

ESG Report

FY2023-24

Project Green Vasundhara



Project Green Vasundhara

We are publishing our first ESG Report aligned with GRI Foundation, 2021. This inaugural report highlights our ongoing efforts in environment management, employee welfare, community engagement, and strong corporate governance practices, which have long been embedded in our operations. By formally documenting and sharing these initiatives, we aim to set a clear baseline for our future progress.

Project Green Vasundhara is not just a report, it's a reflection of our Company's intent to grow sustainably, backed by data, action, and integrity.

About The Report

Project Green Vasundhara, 2024 Sustainability Report is the first Sustainability Report published by Bharat Gears Limited ("Bharat Gears", "BGL", "We" or the "Company"). It is aligned with globally recognized frameworks, including the Global Reporting Initiative (GRI) Standards, National Guidelines on Responsible Business Conduct (NGRBC) guidelines, the Sustainability Accounting Standards Board (SASB) guidelines, and the United Nations Sustainable Development Goals (UN SDGs).

Message From The CMD



Mr. Surinder Paul Kanwar
Chairman & Managing Director

Dear Shareholders,

With great pride and gratitude, I present to you the First Environmental, Social and Governance (ESG) Report of Bharat Gears Limited for FY 2023-2024. As we navigate this ESG journey, our commitment to excellence remains unchanged. Our focus on advanced technology, product innovation, world-class manufacturing, and engineering strength continues to drive value, not just for our customers, but for all our stakeholders. By embedding ESG principles into our operations, we aim to align profitable and diversified growth with sustainable practices, ensuring we maintain our market leadership while building a resilient and responsible future.

At Bharat Gears Limited, transparency and responsibility have always been central to the way we operate. Until now, we have primarily reported on our Corporate Social Responsibility (CSR) initiatives, sharing how we contribute to communities and support our people. With Project Green Vasundhara, we are taking a significant step forward.

This year, for the first time, we have expanded our reporting to cover key Environmental, Social, and Governance (ESG) areas. Along with our ongoing CSR efforts, this report includes data on our environmental impact, energy use, emissions, workforce diversity, health and safety practices, and the governance structures that guide our decisions.

By formally bringing these elements together, we are laying the foundation for a more comprehensive, forward-looking ESG roadmap. Project Green Vasundhara is not just a reflection of where we are today, it's a commitment to where we are headed: towards a more sustainable, accountable, and resilient future.

I extend my sincere thanks to all our stakeholders who continue to support and challenge us to do better.

Warm regards,

Surinder Paul Kanwar

Chairman and Managing Director

About Bharat Gears

Bharat Gears Limited (BGL) is one of the world leaders in gears technology and India's leading gears manufacturer. Bringing to the world the finest gear and transmission technology. Our delivery expands to nations across Europe, USA, Mexico South American and Asian markets.

BGL is a major global supplier of automotive gears and heat treatment furnaces. We manufacture a wide range of Ring Gears and Pinions, Transmission Gears and Shafts, Differential Gears, sub-assemblies covering automotive, agriculture, construction, utilities and EV etc.

Our Business Divisions:

- **Gears-** We manufacture over 1 million hypoid/spiral ring gear and pinion sets, more than 7 million transmission gears and 0.75 million differential gears, including sub-assemblies to service a variety of Tractors, Construction Equipment, Commercial Vehicles (HCV, MCV, LCV), Utility Vehicles, Cars and EV.
- **Furnaces-** Taking advantage of the core competency in heat treatment technology, we started constructing furnaces in 1978.
- **Automotive Components-** Our Automotive Components Division supplies a wide array of Automotive parts engineered to excellence.

Our Vision and Mission:

VISION

We shall strive vigorously to delight our customers and stakeholders who are our very purpose, by pursuing excellence and innovation through committed teamwork. To this end, we shall promote continuous learning, achievement orientation and ethical business practices, which will make us shine as a global player.

MISSION

To retain and reinforce our position as a leading Indian manufacturer of automotive gears and aggregates and meet the aspirations of customers in domestic and export markets. This will be achieved through on-time zero defect supplies backed by responsive service, empowered employees, vendor partners and satisfied investors.

Corporate Governance

For Bharat Gears Limited (BGL), corporate governance is an integral part of the overall governance structure and framework. It guides our approach towards responsible business conduct and ensures that we maintain high ethical standards throughout our business operations.

At BGL, corporate governance is established in a manner that not only takes into account the interest of our stakeholders but also takes care of our system's transparency, sustainability and well-being. It also enables us to effectively manage our business risks, meet regulatory compliances and build a long-term growth.

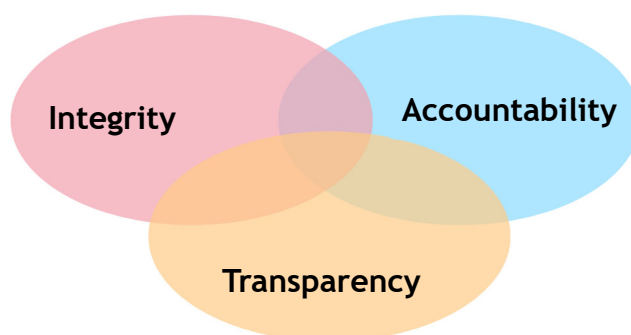


Figure 1 Three Pillars of Corporate Governance at Bharat Gears Limited

BGL is committed to following transparent and fair practices of ethical corporate governance and aims to improve and enhance those practices. Our philosophy of corporate governance is based on the following principles-



Figure 2 Principles of Corporate Governance at BGL

Board of Directors

Our Board of Directors (BoD)/the Board is committed to uphold ethical corporate governance within the Company. The Board plays a crucial part in monitoring how both the immediate and long-term interests of shareholders and other stakeholders are being met by the management.

