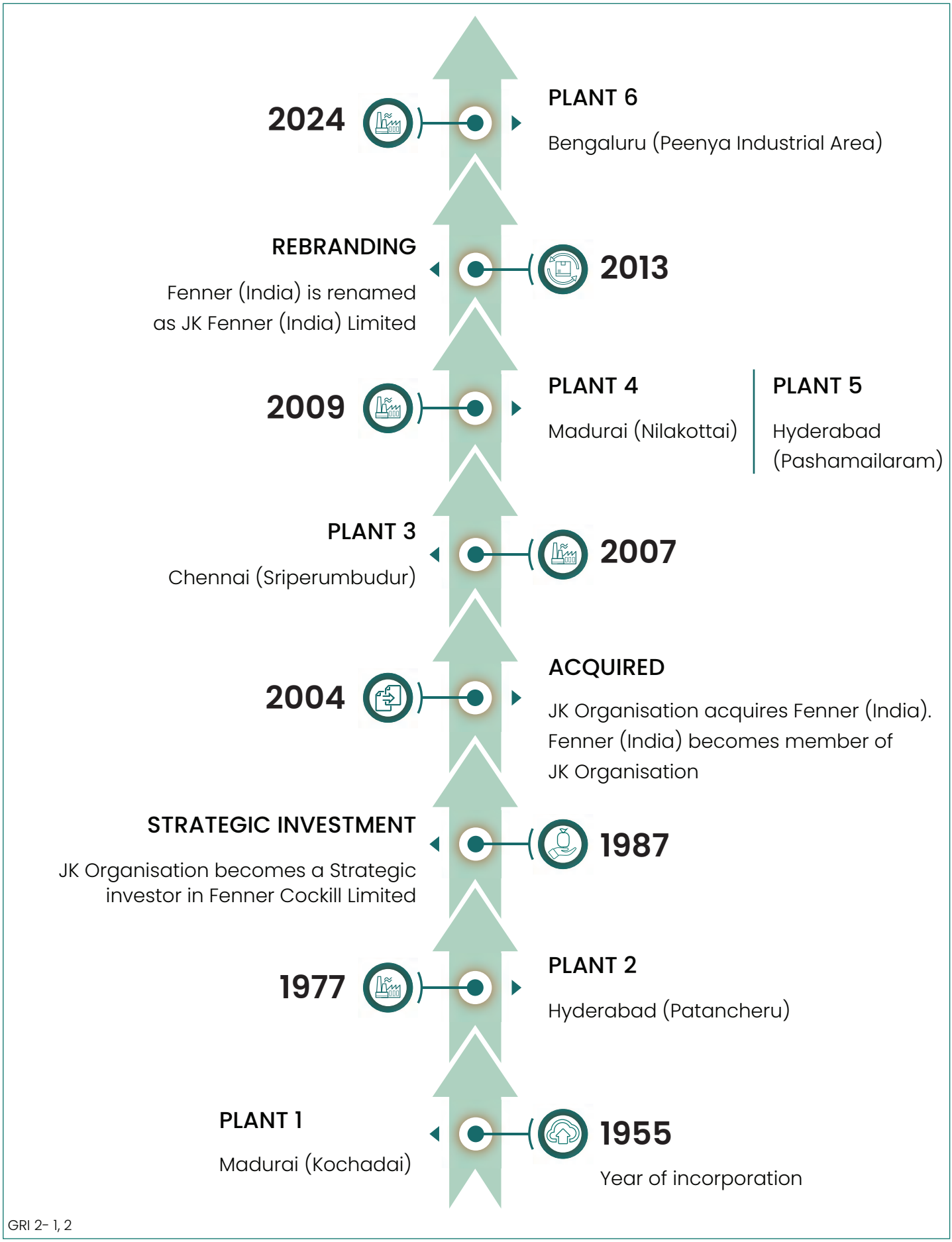
VALUES

- Caring for people
- Integrity
- Commitment to excellence

GRI 2-1, 6

Team photograph at Hyderabad Plant-2

Company Overview



GRI 2- 1, 2

Company Overview

Our Group

JK Organisation is a multinational group headquartered in India with a heritage spanning over 125 years. Just as a company's growth is reflected in its expanding distribution network, JK has increased global presence. It operates across several diversified sectors and maintains international facilities in Mexico, Indonesia, Romania, Belgium, Portugal, and the UAE.

The Group is a consortium of over 40 companies with a strong presence across diverse sectors, including manufacturing, insurance, chemicals, healthcare, education, retail, software, and IT services. JK Group leverages advanced technologies, continuous research and development, and innovation to deliver products that command significant market share in their respective industries, backed by well-established and trusted brands.

GRI 2- 1

Actual Image of Madurai Plant 2, Tamil Nadu

Scope & Boundary

JK Fenner has its major manufacturing plants across South India, with two plants each in Madurai (MDU-1 & MDU-2) and Hyderabad (HYD-1 & HYD-2) and one in Chennai (CHN-2) and Bangalore, with Head Office in Chennai.

The overall reporting boundary for environmental and social data includes the five (5) plants (MDU-1, MDU-2, HYD-1, HYD-2 & CHN-2) and the head office. The Bengaluru plant was acquired during the later part of the reporting period. While this facility is not yet fully integrated into the primary reporting boundary, its social data has been reported separately to ensure transparency.

Environmental data for all sales offices and the Faridabad unit has been excluded as these are considered negligible compared to the manufacturing plants. The governance data presented pertains to the organisation as a whole.

The scope encompasses several ESG topics such as energy, emissions, water & waste, employees, health & safety, value chain, CSR, etc.

For any feedback or enquiries related to this Sustainability Report, please write to:

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Head – Process Excellence
Corporate Office: JK Fenner (India) Limited,
Khivraj Complex II, V Floor, 480,
Anna Salai, Nandanam,
Chennai - 600 035, India
anb@jkfenner.com

We welcome your suggestions to help us improve our sustainability practices and reporting.

GRI 2- 1, 2, 3

Employee working in shopfloor, Bengaluru plant

Scope & Boundary

Reporting Framework

J.K. Fenner (India) Ltd. has reported in accordance with the GRI Standards for the period from 1st April 2024 to 31st March 2025. This is the second sustainability report of the company. The reporting principles, such as accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability, are fundamental and adhered to in publishing this report. These principles guide its structure and quality enabling stakeholders to make informed assessments of our sustainability impact.

The report outlines our most significant impacts on the governance, environment, and people, including human rights, based on the principle of materiality. It reflects our performance on topics that matter most to our stakeholders and details our management approach to each. A comprehensive GRI Content Index with corresponding references is provided at the end of the report.

Assurance Statement:

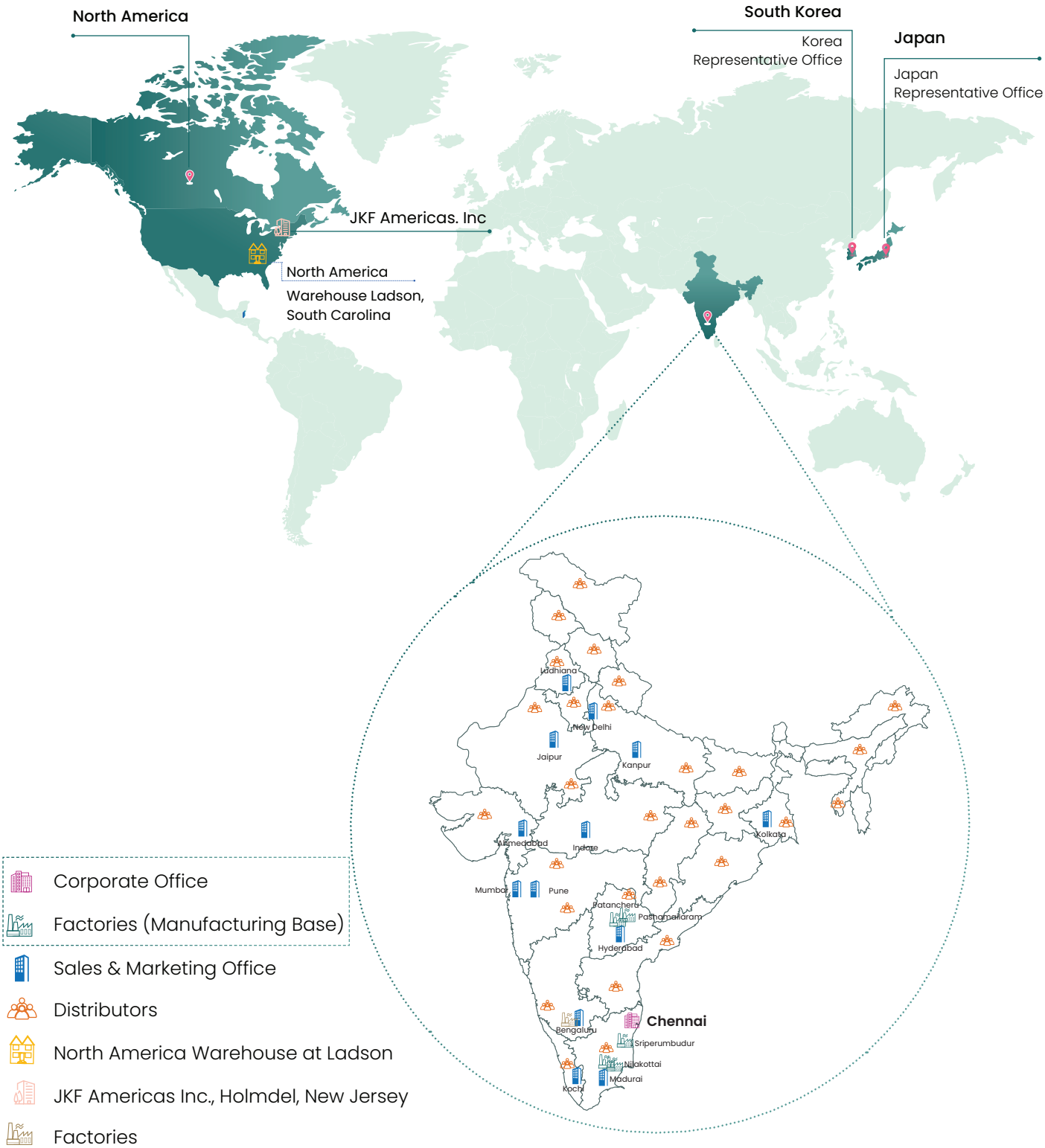
The organisation's GHG accounting (Scope 1 & 2), which is included in this report has been externally assured by an independent body, Glocert International, UK.

Detailed assurance statement is available on page 165.

GRI 2-3, 5

Actual Image of Patancheru Plant, Hyderabad

JK Fenner Footprint



GRI 2-2

Our Manufacturing Base

1955

Plant 1: Madurai (Kochadai)
Products: Power Transmission belts and hoses
Industry catered to: Industrial & Automotive
Certificates: IATF 16949:2016, ISO 14001:2015, ISO 4500:2018
Facilities:
- R&D Center for power transmission belts, Front End Accessory Drive (FEAD) system, and Hoses.
- Centralized automated rubber mixing plant
- Product validation centre with state-of-the-art testing facilities.

1977

Plant 2: Hyderabad (Patancheru)
Products: Power transmission belts, seals, gaskets, and rubber metal bonded components
Industry catered to: Industrial, Automotive, and railways
Certificates: IATF 16949:2016, ISO 14001:2015, ISO 4500:2018
Facilities:
Centralized automated rubber mixing plant.

2007

Plant 3: Chennai (Sriperumbudur)
Products: Oil Seals, vibration control mounts, boots, bellows, and elastomer gaskets
Industry catered to: Industrial, Automotive, Railways, and Defence
Certificates: IATF 16949:2016, ISO 14001:2015, ISO 4500:2018
Facilities:
- Elastomer development center
- R&D Center for oil seals, vibration control mounts, and rubber Metal bonded products.
- Product validation centre with state-of-the-art testing facilities.

2009

Plant 4: Madurai (Nilakottai)
Products: Power transmission belts, Front end accessory drive system (FEAD), and water pumps
Industry catered to: Automotive and defence
Certificates: IATF 16949:2016, ISO 14001:2015, ISO 4500:2018
Facilities:
- Automated assembly line for FEAD systems
- Online process measurement capability.

2009

Plant 5: Hyderabad (Pashamailaram)
Products: Engineered products (pulley & couplings), gearbox, aerators, automation controllers
Industry catered to: Process industry, Aquaculture, Industry automation
Certificates: ISO 14001:2015, ISO 4500:2018
Facilities:
- Automated assembly line.
- QR code based product- end to end traceability.

2024

Plant 6: Bengaluru (Peenya Industrial Area)
Products: Precision-machined components & sub-assemblies
Industry catered to: Electrical, Hydraulics, Aerospace
Certificates: ISO 9001:2015, ISO 14001:2015, ISO 45001:2018
Facilities:
CNC lathe shop, CNC sliding head shop, TRAUB machine shop, multi-spindle machine shop, VMC machine shop.

GRI 2-1, 2, 6

Message from the Managing Director

Dear Stakeholders,

It is my privilege to present the second sustainability report of JK Fenner. This report reflects our continued efforts to build a responsible, resilient, and future-ready organisation.

Over the past year, we have made meaningful progress in embedding sustainability across all facets of our business. Guided by our core values and a strong commitment to meet stakeholder expectations, we remain steadfast in our pursuit of long-term value creation through responsible practices and alignment with global standards. These efforts continue to strengthen our competitive advantage and support our path toward profitable, sustainable growth.

Innovation and customer-centric focus are the cornerstones of our growth strategy, with customer delight propelling our progress. These same key values guide our ESG commitments enabling us to deliver sustainable impact through Innovation while enhancing the value we create for our customers.

This report outlines the significant strides we have made across our environmental, social, and governance (ESG) priorities such as our energy consumption, renewable power usage, green fuel, water usage, waste reduction, diversity & inclusion, fair work place, and responsible supply chain inching closer every day to our 2030 ESG goals. It reaffirms our resolve to be a catalyst for positive change within our industry. Our achievements are a testament to the collective efforts across all teams, underpinned by the commitment to excellence and long-term value creation.

As part of JK Organisation, we remain committed to strengthening our market position while delivering on our broader responsibilities to the environment and society.

I extend my sincere gratitude to all our stakeholders for their continued trust and partnership. Together, let us build a greener, more sustainable future.

Best Regards,

Vikrampati Singhania
Managing Director

GRI 2- 22

Message from President and Director

Dear Stakeholders,

I am pleased to present our second Sustainability Report for FY 2024–25, which builds on the foundation we established in our inaugural report last year.

This report, aligned with the Global Reporting Initiative (GRI) Standards, reflects our progress, accountability, and commitment to the ESG goals we set. Sustainability remains central to our innovation, strategy, and operations. Cross-functional teams are actively embedding ESG priorities into both strategic & operational decisions across the organisation.

We continue to strengthen our environmental performance through strategic initiatives such as transitioning to green and safe input materials and implementing emission-reduction measures. Over the past year, we have executed several high-impact projects aimed at lowering power consumption, enhancing rainwater harvesting, and promoting efficient resource use. These initiatives not only align with our stated sustainability roadmap but also contribute to operational resilience and long-term value creation for our stakeholders.

We are proud to highlight our ongoing efforts to maximise renewable energy usage at our Madurai-2 plant, as we prepare to pursue Green Plant certification in the next reporting period. This year, we also undertook a third-party limited assurance of our greenhouse gas (GHG) accounting, further strengthening the credibility and transparency of our GHG disclosures.

We have strengthened workforce diversity by increasing the representation of women and individuals with special needs, reaffirming our commitment to inclusivity and equity. We take an integrated approach to responsible business, embedding ethical and inclusive practices across the entire value chain. We remain focused on driving measurable progress across all dimensions of sustainability.

Looking ahead, our focus is on embedding sustainability deeper into our value chain—from product design and sourcing to manufacturing and distribution.

I invite you to explore the detailed progress and future roadmap outlined in this report, and we welcome your continued support and insights as we collectively move toward our shared vision of sustainable growth.

With best regards,

Nagaraju Srirama
President and Director

GRI 2- 22

Message from ESG Coordinator

Dear Stakeholders,

It gives me great pride to present our latest Sustainability Report — a testament to our unwavering commitment and aspirations as we advance on our journey of aligning with the Environmental, Social, and Governance (ESG) agenda.

This report reflects the progress we have made in our ESG journey. It highlights the meaningful steps taken toward achieving sustainability goals and reaffirms our ongoing commitment to responsible growth and resilience.

Over the past year, we have enhanced process efficiency and implemented initiatives aimed at reducing our overall environmental footprint, including energy use, emissions, water consumption, and waste generation. While these efforts have yielded localized improvements, our overall carbon and water intensity have seen a marginal rise—driven by the scale and pace of our growth. We remain committed to addressing this challenge by accelerating our sustainability measures and embedding resource efficiency deeper into our operations.

We remain deeply committed to advancing our social and governance agenda. On the social front, I am proud to share that our diversity and inclusion initiatives have helped us improve gender diversity to 16% and doubled the number of specially-abled personnel in the workforce. Our safety programs are on track, maintaining zero fatalities overall and all our plants are on track to pursue the prestigious Sword of Honour accreditation from the British Safety Council in the near future.

Our product development strategy focuses on introducing green products that minimise environmental impact while creating sustainable value for our customers and stakeholders. We aim to deliver innovative solutions that support long-term environmental stewardship and contribute to a more sustainable future.

We are encouraged by the positive momentum and are grateful for the continued trust and support of our stakeholders as we work together toward a more sustainable and resilient future.

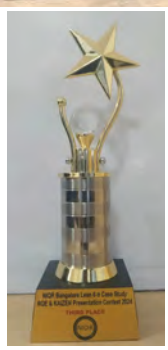
With best regards,

Mohan S
Director- Automotive OE, Industrial & Export

GRI 2- 22

Awards & Recognition

- **CII National HR Excellence Award, 2025** Recognised under the "Strong Commitment to HR Excellence" category
- **PLATINUM Award for Business Excellence,** 2024 Conferred to the Engineering Business by the **CII–EXIM Bank Award** for Business Excellence
- **ACMA Cluster Star Performer Award,** 2024
- **BEST SOCIAL IMPACT award** in CSR. Awarded by CII, Southern Region, 2025
- **"ASIA Book of Records 2024"** for supporting automobile skill training projects
- **"Companies with Great Managers"** Recognised by the Great Managers Institute, 2024
- Autozone-**Extra Miler Award**
- **CII Inter-Industry Kaizen Competition**, 2024 recognised at the 12th edition
- **Certificate of appreciation 2024** for outstanding effort in production & continued shipment of belts to Fenner USA
- **Third Prize in LEAN Approach, 2024** Awarded by the National Institution for Quality and Reliability (NIQR)
- **Quality Circle Forum of India (QCFI) 2024**
  - **CCQC (Chapter Convention on Quality Concepts) Competitions – Gold Winners**
  - **1st Kaizen Convention – Gold & Silver Awards**



Awards & Recognition

- **Prestigious Supplier Samrat Award, 2025** Presented by Ashok Leyland in recognition of outstanding supplier performance
- **Vendor of the Year Award**, June 2024 Awarded by AutoZone (USA) for exceptional supplier performance and service excellence
- **ACMA Excellence Awards, 2024**
  - **Gold Award** - Excellence in Manufacturing.
  - **Bronze Award** - Excellence in New Product Design & Development.
  - **Star Performer** – Quality System Adherence Program
  - **Certificate of Merit Progressive** – Excellence in ESG
  - **Certificate of Merit Progressive** – Excellence in Digitalisation

Awards & Recognition

- **PMA Award-** Madurai Plant 1
- **Platinum Winner** MUDA Category in **19th CII National 3M Competition.**
- **Platinum Recognition** Quick Changeover (SMED) First Runner-up in the CII Competition
- **Third Position**- SMED Competition Organised by ACMA, Southern Region

Awards & Recognition

CERTIFICATION & ACCREDITATIONS

Plants are accredited with:

- TPM (Total Productive Maintenance)
- ISO 9001:2015,
- Oekotex and BCI certifications
- ISO/TS 16949:2016,
- ISO 14001:2015
- ISO 45001:2018 certifications.

JKFIL products conform to standards such as

- BIS,
- ASTM,
- RMA/ARPM,
- JASO,
- European Standards,
- TS 16949
- British Standards 3790.

Memberships and Associations

JK Fenner actively contributes to industry associations and advocacy platforms by holding leadership positions, participating in committees, and engaging in collaborative projects. Through this involvement, we play a meaningful role in shaping industry practices and advancing collective progress.

Our MD holds the position of VP- ACMA for the period 2023-25.

ACMA – Automobile Component Manufacturers Association

CII – Confederation of Indian Industry

FTCCI - The Federation of Telangana Chambers of Commerce and Industry

EFSI – Employees Federation of South India

MCCI – The Madras Chamber of Commerce & Industry

IACC - Indo American Chamber of Commerce

IGCC – Indo-German Chamber of Commerce

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Sustainability Highlights

PLANET

47.9%
Renewable Electricity

61%
of rainwater harvested

35%
Recycled water

10,000
Saplings planted

PEOPLE

16%
Gender Diversity

Zero
complaints on HR

95%
total return-to-work rate

~4 times
increase in overall female training hours

27
specially-abled team members

Zero
- fatalities
- high-consequence injury rate
- reportable work- related ill health

PROCESS

81%
suppliers signed SCoC

Zero
complaints on customer data privacy

4,74,000
CSR Beneficiaries

INR 387.49 Lakh
CSR Expense

89%
local suppliers

20%
of our supply chain partners were assessed under our Supplier Quality Audit system.

02

MATERIALITY

- Stakeholder Engagement
- Approach to Materiality
- Impact Mapping – Material areas
- Management Approach
- Goals Progress

Stakeholder Engagement

Stakeholder engagement is a critical pillar of our ESG strategy, enabling us to align our business objectives with the expectations and concerns most impacted by our operations. Through ongoing dialogue with employees, customers, suppliers, investors, communities, and regulatory bodies, we gain valuable insights that shape our materiality assessments, guide responsible decision-making, and foster long-term, sustainable value creation.

We actively seek stakeholder feedback through structured engagements and targeted consultations. These interactions provide valuable external perspectives, strategic insights, and constructive input on the company's policies, offerings, and strategic direction, thereby contributing to long-term sustainable value creation

Method of Engagement	Frequency	Topics Discussed	Outcomes
		EMPLOYEES	
Culture of excellence (Offline)	• Daily	• Employee ownership to achieve organisational goals.	• Engaging employees to share ideas and update skills to meet organisational needs.
Leadership Talk	• Quarterly	• Business challenges and risks, alongside environmental threats, and emerging technological opportunities.	• Staying informed on the latest business trends and technological advancements.
Employee Engagement Survey	• Biennially	• Assessment of employee engagement, satisfaction, and concerns.	• Plan to address feedback and regular review.
Town Hall Meetings	• Monthly	• Communication of business results against the given target.	• Action plan for corrective measures to achieve the targets.
Open Talk with Plant Head / Samvad Q (Communication meetings)	• Bi-monthly /Monthly / Quarterly	• Facilitate open dialogue between employees and the plant head. • Communicate with employees about the current business status, future plans, and key strategic aspects.	• Enhanced transparency, better understanding of employee concerns. • Positive two-way communication helped employees clarify queries and doubts.