Our governance structure consists of two tiers: the Board of Directors and its Committees at the highest level, and the Management overseeing operational functions. Following this approach, the Board establishes corporate objectives and offers strategic directions to the Management ensuring the desired goals and objectives are achieved within defined parameters.



Mr. Surinder Paul Kanwar
Chairman & Managing
Director



Mr. Sameer Kanwar
Joint Managing
Director



Mr. Virendra Kumar Pargal
Non-Executive Independent
Director



Mr. Wolfgang Rudolf Schilha
Non-Executive Independent
Director



**Mr. Nagar Venkatraman
Srinivasan**
Non-Executive Director



Mr. Rakesh Chopra Non-
Executive Independent
Director



Ms. Hiroo Suresh Advani
Non-Executive Independent
Director



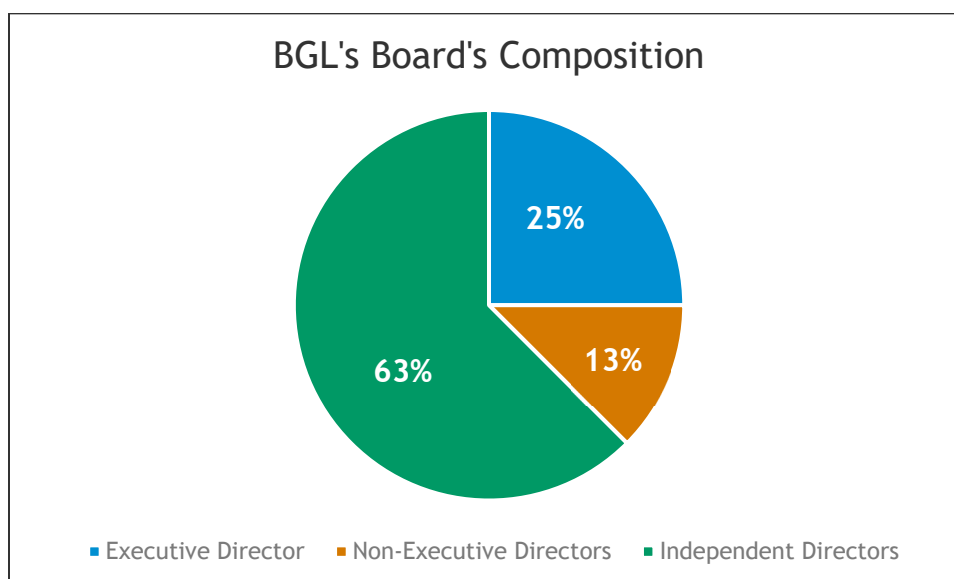
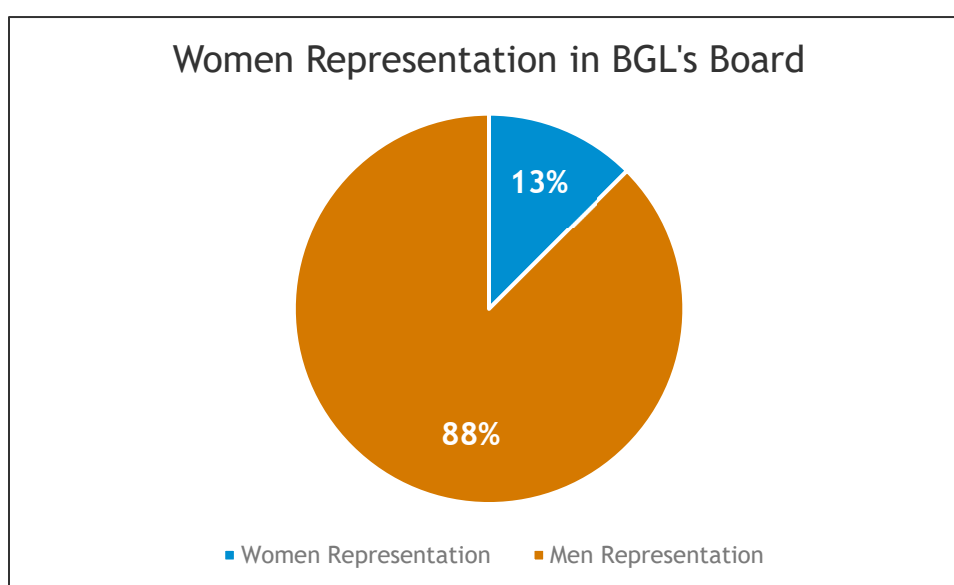
Mr. Raman Nanda
Non-Executive Independent
Director

Figure 3 Bharat Gears Limited's Board of Directors

Diversity in the BoD

BGL recognizes the value and importance of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board consists of individuals with different skills, industry and regional experiences, backgrounds, genders, and other unique qualities. By bringing together varied expertise and viewpoints, the Board can make more informed decisions and drive innovation. We carefully consider these factors when determining the ideal composition of the Board, ensuring a balanced and inclusive leadership team that reflects the dynamic nature of the business environment.