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Method of Engagement	Frequency	Topics Discussed	Outcomes
EMPLOYEES			
MOR Review/Annual Performance Meetings	• Monthly/ Annual	• Review of Budget Vs Actual Review progress of goals and targets.	• Action plan for corrective measures. • Assessment of current status and taking corrective actions to address challenges and issues.
Talent Management Systems	• Annually	• Recognise high performing Individuals.	• Better career and succession planning for critical positions.
Learning and Development Programmes / D&I Training	• Monthly	• Develop employees' behavioural skills, technical skills, and functional skills. • Enhance awareness on diversity & Inclusion.	• Improved employee productivity, motivation, and career growth. • D&I training to create a workplace culture that values and respects all employees, leading to increased productivity.
Sports Competition / Indoor-outdoor games	• Annually	• Promoting wellness and physical activity. • Sports spirit among employees.	• Reduced employee stress and health issues. • Increased team spirit and strong bond amongst employees.
Internal/external competitions/ Suggestions and Kaizens	• Monthly	• Foster belonging, an open-door culture, and a platform to share internal kaizens and suggestions.	• Employee ideas are valued, their morale and confidence are boosted and encouraged learning from external forums.
Other monthly meetings (Statutory, PoSH, Rewards & Recognition, Birthday buddies)	• Monthly	• Concerns and suggestions regarding canteen. • Review safety protocols and address any safety issues. • Discussion and review of PoSH policy. • Acknowledging and rewarding outstanding employees.	• Improved canteen services, enhanced employee satisfaction. • Enhanced workplace safety, reduced accidents. • Safe and respectful workplace environment. • Increased employee motivation and morale. • Strengthened team bonding and employee engagement.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
EMPLOYEES			
Fire Mock Drills	• Bi-monthly	• Preparedness – Train employees for fire emergency response.	• Regular fire drills ensured employees are ready to respond safely and effectively during a fire emergency.
Unsung Heros Recognition, Employee's Function, Family Connect, Coffee with Plant Head, Success stories	• Quarterly	• Rewarding employees' contribution. • Recognise employees who contribute significantly but are often overlooked. • Engage employees' families in company activities. • Provide a platform for informal interaction with the plant head. • Sharing achievements, challenges, solutions, and overall satisfaction.	• The employee function promotes a positive and productive work environment by encouraging teamwork, open communication, and recognition. • Boosted employee morale and recognise all contributions. • Strengthened family support, improved work-life balance. • Improved communication, stronger leadership connection. • Enhanced satisfaction and a better emotional connection with employees.
Festival celebrations	• Annual	• Company celebrations.	• Cultural inclusivity, enhanced employee engagement.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
EMPLOYEES			
Other celebrations (World Environment Day, World Earth Day, Independence Day, Founders Day, World Mental Health Day, International Yoga Day, International Women's Day, Heart Day, Camps, Safety Week, Quality Month etc.)	• Annual	• Promote environmental, quality, mental health, safety, and heart health awareness. • Importance of safety in the workplace. • Celebrate and honour women. • Identify critical quality improvement areas and implement changes.	• Increased awareness. • Improved overall health. • Enhanced safety and reduced accidents. • Developed a culture of safety within the organisation. • Improved quality standards. • Increased appreciation for women, enhanced gender equality, and empowering women to reach their potential. • Quality Month celebrates our commitment to excellence and acknowledges employees' efforts in delivering high-quality products and services.
SUPPLIERS			
Internal Reviews/ Progress reviews (Offline)/ Regular visits (Offline)	• Regular Intervals • Monthly	• Inventory, NPD & series production related issues. • LC & payment issues. • Cost savings through material substitution. • New product development status. • Capex status. • Review of last month's outcomes and plans for the month ahead.	• Improving cash flow • Eliminating line stoppages and timely development of products. • Achieving monthly business targets. • Ensuring seamless production flow.
Supplier Audits	• Annually	• Monitoring the system effectiveness of the supplier.	• Non-conformity & Opportunities for improvement. • Supplier performance rating.
Visit to Expos'	• Need-based	• Exploring alternative technology.	• Knowledge enrichment.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
SUPPLIERS			
Supplier Events	• Annually	• Quality month celebration.	• Best supplier awards.
Supplier Trainings and Meetings / Capacity Building	• Need-based	• Quality tools. • Volume forecast, pricing. • New product comprehension. • Supplier capacity enhancement.	• Effective quality system and improved product quality. • Coverage depending on order flow, savings, knowledge. • Enhancement of supplier capacity.
One-on-one and Virtual meetings/ Bandhan – Supplier meet (Offline)	• Monthly • Fortnightly • Yearly	• Technical discussions on existing materials, new development materials, commercials, quality issues, and supplier factory visits. • Business plan for the financial year supplier growth.	• Material development, sorting quality issues, and commercial discussions. • Achieving business goals.
Exhibitions/ Conferences	• Biannually	• Technical discussions on existing materials, new development materials, and quality issues.	• New suppliers, new materials development, and technical discussions.
CUSTOMERS			
Market visit	• Regular Intervals	• Competitor activities, marketing support needs, product performance, etc.	• Eliminating line stoppages and timely delivery of products.
On-site plant visits by new and existing customers / Content marketing	• Need-based / At the time of onboarding • Once in three months/ need-based/ Once in two months	• Pitching new products. • Understand user needs. • Discuss possible JKF product solution. • Have techno-commercial discussions to address the needs. • Installation/fitment procedure of belts & hoses. • Providing a comprehensive understanding of the manufacturing processes and capabilities, exhibiting products.	• Identifying opportunities to expand business and strengthen relationships. • Practical discussions on the user's machinery to gain a clearer understanding of the application and the potential outcomes of our solution. (Conducted across India mainly with important customers). • Minimising the errors. • These audits help build trust and confidence, supporting successful customer acquisition. • RFQ & business awards • Fostering trust and confidence in JK Fenner.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
CUSTOMERS			
Tech shows at customer premises	• Annually	• Showcase products physically while highlighting key USPs. • Engage cross-departmental customers by offering tailored solutions.	• RFQ & business awards • Fostering trust and confidence in JK Fenner.
In-House Technical Seminars	• Monthly	• Imparting product knowledge. • Providing solutions for efficiency improvement. • Power saving initiatives. • Awareness of the latest technological solutions provided by the company and proper usage of the drive and products.	• End users' awareness about the product. • Improving the operating efficiency at customer premises. • Reduction in the number of belt usage by proper drive suggestions. • Advantages of periodic drive Health Check. • Fast-track project proposals. • Customers acquainted with JKF product offerings/solutions (organised at plant locations and industry association meets).
Virtual calls/ meetings / emails / Telecom	• Weekly / Monthly / Need-based	• Opportunity to pitch the parts. • Group interactions to discuss. technical solutions for the issues raised. • Connecting with the customers by information and data sharing. • Quick information sharing/ address queries.	• Resolve open points effectively to strengthen confidence in JK Fenner's products and solutions. • Record maintenance of customer interactions. • Customer satisfaction and loyalty.
OEM Meetings	• Monthly	• For project orders & specific requirements.	• Improving OEM business and addressing customer requirements.
Brand registration	• Need-based		• RFQ followed by Order conversion.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
CUSTOMERS			
Exhibitions and Van Campaigns	• Need-based • ~ Five shows annually	• Exhibition planning. • Product promotion through various activities in diverse markets. • Demonstrate focus on automotive aftermarket segments to identify potential prospects in the respective regions. • Showcase products physically while highlighting key USPs. • Showcase of new and industry-specific JKF products for target customers. • Engage cross-departmental customers by offering tailored solutions.	• Engaging in nationwide exhibitions to showcase and promote products. • Conduct targeted mobile marketing campaigns to engage end users. • The presence and visibility of our brand "TOP DRIVE" and exploring potential business opportunities. • RFQ & business awards. • Brand enhancement, awareness creation, and register presence in the Industry segment (participation at major exhibitions/ focus industries). • Fostering trust and confidence in JK Fenner.
Drive check	• Need-based	• RFQ receipt. • Feasibility / cost and selling Price. • Quotations to the customer. • Commercials. • Technical areas. • Receipt of business award.	• Price alignment. • Technical alignment. • Business addition to JK Fenner.
RFQ processing	• Need-based	• Timeline discussion with customer. • Tooling readiness update. • Proto samples supply. • Product Testing updates, • SOP updates.	• Ensuring a finalised timeline. • Tooling readiness. • Timely sample supply. • Meeting product requirements. • On-time SOP deliveries to the customer.
Program management	• Need-based • Annual	• Agenda framing and internal discussion for agenda alignment • Responsiveness. • Price Competitiveness. • Technical Competitiveness. • Delivery Quality Improvement.	• Action plans/minutes of meeting.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
CUSTOMERS			
CSR activity for mechanics	• Need-based	• Upskilling actual user for proper use of JKF product to get better life and proper utility/ maintenance.	• Proper use of JKF products by mechanics and spread technical knowledge in Industry community (Organised at user cluster base for actual users).
Training program	• Need-based	• Training programs for upskilling mechanics under CSR initiative.	• Better livelihood generation. • A total of 420 mechanics trained at different locations.
GOVERNMENT / REGULATORY			
Government Regulators	• Event based	• Attended meetings/ conferences.	-
Annual report	• Annual	• Attended meetings/ conferences.	• Disclosed the audited financial statements & mandatory disclosures under the provisions of the Companies Act, 2013, AS & other applicable Provisions.
State Government	• Event based	• Attended meetings/ conferences.	• Periodic filings as prescribed under various state legislations.
Industry Association	• Periodic meetings	• Attended meetings/ conferences.	• Honoured with CII EXIM BANK Business Excellence Award 2024– Platinum for Business Excellence, Hyderabad. • Received the ACMA Cluster Star Performance Award - 2024.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
GOVERNMENT / REGULATORY			
Returns, Remittance, Renewals	• Monthly, Quarterly & Annually; • Monthly; • Annually	• Timely returns, tax remittance, and renewal of licenses and certifications to meet all legal requirements. • Clear financial and operational disclosures to build stakeholder and regulatory trust. • Accurate reporting of taxes, benefits, and renewals. • Prevent penalties through diligent compliance. • Maintain precise data to prevent discrepancies and audits. • Maintain uninterrupted business operations by ensuring all required renewals are completed before their expiration dates. • Monthly environment report submission to the Pollution control board. • Statutory requirements. • Hazardous Waste Management, Labour Department-Annual returns, EPF & ESIC, Professional Tax, LWF, Periodical Electrical Inspection. • Bill payments.	• Adhering to all regulations to avoid legal risks and penalties. • Consistent, accurate reporting, remittances, and timely renewals enhance credibility with authorities and stakeholders. • Streamlined processes ensure timely returns and updates. • Accurate financial reporting supports sound planning and decision-making. • Transparent handling of dues and renewals builds confidence. • Monitoring compliance and maintaining records, ensuring waste disposal in line with CPCB norms, managing, and submitting compliance returns, regulating water consumption within agreed limits, providing social security and health benefits, fulfilling Telangana Government compliance requirements, and contributing to workmen welfare as per government mandates.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
DEALERS & RETAILERS			
Existing Channel Focus	• Daily / Monthly	• Order F/w with dealer & retailers • Sales target status.	• Order expedition • Achieving budget targets.
New Channel enrolment	• Regular	• Inputs from heat map & physical visit to the Market.	• Area potential to identify opportunities for appointing new dealers or sub-dealers.
COMMUNITY			
Environmental Impact Assessment	• Need assessment	• Prevention of damage to the environment from plants/ community.	-Creates a sense of ownership/commitment for stakeholders.
Online Dialogue	• Fortnightly	• Information on events/ recognitions/changes in policy/ organisation structures.	• Maintaining two-way communication to facilitate regular updates to stay aligned with changes.
Employees Engaged in Social Activities	• Monthly	• Briefings on Social Engagements.	• Enables employees to understand the organisation's commitment to social causes and the community.
Engagement with local NGOs and local Govt/ Panchayat	• Regular	• Identifying community needs through direct engagement with the local Panchayat to support manufacturing units and address real issues.	• Helps uncover genuine needs and customise social initiatives accordingly, while fostering harmonious relationships that support smooth operations and timely issue resolution.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
		COMMUNITY	
Engagement with local NGOs and local Govt/ Govt schools/ Panchayat	• Regular	• Rural women and youth skill training for livelihood generation • Student awareness sessions in Government schools. • Promoting rural entrepreneurship. • Village-level issues such as water availability, sanitation & plantation. • Insufficient funds for infrastructure development and material. • RO water plant donations to residential girls' school.	• Skill enhancement and increasing the employability of rural women and youth as per industry requirements. • Students' career building and better awareness of menstrual hygiene. • Trained women entrepreneurs, promotion of small businesses. • Planned various development activities. • Planned Interventions to take up with the Government. hospitals and schools. • Positively impacted the lives of 1,100 girl students by providing access to clean water, leading to improved health and well-being.
Employees Engaged in Social Activities	• Monthly	• Briefings on Social Engagements.	• Helps employees recognise the organisation's dedication to social causes and community engagement.
Awareness creation	• Monthly	• Promoting health and Menstrual hygiene.	• Enhanced attendance, lowered infection risk, and strengthened community engagement.

GRI 2- 29

Method of Engagement	Frequency	Topics Discussed	Outcomes
COMMUNITY			
Livelihood generation activities	• Monthly	• Electrical Motor Winder Course (Offline) to address youth unemployment. • Beautician course (Offline) and Millet's processing course (Offline) for women's employment generation.	• 150 youth have completed certification and now earn between ₹15,000 to ₹25,000 through employment in various organisations or self-employment. • 60 women have completed the course; 4 have begun self-employment by supplying millet-based products to local shops, with expected earnings of ₹10,000 to ₹20,000. • Another group of 60 women completed the course, with 2 initiating self-employments in millet product sales at nearby shops, projected to earn ₹6,000 to ₹10,000.

GRI 2- 29

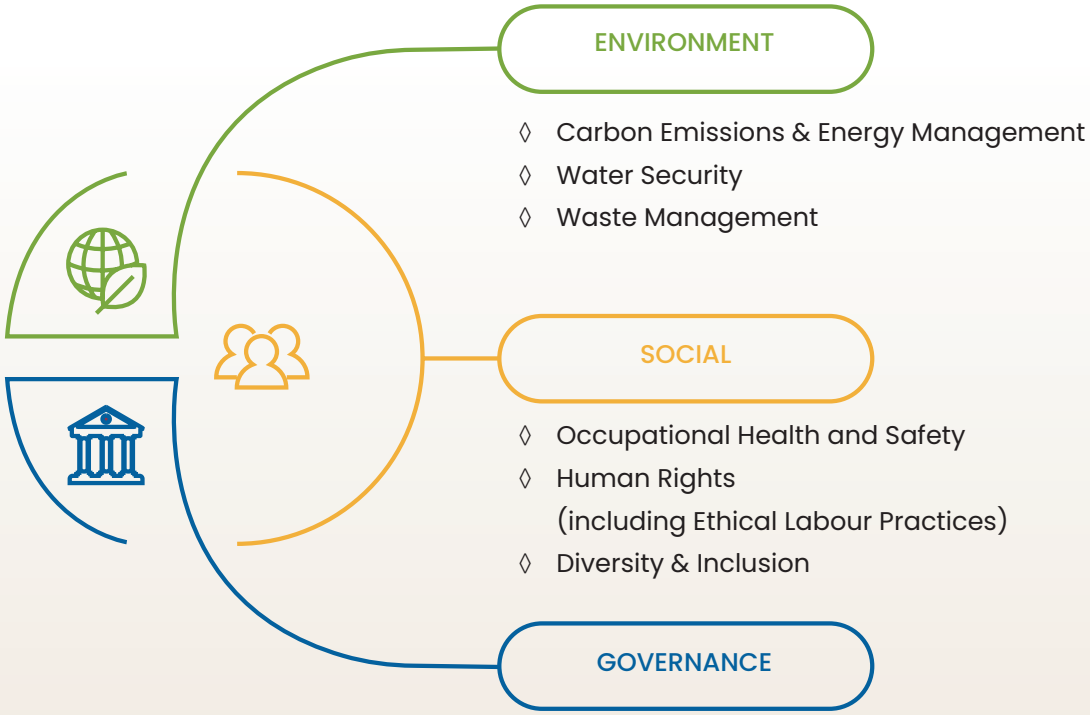
Approach to Materiality

Our approach to materiality is guided by a commitment to responsible and sustainable business practices. As part of the ESG journey, we conducted a comprehensive materiality analysis in FY 2023-24, engaging internal stakeholders including functional heads across all plants, to assess the environmental, social, and governance impacts of their operations. This process enabled us to identify and prioritise the issues most relevant to our business and stakeholders. A detailed account of the methodology and outcomes of this analysis, including how we arrived at our material topics, is available in our previous sustainability report, SR 2023-24.

Material Topics

During the reporting period, there were no significant changes to the company's overall operations or business context; we have decided to continue our focus on the already identified material topics. Our ESG goals set in 2023-24 are aligned with these material topics. We have set forth ambitious targets and initiated implementation activities to pursue these goals and targets. The status and key developments for each ESG priority area are discussed in detail in the relevant sections of this report.

Material Topics



GRI 3- 2

Impact Mapping – Material areas

As we continue to advance our efforts across key goal areas aligned with our identified material topics, we undertake a detailed assessment of both actual and potential impacts-positive and negative. This exercise deepens our understanding of the implications of our actions, helping us identify critical areas that warrant greater focus, mitigation strategies, or opportunities for value creation. By systematically evaluating these impacts, we aim to strengthen our overall approach to sustainable development and enhance our ability to make informed decisions.

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Carbon Emissions & Energy Management	• Optimised material usage to reduce energy consumption • Reduced steam leakages from vulcanizer gasket improved system efficiency, safety, and reduced energy losses.	• Reliance on non-renewable energy and logistics increases GHG emissions • Increase in the specific energy consumption • Increase in carbon intensity during the reporting year	• 2030 Target setting is the pivot for various initiatives, which will lead to reducing the carbon intensity • Reduced energy consumption through process optimisation and shorter cycle times. • Lower carbon footprint by using natural fillers and reclaimed rubber.	• Continued reliance on fossil fuels in manufacturing limits full carbon reduction potential.

GRI 3- 3

Continued on the next page

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Carbon Emissions & Energy Management	• Increased boiler feed water temperature led to a reduction in furnace oil (FO) consumption and improved energy efficiency. • Reuse of exhaust air resulted in power saving • Post-cure time reduction for FKM compounds decreased energy consumption thus reducing carbon footprint • The zero-defect approach minimised waste and saved 41,000 units of energy annually.		• Digitalisation enabled real-time energy monitoring and efficiency improvements. • Green product design and logistics optimisation leading to indirect emissions reduction.	

GRI 3- 3

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Water Security	• Recycled water used for gardening, toilet, and in cooling process. • Filtered rainwater is used in boilers and cooling towers, reducing reliance on freshwater. • 61% of rainwater harvested • 35% recycled water consumed	• High water usage in manufacturing. • 65% fresh waster consumed • Specific raw water Intensity has increased	• Increased rainwater utilisation • Advanced water treatment technologies • Rainwater harvesting initiatives. • Reduced dependency on municipal water supply. • Continued efforts to reduce 30% specific raw water consumption by 2030	• Continued reliance on freshwater may worsen availability issues.

GRI 3- 3

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Waste Management	• Reuse of packaging materials like cartons and wooden boxes. • Zero-defect approach in the MRPS tyre elements process led to significant waste reduction	• Waste intensity increased during the reporting year	• Waste reduction through 3R principles. • Lean manufacturing and circularity to minimise waste. • Advanced waste management technologies. • Elimination of single-use plastic across plants. • Efforts are being undertaken to minimise process waste in alignment with established targets	• Operational disruptions due to space limits. • Process interruptions with regulatory and logistical constraints • Continued inefficiencies may escalate costs and compliance risks.

GRI 3- 3

Impact Mapping – Material areas

Occupational Health & Safety	• Zero fatalities, high-consequence injuries, and reportable ill health. • ISO 45001 certification across all plants. • Comprehen sive OHS policy covers all workers. • Routine risk assessments and emergency preparedness are in place. • LTIR and TRIR tracked for safety performance. • The Lost Time Injury Rate (LTIR) improved to 2.25 incidents per million hours worked, down from 2.7 in the previous period	• 17 work-related injuries reported	• Improved well-being through health check-ups and wellness programs. • Safer workplace via regular training and awareness programs. • Enhanced safety culture through hazard reporting and investigation tools (5 Whys, FMEA). • All plants have set a target to go for British Safety Council – Sword of Honour certification, which will strengthen the safety practices within the organisation.	• Risk of recurring incidents if root causes are not addressed effectively. • Failure to act on near-miss or other safety metrics increases the risk of serious accidents by allowing underlying hazards to go unaddressed.

GRI 3- 3

Continued on the next page

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Occupational Health & Safety	• Enhanced work safety and hazard prevention through a multi-channel earth monitoring system			
Human Rights	• No human rights non-compliances reported. • HR awareness sessions conducted across all the plants • On path to achieve SA 8000 certification	• None	• Planning to implement HR policy across operations and supply chain. • Aiming to ensure timely wages, safe conditions, and prevent forced/child labour. • Planning to build stakeholder trust through responsible practices.	• Non-compliance may lead to legal issues and reputational harm.

GRI 3- 3

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Diversity and Inclusion	• Achieved 16% gender diversity (14% previously). • Notable increase in female hiring • Fourfold increase in overall female training hours • PoSH policy ensures a safe workplace. • 27 specially-abled team members, resulting in a 107% increase compared to FY 2023–24 • 9% increase in the performance and career development reviews of female employees	•Low interest from women in manufacturing. • Hiring women for shop floor roles is challenging. • 1.3% decrease in overall coverage of performance and career development reviews	• D&I policy with clear targets. • Increased women's participation through training and structured hiring • Enhanced organisational reputation with improved gender diversity. • Cultural inclusivity boosts employee engagement. • On path to achieve 2030 target of 20% gender diversity	• Gender imbalance may persist without effective action.

GRI 3- 3

Continued on the next page

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Diversity and Inclusion	• Strengthened employee family engagement activities.			
Compliance Commitment	• Compliance aligned with customer expectations. • Ensures smooth operations and integrity. • Zero cases of non-compliances • Legal compliance tool implemented across all plants.	• None	• Planning to maintain legal register and up-to-date records. • Aiming for accurate reporting and timely remittances. • Streamlining processes to improve performance and renewals. • Strengthening credibility through consistent compliance. • Continue to excel in compliance commitments	• Compliance gaps can cause legal, financial, and reputational harm which may affect exports and customer trust

GRI 3- 3

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Digitalisation and Sustainable Value Creation Innovation and Digitalisation	• Implemented digital systems for tracking, MIS, dashboards, and machine-level monitoring. • R&D team integrating sustainability in product development. • IPD team has finalised the green product criteria	• None	• Planning to source eco-friendly materials through research and collaboration. • Aiming to optimise energy use and reduce waste via design. • Conducting product testing for eco-certifications. • Using feedback for continuous sustainability improvement. • Teams are working to achieve the target of improving green products by 15%.	• Digital exposure may lead to security vulnerabilities.

GRI 3- 3

Impact Mapping – Material areas

High Impact Material Topics	Actual Positive Impact	Actual Negative Impact	Potential Positive Impact	Potential Negative Impact
Responsible Value Chain	• 81% of suppliers have signed the Supplier Code of Conduct. • Awareness sessions conducted • Regular supplier meetings and programs like "Bandhan". • Timely payments and performance reviews. • Support for quality through standard procedures. • 89% local suppliers and 92% local spend, reflecting a strong commitment to strengthening the local supply chain. • 20% of suppliers assessed for ESG compliance	• None	• Continuing efforts to implement 100% Supplier Code of Conduct • Defining ESG expectations for suppliers. • Identifying key suppliers for ESG assessments. • Supporting ESG capability building. • Conducting technical discussions to enhance collaboration.	• Unsustainable supply chains may cause environmental, legal, and reputational issues.

GRI 3- 3

Management Approach

SDGs Impacted :

CARBON EMISSIONS & ENERGY MANAGEMENT

Approach:

Recognising the energy-intensive nature of manufacturing, our management approach focuses on reducing reliance on non-renewable energy sources to lower greenhouse gas emissions and mitigate resource depletion. We are committed to minimising the use of synthetic raw materials, optimising transportation and logistics to cut carbon emissions, and enhancing energy efficiency across operations. Through the adoption of smarter energy management practices, we aim to reduce operational costs significantly.

Mitigation Strategies:

- Generating 47.9% of electricity from renewables help reduce emissions and drives climate action.
- Continue to optimise material usage.
- Streamlining production by simplifying, optimising, or automating processes to achieve higher productivity, lower costs, and improved quality.
- Adopting best and efficient manufacturing practices to reduce power, fuel consumption, and product rejections.

GRI 3- 3

Management Approach

SDGs Impacted :

WATER SECURITY

Approach:

Acknowledging the high-water dependency of manufacturing, our operations management approach prioritises sustainable water use and conservation. With freshwater scarcity posing a growing challenge, we are committed to reducing consumption through efficient processes, reuse and recycling systems and rainwater harvesting. By integrating water-saving technologies and responsible sourcing practices, we aim to minimise environmental impact and contribute to long-term water security.

Mitigation Strategies:

- We have undertaken several initiatives to conserve water and reduce consumption:
  - » Process improvements to enhance water efficiency across manufacturing operations.
  - » Rainwater harvesting to supplement on-site water needs
  - » Use of recycled water for non-potable purposes such as gardening and toilets.
  - » Utilisation of recycled water in the cooling process.
- We continue to maximise our conservation efforts to reduce dependency on municipal water supplies.

GRI 3- 3

Management Approach

SDGs Impacted :

WASTE MANAGEMENT

Approach:

Our manufacturing operations are designed to minimise waste generation at every stage of the production cycle. Effective waste management is critical not only to avoid increased disposal and recycling costs and operational disruptions due to space constraints, but also to ensure compliance with evolving regulatory and logistical challenges. To address these challenges, we have implemented a structured waste management system that includes segregation at the source, safe disposal practices, and well-defined procedures for recycling and reusing all process waste. This approach enhances operational efficiency while supporting our commitment to environmental responsibility and regulatory compliance.

Mitigation Strategies:

- Waste management is based on the 3Rs: reduce, reuse, and recycle.
- We are implementing lean manufacturing practices and embracing circularity principles to minimise waste generation across our operations
- Investing in advanced waste management technologies to improve segregation, treatment and disposal efficiency
- Working on stopping single-use plastic across our plants.
- Reusing packaging materials such as carton boxes and wooden boxes to minimise waste and promote circular use of resources.

GRI 3- 3

Management Approach

SDGs Impacted :

DIVERSITY AND INCLUSION

Approach:

We are committed to fostering a workplace that values diversity, promotes equity, and ensures inclusion at all levels of the organisation. In alignment with our organisational goals, we have set a target to achieve 20% gender diversity across our workforce. This includes implementing inclusive hiring practices, creating a safe and supportive work environment for women, and offering leadership development programs to strengthen gender balance. We also strive to build an accessible and accommodating workplace for the specially-abled workforce by ensuring barrier-free infrastructure and sensitizing teams on inclusive practices.

Regular training sessions are conducted to foster awareness and sensitivity among employees, helping embed inclusivity into our workplace culture. Diversity awareness and inclusivity training for all employees and supervisors further reinforces our commitment to a diverse and respectful work culture.

Mitigation Strategies:

- Implementing a diversity and inclusion policy, with clear targets and commitments.
- Creating employee awareness about a diverse and inclusive workforce
- Conducting training and capacity-building sessions for the hiring team address topics such as unconscious bias
- Implementing structured decision-making processes
- Fostering an inclusive culture that values diversity and equality
- Ensuring compliance and legal standards by embracing diversity
- Enhancing the company's reputation as a fair and progressive employer
- Discussing and implementing PoSH policy and practices for a safe and respectful workplace environment
- Employee engagement by embracing cultural inclusivity
- Recognising employees who contribute significantly but are often overlooked
- Engaging employees' families in company activities and strengthening support
- Honouring and appreciating women's work and enhancing gender diversity
- Enhancing mutual respect and collaboration to reduce workplace biases, improve employee engagement, and increase overall productivity.

GRI 3- 3

Management Approach

SDGs Impacted :

OCCUPATIONAL HEALTH AND SAFETY

Approach:

Occupational Health & Safety is a top priority at J K Fenner, and we are committed to ensuring a safe and healthy work environment for all our stakeholders. All our plants are ISO 45001 certified. Our approach is guided by a proactive risk management framework, compliance with applicable legal and regulatory standards, and continuous improvement through audits and feedback. We implement comprehensive safety protocols, conduct regular training and drills, and promote a safety-first culture across all levels of operation. Incident reporting, root cause analysis, job safety analysis and corrective actions are systematically enforced. We monitor key safety performance indicators to drive accountability. As part of our continuous improvement journey, we have set our health and safety goals to maintain zero fatalities and to achieve the British Safety Council's Sword of Honour as our highest safety benchmark. Targeting prestigious recognition reflects our aspiration to achieve excellence in health and safety management.

Mitigation Strategies:

- Improving emergency preparedness, reducing the risk of injury, and cultivating a strong safety culture across the organisation.
- Actively minimising risks and promoting safe practices through comprehensive protocols, regular training and awareness programs.
- Investigating incidents and hazards using methods such as 5 Whys analysis and Failure Modes and Effects Analysis (FMEA).
- Regular employee health check-ups are conducted to ensure proactive monitoring, professional guidance, and timely support.
- Sports help promote wellness and physical activity, reduce employee stress and health issues.
- Offering a range of voluntary health promotion services and programmes to address significant non-work-related health risks.

GRI 3- 3

Management Approach

SDGs Impacted :

HUMAN RIGHTS

Approach:

We are firmly committed to upholding human rights and promoting ethical labour practices across our operations. We strictly prohibit forced labour, child labour, and any form of workplace harassment or discrimination. All employees are entitled to fair wages, safe working conditions, freedom of association, and access to grievance redressal mechanisms. To further strengthen our operations, we have set a clear target to achieve SA 8000 certification, a globally recognised standard for social accountability. This reflects our commitment to implementing robust procedures for labour rights, health and safety, working hours, and management systems that foster continual improvement. Regular internal audits and awareness programs are key components of our strategy to build an ethical and responsible workplace culture.

Mitigation Strategies:

- Implementing HR policies
- Building trust and strengthening relationships with our stakeholders
- Integrating human rights into business decisions and risk management to uphold ethical standards
- Adopting sustainable and inclusive practices to enhance competitiveness and attract conscious customers and investors
- Strengthening employee capabilities to improve productivity, boost morale, and support long-term career development.

GRI 3- 3

Management Approach

SDGs Impacted :

COMPLIANCE COMMITMENT

Approach:

We are dedicated to upholding the highest standards of legal, regulatory, and contractual compliance across all facets of our operations. Our comprehensive compliance framework ensures adherence to applicable laws and industry standards covering key areas such as environmental regulations, labour rights, taxation, and corporate governance.

In addition to statutory requirements, we rigorously align with customer-specific expectations, including quality, safety, environmental, and ethical standards. These are mapped against industry benchmarks as well as the regulatory requirements of customer countries to ensure full compliance.

Our internal control systems are reinforced through regular audits, employee training, and proactive risk management. By staying attuned to evolving legal landscapes and client-driven compliance obligations, we aim to foster trust, drive operational excellence, and cultivate enduring partnerships grounded in transparency and accountability.

Mitigation Strategies:

- Maintaining a legal register of all applicable laws and Acts.
- Keeping compliance records up to date to avoid legal penalties.
- Mitigating financial and reputational risks through proactive compliance.
- Adhering to laws through accurate reporting, timely remittances, and up-to-date licenses ensures legal compliance and financial integrity.
- Consistent compliance and transparency strengthens credibility with authorities, stakeholders, and employees.
- Streamlined processes improve accuracy, support timely renewals, and enhance overall organisational performance.

GRI 3- 3

Management Approach

SDGs Impacted :

RESPONSIBLE VALUE CHAIN

Approach:

We recognise that our responsibility extends beyond our operations to the entire value chain, and we are committed to promoting ethical, sustainable and transparent practices across all our value chain partners. Our responsible value chain approach is anchored in due diligence, supplier engagement, and alignment with global standards on environmental, social, and governance (ESG) performance. To drive continual improvement, we conduct regular audits, provide capacity-building support, and embed sustainability clauses in procurement contracts. Our goal is to foster long-term, mutually beneficial partnerships that uphold transparency, accountability, and shared values across the supply chain. Regular meetings and initiatives such as "Bandhan" help strengthen relationships, while performance reviews and timely payments ensure continued supplier collaboration and efficiency.

Mitigation Strategies:

- Strengthening supplier relationships through an updated Supplier Code of Conduct.
- Defining ESG expectations for all suppliers.
- Identifying key suppliers for ESG assessments.
- Supporting suppliers in building ESG capabilities.
- Conducting technical discussions on existing materials, newly developed materials, and quality issues, strengthening supplier relationships.

GRI 3- 3

Management Approach

SDGs Impacted :

DigitalisATION AND SUSTAINABLE VALUE CREATION

Approach:

The digitalisation initiative is progressing well, with a formulated cybersecurity policy now available on the HRMS portal. IT training topics have been identified, and all relevant employees undergo training. The digitalisation index is complete and accessible across functions, while "Being Digital" Phase II has been initiated. Additionally, the ISO 27001 certification process is also being pursued, with the documentation phase in progress.

Our commitment to sustainable value creation is driven by cross-functional collaboration between R&D, product development teams. The IPD team has finalised green product criteria, serving as a benchmark for other teams currently working on similar standards. Sustainability is being embedded at the core of our product development lifecycle, with R&D actively innovating solutions that incorporate green features. This integrated approach ensures that our products contribute to environmental goals while creating long-term value for customers and stakeholders.

Mitigation Strategies:

- Sourcing eco-friendly materials and components through research and collaboration with suppliers and academic institutions.
- Optimising energy efficiency and reducing waste through innovative design.
- Conducting rigorous product testing to meet performance standards and eco-certifications.
- Using feedback for continuous improvement to strengthen sustainability practices and long-term impact.
- Increasing digitisation enhances efficiency but also raises the risk of security breaches. To mitigate this, we are integrating sustainability and resilience into innovation, with our R&D team developing green-feature products.

GRI 3- 3

ESG Goals Progress

	Base line (2022-23)	2030 Goals	2024-25 Status
Energy Management	21.45 GJ/Ton	17.06 GJ/Ton	21.10 GJ/Ton
		20% Reduction in Specific Energy (Power & Fuel)	1.63% Reduction in specific energy
Carbon (GHG) Emission	Carbon Intensity: 1.62 Ton/Ton	50% Reduction in Carbon Intensity (0.80 Ton/Ton)	1.95 Ton / Ton
			Increased due to RE drop from 62% to 47.9%
Water Security	Specific Raw Water: 11.88 KL/Ton Avg	30% Reduction in Specific Raw Water Consumption (<08 KL/Ton)	Specific Raw Water 10.76 KL/Ton Avg
			9.5% reduced
Waste Management	Overall waste is ~24.15 % of Production	10% Reduction in process waste	Overall waste is 22.73% of production 5.9% reduction
	Process waste is ~19.50 % of Production		Process waste is 18.73% of production 3.9% reduction
Occupational Health & Safety	Zero Fatality	Zero Fatality	Zero Fatality
	LTIR : 0.66	Maintain Zero for LTIR	LTIR 2.25
	6% reduced	British Safety Council (Sword Of Honor)	British Safety council being planned from 2027
Diversity & Inclusion	Overall, Gender diversity is 12%	Gender diversity 20% Women & 80% men and Physically challenged 1%	Gender diversity 16%
			Specially-abled employees at <1%
	Physically challenged – 0.66%		Specially-abled employee number increased to 27

GRI 3- 3

ESG Goals Progress

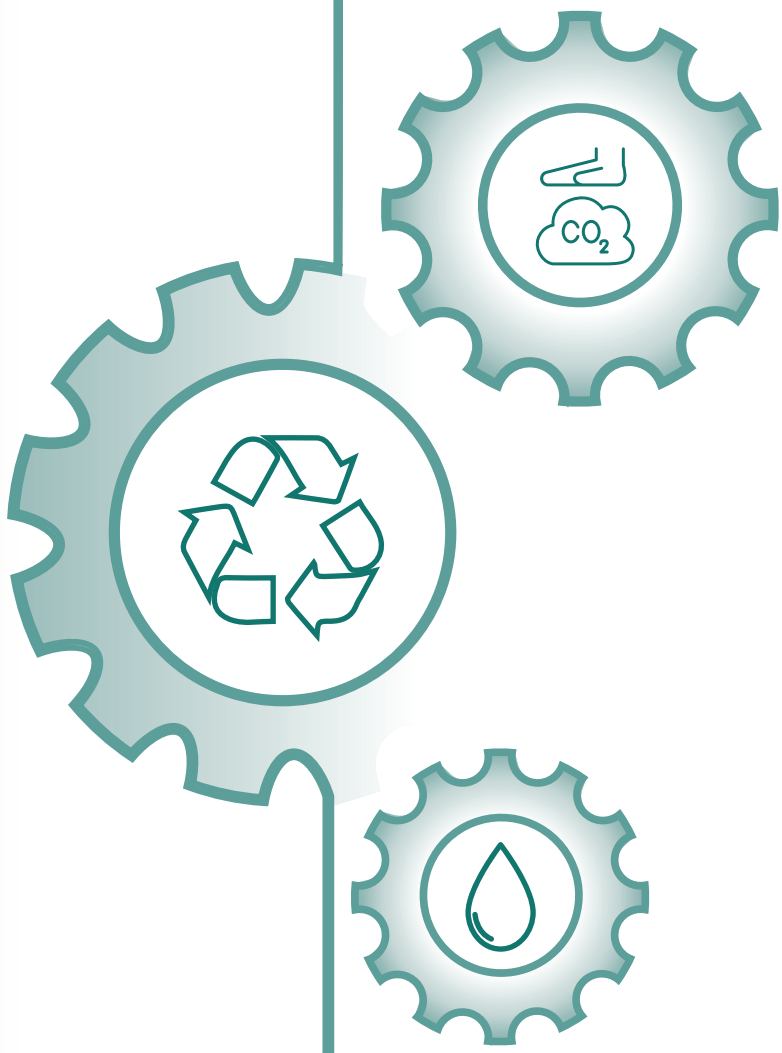
	Base line (2022-23)	2030 Goals	2024-25 Status
Human Rights	No Human Rights Violations reported	Confirm to Social accountability SA8000	Human Rights awareness sessions conducted across all plants Work in progress for SA 8000 certification
Compliance Commitment	No NC's with respect to local regulations	Continue to Excel	Legal compliance tool implemented across all plants. No NCs Customer requirement mapping work in progress
Responsible Value Chain	Supplier Code of Conduct formulated	Transforming Value Chain through implementation of Supplier code of Conduct	Supplier Code of Conduct implemented and signed by 180 suppliers against 225. Supplier assessments include ESG aspects.
Digitalisation & Sustainable Value Creation	Digitalisation projects are in place	Developing Digitalisation Index	Digitalisation » Digitalisation Index -complete and available across all functions. » ISO 27001 certification in progress
	Green Product Portfolio » Reclaimed Rubber– 6% » Natural Rubber– 10% » Silica– 2%	Improve green products by 15%	Green Products » Criteria finalisation for green products from one vertical. » Work in progress for other business verticals.

GRI 3- 3

03

PLANET

- Overview
- Energy
- Emissions
- Water Stewardship
- Waste Management
- Materials
- Biodiversity



Overview

At JK Fenner, we are fully aware of the pressing environmental and climatic issues climate challenges our planet faces. As a responsible organisation, we are committed to sustainable practices that contribute to a greener future while maintaining the integrity of our business operations. Sustainability has been an integral part of our journey since 1994, when we commissioned our first green energy installations. This early initiative marked the beginning of our long-standing dedication to environmental stewardship.

As part of our commitment to environmental stewardship, we have established ambitious yet practical ESG goals aligned with both our business growth trajectory and Sustainable Development Goals (SDGs).

Our environmental initiatives encompass a comprehensive focus on energy and water management, greenhouse gas (GHG) reduction, waste minimisation, adoption of greener materials and products, and pollution control. Each of these parameters is continuously monitored and evaluated to identify opportunities for improvement, ensuring steady progress towards achieving our ESG 2030 targets.

This section showcases our environmental performance and the continuous innovations and improvements carried out throughout FY 2024–25.

World Environment Day Celebration at MDU 2

Energy

We recognise that effective energy management plays a crucial role in mitigating the impacts of climate change and supporting the transition toward a more sustainable planet. At JK Fenner, the incorporation of green energy and the adoption of energy-efficient practices across all plants have long been embedded in our operations. Energy efficiency has been an integral part of all our operations. In addition to electricity, our energy use includes fuels such as diesel, furnace Oil (FO), petrol, and LPG.

Our electricity consumption is sourced primarily from the grid, supplemented by renewable energy and a minor contribution from diesel generator (DG) sets. While electricity accounts for a significant portion of our energy usage, we also monitor and optimise consumption of various fuels, including diesel, furnace oil (FO), petrol, and LPG, to ensure comprehensive energy efficiency across all operations.

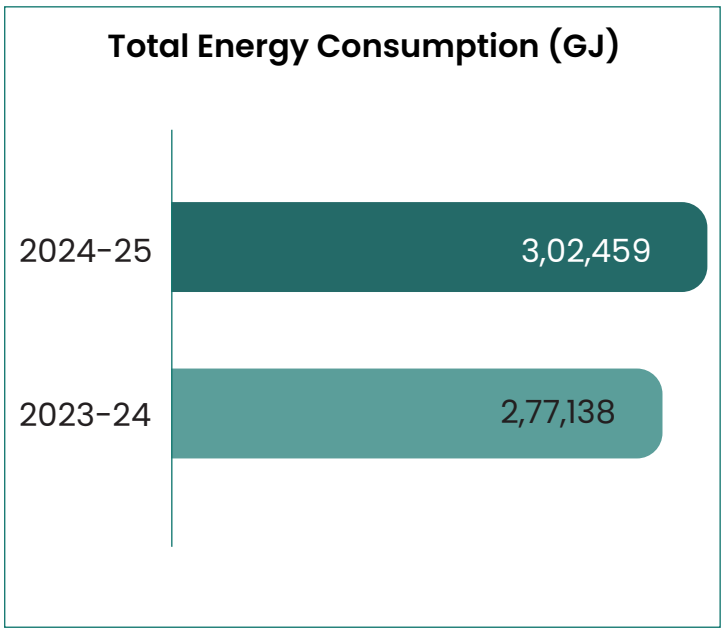
GRI 302- 4

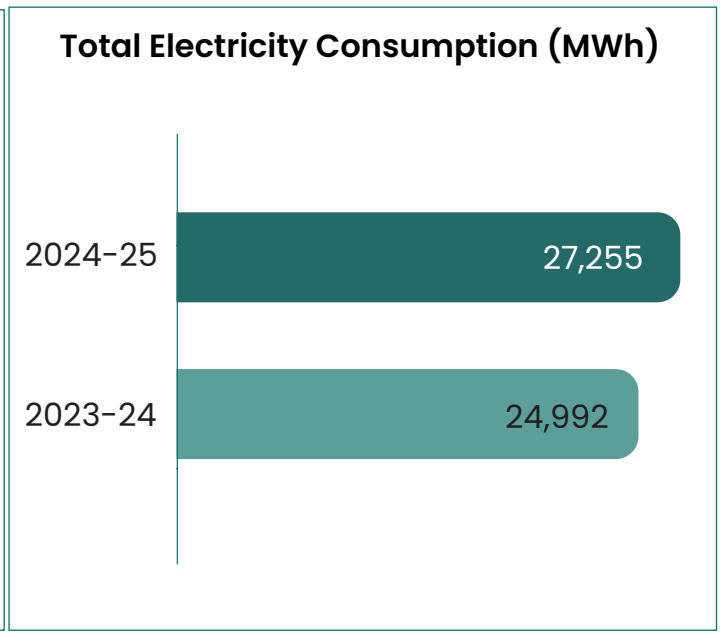
Image is used for representation purpose

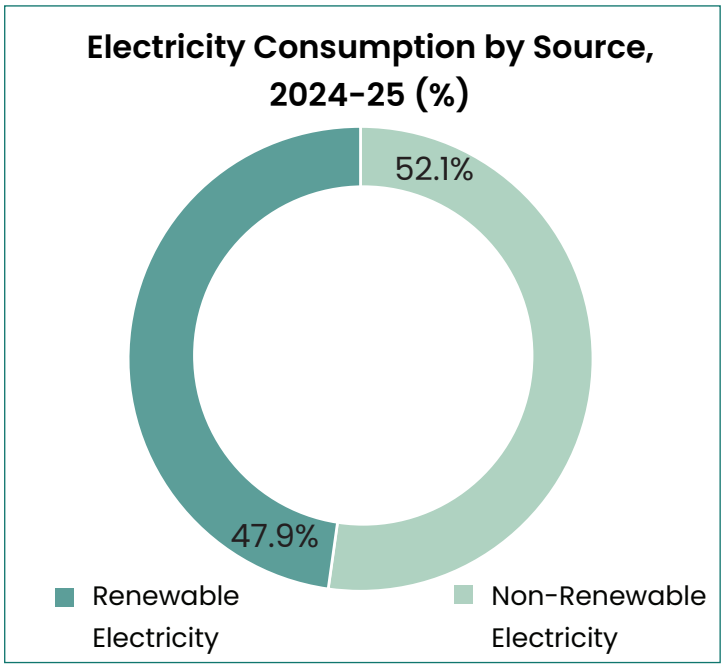
Energy- Total Energy Consumption

In the current reporting year, total energy consumption, including electricity and fuel—amounted to 3,02,459 GJ, up from 2,77,138 GJ in the previous year. This increase is primarily attributed to higher production volumes during the year.

Gross electricity consumption was 27,255 MWh, with renewable electricity contributing to 47.9% of the total. Renewable Energy usage declined compared to the previous year, as the off-site solar plant at the HYD-1 facility was decommissioned during the reporting period due to policy change in the State. However, we are exploring other alternative green power sources.







47.9% Renewable Electricity

GRI 302- 1

CASE STUDY: 1

Reducing steam leakages from vulcanizer gasket

Location: Madurai 2

Context:

The vulcanization process involves heating and adding rubber with sulfur to improve its elasticity and strength. Steam plays a vital role in the process, particularly in the vulcanization of rubber tyres. Over time, wear, tear, and chemical reactions cause leaks in aging steam pipes. Additionally, frequent steam leakage at the vulcanizer gasket, due to its short lifespan leads to increased furnace oil consumption.

Approach:

The team analysed the situation and introduced 'Endless' and 'Viton' gaskets, which helped reduce steam leakages to improve system efficiency, safety, and minimise energy losses.

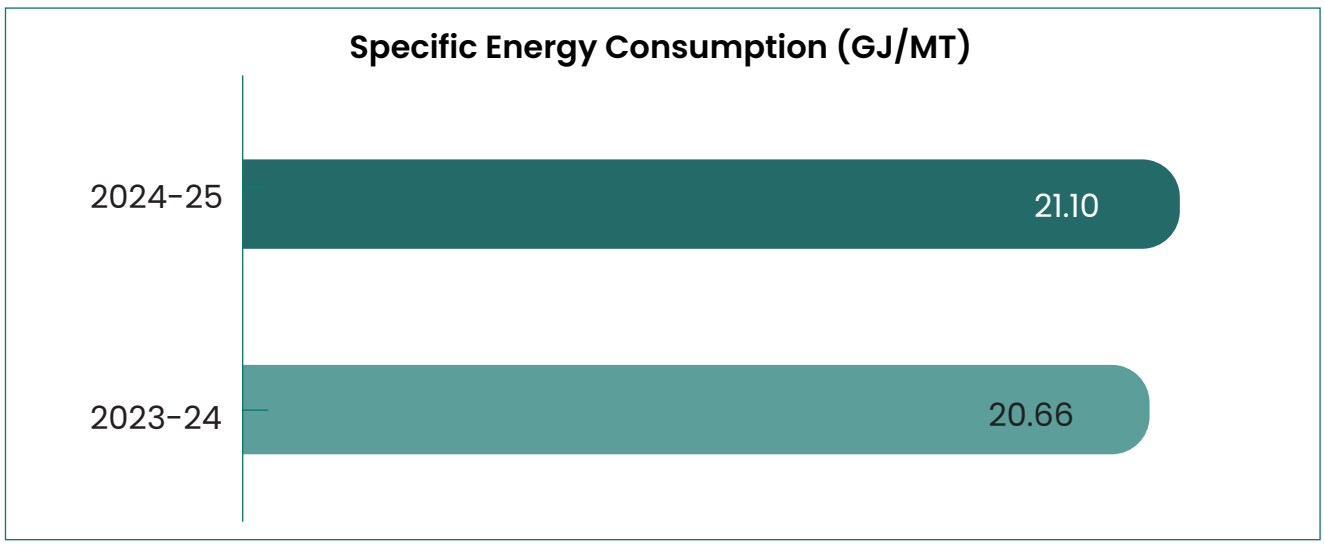
- **Strategies implemented:** Multiple trials were undertaken to determine the optimal size of the 'endless' gaskets.
- **Environmental Impact:** By significantly reducing steam leakages, the intervention led to an annual saving of approximately 45,000 litres of furnace oil—lowering both emissions and energy waste.
- **Economic Impact:** The initiative resulted in an annual cost saving of INR 22.95 lakhs, achieved through a modest investment of INR 2.2 lakhs—demonstrating a high return on investment and operational efficiency.

GRI 302- 4

Energy- Energy Efficiency

We have consistently advanced our commitment to energy efficiency across all plant operations. Ongoing efforts in this direction have contributed to substantial energy conservation, process improvements and significant cost savings.

In FY 2024-25, we achieved specific energy consumption of 21.10 GJ/MT.




Actual Image of shop floor, Hyderabad-2

Specific Energy Consumption:

21.10 GJ/MT

GRI 302- 3

CASE STUDY: 2

Increasing boiler feed water temperature

Location: Madurai 2

Context:

To reduce furnace oil consumption, the plant team implemented a phased strategy to increase the boiler feed water temperature.

Phase 1 (June 2024): The feed water temperature was increased from 74°C to 86°C.

Phase 2 (February 2025): Following continued high fuel usage, the temperature was further raised to 92°C to enhance steam generation efficiency and reduce furnace oil consumption.

This targeted intervention contributed to improved thermal efficiency and reduced energy input for the same steam output.

Approach:

To enable this improvement, the team redirected exhaust steam from 'Module 5' vulcanizers to heat recovery exchangers, effectively utilising waste heat to raise the boiler feed water temperature to 86°C. In the next phase, an additional 3" capacity heat exchanger was installed, further increasing the feed water temperature to 92°C. This two step process led to a reduction in furnace oil (FO) consumption and improved energy efficiency.

GRI 302- 4

Case study continued on next page

CASE STUDY: 2

- **Challenges faced/ Strategies implemented:** To integrate the heat recovery system, existing underground trench pipelines were altered and connected to redirect exhaust steam effectively. Due to space constraints, the team had to reconfigure pipeline layouts to accommodate a third heat exchanger within the system. Despite these spatial limitations, the modifications were successfully implemented, enabling a phased increase in feed water temperature and optimisation of boiler efficiency.
- **Environmental Impact:**
  - » **Phase 1:** Achieved an annual saving of 30,000 litres of furnace oil, representing a 2% reduction based on a daily consumption of 5,000 litres.
  - » **Phase 2:** Further annual savings of 15,600 litres, equating to an additional 1% reduction in daily FO usage.
- **Economic Impact:**
  - » **Phase 1:** Realised cost savings of INR 15.3 lakhs per annum against an investment of INR 3.0 lakhs.
  - » **Phase 2:** Achieved cost savings of INR 7.65 lakhs per annum with an additional investment of INR 1.3 lakhs.

These figures reflect a strong return on investment and reinforce the business case for energy efficiency improvements.

GRI 302- 4

Image is used for representation purpose

CASE STUDY: 3

Power consumption reduction projects

Location: Madurai 2

Context:

Profile grinding machines in the plant utilise air boosters (sets of two and four) to enhance operational pressure during each stroke using compressed air. However, excess air released post-cycle was leading to significant energy losses.

An assessment revealed that the average power consumption of the compressor was 2,470 kWh/day, primarily due to air leakages across shop floor machinery and inefficient use of compressed air (2 bar) for belt cleaning and grinding wheel cooling in 11 profile grinding machines—all connected to a main air line operating at 5.5 bar.

Approach Exhaust Air Reuse:

Instead of venting, exhaust air was redirected to a separate receiver and reused for belt cleaning and wheel cooling. This system was successfully implemented on 15 machines with four boosters and seven machines with two boosters. A custom in-house air booster was developed to enable operation at a reduced main line pressure of 4 bar, while still meeting functional requirements. Fresh air usage was eliminated for secondary processes by integrating the reused exhaust system into all 11 profile grinding machines.

Strategies implemented: The reuse of exhaust air was initially piloted on 4 M/cs., and was planned for expansion to 34 M/cs. To ensure continued efficiency, monthly air leak mapping and corrective maintenance have been institutionalised as part of routine plant operations.

In parallel, the original hydraulic cylinder setup was replaced with two 250 mm pneumatic cylinders, enabling seamless integration of the exhaust air reuse system across 11 additional profile grinding machines. This retrofit not only supported system compatibility but also aligned with the broader objective of reducing energy consumption and improving operational efficiency.

GRI 302- 4

Case study continued on next page

CASE STUDY: 3

Environmental and Economic Impacts:

Intervention	Power Saved (kWh per Annum)	Total Cost Savings (INR Lacs/ Annum)
Reuse of exhaust air from 4 boosters	70,200	7.02
Reuse of exhaust air from 2 boosters	32,760	3.27
Air leak mapping and correcting	18,720	1.87
Use of pneumatic cylinders	51,540	5.14

GRI 302- 4

Employee working in plant shopfloor

CASE STUDY: 4

Post-cure time reduction for FKM compounds

Location: Chennai 2

Context:

The post-curing process is performed after the initial curing phase of materials such as rubber. It is a process that requires additional heating or treatment to achieve the desired material properties the product, but results in an increase in CO_2 emissions. The team worked on the post-curing process, which reduces cycle time and optimises the use of Fluorine Kautschuk Material (FKM) compounds, resulting in reduced energy consumption, thus lowering the carbon footprint of the product.

Approach:

The team conducted systematic trials of the optimised post-curing process, followed by rigorous product validation to ensure quality and performance standards were maintained.

This approach successfully reduced the overall cycle time, resulting in lower energy consumption and contributing to a reduction in CO_2 emissions—all without compromising product integrity.

- **Strategies implemented:** As part of our carbon reduction efforts, the team initiated a project to reduce the post-curing cycle time, aiming to lower energy usage and associated CO_2 emissions without compromising product quality.
- **Environmental Impact:** The initiative led to a substantial reduction in energy consumption, from 20,857.5 kWh to 11,137.5 kWh, thereby cutting the carbon footprint from 149.3 tCO_2 to 79.7 tCO_2. This represents a 48% decrease in emissions, contributing meaningfully to our decarbonisation goals.
- **Economic Impact:** The intervention resulted in annual power savings of 9,720 kWh, reducing operational energy costs and improving process efficiency.

JK Fenner achieved a 48% productivity improvement in the post-curing process through enhanced lean time and better machine availability. These operational efficiencies align with our commitment to continuous improvement and sustainable manufacturing practices.

GRI 302- 4

CASE STUDY: 5

Elimination of mechanical mastication in mixing for VB 8052 compound

Location: Hyderabad 1

Context:

Mastication is a critical step in rubber processing to reduce viscosity and enhance the mixing of ingredients, particularly in natural rubber. Traditionally performed through mechanical means, this process contributes to equipment wear, high energy consumption, and limited process control.

To address these challenges, the team transitioned from mechanical to chemical mastication for the major VB 8052 compound mixing process. This strategic shift allowed for:

- improved process control and consistency,
- enhanced material quality, and
- reduced operational costs and mechanical wear.

Additionally, the change in process enabled a modification in the mixing sequence, making it possible to eliminate mechanical mastication entirely and release capacity in the K2A intermix operations.

Approach:

Mechanical mastication in the mixing sequence was replaced with chemical mastication to improve process efficiency and reduce equipment strain

GRI 302- 4

Case study continued on next page

CASE STUDY: 5

- **Challenges faced/ Strategies implemented:** To address inefficiencies and variability in the unmix batch dump process, the team undertook a refinement of the mixing sequence. This strategic intervention aimed to enhance process efficiency, consistency, and throughput, while minimising material losses and equipment strain.
- **Environmental Impact:** The optimisation led to a capacity release of 30 tonnes per month, enabling better utilisation of existing resources. Improved mixing efficiency contributed to lower energy consumption, aligning with our broader sustainability goals focused on resource optimisation and process standardisation.
- **Economic Impact:** The initiative delivered significant cost benefits, with estimated annual savings of INR 73 lakhs, driven by reduced cycle times, lower energy use, and enhanced operational productivity.

K2A Intermix capacity was freed up by 4 hours, enhancing overall operational efficiency.

GRI 302- 4

Employee working in plant shopfloor

Emissions

Greenhouse gas (GHG) emissions are a major contributor to climate change, and at J.K. Fenner, we are committed to mitigating their impact. We have been proactively implementing a range of measures to reduce GHG emissions across our operations. Key initiatives include:

- Adoption of green energy solutions, such as renewable electricity and energy-efficient technologies,
- Continuous process optimisation to enhance operational efficiency,
- Technology upgradation to phase out carbon-intensive practices, and
- Integration of the 3Rs — Reduce, Reuse, Recycle — across our resource and waste management systems.

Through these efforts, we are steadily progressing toward our goal of low-carbon, sustainable manufacturing.

We recognise that raw materials contribute significantly to embodied carbon in our products. In response, we have prioritised research and development to reduce embodied carbon across several product categories.

Looking ahead, we plan to actively engage with our supply chain partners to identify and adopt more sustainable raw material alternatives, further strengthening our commitment to effective emissions abatement.

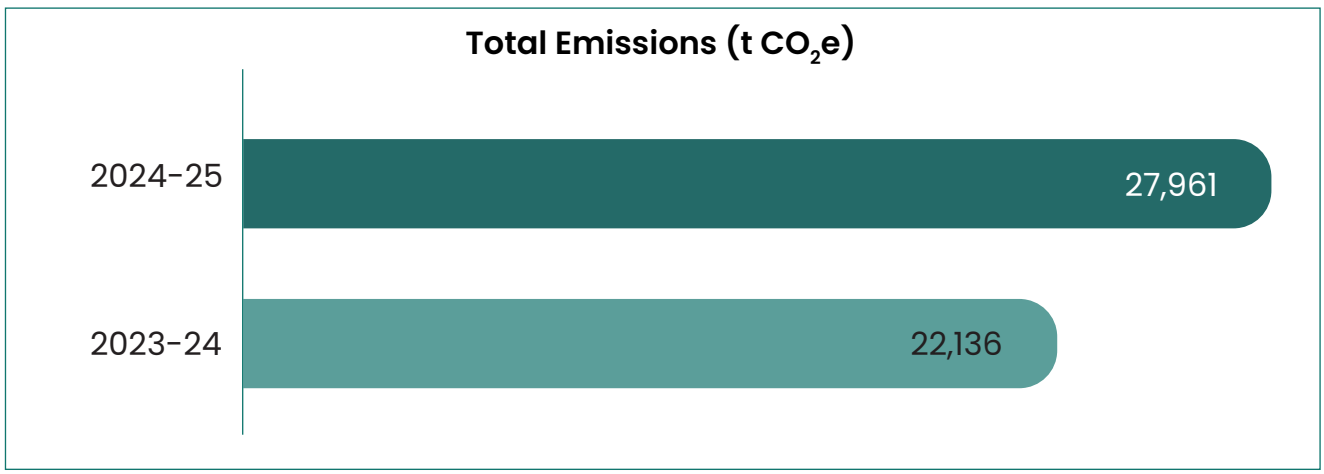
Through these sustained efforts, we aim to enhance environmental sustainability and contribute meaningfully to climate action.