Our 'Board's Diversity Policy' which is a part of our 'Nomination & Remuneration Policy' states that all Board appointments, whenever required shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board requires to be effective and will consider diversity when identifying suitable candidates.



Committees of the Board

The Board of Directors relies on various committees to ensure effective oversight and decision-making in key areas of corporate governance. These committees play an important role in enhancing accountability, transparency, and efficiency by focusing on specific responsibilities such as audit, stakeholder relationship, nomination & remuneration, and corporate social responsibility.

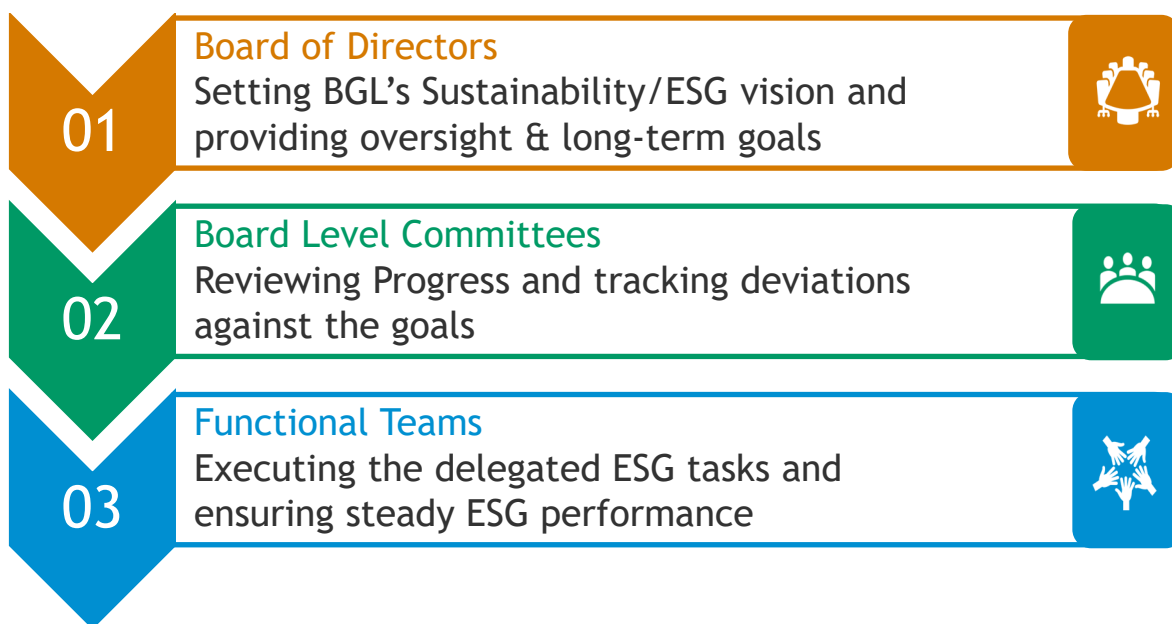


Table 1 Board Committee Details

Committee	Details	Members
Audit	Oversight of the Company's financial reporting process and the disclosure of its financial information	Mr. Rakesh Chopra- Chairman Mr. V.K. Pargal- Member Ms. Hiroo Suresh Advani- Member
Nomination and Remuneration	Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy	Mr. V.K. Pargal- Chairman Mr. Rakesh Chopra- Member Mr. W.R. Schilha- Member Mr. Surinder Paul Kanwar- Member
Stakeholders' Relationship	Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.	Mr. Rakesh Chopra- Chairman Mr. Surinder Paul Kanwar- Member Mr. Sameer Kanwar- Member Mr. N.V. Srinivasan- Member
Corporate Social Responsibility	Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 ("the Act").	Mr. Surinder Paul Kanwar- Chairman Mr. Sameer Kanwar- Member Mr. Rakesh Chopra- Member
Finance	Take care of the financing and other day-to-day requirements of the Company. The said Committee is authorised to borrow monies, make loans, issue shares, etc. and matters related or incidental thereto.	Mr. Rakesh Chopra- Chairman Mr. Surinder Paul Kanwar- Member Mr. Sameer Kanwar- Member Mr. V.K. Pargal- Member

ESG Governance

Effective ESG governance is essential for integrating sustainability and ESG into the Company's core strategy and decision-making processes. At BGL, our management approach comprises 3 levels of governance. At the highest level, the Board of Directors provides oversight, setting the Company's ESG vision, policies, and long-term objectives. Supporting the Board, the Board-level Committees (Audit, CSR) are responsible for reviewing ESG risks, progress, and regulatory compliance, ensuring that sustainability remains a key business priority. At the operational level, functional teams execute ESG initiatives, track performance, and drive continuous improvements across various business functions. This structured governance framework ensures that ESG considerations are embedded throughout our Company, aligning business growth with sustainable practices.



The board level committees collaborate closely with functional heads (HR, Legal, Maintenance, Safety) to effectively execute business strategies. The responsibility for driving sustainability initiatives primarily rests with the Audit and CSR Committee. The committees focus on key areas relevant for improving BGL's sustainability and ESG performance.

BGL's functional teams such as HR, Legal, Maintenance and Safety are considered responsible when it comes to executing the tasks at ground level. They ensure that BGL's operations are in-line with the set ESG goals and vision by effectively initiating actions such as energy, water & waste management, providing operational health & safety to the workers, supporting marginalized communities through CSR and maintaining ethical and transparent governance mechanism.

Business Ethics and Compliance

Bharat Gears Limited upholds the belief that strong business ethics is essential for conducting business with transparency, reliability, and efficiency. We prioritize fostering trust, integrity, accountability, and financial stability by complying to ethical business practices and maintaining a high level of transparency. This approach ensures that the Board of Directors operates with a strong sense of responsibility and moral authority, ultimately enhancing stakeholder value and addressing their legitimate needs.



To ensure every employee at BGL follows and adheres to our principles of business ethics, we set forth our Code of Conduct (CoC) which focuses on responsible conduct, conflict-free decision-making, and transparency in reporting. As per our CoC employees are expected to safeguard company assets, adhere to legal and regulatory requirements, and maintain confidentiality. Our Code of Conduct prohibit bribery, corruption, and facilitation payments, reinforcing our commitment to ethical governance. Independent Directors play a crucial role in oversight, ensuring informed decision-making, attending meetings, and safeguarding stakeholder interests while upholding BGL's values.

Apart from a strong Code of Conduct, we lay down below listed policies to establish a structured framework to ensure accountability and compliance with regulatory and legal requirements.

Vigil Mechanism/ Whistle Blower Mechanism Policy	Provides a framework to promote responsible and secure whistle blower mechanism and provide for adequate safeguards against victimization of persons who use such mechanism and shall also contain provisions for direct access to the chairman of the Audit Committee in exceptional cases.
Employees Diversity, Equity & Inclusion Policy	Aims at providing equal opportunity, creating zero tolerance for discrimination and harassment, fostering inclusive work culture, promoting workplace diversity, and a fair & transparent process
Suppliers Code of Conduct	Sets forth minimum requirements for any entity providing goods or services to Bharat Gears Limited (hereinafter a "Supplier"). These requirements are consistent with BGL's values and are applicable to all Suppliers and their respective affiliates and subsidiaries globally.
Sustainable Procurement Policy	Depicts BGL's commitment, objectives, and principles for establishing sustainable procurement practices at BGL. Intended to promote fair and transparent business relationships with respect for people, and uncompromising ethical standards.

Labour & Human Rights Policy	Focuses on enhancing- community and stakeholder engagement, sustainability, human dignity; preventing of - sexual harassment, human trafficking and modern slavery misuse of managerial authority and child labor; providing safety at workplace, freedom of expression, association and collective bargaining, equal opportunity, training & awareness.
Training & Development Policy	Aims at setting clear training objectives & reviews, ensuring departmental alignment, identifying training needs and providing necessary trainings, and planning of training budget
EHS Policy	Aims at identifying and managing occupational and environmental risks through sustainable measures while fostering a culture of safety and responsibility.

These policies are reviewed and updated on regular intervals to ensure effectiveness and consistency in our processes and procedures and are communicated to all the personnel concerned in a structured manner.

Our Approach to Risk Management

Effective risk management is an integral part of our operations, ensuring continuous monitoring of both internal and external factors for potential threats. By maintaining vigilance, we can swiftly identify emerging risks and take timely action to mitigate them. Through a proactive risk management approach, we aim to maintain a secure, stable, and resilient business environment. We have a robust and integrated enterprise risk management framework through which the usual prevailing risks within BGL are identified, the risks so identified are reviewed on periodic basis by the Audit Committee and the management's actions to mitigate the risk exposure in a timely manner are assessed.

Our Enterprise Risk Management Framework

In accordance with the Companies Act, 2013, and Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Board of Directors has implemented a comprehensive Enterprise Risk Management Framework. This framework involves identifying and assessing the various risks faced by Bharat Gears Limited, prioritizing them accordingly, and establishing procedures to mitigate these risks. Regular progress reviews are conducted at the Senior Management level, with a summary presented to the Board on a quarterly basis. Additionally, the risk identification, assessment, and mitigation process is reviewed and updated annually to ensure alignment with evolving industry requirements and our operational landscape.

Risk Management Approach

Our risk management process begins with each Functional Head (Risk Owner) periodically reviewing the mitigation plans for identified risks within their respective functions, ensuring alignment with the overall risk framework while also identifying new risks. Following this, each Risk Owner must establish an effective system of internal controls by defining mitigation plans, assigning responsibilities, and ensuring upward communication of significant issues. The Risk Coordinator, also known as the Risk Champion, consolidates all identified risks, prioritizes them based on risk ratings, and updates the risk register accordingly. These risks are then evaluated in relation to both internal and external factors, and after discussions with the respective Risk Owners, the Risk Champion finalizes the risk register. Once compiled, the risk registers are submitted to the Chief Executive Officer/Chief Financial Officer, who, in consultation with the Risk Champion, prioritizes major risks. Finally, the Risk Champion presents the prioritized risks during Audit/Board meetings, which are held on a quarterly basis to ensure continuous risk monitoring and mitigation.