GHG Emissions Overview – FY 2024–25

In the reporting year, our total greenhouse gas emissions amounted to 27,961 tCO_2e, comprising:

Scope 1 emissions: 17,230 tCO_2e (direct emissions from owned or controlled sources)

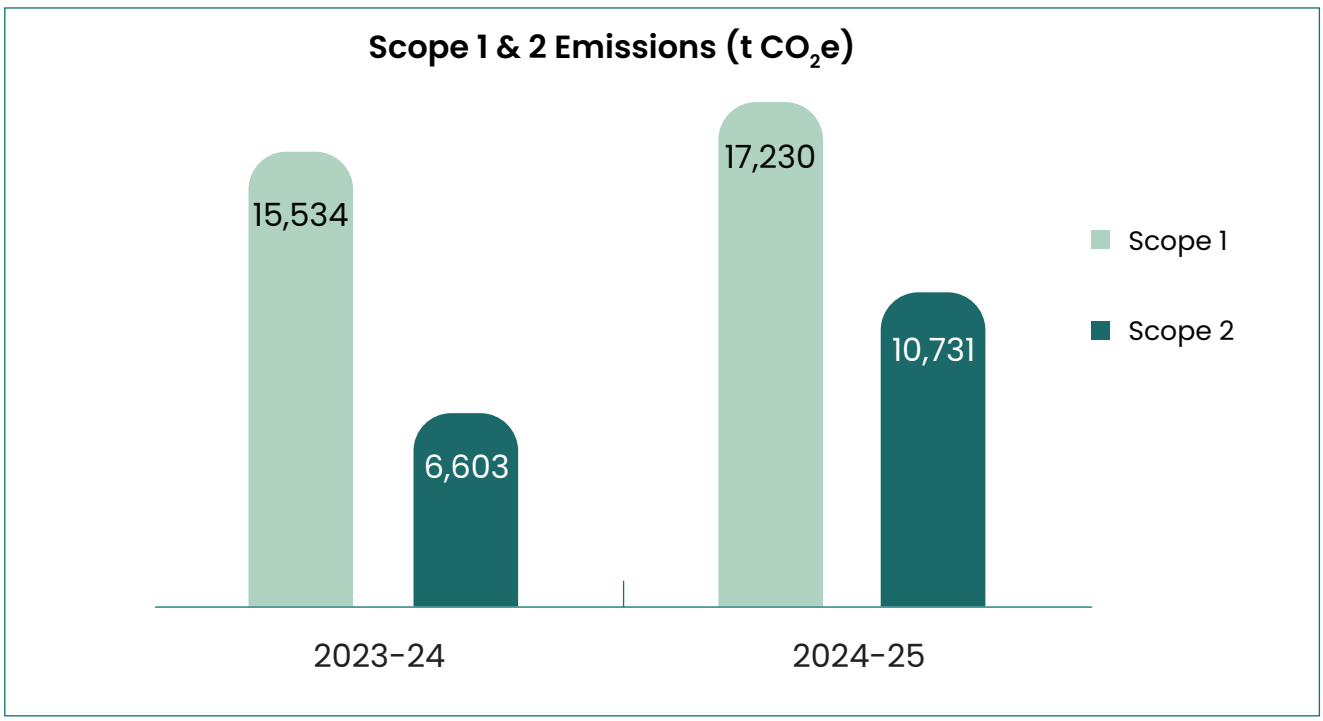
Scope 2 emissions: 10,731 tCO_2e (indirect emissions from purchased electricity)

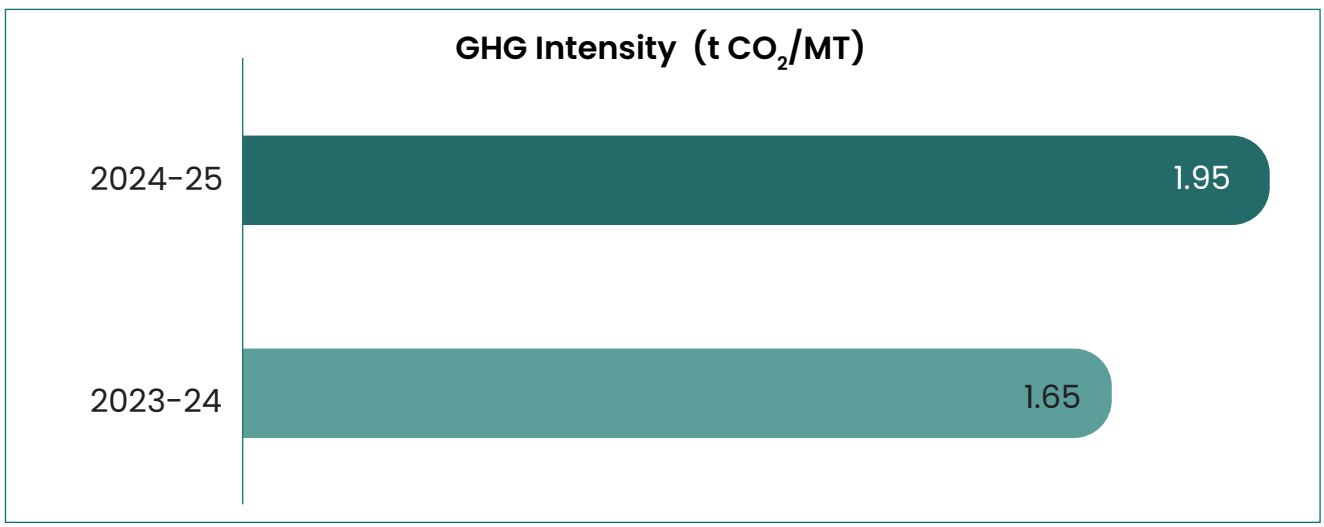


GRI 305- 1, 2, 5

Emissions

The GHG intensity for the year was 1.95 tCO_2e/MT, compared to 1.65 tCO_2e/MT in the previous year. We continue to closely monitor our emissions and are actively implementing measures to reduce, in line with our commitment to achieving our 2030 sustainability goals.





GHG Intensity: 1.95 t CO_2e/MT

GRI 305- 4

Re-statements

Energy and Emissions Data

This report includes a restatement for total electricity. total energy consumption and greenhouse gas (GHG) emissions (Scope 1 and Scope 2), for the FY 2023–24 reporting year, based on improved data availability and refined calculation methodologies.

Scope 1 emissions have been revised to incorporate previously excluded sources, specifically refrigerant use and fuel consumption from company-owned vehicles.

Scope 2 emissions have been recalculated using the updated location-based emission factor issued by the Central Electricity Authority (CEA), the statutory agency responsible for establishing emission factors for India's power grid.

As a result of these updates, the following parameters reported previously for 2023-24 have been revised:

Revisions	**2023-24**		**Units**
Details	**From** *(Published in SR 2023-24)*	**To**	
Total Electricity Consumption	25,189.60	24,992	MWh
Total Energy Consumption	2,75,728	2,77,138	GJ
Energy Intensity	20.55	20.66	GJ/MT
Scope 1 Emissions	14,408	15,534	tCO_2e
Scope 2 Emissions	6,644	6,603	tCO_2e
Total Emissions	21,052	22,136	tCO_2e
Emission Intensity	1.57	1.65	tCO_2e/MT

GRI 2-4

CASE STUDY: 6

Reducing harmful materials and increasing the usage of environmentally friendly materials

Context:

The use of harmful substances such as chloroprene presents both environmental and social risks. Chloroprene is known to be toxic to the human body—carcinogenic, noxious, and not readily biodegradable. Its usage results in the release of hazardous gases during processing, posing serious concerns for worker safety, community health, and environmental impact. Reducing dependence on such substances is critical to ensuring safer operations and aligning with sustainable manufacturing practices.

Approach:

Chloroprene Rubber (CR) De-risking in product formulation.

To address the environmental and supply chain risks associated with chloroprene (CR), the team implemented a CR de-risking initiative in the production of wrapped V-belts and REC belts. This involved the partial replacement of CR-based compounds with specially formulated natural rubber and EPDM composites, enabling the development of more environmentally friendly product alternatives.

This strategic shift not only reduced toxic emissions but also mitigated risks associated with the overseas availability of chloroprene rubber, enhancing both environmental performance and supply chain resilience.

GRI 305- 5

Case study continued on next page

CASE STUDY: 6

- **Challenges faced in execution:** During execution, the team encountered challenges in understanding and replicating the unique properties of chloroprene rubber, which are critical to product performance. Extensive trials and formulation adjustments were required to identify suitable alternatives.
- **Environmental Impact:** The substitution efforts led to a 15% reduction in CR consumption, thereby lowering the environmental risks associated with its toxicity and non-biodegradability.
- **Economic Impact:** The initiative also delivered cost savings of INR 75 lakhs in FY 2024–25, driven by reduced dependency on imported CR materials and improved material efficiency.

The quality of the new product is on par with regular chloroprene-based belts. All CR cogged banded belts are now converted to EPDM cogged belts, increasing the availability of environmentally friendly products.

Employee working in plant shopfloor

GRI 305- 5

CASE STUDY: 7

Introduction of green fillers in place of petroleum-based fillers

Project Description:

International Rubber Conference Participation

5,6,7 Dec-2024, Cochin

Context:

The team worked on the development of a sustainable belt with a reduced carbon footprint by partially replacing carbon black with green fillers. A paper was published and presented at the International Rubber Conference (IRC) 2024. The team conducted a study on enhancing the dynamic-mechanical properties of NR-SBR (Natural Rubber-Styrene Butadiene Rubber) blends by incorporating hybrid fillers made of carbon black and nano silica, specifically aimed at improving performance in power transmission belt applications.

Approach:

As part of our strategic outreach, actions were taken to showcase our technical capabilities and ESG initiatives in the global market—demonstrating our commitment to innovation, sustainability, and responsible manufacturing to international stakeholders and customers.

Challenges faced in execution:

- Limited availability of green fillers compared to conventional materials due to the higher cost.
- Partial replacement with green fillers posed a risk of altering the physical properties of the product.

Environmental Impact:

- Estimated 20% reduction in carbon black consumption.
- Achieved a 15% reduction in carbon footprint (by weight per belt) at the prototype stage.
- Lower emissions observed during both production and use phase of the belts.

Publishing a research article and presenting a paper showcased the technical capability and commitment of the project towards environmental sustainability, as well as enhanced the company's brand value in the international arena.

GRI 305- 5

Water Stewardship

Recognising water as a critical resource for our operations and its broader environmental significance, we have prioritised water conservation across all our plant locations. Our strategy integrates the 3R principles of Reduce, Reuse, and Recycle, alongside ongoing innovations and enhancements in operational processes.

To reduce dependency on freshwater sources, we have implemented wastewater treatment and rainwater harvesting systems at all facilities. Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) ensure that the wastewater generated is treated and 100% recycled. The recycled water is fully used within our operations—for process requirements, domestic flushing, and landscaping.

Rainwater harvesting is actively practiced through a combination of storage tanks, ponds, and percolation systems at all plant locations. These initiatives collectively support the annual recharge of groundwater. We aim to optimise water usage and promote sustainable practices, ensuring long-term resource efficiency and environmental stewardship.

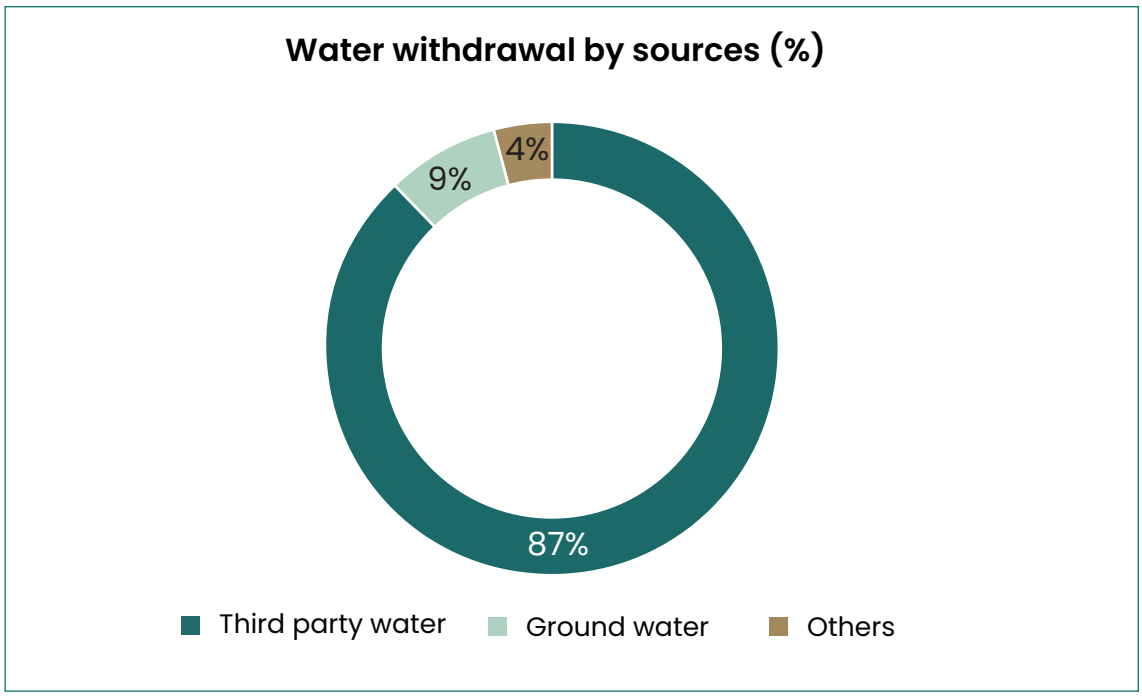
GRI 303- 1

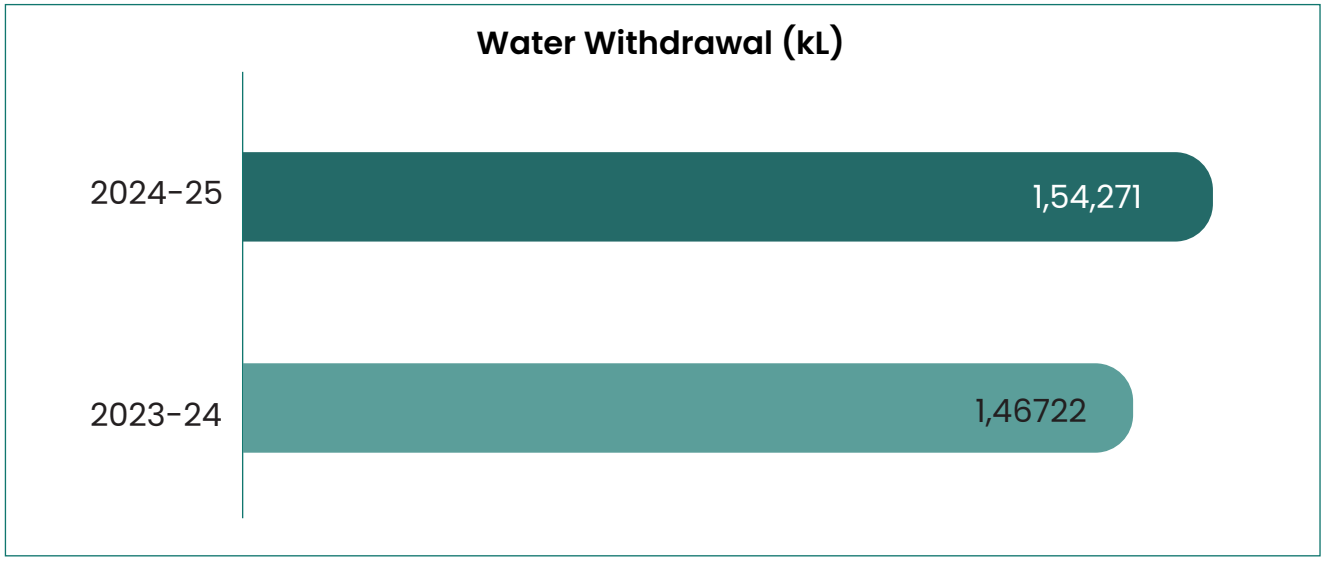
World Ozone Day Celebration at MDU-2

Water Stewardship

In FY 2024–25, our total water withdrawal amounted to 154,271 kL. Water was obtained from multiple sources, with the majority-72% sourced through tankers. Water was obtained from multiple sources, comprising 87% from third-party supplies (tankers, piped water, and canned water), 9% from groundwater via borewells, and 4% from rainwater harvesting systems stored in sumps and ponds.

Of the total water consumption, 50,031 kL (32%) was used for domestic purposes. The per capita domestic water consumption per day was 43.5 litres.



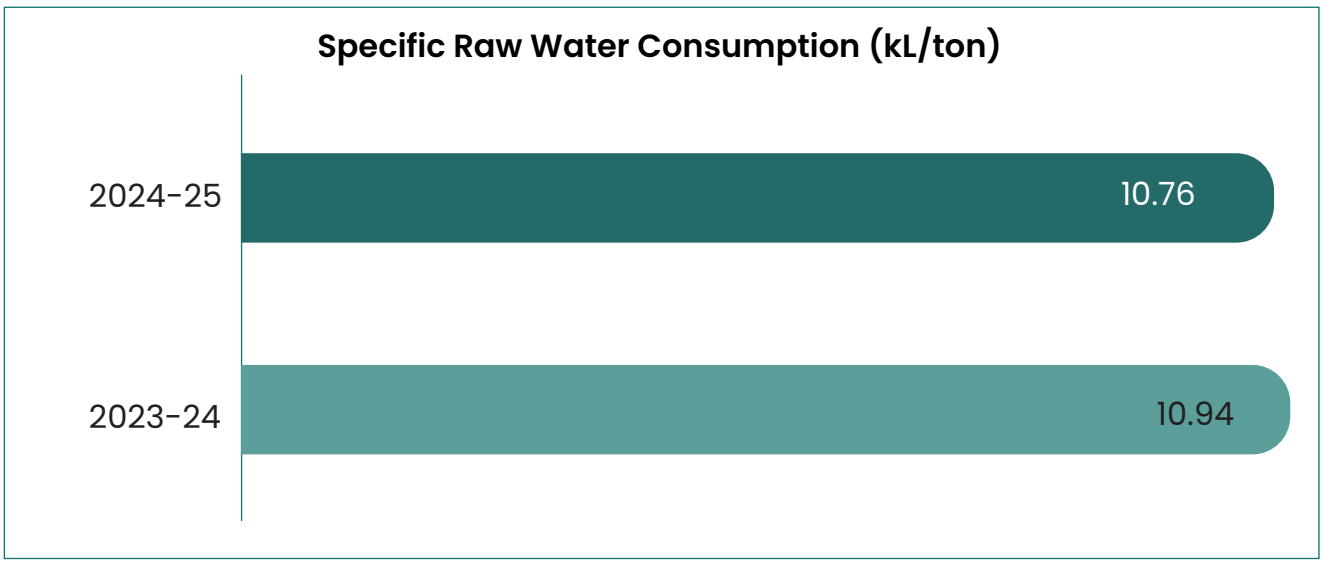


GRI 303- 1, 3, 5

Water Stewardship

During the reporting year, our specific raw water consumption was 10.76 kL/MT, marking a slight increase compared to the previous year. We are committed to improving our water efficiency by actively implementing measures to optimise usage across operations in alignment with our ESG Goals 2030.

During the reporting year, 61% of the total rainwater harvesting potential equivalent to 59,837 kL was effectively harvested through a combination of groundwater recharge, rainwater capture, and utilisation. This represents a 16% increase compared to the previous year, showcasing our unwavering commitment to water conservation. Of the total rainwater harvested, 89% was directed back into the ground for recharge, while 11% was utilised to substitute raw water.



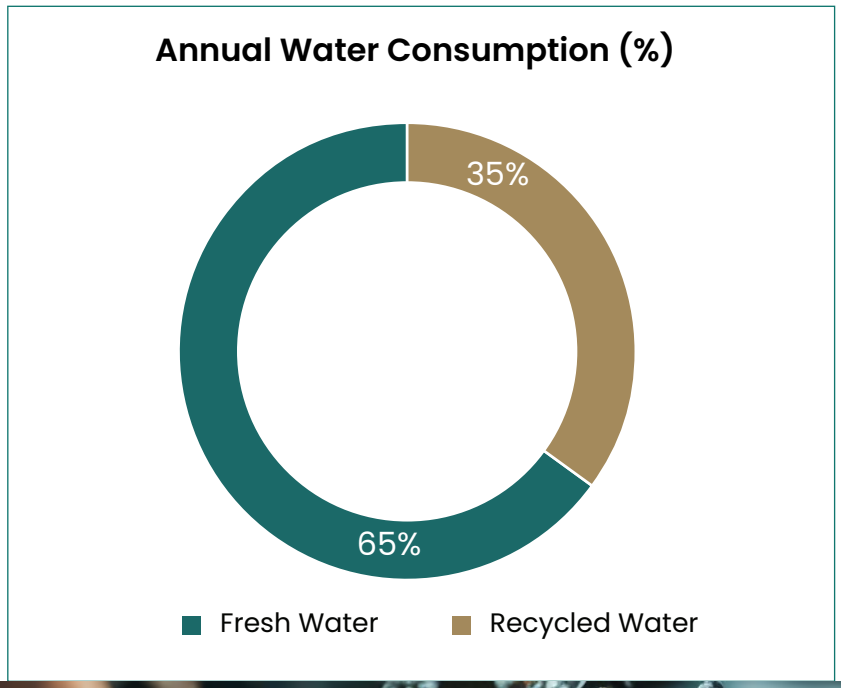
Specific Raw Water Intensity:
10.76 kL/MT

61% of rainwater harvested

GRI 303- 1, 5

Water Stewardship

In addition to rainwater harvesting, a total of 82,109 kL of recycled water was utilised for both processes and domestic purposes. Of the total recycled water, 49% was used for landscaping, 7% for flushing, and 44% supported various process requirements, reinforcing our commitment to efficient water resource management.



GRI 303- 1, 5

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CASE STUDY: 8

Reduction in plant water consumption

Location: Madurai 2

Context:

The plant team identified that rainwater collected at the RWH sump was going unutilised, resulting in wasted potential for reuse and groundwater recharge.

Approach:

To address this, a dedicated system was implemented wherein harvested rainwater is filtered and pumped for use in boilers and cooling towers, effectively reducing dependence on freshwater sources.

- **Challenges faced & strategies implemented:** In Rainwater Harvesting (RWH) system, the initial pump was found to have insufficient capacity and was subsequently replaced with a higher-capacity pump to efficiently transfer water from the RWH sump to the boiler feed water tank.
- **Environmental Impact:**
  As a result of these efforts, there was a substantial decrease in freshwater consumption in the FY 2024-25. At the RWH sump, 3,000 KL of rainwater was harvested and utilised.
- **Economic Impact:**
  The initiative led to annual savings of INR 2.4 lakhs, with a one-time investment of INR 1.5 lakhs, reflecting both environmental and financial benefits.

GRI 303- 1, 5

Water Stewardship- Rainwater Harvesting from Rooftop

Rainwater Harvest and reus

Rainwater Harvest and reus

Rainwater Harvest and reus

RO system for ETP treated water -Savings – 10KLD

Waste Management

At JK Fenner, we recognise the environmental impact of waste and the critical importance of effective waste management. Improperly managed waste can lead to serious environmental challenges; however, when handled responsibly, it can contribute positively to environmental sustainability, public health, and even serve as a valuable resource through recycling and recovery.

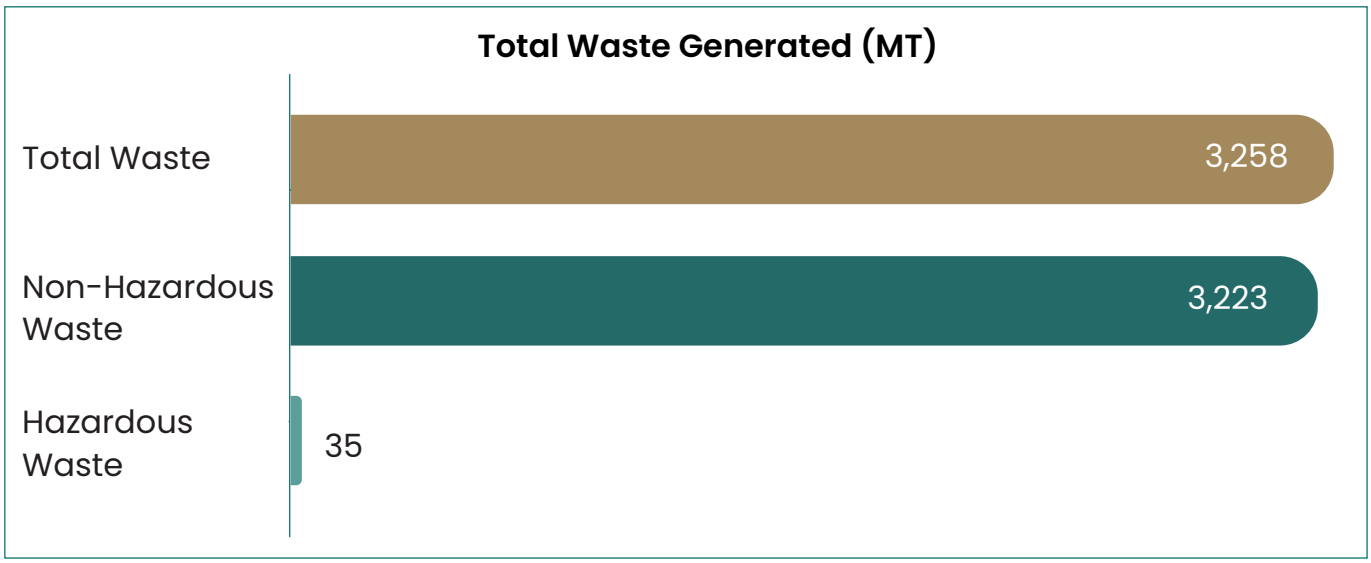
We actively monitor waste generation across our operations to better understand and manage different waste streams, ensuring alignment with our ESG Goals 2030. Our approach is rooted in minimising waste generation, promoting recycling and reuse, and ensuring safe disposal practices—supporting our broader commitment to environmental stewardship and sustainable development.

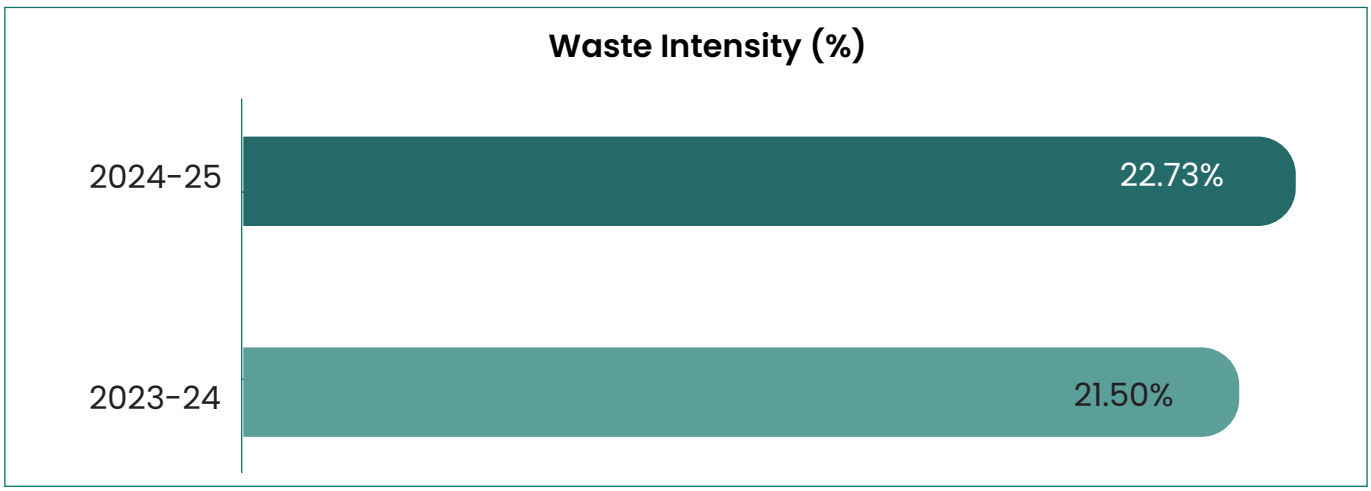
GRI 306- 2

Waste Management – Generation Profile:

At our plants, waste is primarily generated from two sources: process related operations and domestic activities. The generated waste is broadly categorised into hazardous and non-hazardous types. In FY 2024–25, the total waste generated amounted to 3,258 MT. Of this, 83% originated from process-related activities, while 17% was from domestic sources. In terms of classification, 99% of the total waste was non-hazardous, with hazardous waste accounting for 1%.

Overall waste accounted for 22.73% of total output, with process waste contributing 18.73%.





Total Waste Intensity: 22.73%

Process Waste Intensity: 18.73%

GRI 306- 1, 3

CASE STUDY: 9

Wastage reduction by the zero-defect approach in MRPS

Location: Hyderabad 1

Context:

The plant team identified that a slow curing rate in the MRPS tire elements process was the root cause of defect generation. Optimising the cure rate enabled the achievement of zero defects and a reduced cycle time.

Approach:

The initiative to optimise the cure rate was undertaken, resulting in a reduction in cycle time.

- **Challenges faced & strategies implemented:** The optimisation process required comprehensive product validation, which was carried out through test rigs and field trials, while ensuring compliance with REACH and RoHS regulations.
- **Environmental Impact:**
  - Achieved a 30% reduction in cycle time
  - Estimated energy savings of 41,000 units annually
  - Zero defects observed post-implementation
  - Estimated annual CO_2e reduction of 54 tons
- **Economic Impact:**
  Estimated annual cost savings of INR 70 lakhs, resulting from improved efficiency and reduced defect rates

GRI 302-4; 306- 2

Materials

As part of our sustainability commitment, we prioritise enhancing product performance, while designing with greener materials to reduce dependence on natural resources. Guided by LEAN principles, we continuously strive to produce more with less improving efficiency across all operations. A key strategy has been the substitution of virgin raw materials with natural fillers and reclaimed rubber, enabling us to lower our environmental footprint without compromising quality.

In pursuit of our ESG Goals 2030—which include developing a comprehensive Digitalisation Index and increasing the share of green products by 15%—we have actively implemented a range of initiatives. We have embraced Digitalisation across the organisation, seamlessly integrating advanced technologies such as

- Industry 4.0
- Data analytics
- Virtual reality for training, and
- A Robust dealer management system.

These initiatives have played a significant role in reducing resource consumption.

Our Research and Development (R&D) team continues to play a pivotal role in driving sustainability. By incorporating reclaimed materials and advancing eco-conscious product design, we are actively reducing our reliance on virgin inputs. In parallel, innovative practices in manufacturing and product development are being adopted to further improve resource efficiency and minimise environmental impact.

During the reporting period, the material consumption was as follows:

Materials	Quantity (MT)
Rubber	5,646
Fillers	4,919
Polyester Chords	982
Fabric	1,080
Cotton	48
Metals & Alloys	3,248
Chemicals and misc	3,236
Total raw materials used excluding packaging	19,159

Reduced use of virgin raw materials

GRI 301- 1, 3

Biodiversity

Biodiversity plays a critical role in maintaining the health and resilience of ecosystems, which in turn support the natural resources and services essential to our operations and agenda. As part of our sustainability commitment, we are committed to protecting and enhancing biodiversity in and around our operational sites.

All of our offices and plant locations are strategically chosen to minimise environmental disruption. While corporate and sales offices are located in urban centres, our manufacturing facilities operate within designated industrial zones, ensuring that none of our operations are situated within, adjacent to, or directly impacting protected areas or regions of high biodiversity value.

All our plants maintain healthy green cover that enhances aesthetics, improves air quality, and contributes to climate change mitigation efforts.

GRI 304-1

Actual image of CHN-2 Plant

Biodiversity

As part of our ongoing Green Initiatives, we actively engage in tree plantation drives in and around our manufacturing plants, public spaces, and schools. Each year, we mark World Environment Day by planting trees reinforcing our dedication to ecological restoration, combating air pollution and community engagement. These efforts are carried out in collaboration with local communities to create sustainable, community-driven environmental models.

During the reporting period, we planted 10,000 saplings in Madurai and Hyderabad as part of our CSR activities.

10,000 Saplings planted as part of CSR

Tree plantation at MDU-2

World Environment Day Celebration MDU-2

GRI 304-1

04

PEOPLE

- Talent Hiring & Retention
- Employee Engagement
- Learning & Development
- Human Rights
- Health & Safety
- Community

Overview

At JK Fenner, our people are at the heart of our success. This chapter outlines our commitment to building an inclusive, empowered, and resilient workforce through strategic focus on talent hiring and retention, employee engagement, and continuous learning and development. We uphold human rights and foster a safe, respectful workplace by prioritising health and safety across all operations.

Beyond the workplace, our efforts extend to uplifting communities through meaningful community engagement initiatives. Through these pillars, we aim to create a positive and lasting impact for our employees and the wider society.

Goal Setting 2024–25 session at Hyderabad-2 plant

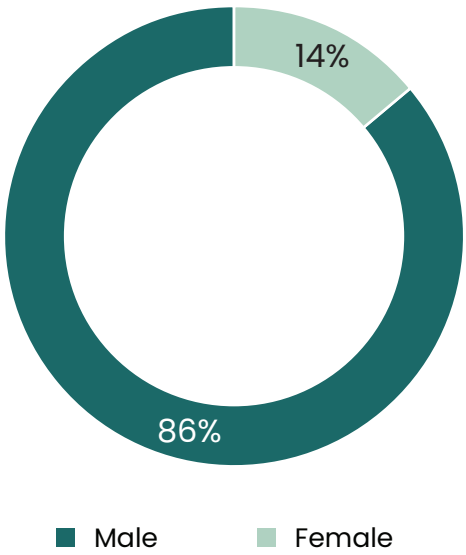
Sports fest at Hyderabad-2 plant

Talent Hiring & Retention

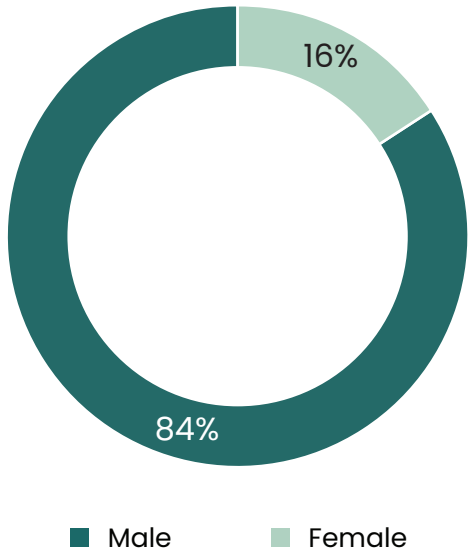
We achieved a 2% increase in the number of female employees, raising overall gender diversity to 16% in the reporting period. This growth in our female workforce underscores our commitment to gender diversity and aligns with the Sustainable Development Goals (SDGs).

We prioritise social inclusion by providing meaningful opportunities for specially-abled individuals. We are pleased to report that the number of specially-abled employees have more than doubled, increasing from 13 in FY 2023–24 to 27 in FY 2024–25. This represents substantial progress toward our 2030 ESG goal of continued growth in workforce inclusivity.

Gender Diversity in % (2023-24)



Gender Diversity in % (2024-25)



- **16%** gender diversity
- **27** specially-abled employees

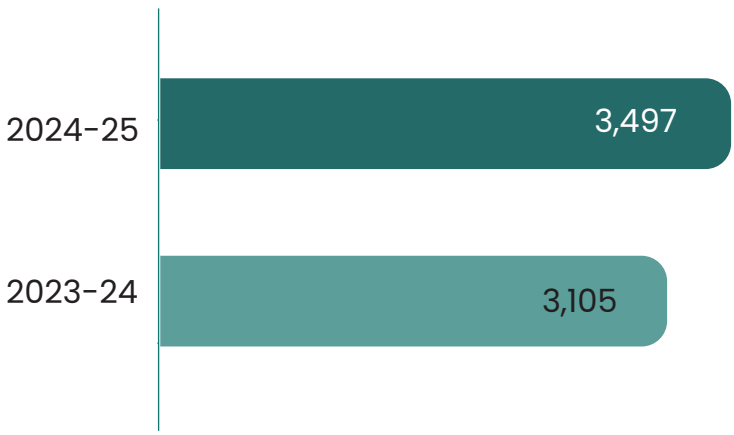
GRI 2- 7, 8; 405- 1

Talent Hiring & Retention

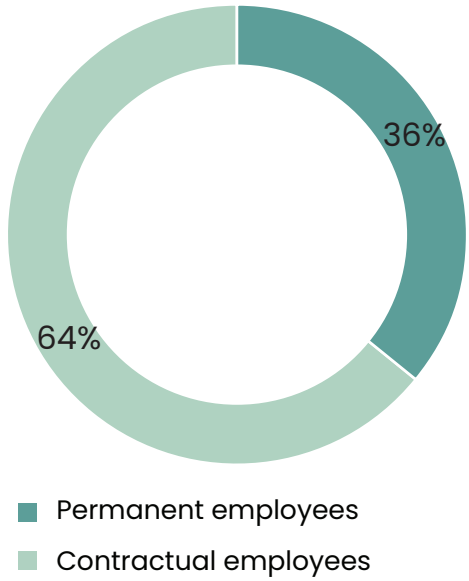
At JK Fenner, we prioritise talent development and retention by actively investing in new hiring and comprehensive talent management. Recognising that our people are the foundation of our success, we focus on equipping them with the right skills. We are committed to building a diverse and inclusive workforce across genders, ethnicities, regions, age groups, and experiences. We believe diversity drives innovation, enhances decision-making, boosts productivity, and strengthens employee engagement—consequently giving satisfactory results to our customers.

In the FY 2024-25, we experienced a notable increase in the total number of employees. Our total workforce rose to 3,497 employees, reflecting a 12.6% growth compared to the previous reporting year. Of the total workforce, 36% are permanent and 64% contractual.

Total Employees



Employees by category in % (2024-25)



12.6% increase in overall workforce compared to FY 2023-24

GRI 2- 7, 8; 405- 1

Talent Hiring & Retention

Bengaluru Plant

During the reporting period, JK Fenner acquired a new manufacturing facility located in Bengaluru. The total workforce at the Bengaluru plant stood at 171 employees, comprising 44% permanent and 56% contractual employees.

In terms of gender distribution, the workforce included 119 male (70%) and 52 female employees (30%), reflecting the gender diversity at the facility. Among the permanent employees, the majority (54 individuals) were in the 30–50 years age group. Additionally, five (5) employees were below the age of 30, while 16 were above 50 years of age.

Monthly Birthday Celebration event

Fire Extinguisher training

On job training

GRI 2- 7, 8; 405- 1

Talent Hiring & Retention

Bengaluru Plant Pictures

EHS Surveillance audit

Night shift mock drill

Quiz competition & awarding

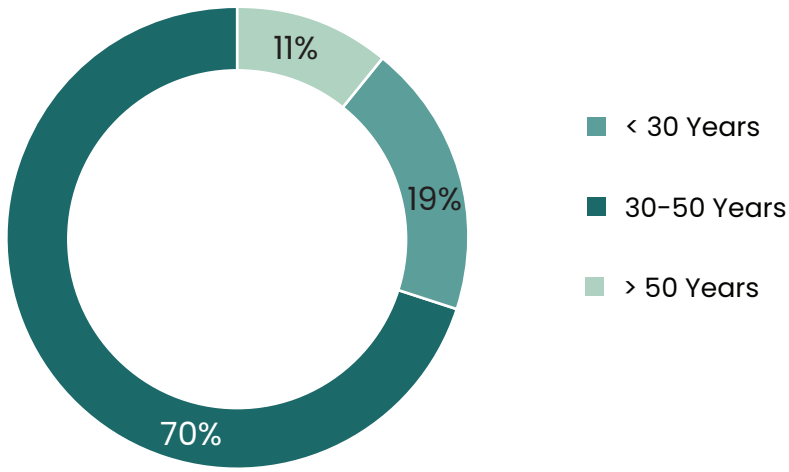
Talent Hiring & Retention

In FY 2024–25, the number of permanent employees at JK Fenner increased to 1,269, reflecting a 6% growth compared to the previous year. There was also a 1% rise in employees aged between 30 to 50 years and above 50 years, while the proportion of employees under 30 years remained unchanged.

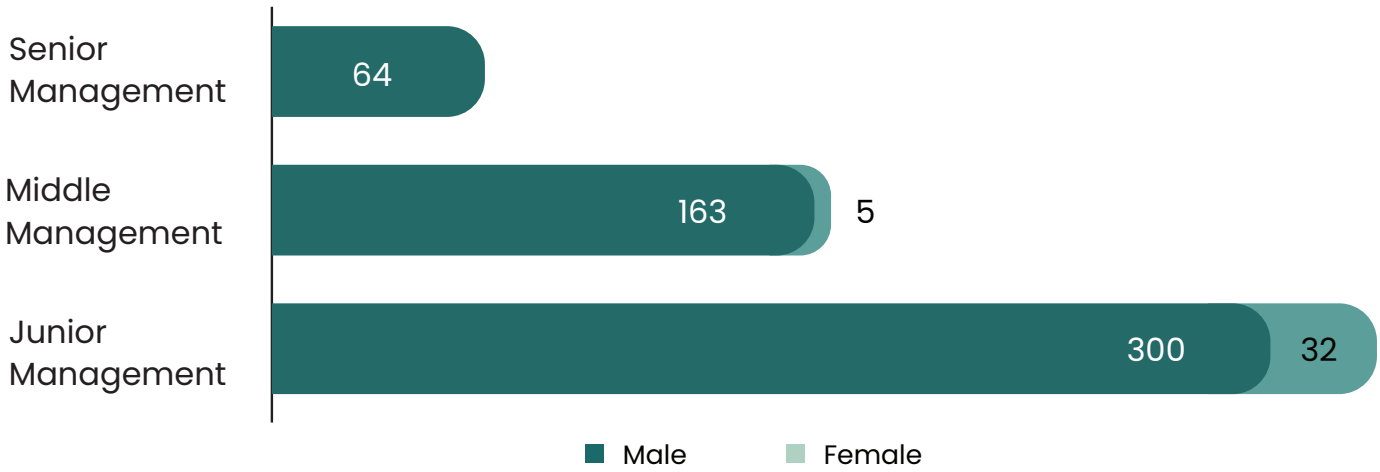
As per the company hierarchy, employees are categorised into several levels, each with distinct roles, responsibilities, knowledge, and levels of experience. Among the permanent employees, in the management category, we have a total of 566 employees, including two Board members.

The majority of our workforce is concentrated at the junior management level, with 332 employees, followed by 168 at the middle management level and 64 at the senior level.

Permanent Employees by Age Category in % (2024-25)



Employee Distribution by Seniority and Gender (2024-25)



GRI 2- 7; 405- 1

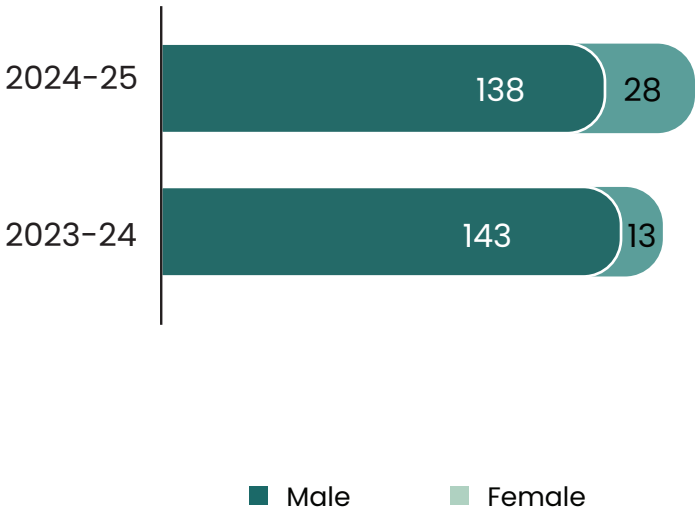
Talent Hiring and Retention - New Hires

New hires reflect an organisation's ability to attract diverse, qualified talent and demonstrate its commitment to inclusive recruitment practices across age, gender, and regions—supporting long-term, responsible growth.

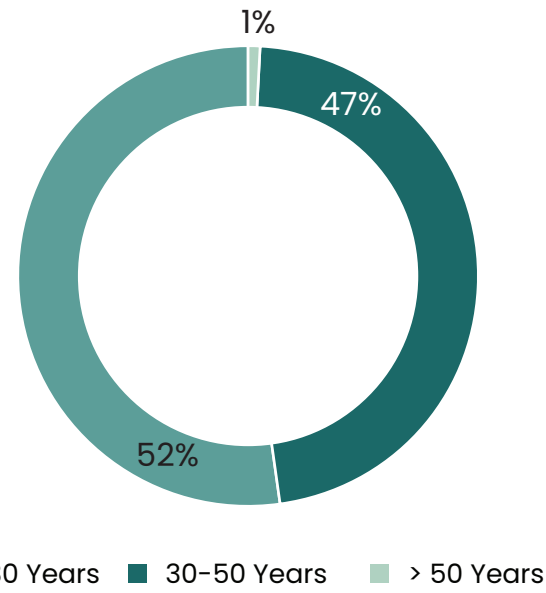
In FY 2024–25, we onboarded 166 new permanent employees, of whom 17% were female and 83% male. This reflects a notable improvement in female hiring compared to the baseline year 2022-23, when female hires accounted for 8% of the total new hires. The upward trend underscores our ongoing efforts and commitment to building a more diverse and inclusive workforce.

In FY 2024–25, most new hires were under 30 years (52%), followed by those aged 30–50 years (47%) and above 50 years (1%) reflecting our focus on nurturing young talent while ensuring a balance of experience and expertise.

New Hires by Gender



New Hires by Age (2024-25)



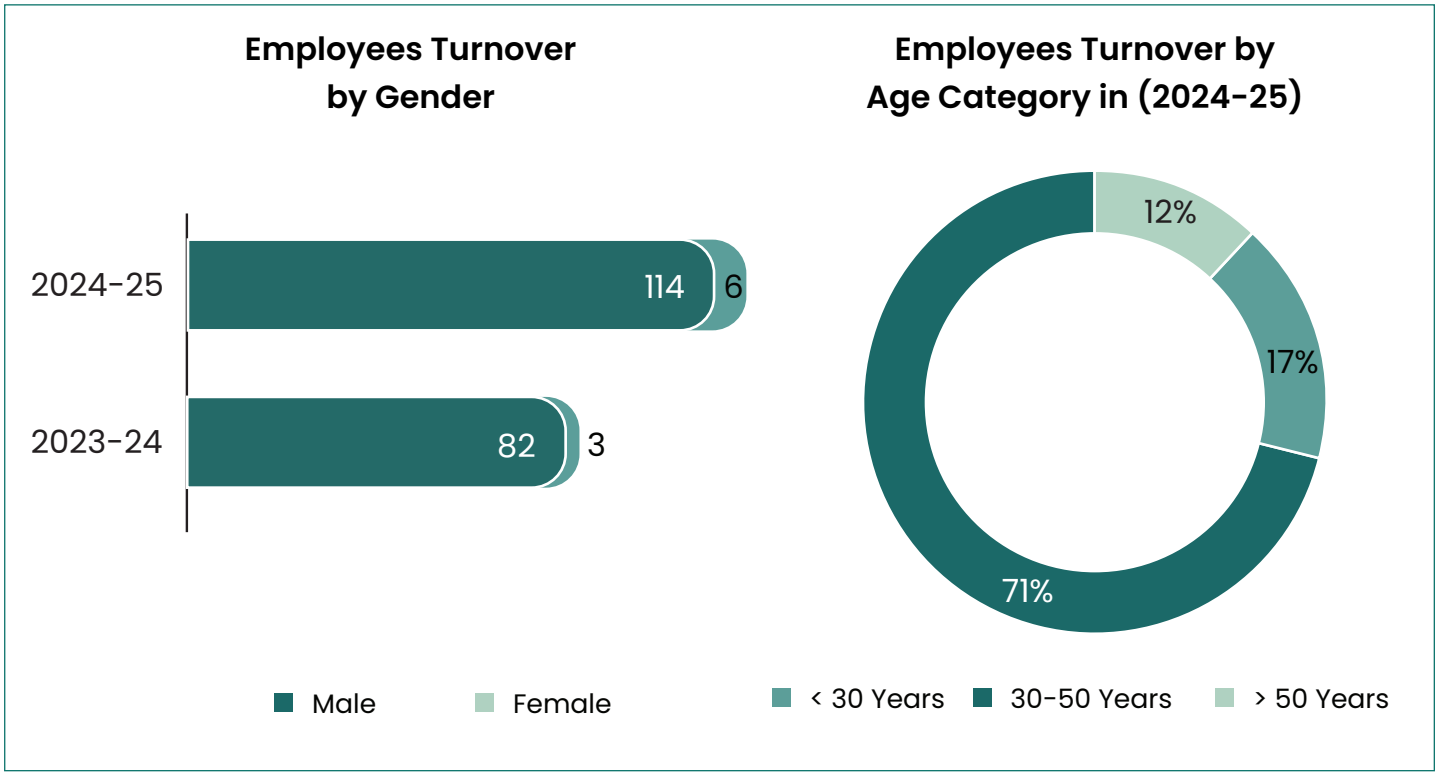
GRI 401- 1

Talent Hiring and Retention - Turnover

At JK Fenner, we are committed to preserving institutional knowledge and implementing effective talent retention strategies, recognising that employee turnover leads to both the loss of valuable experience and the opportunity to gain new skills and insights. Similarly, the relationships that were built and personal insights into the processes are also hampered.

In the reporting period, the total turnover of employees in the permanent category was 120, with the majority occurring among males, accounting for 114 employees, while only six (6) were female, which is a similar trend to the baseline year.

In FY 2024-25, the highest turnover occurred in the 30-50 years age group, accounting for 71%, while the below 30 years age group accounted for 17%, and the above 50 years age group accounted for 12% of the turnover. In comparison, during FY 2023-24, the highest turnover was observed in the below 30 years group at 69%, followed by the 30-50 years age group at 18%, and the above 50 years group at 13% of the total turnover.



GRI 401- 1

Employee Engagement

Employee engagement is at the core of building a high-performing and inclusive workplace. We promote open communication, actively seek feedback, and encourage greater participation across all levels. Additionally, we invest in skill-building and development programs to strengthen employee involvement and drive long-term growth. Our approach empowers employees to align with the organisation's sustainability vision and take ownership of shared goals.

Initiatives such as 'Family Connect', 'Coffee with Plant Head', and 'Pulse', our dedicated employee connect program, play a key role in strengthening employee engagement across the organisation.

We celebrate diverse festivals of several ethnicities, such as Diwali, Pongal, Christmas, etc., exemplifying and promoting diversity and inclusion.

Employee Engagement

Founder's Day:

We celebrated Founder's Day with employees and their families, which included various fun games and activities at the plant. The event highlighted our commitment to fostering a supportive and inclusive workplace culture.

Safety Week:

We also observe Safety Week to reinforce our commitment to employee health and safety. In addition, wellness initiatives—such as health workshops, virtual laughter yoga sessions, and organised sports activities, are conducted to promote holistic well-being and foster a supportive, stress-free work environment.

Employee Engagement

To honour the contributions of our women employees and promote empowerment, Women's Day was celebrated with great enthusiasm. The event featured a health talk by Dr. Balamurugan (MBBS, AFIH), focusing on women's wellness, followed by interactive activities and gift distribution for all female employees. The celebration was both memorable and meaningful, reinforcing our commitment to recognising and supporting women in the workplace.

Our women workforce was honoured with the JKO Naari Shakti Award under the categories of 'Emerging Leader' and 'Catalyst for Change' to encourage women's participation. Our team brought laurels to the organisation by securing awards across multiple categories in the JKO Women's Premier League, which included activities such as 3-legged race, kho-kho, relay race, and many more.

Employee Engagement

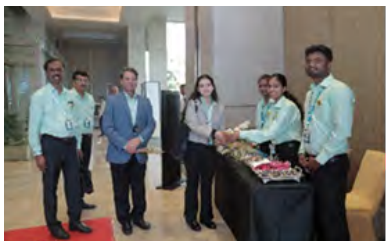
Employee Engagement

Marketing, Technology & Manufacturing Excellence Conclave

The 4th Marketing, Technology, and Manufacturing Excellence Conclave was held on December 12th–13th in Madurai. The event commenced with a symbolic lamp lighting ceremony by our MD Mr. Vikrampati Singhania and addressed the gathering setting stage for innovation and collaboration. The event featured an inspiring inaugural address by Mr.NagarajuSrirama, emphasising collective success.

Thought leaders, including Mr. Saivikram (UST) and Mr. Leny Thangiah (Siemens), showcased AI's transformative role in marketing and manufacturing. CSR initiatives, such as Millet Product Making and Aari Zari Work, highlighted the organisation's commitment to community empowerment through skill development.

The conclave also recognised key contributors, including juries and industry experts, for their invaluable support. Excellence was celebrated through awards in marketing, innovation, and manufacturing, with Team IPD, Industrial & Agri Products, and the Madurai 1 Plant emerging as winners.






Employee Engagement

Platinum Award" in CII-EXIM Bank Award for Business Excellence 2024

Employee Engagement

We also celebrated Quality Month, headed by the Quality Department, by conducting various events such as connection game, creative art, etc.

CASE STUDY- Gender Diversity

Enhancing Gender Diversity - Blue Cloud 100% Female-Operated Production Line

Location: Chennai 2

Context:

At the CHN-2 manufacturing facility for Chaff Payload, we identified an opportunity to enhance diversity and inclusion by increasing female representation in our workforce, aiming to achieve a target of 12% gender diversity by FY 2024–25. Previously, our gender diversity stood at 10%.

Approach:

To achieve this goal, we implemented a targeted strategy by deploying a dedicated team composed entirely of female employees to manage and operate the Chaff Payload manufacturing process. This initiative was designed to foster an inclusive work environment that supports female talent and encourages their active participation in technical roles that men have traditionally dominated. The deployment was complemented by targeted training and ongoing support to ensure success.

- **Challenges faced:** Key challenges included addressing existing biases, ensuring equal access to training, and cultivating an inclusive workplace culture.
- **Impact:** As a result of this focused approach, the diversity and inclusion metric at the Chaff Payload facility improved significantly, with female representation increasing from 10% to 13% in FY 2024–25. This exceeded our initial target of 12%, demonstrating the effectiveness of deploying dedicated female teams in enhancing gender diversity.

Employee Engagement

Winners of events at Quality Month

Employee working in shopfloor

On Job Shop floor training

Mock drill event

Learning & Development

Through continuous learning and multi-skill development initiatives, we empower our employees to embrace new technologies and improve productivity—contributing meaningfully to organisational goals. Our approach to staff engagement in versatile operations ensures the development of diverse skill sets, which strengthens internal capabilities, enhances productivity, reduces absenteeism, and bridges skill gaps to support the adoption of best business practices.

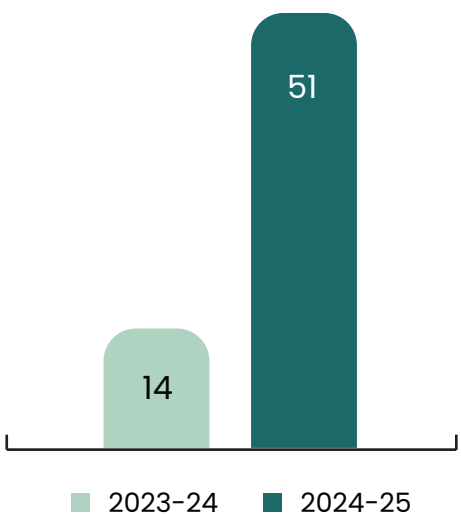
In FY 2024–25, the average training hours stood at 51 hours for female and 12 hours for male employees. The average training hours for female employees have increased nearly fourfold compared to FY 2023-24.

Permanent employees received an average of 12 training hours, with females receiving 57 hours and males receiving 12 hours on average.