Key ESG Risks

Table 2 Key ESG Risk of Bharat Gears Limited

Risk Type	Description
Climate Risk	Extreme weather events and environmental shifts may lead to operational disruptions, shutdowns, production cuts, project delays, supply chain hurdles, increased construction costs and infrastructural vulnerabilities. As part of our sustainability strategy, we remain committed to proactive climate risk management, ensuring resilience through adaptive measures, sustainable sourcing, and a robust risk mitigation framework.
Technological Risk	The integration of advanced manufacturing technologies, such as automation and digitalization, presents both opportunities and challenges for us. While these innovations can enhance production efficiency and quality, their adoption requires careful planning, investment, and workforce adaptation. Moreover, not leveraging the latest technology may limit our competitiveness, failing to meet evolving global market demands. To ensure long-term sustainability and resilience, we are committed to a strategic approach that balances technological advancement with operational efficiency and environmental responsibility.
Supply Chain Risk	Any disruptions to the supply chain, human rights violations could lead to shortages of materials or components. This could lead to losses in sales or an increase in costs.
Regulatory Risk	Global regulatory trends, laws and mandatory sustainability disclosures may increase compliance costs and necessitate operational changes.
People Risk	A failure to ensure fair wages, safe working conditions, and diversity and inclusion can lead to our reputational damage, regulatory scrutiny, and decreased employee morale. Additionally, labour shortages, high attrition rates, and skill gaps can disrupt operations and impact our productivity.

Our Sustainability Strategy

We as a manufacturingCompany are committed to integrating sustainability into our core business strategy, making meaningful changes across our operations. An important aspect of our sustainability journey has been to understand which ESG issues matter the most to us. As part of this effort, we have conducted a double materiality assessment to identify the key environmental, social, and governance (ESG) issues that matter most to both our stakeholders and operations by assessing and ranking sustainability topics based on their impact and financial materiality. Additionally, a maturity assessment was conducted to evaluate our current sustainability performance and highlight areas for improvement. These assessments guide our strategy, ensuring that our actions are impactful, aligned with industry’s best practices, and contribute to long-term value creation.

Our focus has been on reducing environmental impact, creating a safe and inclusive workplace, and ensuring responsible governance. We recognize that sustainability is a continuous journey, and we are dedicated to setting clear goals, adopting best practices, and engaging with stakeholders to make informed and impactful decisions. By integrating sustainability in our operations, we aim to create long-term value for our business, society, and the environment.

Stakeholder Engagement Approach

Our stakeholder engagement process was designed to ensure inclusivity and transparency, enabling us to align our sustainability strategy with the expectations of key stakeholders. We are engaged with a diverse group, including employees, customers, vendors, and local communities, to gather insights on critical environmental, social, and governance (ESG) issues.

Through surveys, interviews, and structured discussions, we identified and prioritized sustainability topics that have the most significant impact on our business and stakeholders.



Figure 4 Stakeholders Mapping of Bharat Gears Limited

Double Materiality Assessment- Approach & Results

The materiality assessment process follows a structured approach to identify and prioritize key sustainability topics. Beginning with the identification of material topics followed by stakeholder engagement. Next, impact materiality is assessed by rating the topics based on their severity and likelihood. Financial materiality is then evaluated to understand the financial implications of these topics. Finally, a double materiality matrix is created, plotting the results from both impact and financial materiality to guide strategic sustainability decision-making.

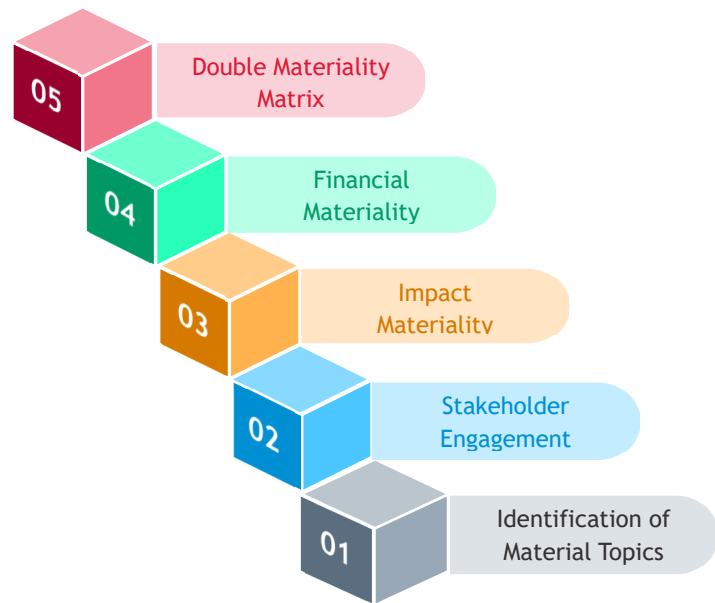


Figure 5 Process Flow for Materiality Assessment

BGL’s Double Materiality Matrix

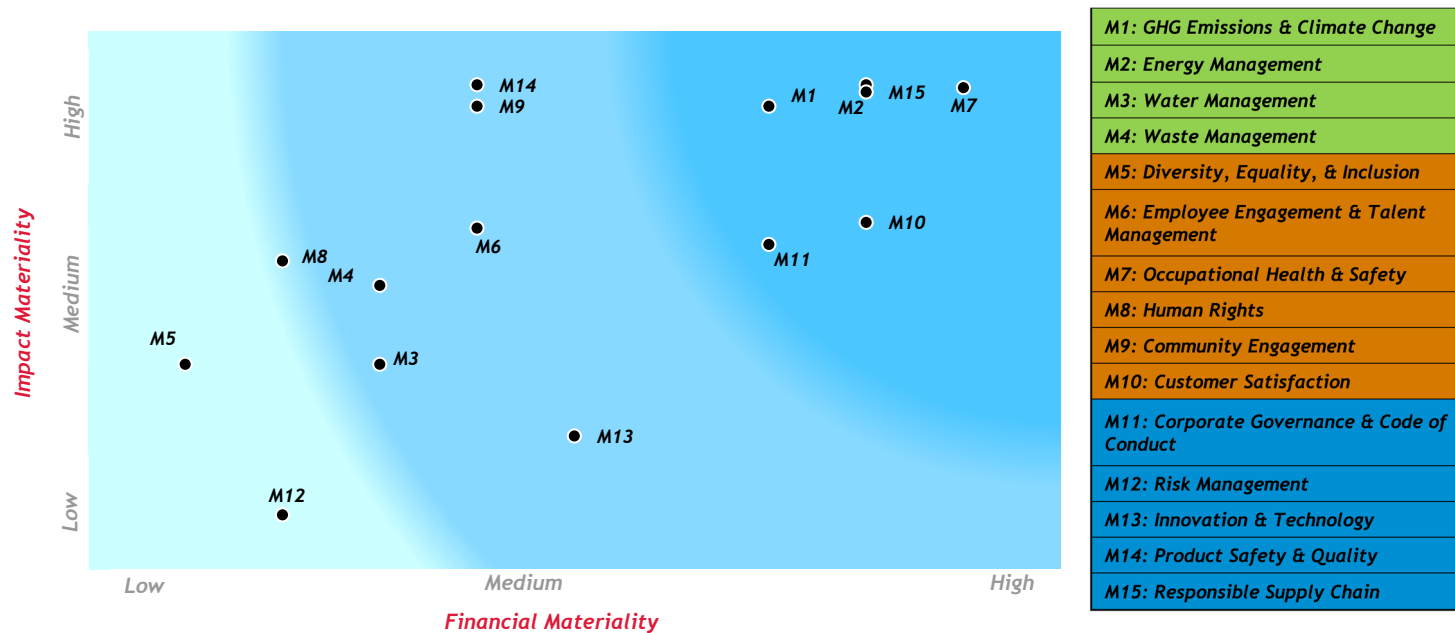


Figure 6 Double Materiality Matrix of Bharat Gears Limited

Environment

Environmental stewardship is a key responsibility and objective for us, as our operations involve resource consumption, energy use, and emissions that impact the environment. Sustainable practices help reduce our carbon footprint, optimize resource efficiency, and ensure regulatory compliance. By focusing on waste reduction, energy efficiency, and responsible material sourcing, we aim to minimize our environmental impact while maintaining high-quality production standards.



Installed dual fueling system in DG sets which resulted in 70% reduction in diesel consumption



Conducted double materiality assessment following the GRI and other global standards to identify key material topics for Bharat Gears



52 kl of Used Oil was refined and recycled as part of circular economy

SDGs Impacted Based on Double Materiality Assessment



Environmental Policy and Procedures

Our operations are certified with **ISO 14001: Environmental Management System**. The Quality team at BGL is responsible for ensuring continuous improvement and enhancements are being done in our environmental management system to meet the global regulatory standards.

Bharat Gears' environmental stewardship is guided by our Environmental, Occupational Health & Safety (EHS) Policy which establishes our commitment to environmental protection, sustainability and workplace safety. The policy underscores the importance of continuous improvement, ensuring that risks are regularly assessed, and processes are refined to reduce operational environmental impacts, optimize resource consumption, and uphold the well-being of employees and surrounding communities.

We are committed to promoting environmental responsibility and sustainability, and culture of safety within our Company and hence focus on identifying and mitigating environmental risks, reducing energy and water consumption, increasing recycling rates, preventing pollution through targeted environmental strategies, and injury and illness prevention measures. We are also adopting renewable energy solutions and optimizing resource use to minimize our overall environmental impact. Compliance with environmental regulations is a key focus, alongside continuous performance improvements to reduce emissions and waste generation.

To track and monitor our progress, we have set clear and measurable targets which include-

- Increase renewable energy use.
- Reduce scope-1 and 2 emissions year-on-year.

- Increase the percentage of waste recycled every year.
- Achieve zero workplace fatalities and reduce workplace injuries.
- Ensure 100% employee participation in annual health and safety training.

Our leadership team is responsible for integrating the EHS policy into overall business decisions, demonstrating a top-down commitment to governance and oversight. The EHS head is tasked with leading execution across all our facilities and departments, ensuring consistency in policy application. Our EHS policy is not applicable to all our plants and facilities but also to our suppliers, subsidiaries, distributors, business contacts, agents, advisors, and business associates, including current and potential clients, customers, and others acting on BGL's behalf.