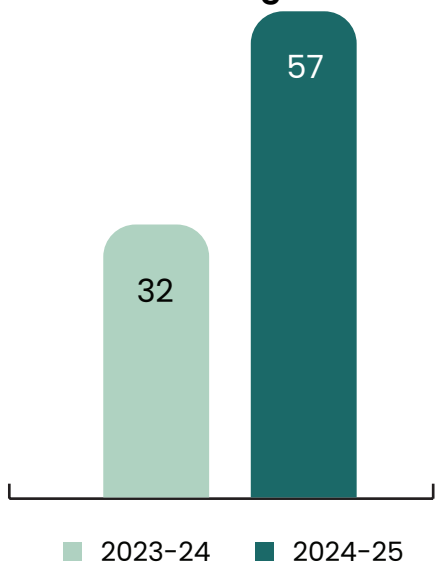
Contractual employees were trained for an average of seven (7) hours, including females for 9 hours, and males for seven (7) hours. The significant rise in average training hours for female employees reflects a strong commitment to their empowerment through focused skill development and growth opportunities.

Training covered diverse areas including technical skills, soft skills, health and safety, human rights, and personal development.

Overall Average Female Training Hours



Average Permanent Female Training Hours



Fourfold increase in overall Female training hours

GRI 404-1, 2

Learning & Development

We facilitate cross-industry exposure to adopt best practices reflecting our strong commitment to workforce development and capacity building. While this year recorded a decline in total training hours, it is noteworthy that training hours for permanent female employees have significantly increased, underscoring our focus on inclusive and targeted skill development.

In order to recognise and utilise employees' skills and to strengthen relations within the JKO group, we organise annual UDAAN competitions on specialised topics and consistently recognise and reward innovators. Initiatives such as Quality Circles, Six Sigma, ACMA ZED, Kaizen, VSM, CFTs, and the Suggestion Scheme promote both radical and incremental innovation, enhancing skills and motivation across the workforce.

ACMA Activity kickstart event

Monthly Kaizen presentation by employees & awarding

GRI 404-2

Learning & Development

During the reporting period, we conducted targeted training sessions to strengthen employee awareness on ESG and other technical topics, such as:

- **Diversity, Equity & Inclusion** — Promoting a respectful and inclusive workplace.

- **Unconscious Bias** — Addressing hidden biases to foster fairness.

- **Child Labour Awareness** — Reinforcing ethical employment practices.

- **Risk Assessment** — Equipping teams to identify and mitigate workplace risks.

- **Labour & Employment Law** — Ensuring compliance with legal standards.

- **Health Talk** — Encouraging physical and mental well-being.

- **Code of Conduct** — Reinforcing ethical and professional behaviour.

- **Environmental Laws & Regulations** — Supporting sustainability through compliance.

These initiatives reflect our commitment to a safe, inclusive, and responsible work culture.

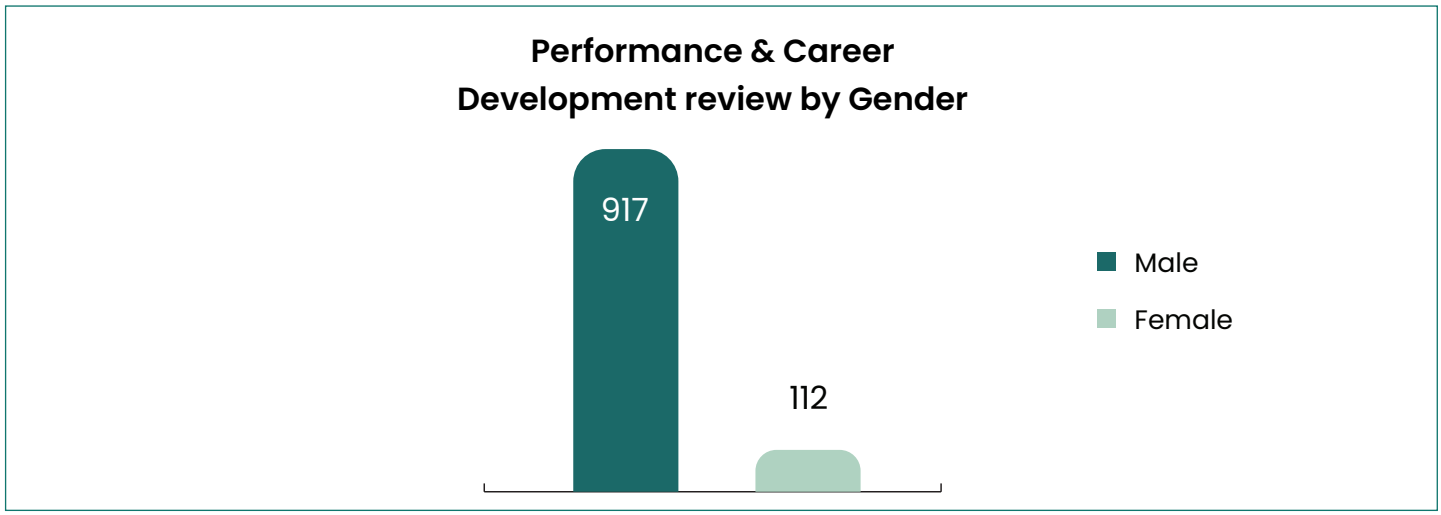
GRI 404- 2

Learning & Development - Performance and career development reviews

At JK Fenner, performance and career development reviews are conducted regularly to provide feedback, align goals with business objectives, identify growth opportunities,andenhancecommunication to boost the overall productivity of the employees.

In FY 2024–25, 1,029 employees received performance and career development representing 29% of the totalworkforce (917 males and 112 females). This included 64% of permanent staff and 35% of contractual staff.

While this marks a 1.3% decrease in overall coverage compared to the previous year, there was a notable 9% increase in the number of female employees reviewed—highlighting our focus on equitable and inclusive talent development.



Parental leave

We, at JK Fenner, are committed to serving the diverse needs of our workforce for their welfare as a parent, regardless of gender. Paid maternity leave is provided to permanent female employees under the Maternity Act. Whereas, paid paternity leave is provided to permanent male employees for the early care of their infant. We also ensure the retention of the female workforce post-maternity.

In the reporting period 2024-25, a total of 20 employees availed parental leave, which includes 18 men and two (2) women. Of these 19 employees, one woman returned to work, resulting in a return-to-work rate of 95%, a significant improvement from 67% reported in the previous year.

95% total return to work rate

GRI 401- 2, 3; 404-3

Human Rights

It is our constant endeavour to make JK Fenner a place where people can be the best version of themselves, as well as feel safe. Our efforts are always towards building cognizance among the workforce.

We are committed to upholding human rights across all our manufacturing operations, ensuring fair labour practices, safe working conditions, and non-discrimination. We strictly prohibit child labour, forced labour, and any form of harassment across our workforce by implementing robust policies, conducting regular training sessions, and running awareness programs on key topics such as the Prevention of Sexual Harassment (PoSH) and other fundamental human rights issues. During the reporting period, there were no recorded incidents of discrimination, child labour, or forced labour across our operations. Our workforce fully retains the right to freedom of association and collective bargaining, with no identified risks related to these rights. Furthermore, there were no reported violations involving the rights of indigenous peoples.

As part of our ongoing efforts to strengthen social accountability, the company has set a goal to achieve SA 8000 certification. Our plants are currently in the process of identifying a suitable certifying partner and assessing the certification requirements, with the intent to implement and adopt the standard in the near future.

We have established formal grievance mechanisms, ensuring safe and confidential reporting of any human rights concerns by internal and external stakeholders. In FY 2024–25, we achieved full compliance with human rights standards, with zero (0) complaints reported by either internal or external stakeholders.

ZERO complaints on HR

GRI 2- 25; 406-1; 407-1; 408-1; 409-1; 411-1

On job training

Health & Safety

At JK Fenner, we prioritise a safe and healthy work environment. All our plants are ISO 45001 certified, covering all permanent and temporary workers under our OHS policy. This reflects our commitment to the highest Occupational Health and Safety standards.

For routine tasks, our company systematically identifies hazards and continually assesses risks by daily plant visits and recording safety observations.

Furthermore, we review the existing safety in work areas and processes for non-routine tasks by implementing Job Safety Analysis (JSA) and work permit systems. Incident and hazard investigations follow structured methods such as the 5 Whys and Failure Modes and Effects Analysis (FMEA).

Employee health check up & eye test event

GRI 403-1, 2, 3, 8

Health & Safety

We encourage our workforce by conducting safety training and awareness initiatives, which enable them to report any hazards at work. We ensure employee participation and give in-depth Occupational Health and Safety (OHS) training covering Fire Evacuation, First Aid, Safety Protocols, Behaviour-Based Safety, PPE usage, Material Handling, Awareness of Unsafe Acts and Conditions, UA and UC, Accident Prevention, and general safety protocols to ensure a safe working environment.

We are committed to providing exceptional OHS services to our workforce through our outstanding medical team.

Our team is dedicated to reporting accidents of any intensity, conducting regular health inspections and audits, and maintaining employee health records for all. These records are carefully reviewed by HIRA or MOC by HODs to raise awareness, address concerns, and ensure worker safety and preparedness.

First Aid training

GRI 403- 2, 3, 4, 5, 6, 7

Health & Safety

We provide voluntary health programs for workers, led by skilled doctors to address non-work-related health risks, with regular health check-ups, disease treatment programs, smoking cessation programs, workplace policies, nutrition education, fitness challenges, awareness on Cancer Day & World Heart Day etc., encouraging walking or cycling, and ensuring professional care & support for the employees' well-being.

Health records confidentiality is secured through firewalls or multi-factor authentication, and cybersecurity awareness training is provided.

During the reporting period, there were zero fatalities, zero high-consequence injuries, and zero reportable work-related ill health, demonstrating our commitment to a safe and healthy workplace through robust training programs.

The Lost Time Incident Rate (LTIR) stood at 2.25 incidents per million hours worked. Based on these rates, we assess the system by Root Cause Analysis & 4M analysis.

We continue to thrive by reducing future incidents and taking preventive measures through clear communication and accessible reporting tools.

- **ZERO fatalities**
- **ZERO high-consequence injuries**
- **ZERO reportable work-related ill health**

Eye camp conducted at Madurai plant- 2

GRI 403- 4, 6, 9, 10

CASE STUDY- Health & Safety

Enhance safety by Hazard identification & prevention

Location: Hyderabad 1

Context:

Potential electrostatic discharge areas were identified by conducting a study across the plant. Carbon silos and the friction calendering are the two (2) processes that are considered as high-potential areas for static electricity hazards. This resulted in the need for an online Earth monitoring system to enhance work safety, maintain compliance with the Factories Act - Section 41 Rule 61F(2), and mitigate associated risks.

Approach:

After conducting study of electrostatic discharge, the JK Fenner team identified carbon silos and friction calendering in potential areas across the plant. This resulted in the installation of an online Earth monitoring system.

- **Challenges faced/strategies implemented:** A multi-channel earth monitoring system was implemented to track multiple grounding points using a single unit, improving efficiency and safety.
- **Social Impact:** This initiative enhanced work safety and hazard prevention.
- **Economic Impact:** The annual estimated savings through the activity were INR 73 lakhs. Due to this, the online Earth value was measured effectively while generating an alarm during continuity failure for earthing.

System displays online earth value and generated alarm during continuity failure.

GRI 403- 2, 3

Community

Our CSR initiatives focus on enhancing Healthcare, Education, Livelihood, Rural Development, and Sustainability. These initiatives have created meaningful, lasting impacts, reaching more than 4,74,000 beneficiaries across India.

Our initiatives align with multiple UN Sustainable Development Goals (SDGs) such as SDG-1 (No Poverty-Livelihood), SDG-2 (Zero Hunger), SDG-3 (Good Health and Well Being), SDG-4 (Quality Education), SDG-6 (Clean Water and Sanitation), SDG-7 (Affordable and Clean Energy), SDG-8 (Decent Work & Economic Growth) and SDG-11 (Sustainable Cities and Communities), reflecting our commitment to societal development.

As part of our CSR commitments, we successfully organised the 6th JKO intercompany CSR conference aimed at fostering collaboration, sharing best practices, and driving impactful social responsibility initiatives across JK Organisations.

The conference was held in Chennai on 23rd & 24th January 2025, with a total of 60 participants from different JK organisations attending event.

GRI 413- 1

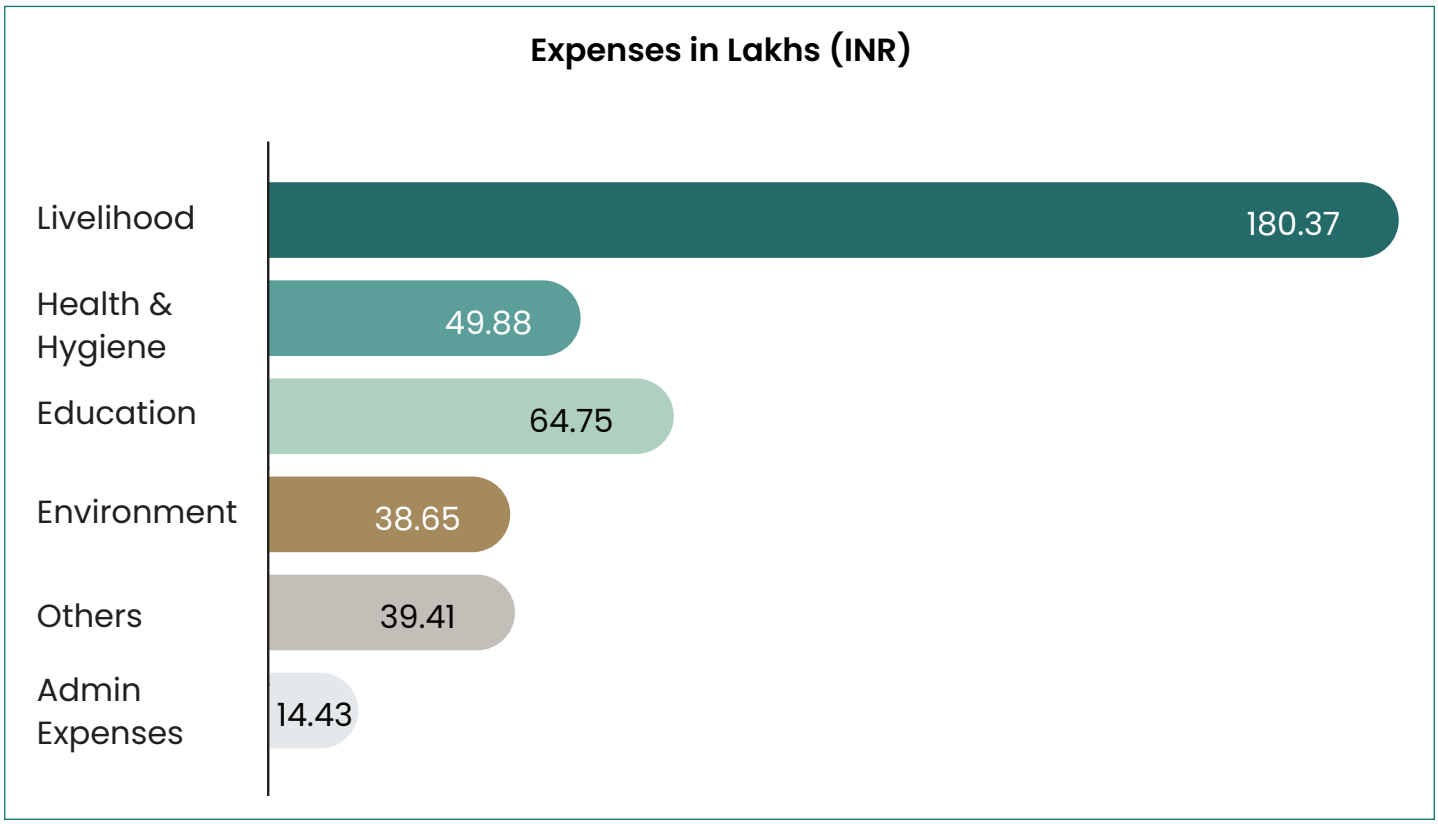
CSR Conference, Chennai

Community

The overall satisfaction rate of our CSR efforts, based on outcomes, visibility, acceptance, and sustainability, stands at 96%.

We have beneficiaries across five (5) states: Tamil Nadu, Telangana, Maharashtra, Uttar Pradesh, Haryana, and two (2) union territories, Delhi, and Jammu & Kashmir, extending services to 19 districts and 36 villages. We collaborated with renowned organisations such as NABARD, GMR, TVS Motor Co., Maruti Suzuki, Apollo Hospitals, Sankara Nethralaya Chennai, Aravind Eye Hospital Madurai, Panchayati Raj, Indian Army, and LV Prasad Eye Institute Hyderabad.

In FY 2024–25, our total CSR expenditure was INR 387.49 lakhs, reaffirming our strong commitment to community development and social responsibility.



INR 387.49 Lakh CSR Expense

4,74,000 overall beneficiaries

GRI 413- 1

CSR - Our areas of work

Livelihood Initiatives	Health & Hygiene	Environment	Education	Others
• Automobile Service Technician Program • Crusher Technician Upskill Program • Driving Skill • Electrical Motor Winding Course • Millet Project • Beautician Therapy Course	• Health and Eye Screening Camp • Menstrual Health Awareness • RO Plants	• Installation of Solar Lamps • Tree Plantation	• Educational Aid to Schools/ Scholarship	• Cyclone Relief • Rural Development • Local Needs

CSR activity for economic development, Hyderabad plant- 2

Skill training program for unemployed youth, Hyderabad plant- 2

GRI 413- 1

CSR Initiatives - JK Fenner JEEVIKA (Livelihood)

JK Fenner's JEEVIKA project remains committed to positively impacting society through our focused CSR endeavors. Our attention is on elevating self-employment, reducing poverty, and providing upskilling training.

Through meaningful initiatives such as upskilling training and empowering women, we invest in the holistic development, positively impacting lives, and building a brighter, sustainable future for all stakeholders.

Initiative 1:
JK Fenner JEEVIKA
A 3 three-month classroom & practical training program on the automobile technician course

Partner: National Skill Development Corporation (NSDC)

Collaborator: NABARD, TVS Motors & GMR, Indian Army.

Output:

- 436 participants earn a monthly salary of INR 10,000 to 14,000.
- 29 individuals established their service centers under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) loan scheme.

Number of beneficiaries (2024-25): 465

Total beneficiaries to date: 1,474

Outcome:
Improved livelihoods and promoted entrepreneurship among beneficiaries.


Skill India

NICOLA FOUNDATION

Certificate of Skill Competency

This is to certify that
M. AKASH
Son / Daughter of
A. Murugesan
Registration No. 2425010731?
has successfully cleared the assessment for the job role of
Automotive Service Technician (Four Wheelers) (QP No. ASC/Q1402)
with A Grade
Confirming to National Skill Qualification Framework Level - 4
Training Facilitated by Nicola Educational And Research Foundation
held on 03.12.2024

Supported by:
JK Fenner

GRI 413- 1

CSR Initiatives - JK Fenner JEEVIKA (Livelihood)

Initiative 2:
JK Fenner JEEVIKA
A two-month-long training program on the JCB/Forklift

Partner: Certification from the State Government.

Collaborator: GMR

Output:
Participants got a 100% placement with a monthly salary of INR 24,000 to INR 30,000.

Number of beneficiaries (2024-25): 160

Total beneficiaries to date: 430

Outcome:
Empowered participants with employable skills, leading to improved livelihood opportunities and sustainable income generation.

Initiative 3:
JK Fenner JEEVIKA
Training program on Electrical Motor Winding

Partner: National Skill Development Corporation (NSDC)

Output:
Offers a 50-day program with classroom/practical training on winding and repairing electrical motors.

Number of beneficiaries (2024-25): 150

Outcome:
Beneficiaries were self-employed as freelance electricians/ service technicians, providing maintenance and repair services for motors and gearboxes.

GRI 413- 1

CSR Initiatives - JK Fenner JEEVIKA (Livelihood), JK Fenner NARI SAKSHAM (Women Empowerment)

Initiative 4:
JK Fenner JEEVIKA
25-day learning program for millet-based products & their benefits

Output:
- Facilitated FSI certifications
- 100% placements by earning an average of INR 3000 to 5000 per individual per month.
- Provided a loan facility through banks

Number of beneficiaries (2024-25): 150

Outcome:
The successful participants now operate enterprises under their own brand names, focusing on manufacturing and marketing.

Initiative 5:
JK Fenner NARI SAKSHAM
A three-month beautician training program

Partner:
National Skill Development Corporation (NSDC)

Output:
- Offers a certification course for rural women
- Assists in obtaining the PMKVY loan for owning a beauty parlour
- 26 women were employed in the parlors, earning a monthly salary of INR 8000 to 10,000.

Number of beneficiaries (2024-25): 150

Total beneficiaries to date: 520

Outcome:
After successful completion of the training program, a few participants started their beauty parlors, while others, with their employable skills, were able to secure jobs and enhance their income and self-reliance.

GRI 413- 1

CSR Initiatives - JK Fenner JEEVIKA (Livelihood)

Initiative 6:
JK Fenner JEEVIKA
Automobile Service Technician Course for the youth of Jammu & Kashmir

Collaborator: Indian Army, Rashtriya Rifles KILO FORCE

Output:
In this pilot project, 15 youth from various districts of J&K were trained under the Automobile Service Technician Course, and post-training, all were employed in J&K, Leh, and Bengaluru.

Number of beneficiaries (2024-25): 15

Target: 500

Outcome:
The initiative improved livelihoods by equipping youth from Jammu & Kashmir with employable skills, resulting in 100% employment and financial independence

GRI 413- 1

CSR Initiatives - JK Fenner JEEVIKA (Livelihood)

Initiative 7:
JK Fenner JEEVIKA
Empowering skills for the hearing-impaired through hospitality training

Key activities included foundational training in hospitality, development of communication and soft skills, customer interaction simulations, industry exposure through visits, placement support, and awareness-building sessions.

Output:

- 40 students were trained in hospitality skills
- 80% of students got placement in hotels and restaurants
- Income per person was INR 18,000-22,000 per month

Number of beneficiaries (2024-25): 40

Outcome:

It empowered the hearing-impaired individuals with essential skills, significantly boosting their confidence, enhancing employability, and enabling greater inclusion in the service industry.

Name: Kaletalapally Sravya
Company Name: The Westin Hyderabad Mindspace
Position Name: F and B Service Executive

Name: Medichalam Laxmi
Company Name: The Westin Hyderabad Mindspace
Position Name: Associate

Name: Bavoju Ajay Kumar
Company Name: Pranaam Hospitals Private Limited,
Position Name: Executive Admin

Name: K Naresh
Company Name: Max Retail Division
Position Name: Customer Support Executive

GRI 413- 1

CSR Initiatives - JK Fenner NARI SAKSHAM (Women Empowerment)

Initiative 8:
JK Fenner NARI SAKSHAM
Empowering women through Tailoring.

Output:

- Over 200 individuals trained in tailoring
- More than 110 beneficiaries were provided with sewing machines
- Gained a monthly income of INR 12,000-15,000 through DRDA

Number of beneficiaries (2024-25): 200

Outcome:
Empowering women from marginalised communities with tailoring skills for sustainable income, socio–economic upliftment, and increased financial independence.

GRI 413- 1

CSR Initiatives - JK Fenner SAWSTHYA (Health & Hygiene)

At JK Fenner, we are committed to improving community health and hygiene through initiatives such as health camps, awareness campaigns, and support for individuals with special abilities, fostering a healthier and more inclusive environment.

Initiative 1:
JK Fenner SAWSTHYA
Awareness camp on Menstrual Health
Conducted a menstrual health awareness campaign in the village government schools and junior colleges.

Output:
The beneficiaries included girls from 9th to 12th standard and women from nearby villages.

Number of beneficiaries (2024-25): 2,400

Total beneficiaries to date: 9,200

Outcome:
Provided awareness on proper hygiene & distributed free sanitary napkins to all the beneficiaries.

Initiative 2:
JK Fenner SAWSTHYA
Health /Eye Screening Camps

Collaborators: Sankara Nethralaya in Chennai; Aravind Eye Hospital, Madurai; and L.V. Prasad Eye Institute, Hyderabad

Output:
- Conducted free eye camps with screening for cataract, refractory disorder, and retinal problems.
- 16 camps were organised, covering 2,655 patients, 862 free specs, and 340 free cataract surgeries.

Number of beneficiaries (2024-25): 2,400

Total beneficiaries to date: 20,100

Outcome:
In total, 960 cataract surgeries and 6,200 free spectacles were distributed sanitary napkins to all the beneficiaries.

GRI 413- 1

CSR Initiatives - JK Fenner GYAN (Education)

The JK Fenner team is proactive in encouraging higher education for students through our CSR initiatives and empowering students with academic support and opportunities for a brighter future.

Initiative 1:
JK Fenner GYAN
Career Counselling Sessions for Students

Output:

- 20 students received scholarships at leading colleges in Chennai, including MCC and Meenakshi College.
- Scholarships to meritorious-poor students were awarded
- Infrastructural support was provided to government schools

Number of beneficiaries (2024-25): 600 (from class 10th)

Outcome:
Career counselling sessions and guidance helped students to make decisions for the future and provided ample opportunities.

GRI 413- 1

CSR Initiatives - JK Fenner PARIYAVARAN (Environment)

We, at JK Fenner, are environmentally aware and integrate eco-friendly and sustainability practices. We also pledge to spread awareness to the local community, including afforestation initiatives and the installation of solar energy systems to reduce our ecological footprint.

Initiative 1:
JK Fenner PARIYAVARAN
Installation of Solar Lights

Output:
Installed solar lamps in Kondakkal Village near Patancheru

Number of solar lamps installed (2024-25): 20

Outcome:
800 villagers benefited from the initiative to date Promoted sustainable and eco-friendly lighting within the communities

Initiative 2:
JK Fenner PARIYAVARAN
Tree Plantation

Output:
Saplings were planted in Madurai and Hyderabad.

Number of saplings planted (2024-25): 10,000

Outcome:
Increased green cover to support environmental sustainability and enhance the local ecosystem.

GRI 413- 1

CSR Initiatives - Cyclone Relief

Initiative 1:
Cyclone Relief

Output:
Provided essential support to affected families in Villupuram, Tamil Nadu, with temporary shelter, beds, groceries for 7 days, water bottles, and educational aids.

Number of beneficiaries (2024-25): 1,500

Outcome:
Supported critical relief efforts to meet the urgent needs of individuals affected by the cyclone.

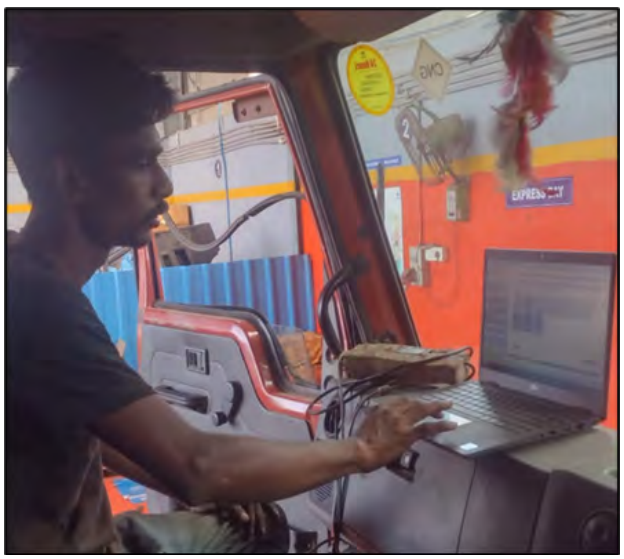
GRI 413- 1

CASE STUDY- People

Automotive Service Technician

Context:

We are immensely proud to share the story of Anilan J, a young individual from Kerala who, despite discontinuing his education after the 12th standard, has successfully embarked on a new chapter in his life. His father worked as a daily wage cook with no guaranteed income. He had a keen interest in automotive services that eventually led him to enroll in our course.



With sheer hard work and conscientiousness, he mastered the skills that were taught and completed the course successfully. Today, Anilan J is working as a Junior Technician at Tata Motors - popular mega motors, earning a monthly salary of INR 13,000 plus incentives. His success has ensured financial stability for his family and laid a strong foundation for his professional growth.

Popular Mega Motors
Commercial Vehicle Dealer

GRI 413- 1

CASE STUDY- People

Advanced Beauty Care

Context:

We are honored to present the success story of Mrs. Anitha. After dropping out of her school in Kohir, she still had a passion to learn. Her husband, Narasimhulu, runs a Salon. Seeking a better future and her passion, she then enrolled herself in skill training in Beauty & Wellness.

This transformation resulted in partnering with her husband and expanding the salon into a unisex salon. This escalated their income to INR 25,000 per month and ensured financial stability. Today, she exemplifies resilience and empowerment through her journey and achievements, portraying how skills empower women and boost livelihoods.

GRI 413- 1

CSR- Awards & Recognition

Award for **BEST SOCIAL IMPACT** in CSR by Confederation of Indian Industry, Southern Region. The award was presented on 14th March 2025 in the CII Tamil Nadu State annual meet.

Created **ASIA Book of Records** by dismantling and reassembling the Petrol-Powered Functional Motorbikes by a Team of two (2) trainees collaboratively in a record 8.33 minutes, which is a record.

In recognition of our Support in Donating Blood/ organising Blood Donation Camps, VHS (Voluntary Health Services), Chennai.

CSR activity with Crusher Plant operators - Nasik

CSR activity with Crusher Plant operators - Pakhur

05

PROCESS

- Overview
- Corporate Governance
- Value Chain Sustainability
- Product Portfolio
- Customer Stewardship

Overview

Our commitment to sustainability is driven by robust processes that support ethical governance, responsible value chain practices, and a future-ready product portfolio.

This chapter outlines the systems and frameworks we have implemented to uphold transparency, accountability, and ethical conduct across our operations. Our approach to building a responsible supply chain, highlighting our practices in ethical sourcing, environmental compliance, and proactive supplier engagement, is disclosed. Additionally, we highlight our efforts to develop products and services aligned with environmental and social priorities.

Team photograph at Hyderabad Plant-2

Corporate Governance

At JK Fenner, we operate within a strong governance framework that promotes ethical decision-making, transparency, and accountability.

By upholding clear responsibilities and open communication, we foster stakeholder trust and long-term value creation. Guided by our six core governance principles, we remain committed to sustainable growth, quality disclosures, and corporate social responsibility.

Principles of Corporate Governance

- Independence and Versatility of the Board
- Integrity and ethical behaviour of all employees
- Recognition of obligations towards all stakeholders
- High degree of disclosure and transparency levels
- Full legal and regulatory compliance in all areas in which the company operates
- Achievement of goals with compassion for people and environment

Apex Level Corporate Governance Structure

- Board of Directors
- President & Director
- Risk / Mitigation committee
- Business Head / Plant Head
- Functional Heads
- Employees, structured reviews
- Involvement of all stakeholders in Business
- Monthly communication meets
- Information flow down to all levels

GRI 2-9

Corporate Governance

We have implemented key governance systems to drive long-term stability and sustainable growth.

Our **Performance Management System (PMS)** aligns plant-level and functional goals with strategic priorities through continuous reviews and timely interventions. It helps identify performance gaps, fosters learning, supports strategic planning, and enables effective benchmarking.

The **Change Management System (CMS)** gathers insights from employees and stakeholders through annual SWOT analyses, informing Strategic Business Plans (SBP) across business units and plants. It ensures a structured approach to implementing and communicating change.

Additionally, our robust **audit and assessment framework** ensures compliance with internal policies and external standards through regular internal audits and third-party evaluations, including certifications such as QMS, OHSAS, and 5S.

Team photograph at Hyderabad Plant-2

Corporate Governance

Board of Directors

The Board at JK Fenner upholds the company's governance philosophy by fostering a culture rooted in integrity, intellectual honesty, openness, and trust. Through transparent decision-making, strong ethical oversight, and inclusive stakeholder engagement, the Board ensures its actions are fair, accountable, and aligned with the company's core values of caring for people and doing what is right.

There are eleven (11) members on the Board of Directors of JK Fenner as of 31st March 2025, of which three (3) are Independent Directors. The Board gender diversity is 9%.

In the reporting period, four (4) Board meetings were held, during which compliance reports were reviewed and measures taken in response to any instances of non-compliance.

NAME	DESIGNATION
Dr. Raghupati Singhania	Chairman
Shri. Harsh Vardhan Lodha	Director
Shri Harsh Pati Singhania	Director
Shri. Rahul C. Kirloskar	Director
Shri. Bakul Premchand Jain	Director
Smt. Mamta Singhania	Director
Dr. Shailendra Chouksey	Director
Shri. Vikrampati Singhania	Managing Director
Shri. Nagaraju Srirama	Whole-time Director
Shri. Amit Agarwal	CFO
Shri. J. Swaminathan	Company secretary

GRI 2-9, 12

Corporate Governance - Board Competence

Our Board of Directors possesses a strong and diverse set of competencies, providing effective oversight and strategic guidance. Their collective experience ensures sound decision-making and reinforces our commitment to responsible governance and long-term value creation.

A competent and ethical Board provides strategic direction, effective oversight, and principled leadership, driving JK Fenner's long-term sustainable success.Key competencies include:

- Leadership
- Financial Planning
- Managerial Experience
- Diversity
- Risk Management
- Corporate Governance.

GRI 2-9

Goal setting workshop, March 2025, Radisson Blu, Chennai

Corporate Governance - Board Committees

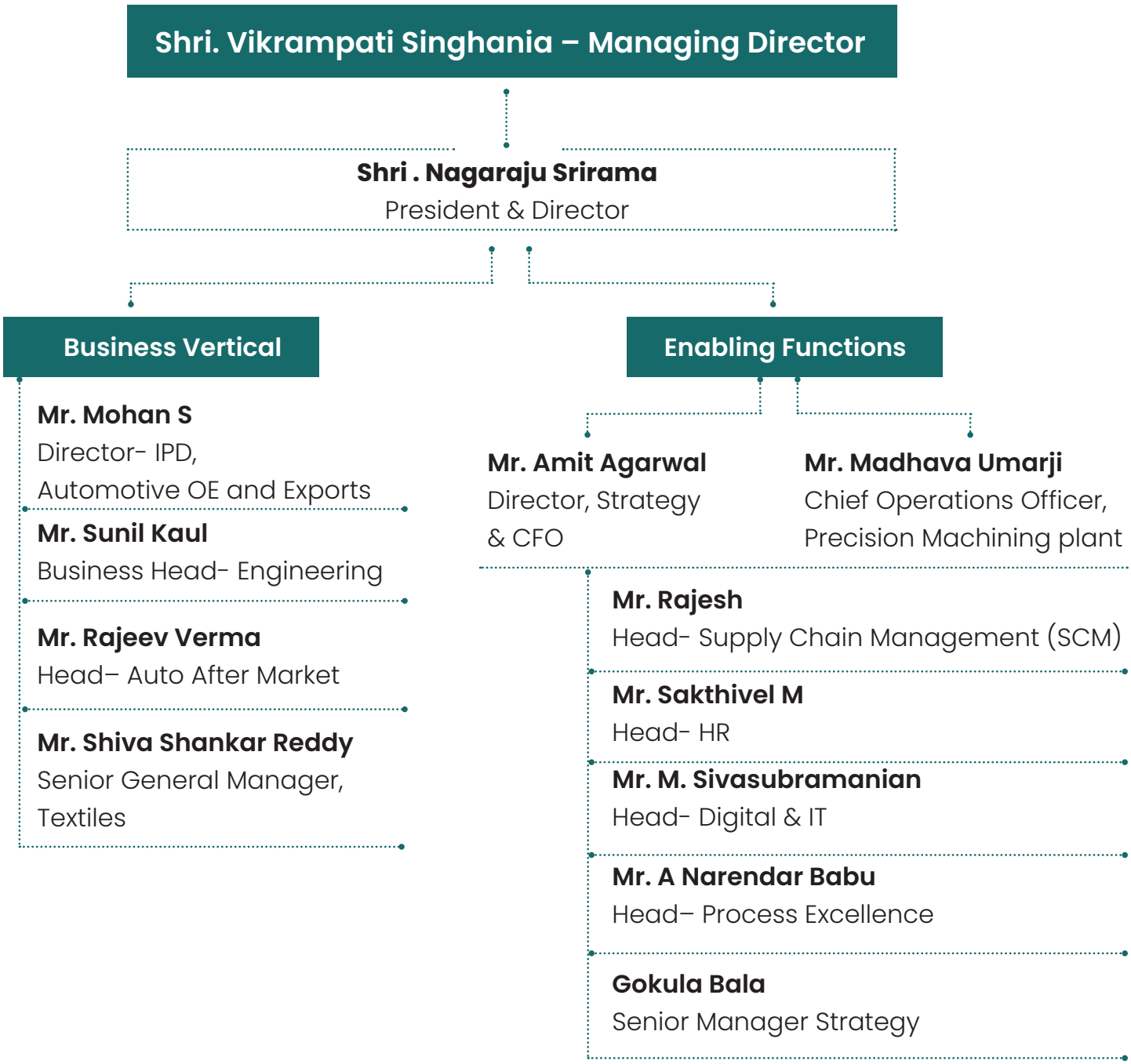
To strengthen governance, the Board committees support enhanced accountability and enable the Board to maintain effective oversight of all key company matters. In the reporting period, the following committee meetings were conducted.

Audit Committee	• Ensures accuracy and integrity of financial reporting. • Coordinates with external auditors to assess independence and objectivity. • Reviews adherence to regulatory norms. • Functions as per Section 177 of the Companies Act, 2013.
Nomination and Remuneration Committee	• Supervise appointment, remuneration, and governance of directors and senior management. • Operates in line with Section 178 of the Companies Act, 2013.
Corporate Social Responsibility Committee	• Develops and recommends CSR strategies to the Board. • Manages CSR budgeting, implementation, monitoring, and reporting. • Prepares and reviews the annual CSR plan. • Complies with Section 135 of the Companies Act, 2013.
Stakeholders Relationship Committee	• Strengthens stakeholder relations to promote growth and resilience. • Addresses stakeholder feedback and complaints. • Ensures fair and timely resolution of stakeholder concerns. • Complies with Section 178(5) of the Companies Act, 2013.

GRI 2-9, 10, 12

Corporate Governance - Organisational Structure

We follow a well-defined organisational structure with diverse departments and clear hierarchical delegations. At the plant level, core functions such as operations, quality, R&D, and customised product development are seamlessly coordinated. Meanwhile, functions such as marketing, procurement, and finance are managed centrally from the corporate office.



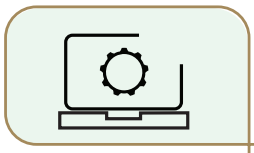
GRI 2-9, 11

Corporate Governance - Key Policies

We have a robust framework of policies that guides us and helps us make informed decisions. These inclusive set of policies assists us in reporting performance as per the ESG framework.

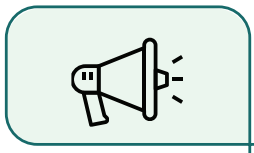
HR Department

- Code of Conduct
- Employee Welfare Policy
- Grievance Resolution Policy
- Health & Safety Policy
- Training & Development Policy
- CSR Policy
- Medical Scheme Policy
- PoSH Policy
- Long Service Award Policy
- Self-Development Policy
- Job Rotation Policy
- Employee Referral Policy



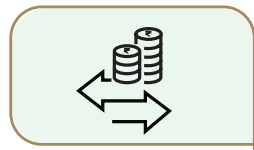
IT Department

- Information & Cyber Security Policy



Marketing Department

- Brand Management Policy
- Confidential Information Policy
- Trade Policy



Finance Department

- Capex Policy
- Bad Debt Policy
- Nomination and Remuneration Policy
- Vigil Mechanism/ Whistle Blower Policy
- Risk Management Policy

GRI 2-23, 24

Corporate Governance - Risk Management

Navigating Challenges, Embracing Opportunities

Our collective effort is towards a sustainable, adaptable, and resilient future for the continuously changing market. We are committed to embracing both challenges and opportunities with determination and resilience. Some of the challenges are:

Operational Challenges:
These includes managing price volatility, ensuring stable access to raw materials, and navigating disruptions in both global and local supply chains.

Human Resource Challenges:
Our HR team ensure alignment with sustainability goals through strategic talent acquisition & development, diversity, health & safety, and ethical practices, building a resilient workforce, and supporting long-term value creation. Also, satisfying employee needs enhances their performance. Hence, we work to nurture a healthy and positive working environment.

Societal Responsibilities/ Challenges:
In contributing to the nation's industrial growth, we remain committed to sustainable development and mutual progress with our satellite manufacturing partners, reflecting our dedication to societal responsibilities and challenges.

Key Opportunities:

We identify Critical Success Factors (CSFs), handled by functional heads and assessed by top management, annually at the beginning of the fiscal year. It focuses on organisational capability development, transformation, quality, Digitalisation, process improvements, customer focus, and societal contributions.

Value Chain Sustainability

JK Fenner recognises value chain sustainability as a key to long-term resilience and stakeholder confidence. The company ensures that its supply chain is efficient and effective, reducing costs, meeting customer expectations, and providing a competitive edge, while remaining aligned with the company's ESG strategy.

We aim for all our suppliers to comply with our Supplier Code of Conduct, ensuring alignment with our ESG commitments throughout the supply chain. Currently, 81% of suppliers have signed the Supplier Code of Conduct.

In FY 2024–25, JK Fenner engaged with 319 suppliers, of which 89% were local and 11% international. Local suppliers contributed 92% of the total supply chain expenditure, while international suppliers accounted for 8%.

We have initiated the onboarding of suppliers through environmental and social assessments to ensure alignment with our ESG standards and responsible sourcing practices.

During the reporting period, 20% of our supply chain partners were assessed under our Supplier Quality Audit system. We are pleased to share that this year, ESG criteria have been integrated into the audit checklist to better align our suppliers with JK Fenner's sustainability practices.

We conducted awareness sessions for our suppliers on sustainability and ESG aspects, with an average participation rate of 59% across our value chain partners.

81% of suppliers have signed the Supplier Code of Conduct.

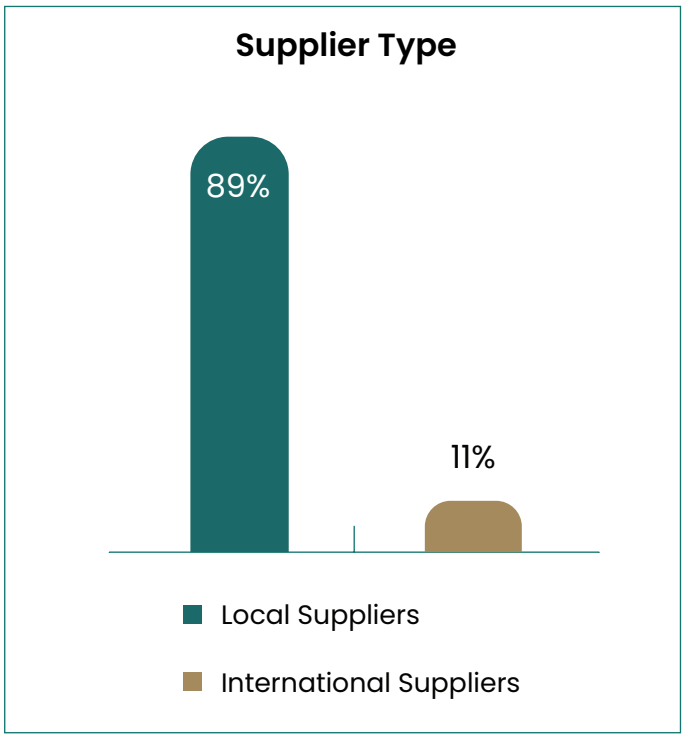
20% of our supply chain partners were assessed under our Supplier Quality Audit system.

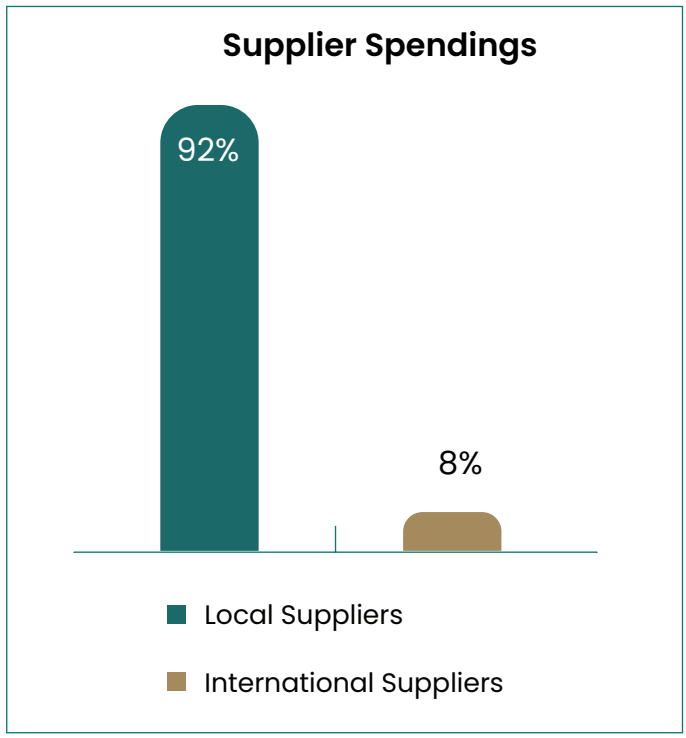
GRI 308-1; 414-1

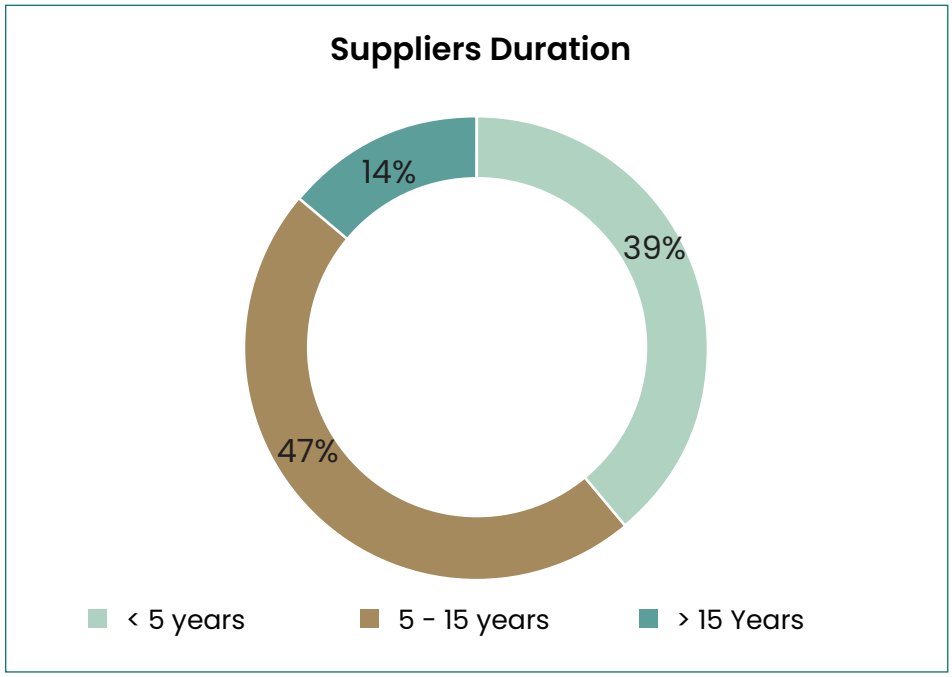
Value Chain Sustainability

Regarding management system certifications, 54% of our suppliers are certified with ISO 9001 (Quality Management System), and 4% hold ISO 14001 (Environmental Management System) certification.

Our supplier relationships reflect long-standing collaborations as well. 47% of suppliers have been associated with us for 5 to 15 years, 39% for less than 5 years, and 14% for more than 15 years, demonstrating the strength and continuity of our supplier partnerships.







GRI 204-1

Product Portfolio

JK Fenner is a market leader in the manufacturing, sales, and distribution of power transmission and sealing solutions, offering a diverse and integrated portfolio that caters to industrial, automotive, and infrastructure sectors across both domestic and international markets. The company's offerings span multiple sectors:

Industrial Solutions:
Includes power transmission belts, sealing solutions, hoses, rice rolls, and industrial lubricants that support critical operations across manufacturing and processing industries.

Industrial Drives and Automation Solutions:
Features industrial transmission drives, automation drives, and aqua transmission drives to enable efficient and intelligent industrial operations.

Automotive OE Solutions:
Comprises engine system solutions, sealing solutions, fluid transfer systems, and moulded rubber products tailored for original equipment manufacturers.

Auto Aftermarket Solutions:
Transmission belts, accessories, sealing and fluid transfer solutions, and an evolving line of new auto products for the replacement market.

01 Industrial Solutions


Power Transmission Belts


Sealing Solutions


Hoses


Rice Rolls

02 Industrial Drives and Automation Solutions


Industrial Transmission


Industrial Automation Drives


Aqua Transmission Drives

03 Automotive OE Solutions


Engine System Solutions


Sealing Solutions


Fluid Transfer Solutions


Moulded Rubber Products

04 Auto Aftermarket Solutions


Transmission Belts


Transmission Accessories


Sealing Solutions


Fluid Transfer Solutions


New Auto Products

GRI 2-6

Product Portfolio

EV Solutions:
Supporting the electric mobility transition with advanced belt drive systems, hub motor systems, mid and traction CVT motors, and E-axle system solutions.

Railway Solutions:
Delivering essential components such as wheel bearing seals, vibration control mounts, brake seals, valve components, and pneumatic hoses for rail transport applications.

Defence Solutions:
Providing robust and high-performance components, including track pads, road wheels, track assemblies, track pins, and water pumps for defence vehicles and systems.

Advanced Technology:
With a focus on innovation, JK Fenner also develops lightweighting solutions to support energy efficiency and sustainability across industries.

05 EV Solutions


Belt Drive Systems


Hub Motor Systems


Mid Drive Motor Solutions


Traction CVT Motors


E-Axle System Solutions

06 Railway Solutions


Wheel Bearing Seals


Vibration Control Mounts


Brake Seals


Pneumatic Hoses

07 Defence Solutions


Track Pads


Road Wheels


Track Assemblies


Track Pins


Water Pumps

08 Advanced Technology

Light Weighting

GRI 2-6

Product Portfolio

Design Philosophy

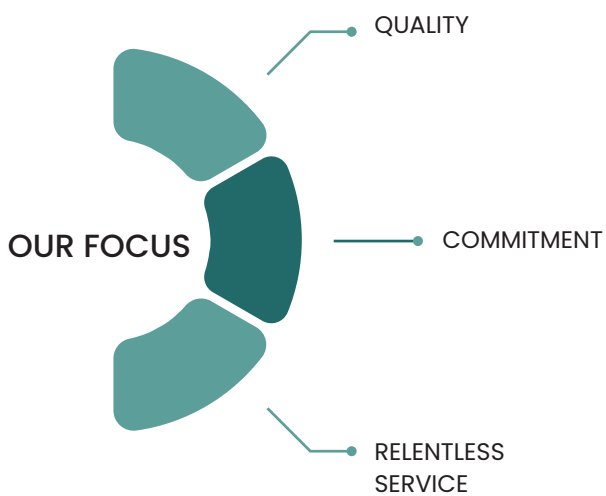
At the core of our design philosophy lies a **powerful principle — NEED**. Every product, solution, and innovation we develop is driven by a clear purpose: to meet real-world needs with relevance, efficiency, and sustainability.

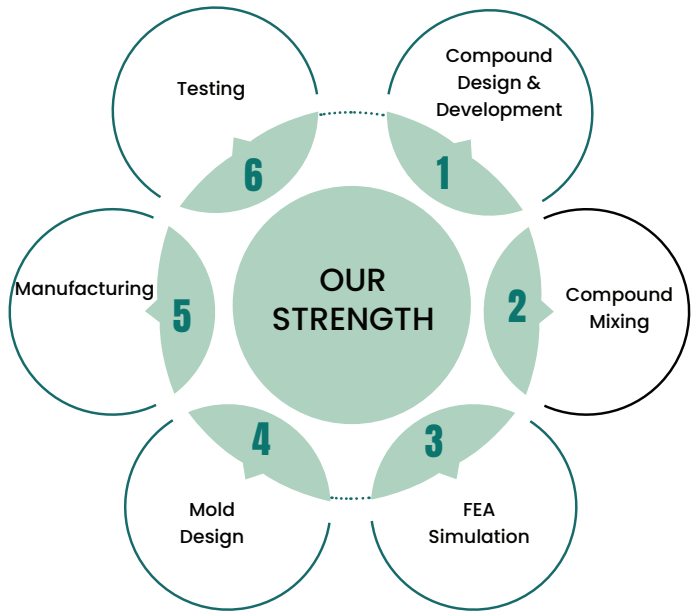
N – Necessity: We prioritise function over excess, designing only what adds genuine value.
E – Emissions: We aim to minimise environmental impact by integrating low-carbon and energy-efficient practices into our designs.
E – Efficiency: Our solutions are engineered for optimal performance, resource use, and longevity.
D – Durability: Built to last, our designs reflect long-term thinking and responsibility.

By focusing on NEED, we ensure that every innovation is meaningful, minimal in waste, and maximised in impact, aligning perfectly with our commitment to sustainability and stakeholder value.

Design Capability - We demonstrate strong design capabilities backed by extensive experience across all product design stages. Our in-house team develops CAD models from concept to launch, delivering high-performance, quality-driven solutions that meet global customer expectations.

The company's core competency lies in its fully integrated in-house capabilities that span the entire product development lifecycle. This includes **compound design and development, compound mixing, FEA simulation, mold design, manufacturing, and testing.** Such seamless integration ensures superior quality, faster turnaround, and high-performance solutions tailored for diverse industrial and automotive applications.





GRI 2-6

Product Portfolio - Innovation, Tools, and Technology

We actively track technological advancements across relevant sectors, including product innovation, performance, and sustainability. To maintain our competitive edge, we are purposefully upgrading our facilities and technologies. Aligned with our sustainability goals, we continuously adapt our products and processes to integrate environmentally friendly technologies.

To achieve this, the most important step is R&D. Our three (3) advanced R&D centres, fully indigenous and unique within our sector in India, support all plants with capabilities spanning material development, product design, simulation, validation, and project management to ensure close monitoring and strict adherence to timelines.

Interactions with CII assessors

GRI 2- 6

Product Portfolio

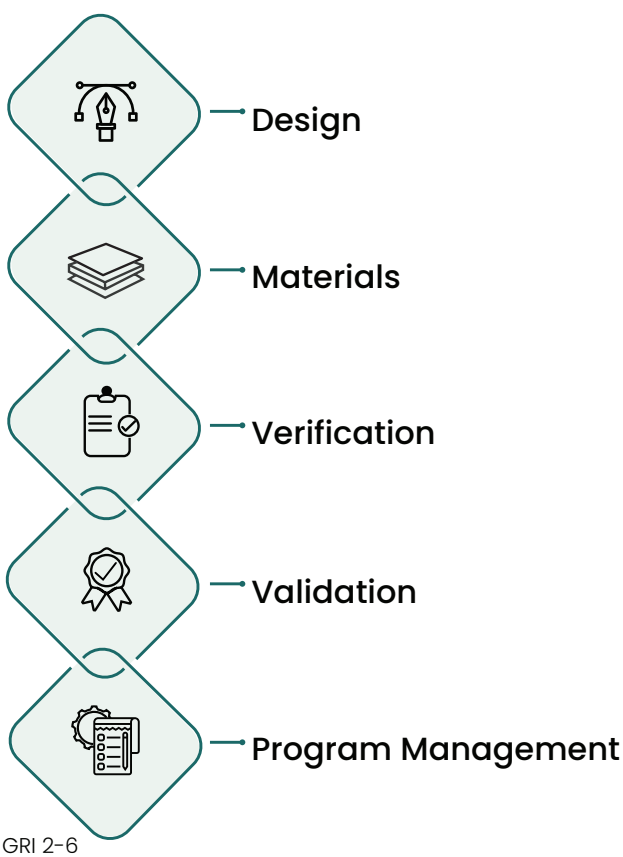
Materials - Our cutting-edge analytical and experimental laboratory focuses on material development through collaborations with global suppliers and customers, advancing material technologies aligned with environmental regulations and Green Chemistry. We develop specialised compounds in-house for extreme applications to satisfy customer requirements.