Training of Employees and Workforce

As part of our commitment to environmental sustainability, we regularly conduct training programs for our employees/workforce to enhance awareness and build capacity on key environmental parameters. These training sessions cover a wide range of topics, including energy efficiency practices, where employees are guided by methods to reduce energy consumption and improve operational efficiency.

We also provide training on our environmental policy and on sustainability awareness to help employees understand the Company's environmental goals, and their role in supporting sustainable practices. In addition, training on the safe handling and disposal of hazardous waste, prevention of oil leakages is conducted to ensure compliance with environmental regulations and to minimize the risk of pollution.

Through these initiatives, we aim to ensure that our workforce and employees are compliant with industry standards and their day-to-day operations align with BGL's broader sustainability objectives.

Reduction Of Material Consumption Through Process Optimization

To minimize our overall environmental impact along with reducing waste, improving resource efficiency and our productivity, we put our focus on process optimization by leveraging technological inputs to reduce material consumption within our production process. Below are two case studies which showcase our initiatives on process optimization.

Before



In the existing process, gear components were loaded using old trays with a maximum capacity of 20 pieces per tray which led to underutilization of available space, resulting in higher material handling frequency and energy consumption per unit.



After

Without altering the loading pattern or compromising component safety, the old/scrap trays were re-engineered to hold 40 pieces per tray. Loading production increases per tray with use of modified old tray scrap in less cost.

Fewer loading/unloading cycles, reduced handling time

Promoted reuse, reducing waste generation

Figure 7 Optimizing Tray Capacity for Enhanced Material Utilization

Before

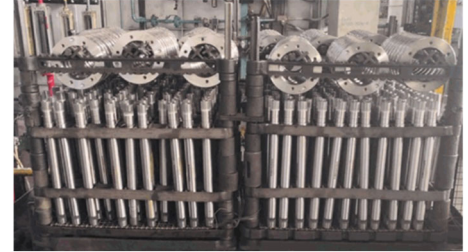


The existing fixture design limited the batch loading capacity to 240 parts affecting the production and also led to more frequent heating cycles, increasing energy consumption and operational inefficiencies.

Modified the existing fixturing to accommodate more parts per batch without altering the core equipment or processing cycle. Through improved design and layout, the new fixture setup now supports 455 parts per batch.

Higher output per cycle with reduced handling

Fewer batches required for the same volume, reducing energy



After

Figure 8 Fixturing Enhancement for Increased Batch Loading Capacity

Energy Management

Energy management is one of our key focuses for ensuring efficient use of resources while reducing costs and environmental impact. As our showcasing processes and operations contribute significantly to overall energy consumption, effective energy management helps optimize our operations, lower our greenhouse gas emissions, and enhance long-term sustainability.