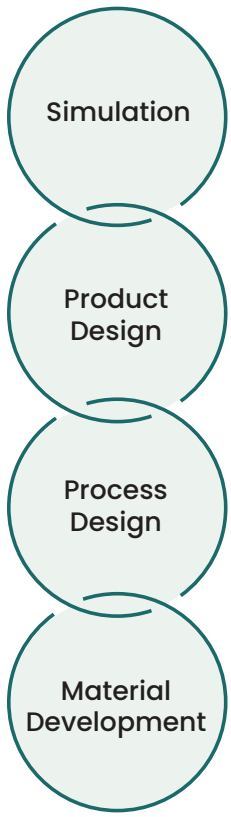
Verification - We adhere to continuous improvement in product design and simulation using advanced tools such as CAD, FEA, MBD, CFD, and fatigue analysis. This ensures optimised product and system designs within minimal timelines, meeting stringent quality, durability, and safety standards.

Validation - Leveraging strong product knowledge and application expertise, we conduct thorough validations using simulations and custom test protocols to ensure design reliability. Our 83 programmable test rigs replicate real-world conditions, including environmental, thermal, and frictional factors. We also perform engine test beds, fleet, and system performance validations, particularly for belts and tensioners.

Program Management - Program management underpins project execution across all product lines. Customised Product Lifecycle Management (PLM) applications support systematic stage reviews and ensure projects are tracked and completed within set timelines.

Our approach towards Excellence





GRI 2-6

Product Portfolio

JK Fenner Plants	Product	Industries Catered to
Madurai 1	Power Transmission belts and Hydraulic hose and formed rubber hoses	Industrial, Automotive, Agricultural, Lawn and garden
Hyderabad 1	Power Transmission Belts, Seals, Gaskets & Rubber metal bonded Components	Industrial, Automotive and Railways
Chennai	Oil Seals, Vibration control Mounts, Boots, Bellows and Elastomer Gaskets	Industrial, Automotive, Railways and Defence
Madurai 2	Power Transmission Belts, EV Transmission system and Automotive hose	Automotive
Hyderabad 2	Engineered Products (Pulley & Couplings), Gear box, Aerators, Automation controllers	Process Industry, Infrastructure, Aquaculture, Industry automation
Bengaluru	Precision-machined components & sub-assemblies	Electrical, Hydraulics, Aerospace

GRI 2-1, 6

Supplier meet

Customer Stewardship

We actively engage with our customers to assess evolving business trends and their needs. This engagement takes place through various activities such as training sessions, conferences, dealer and supplier meetings, factory visits, and regular interactions.

All finished products from our manufacturing lines undergo testing on test rigs within controlled environments, where specific temperatures, loads, and constraints simulate real-world conditions. These test rigs also play a crucial role in the development of new products. Our commitment is to provide quality services and be transparent about the impacts of our products,

We adhere to all the global standards while handling hazardous substances and comply with RoHS and REACH standards (with a C-TPAT score of 99% in 2021-22). We carry out surveys responsibly regarding consumer satisfaction relating to the major products or services.

In the reporting period, we achieved 100% compliance with all applicable regulations and voluntary codes related to product information and labelling, marketing communications, customer health, safety & privacy, advertising, promotion, and sponsorship.

We are pleased to report that there were no complaints received concerning customer data privacy, underscoring the effectiveness of our data protection and privacy measures.

We have established a robust complaint management system that systematically tracks and addresses grievances to enhance customer satisfaction. During the reporting year, we received 481 complaints regarding quality and technical issues, of which 74% (354 complaints) were successfully resolved. The remaining 26% of complaints are pending resolution, primarily due to delays in receiving necessary samples or information from dealers or end customers. To enhance efficiency, these cases have been migrated to the DMS Portal for streamlined query handling from January 2025 onwards, and training has been provided to all end users. However, many of these issues were not captured initially in the complaint portal, contributing to extended resolution timelines.

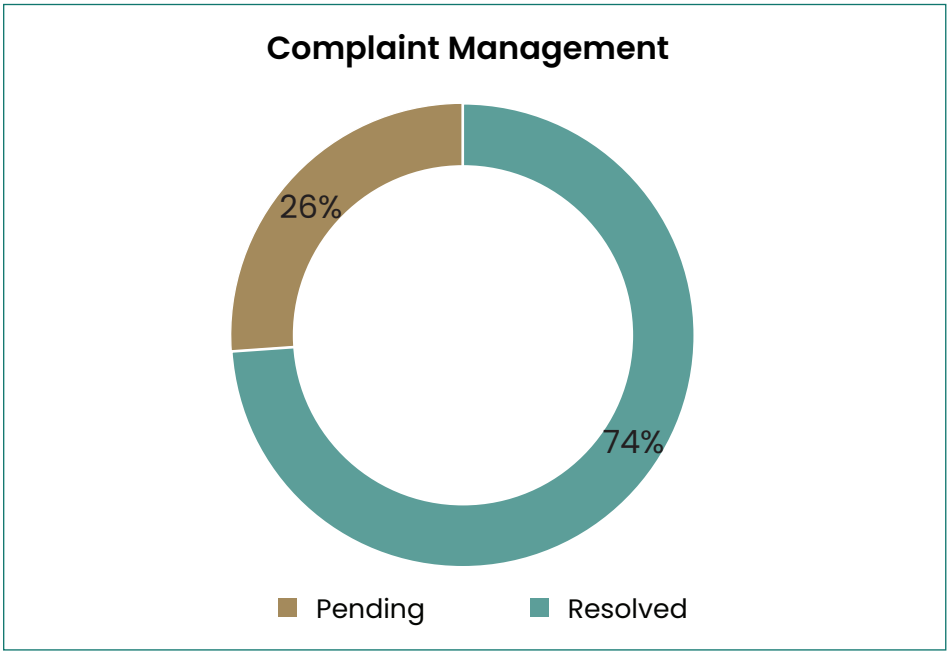
We continuously strive to initiate responses immediately, ensuring that all complaints are acknowledged within a maximum of one week.

Zero complaints on customer data privacy

Achieved 100% compliance with applicable rules and regulations

GRI 416- 2; 417-2, 3; 418-1

Customer Stewardship



GRI 2-26; 418-1

Engagement with Channel partners

Customer Stewardship

As part of our commitment to customer stewardship and social responsibility, we implemented a livelihood enhancement program focused on upskilling AAM mechanics and actual users of our products across various locations. Through targeted training sessions, participants gained essential skills for proper product utilisation, maintenance, and improved utility, enabling a better quality of life through enhanced efficiency and longevity of JK Fenner products.

Additionally, the initiative emphasised the correct operational use of JK Fenner products by industry operators, fostering technical knowledge sharing within the user cluster community. By spreading best practices and expertise, this program strengthened the industry ecosystem, empowering professionals to optimise product performance and contribute to a more sustainable and informed technical workforce.

A total of 440 mechanics and product users across locations such as Mirzapur, Gajraula and Haryana benefited from these workshops, reinforcing our dedication to economic empowerment, industry knowledge building, and long-term sustainability within the community.

GRI 413 - 1

Customer Stewardship

GRI 2- 6; 413- 1

Customer Stewardship

Exhibitions Global – Exports After Market

These shows primarily target the automotive aftermarket segment, and our global participation is aimed at enhancing the visibility of our TOP DRIVE brand while exploring potential business opportunities.

MIMS AUG ' 2024 Moscow, Russia

AUTO Expo OCT' 2024, Tanzania

BMGE JAN' 2025, Delhi

AAPEX Nov' 2024, Las Vegas

AUTOMECHANIKA SEP' 2024, Frankfurt

GRI 2- 6

Customer Stewardship

This year, we launched a dedicated engagement initiative with Auto OE customers through exclusive Technology Days at their premises. The event at Daimler marked a successful start, with more planned for key strategic customers. These sessions highlight our innovations, demonstrate product capabilities, and facilitate collaboration on future technological needs, reinforcing strategic partnerships.

Technology Day at Customer premises at Daimler, Chennai

JK Fenner participated in the IAA Transportation Show at Hannover in September 2024 through ACMA, showcasing our product capabilities and engaging with prospective automotive customers across Europe to generate new business leads.

GRI 2- 6, 29

Customer Stewardship

Branch activities

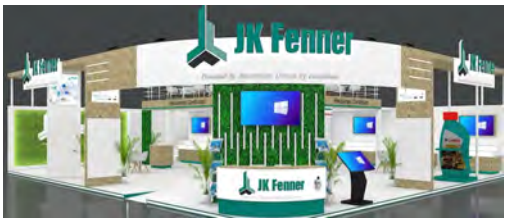

Madhya Pradesh


Product Seminar at Maithan Steel, Asansol, West Bengal

GRI 2 -29

Customer Stewardship

Bharat Mobility event at Delhi

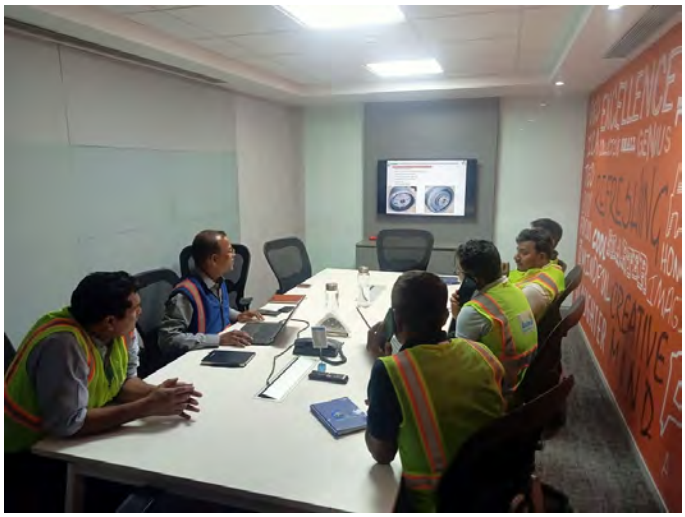


Customer Visit

GRI 2 -29

Customer Stewardship

EPD - Customer Interactions



Customer interaction at Dalmia Cement – Pipalkuri, Assam

Customer interaction at HYQUIP Group, Hyderabad

EPD – Interactions with CII assessors

EPD – Customer Interactions at Kirloskar Brothers - Pune

GRI 2 -29

Customer Stewardship

EPD – Customer Interactions

Interaction with Finolex team

Quality month celebration with SMP

Engagement with Channel partners

Engagement with OEM team - Howden

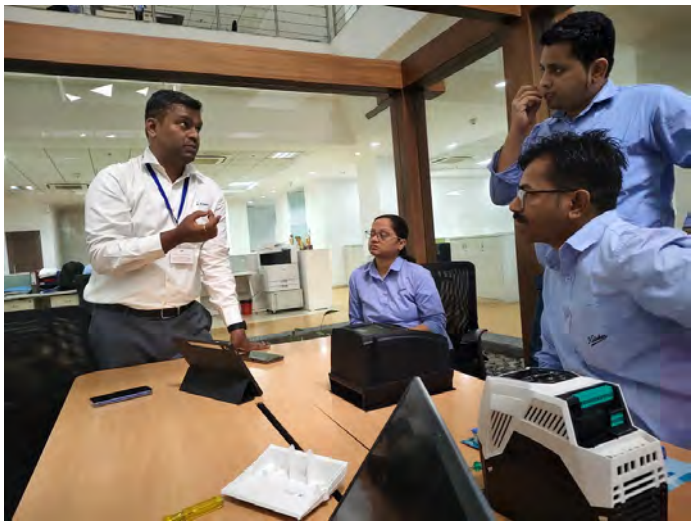
Engagement with OEM team- Tata Tiscon Jamshedpur

Engagement with Customer team – Pendant Cement Bhutan

GRI 2 -29

Customer Stewardship

EPD – Customer Interactions



Engagement with OEM team- Kirloskar Ebara

EnMS – 50001 Kick off

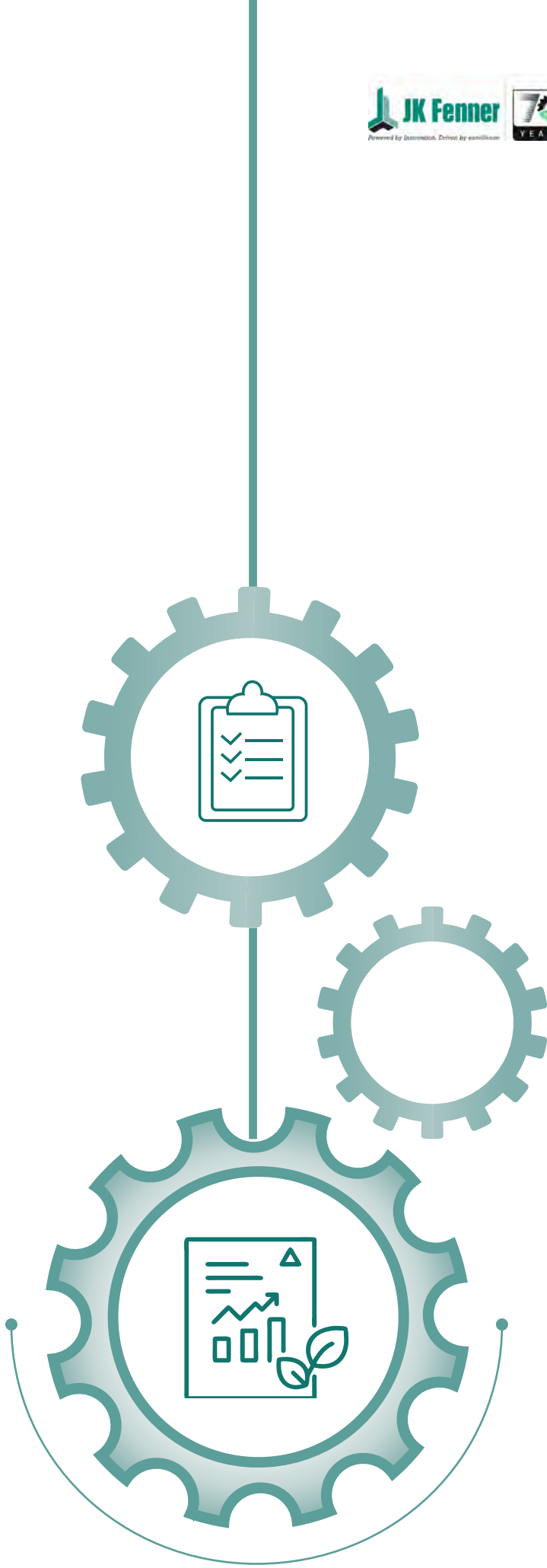
ISO 14064 Kick off

GRI 2 -29

06

GRI INDEX

- GRI Index



GRI Index

JK Fenner (India) Ltd. has reported the information cited in this GRI content index for the period 1st April 2024 - 31st March 2025, with reference to the GRI Standards.

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GRI No.	GRI Standard & Disclosure - Description	Page Number/ Reference Link
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2-1	Organisation details	02 - 06, 09, 146
2-2	Entities included in the organisation's sustainability reporting	02, 04, 06, 08, 09
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2-4	Restatements of information	69
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2-6	Activities, value chain and other business relationships	02, 03, 09, 141-146, 150-152
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2-8	Workers who are not employees	87-89
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2-12	Role of the highest governance body in overseeing the management of impacts	133, 135
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2-14	Role of the highest governance body in sustainability reporting	-
2-15	Conflicts of interest	-
2-16	Communication of critical concerns	-
2-17	Collective knowledge of the highest governance body	-
2-18	Evaluation of the performance of the highest governance body	-
2-19	Remuneration policies	-
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201-3	Defined benefit plan obligations and other retirement plans	-
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GLOCERT International

Independent Assurance Statement

Statement no:	Valid from:	Valid to:
25GHGE-107	June 18, 2025	N/A

JK Fenner (India) Limited, India

Verification and Validation of the Scope1 and Scope2 GHG emission disclosures for JK Fenner (India) Limited, India

Prepared by: Glocert International, UK for JK Fenner (India) Limited., India
Date of Verification Completion: 18th June 2025
Reporting Year: FY 2024 - 25
Level of Assurance: Limited
*Verification Standard: **ISO 14064-3:2019***
Emissions Categories Verified: Scope 1 and 2
Verification Purpose: 2024-25 Annual Sustainability Disclosures

1. Introduction

This verification statement is issued in accordance with the AA1000 Accountability Assurance Standard (v3) to provide an independent verification of JK Fenner (India) Limited's greenhouse gas (GHG) emissions inventory for the period 1st April 2024 to 31st March 2025. JK Fenner (India) Limited, established in 1955 and headquartered in Madurai, Tamil Nadu, India, is a leading manufacturer of industrial and automotive products, including power transmission belts, oil seals, molded rubber products, Hoses, EV components, other engineering components and vibration management solutions.

JK Fenner (India) Limited's GHG emissions were reported as part of its annual sustainability disclosure for the FY 2024-25. Glocert International was engaged by JK Fenner (India) Limited to independently verify its GHG emissions data in line with its sustainability disclosures submission, thereby supporting its sustainability commitments and climate responsibility initiatives.

Glocert International, UK, acting as the independent Verification Body (VB), was appointed to carry out a limited assurance level verification of JK Fenner (India) Limited's GHG emissions in accordance with the ISO 14064-3:2019 standard.

2. Verification Objectives and Scope

Objectives:
The objective of this verification is to provide limited assurance that the GHG emissions reported by JK Fenner India are free from material misstatements, adhere to the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol, and comply with ISO 14064-3:2019.

Scope of Verification:
The organizational boundaries for the verification included Five manufacturing locations & corporate

office of **JK Fenner (India) Ltd** having it's registered office at 3, Madurai - Melakkal Road, Kochadai, Madurai - 625 016, Tamil Nadu,. All locations as tabulated below are under operational control of **JK Fenner (India) Ltd.** '.

Madurai- MDU 1	3, Madurai - Melakkal Road, Kochadai, Madurai - 625 016, Tamil Nadu, India
Madurai- MDU 2	Plot No: A1, SIPCOT Nilakottai Industrial Complex, Pallapatti– 624 201, Dindigul Dist. Tamil Nadu, India
Hyderabad- HYD 1	Plot No 4 & 22 Phase IV, Industrial Development Area, Patancheru– 502319, Medak Dist, Telangana, India
Hyderabad- HYD 2	Plot No. 11 & 12, Phase IV, APIIC, IDA, Pashamailaram– 502 307, Patancheru Mandal, Medak Dist (TS), Telangana, India
Chennai CHN 2	F-21 & 22 SIPCOT Industrial Estate, Sriperumbudur 602 105, Tamil Nadu, India
Corporate Office	Khivraj Complex II, V Floor, 480, Anna Salai, Nandanam, Chennai – 60035, Tamil Nadu, India

The emissions verified cover the period from April 1, 2024, to March 31, 2025, for:

- **Scope 1 (Direct Emissions):** 17230.20 tCO2e
- **Scope 2 (Indirect Emissions from Purchased Electricity):** 10731.30 tCO2e

The Site-specific verified emissions in tCO2e for each site are as under :-

	Total	MDU 1	MDU 2	HYD 1	HYD 2	CHN 2	Corp office
Scope 1	17230.2	7972.6	4723.9	4303.8	18.1	153.0	58.8
Scope 2	10731.3	3837.2	524.2	4523.4	89.3	1638.2	118.9
Scope 1 & 2 Total	**27961.4**	**11809.8**	**5248.1**	**8827.2**	**107.4**	**1791.3**	**177.7**

The assurance engagement covered all emissions sources (Scope 1 & Scope 2 Only) under JK Fenner (India) Ltd' operational control, **excluding both upstream and downstream activities**.

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3. Responsibilities of the Management of JK Fenner India and of the Assurance Provider

The Management of the JK Fenner (India) Limited, has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analyzing, and reporting the information presented in the report. JK Fenner India is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on sustainability performance. The conclusions presented in this statement represent our independent opinion and are intended to inform all relevant stakeholders the outcomes of this assurance of JK Fenner (India) Limited.

Glocert International, UK at present does not provide any other services to JK Fenner (India) Limited and none of which in our opinion constitute a conflict of interest with this assurance work. Our assurance engagements assume that the data and information provided by the Company to us as part of our review have been provided in good faith and are free from misstatements.

4. Criteria

The verification was conducted in accordance with the following criteria:

- World Resources Institute (**WRI**)/World Business Council for Sustainable Development (**WBCSD**) Greenhouse Gas Protocol
- **ISO 14064-1:** Specification with guidance at the organization level for quantification and reporting of GHG emissions and removals.
- **ISO 14064-3:** Specification with guidance for the validation and verification of GHG assertions.
- **AA1000 Accountability Principles (AP)**: Inclusivity, Materiality, Responsiveness, and Impact
- These criteria were used to assess the accuracy, completeness, and reliability of JK Fenner India' GHG emissions reporting.

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5. Level of Assurance and Methodology

Level of Assurance:
Glocert International provided limited assurance, focusing on material misstatements and significant sources of GHG emissions.

Methodology:
The assurance engagement was carried out following a risk-based approach in alignment with the AA1000AS v3. The key steps included:

- **Risk Assessment:** Identification of high-risk areas for potential misstatements in Scope 1, and Scope2, emissions.
- **Data Sampling:** A sampling of all facilities, viz. MDU 1, MDU 2, HYD 1 HYD 2, CHN 2 & corporate Office in India, , was performed to assess the accuracy and completeness of the reported data.
- **Review of Calculations:** Emissions calculations has been done using the general equation of IPCC Methodology version 2006 & version 2019 which is as under: -
  GHG Emission/Removal = activity data X emission factor
- **Stakeholder Engagement:** Engagement with key stakeholders within JK Fenner India to ensure that material concerns were addressed.
- **Data Management Systems:** Review of data management systems to ensure accurate collection, tracking, and reporting of GHG emissions data.

This methodology ensured a comprehensive assessment of JK Fenner India' GHG emissions management and reporting practices.

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6. Alignment with AA1000 Accountability Principles

The assurance process assessed JK Fenner India' adherence to the AA1000 Accountability Principles:

- **Inclusivity:** JK Fenner India engaged a wide range of stakeholders, including internal teams, regulators, and customers, in their GHG emissions reporting and management processes.
- **Materiality:** The company identified and reported on the most material GHG emission sources, with a focus on Scope 1 and Scope 2.
- **Responsiveness:** JK Fenner India demonstrated a proactive approach in responding to stakeholder concerns and implementing industry best practices in GHG accounting and reporting.

- **Impact:** JK Fenner India accurately measured and communicated the environmental impact of its operations, aligning its reporting with broader sustainability goals.

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7. Independence and Competencies

Glocert International is an independent verification body with extensive expertise in GHG verification and sustainability reporting. Glocert International, UK applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021-1:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Glocert International, UK is following the Glocert International's Code of Conduct during the assurance engagement and maintain independence as required by relevant ethical requirements relevant ethical requirements including the ISAE 3000 (Revised) Code of Ethics. This engagement work was carried out by an independent team of sustainability assurance professionals. Glocert International, UK was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement and Management Report. Glocert International maintains complete impartiality toward stakeholders interviewed during the assurance process.

Glocert International maintains its independence throughout the assurance engagement and follows rigorous standards AA1000 v3, WRI/WBCSD GHG Protocol, ISO 14064-3:2019, including the ISO 9001:2015 Quality Management System.

Name of Verifier: Sunil Kathuria / Hemlatha Ramalingam / Kandasamy Saravanakumar
Position: Lead Verifier/Verifier / Verifier

Verification Body: Glocert International, UK
Accreditation: AA 1000 Licensed Assurance Service Provider # 001-052, and International Accreditation Service, Inc USA, ISO/IEC 17021-1:2015 Accredited Management System Certification body # MSCB - 273

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8. Limitations

This verification engagement was limited to reviewing the GHG emissions data provided by JK Fenner India. It did include physical site visits to MDU 1 & MDU 2, and remote audit of HYD 1, HYD 2, CHN 2 & corporate Office. The verification relied on the data and supporting information provided by the organization. However, the focus on material sources of emissions ensured that the most critical data was reviewed.

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9. Verification Findings and Conclusions

Based on the verification process, Glocert International provides **limited** assurance that the GHG emissions inventory for the financial year 2024-25 reported by JK Fenner India is free from material misstatements and complies with the WRI/WBCSD GHG Protocol, ISO 14064-3:2019, and the AA1000

Accountability Principles.

Emissions Breakdown:

- **Scope 1 (Direct Emissions):** Verified emissions of 17,230.20 tCO2e, primarily from the consumption of Furnace Oil-Boilers, Diesel – DG Sets, Fork Lifts & Company Owned vehicles, LPG and Refrigerants from HVAC sources, Employee Commuting are fairly presented.
- **Scope 2 (Indirect Emissions):** Verified emissions of 10,731.30 tCO2e, attributed to electricity purchases, were verified without material discrepancies. Facilities generated & consumed (through own on-site off-site sources) 11907 MWh of renewable energy during the current period and also purchased 237.6MWh of green energy

Glocert International confirms that the reported data conforms to the requirements of the Sustainability disclosures and meets the criteria for the verification standard used. JK Fenner India has shown strong adherence to the AA1000 Accountability Principles and has effectively managed and reported its GHG emissions.

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10. Recommendations

While no material deficiencies were identified, the following recommendations are provided to enhance future reporting:

- **Enhanced Stakeholder Engagement:** JK Fenner India should continue to expand its engagement with external stakeholders, particularly suppliers and customers, to further enhance its understanding of Scope 3 emissions.
- **Data Management System Improvements:** Continue to refine the data management system to automate and streamline the collection of Scope 3 emissions data, particularly for downstream emissions categories.

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11. Verifier's opinion

As part of the assurance process, a multi-disciplinary team of sustainability specialists performed assurance work for selected sample functions of JK Fenner (India) Limited. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

- Reviewed the approach to stakeholder engagement and materiality determination process and its outcomes as brought out in the Report.
- Interviews with selected senior managers responsible for management of sustainability issues and review of selected evidence to support topics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives.
- Assessment team (AT) conducted sample-based assessment of site-level sustainability performance data through physical /remote site audits between 21st-28th May 2025. VB could collect evidences from processes and system ERP-SAP for values used in GHG quantification and could confirm their accuracy and correctness. Audit team also conducted interviews to assess, how each facility is identifying, managing and complying to it's legal & regulatory compliance requirements.
- For quantification of GHG emissions "Emission Factors" are referenced from credible International and Indian resources and same are detailed in section D of GHG report.

GLOCERT International

Glocert International attests that, based on the data reviewed and verification activities performed in accordance with the AA1000 Accountability Assurance Standard v3, it is our opinion that JK Fenner (India) Limited's GHG emissions report for the period of April 1, 2024, to March 31, 2025, is fairly stated, free from material misstatements and is in compliance with the WRI/WBCSD GHG Protocol and ISO 14064-3:2019 standards. This verification provides limited assurance regarding the accuracy of the reported data.

- **Scope 1 (Direct Emissions):** 17,230.20 tCO2e
- **Scope 2 (Indirect Emissions from Purchased Electricity):** 10,731.30 tCO2e

The GHG emissions data has been prepared in accordance with the principles of completeness, accuracy, consistency, transparency, and relevance.

---

12. **Sign off**

Name of Verifier: Sunil Kathuria / Hemalatha Ramalingam / Kandasamy Saravanakumar
Position: Lead Verifier, Verifier /Verifier
Verification Body: Glocert International, UK
Accreditation: AA 1000 Licensed Assurance Service Provider # 001-052, International Accreditation Service, Inc USA, ISO/IEC 17021-1:2015 Accredited Management System Certification body # MSCB - 273
Date: 18th June 2025

For Glocert International

Sunil Kathuria	*Hemalatha Ramalingam*	*Saravanakumar Kandasamy*
Lead Verifier	Verifier	Verifier

The mission of GLOCERT INTERNATIONAL is to support the global community to achieve their target "UN SDG's" (United Nations – Sustainable Development Goals) through our testing, inspection, audit, certification, advisory & assurance services for a sustainable future

GLOCERT International

End of Assurance Statement

JK Fenner

Concept, content and design by SAGE Sustainability (sagesustainability.in)