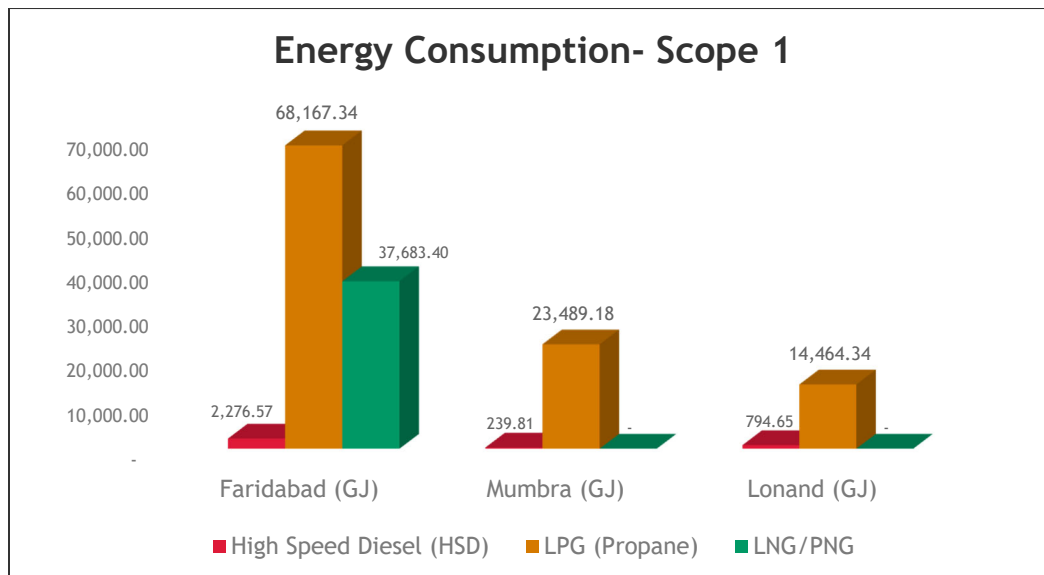


Figure 9 Scope 1 Energy Consumption

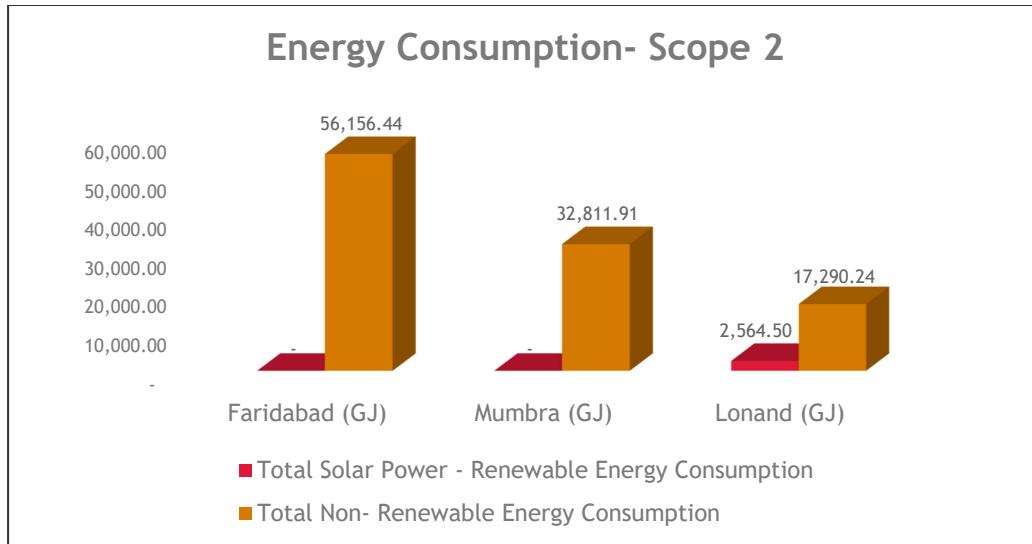


Figure 10 Scope 2 Energy Consumption

In FY 2023-24, our **total energy consumption from fuel sources** across all locations amounted to **147,115.29 GJ**. Our Faridabad plant had the highest fuel-based energy consumption at 108,127.31 GJ, followed by Mumbra at 23,728.99 GJ and Lonand at 15,258.99 GJ. The primary fuel sources included LPG (Propane), High-Speed Diesel (HSD), and LNG/PNG, with LPG being the most significant contributor across all locations. **Faridabad also had the highest LNG/PNG consumption at 37,683.40 GJ**, whereas Mumbra and Lonand did not use this fuel type.

In FY 2023-24, we have taken significant measures and initiatives to improve overall energy efficiency across all our facilities and plants.

- Optimizing the operation of chips conveyors in our machines:**
 Previously, our chips conveyor continued running even after the hydraulic system was turned on, leading to unnecessary energy consumption. To optimize this, we modified the operation so that the chips conveyor runs only when the cutting oil is ON in auto cycle mode. This change ensures that the conveyor does not run unnecessarily, reducing our power usage.
Energy Saved: 11,203 kWh
- Mist Collector Optimization:**
 Our mist collector used to be continuously running along with the main power, leading to unnecessary energy consumption. To address this, we modified the system so that the mist collector operates only when the hydraulic system (Hyd) is ON. This ensures that the mist collector runs only when required, reducing power wastage.
Energy Saved: 14,040 kWh
- Flushing and Transfer Coolant Pump Optimization:**
 Our flushing and transfer coolant pump continued running along with the hydraulic system, consuming energy even when it was not required. The pump is now programmed to run in an auto cycle, ensuring that it only operates when necessary.
Energy Saved: 23,040 kWh

- **Hydraulic System Optimization:**
Our hydraulic system used to continue running unnecessarily during idle periods, leading to excess energy consumption. A timer has now been provided to ensure the hydraulic system operates only when required, reducing unnecessary energy usage.
Energy Saved: 1,24,560 kWh
- **VFD Provision for Shot Peening Compressor:**
We have implemented a Variable Frequency Drive (VFD) provision for the 110 kW shot peening machine compressor to optimize our energy consumption.
Energy Saved: 99,000 kWh
- **Removal of Lapper Washing Machine Table Rotation Motor:**
We have removed the table rotation motor from 13 of our Lapper washing machines and installed a water pressure mechanism to rotate the table.
Energy Saved: 12,168 kWh



SOLAR POWER INSTALLATION AT LONAND:

As part of our continued commitment to sustainability and green energy initiatives, we are proud to announce the successful installation of a 1300 kWp solar power plant at our Lonand manufacturing facility. This solar plant reflects our dedication to reducing our carbon footprint and enhancing energy efficiency across our operations.

The newly installed system is designed to generate a significant portion of the plant's electricity requirements through clean and renewable solar energy. With an estimated annual generation of over 18 lakh units (kWh), this initiative is expected to offset approximately 1,400 metric tons of CO₂ emissions per year—equivalent to planting more than 65,000 trees annually.

Key highlights:

- **Capacity:** 1300 kWp
- **Location:** Lonand Manufacturing Plant
- **Estimated Annual Generation:** ~18,00,000 kWh
- **CO₂ Emission Reduction:** ~1,400 metric tons per year
- **Environmental Benefit:** Equivalent to offsetting emissions of 300+ passenger vehicles annually

Climate Change & GHG Emissions

As a manufacturing Company, we understand that our operations contribute to Green-House-Gas (GHG) emissions through energy usage, raw material processing, and logistics. We are dedicated to climate actions not only as a strategic and business priority but also as an environmental responsibility that we must fulfill as a manufacturing company. In FY2023-24, we conducted a comprehensive accounting and reporting of our GHG emissions following The Greenhouse Gas Protocol to identify major sources of carbon emissions in our operations and implement strategies to reduce them, improving overall efficiency and long-term sustainability. GHG emissions accounting included our direct emissions (Scope 1) and our indirect emissions (Scope 2).

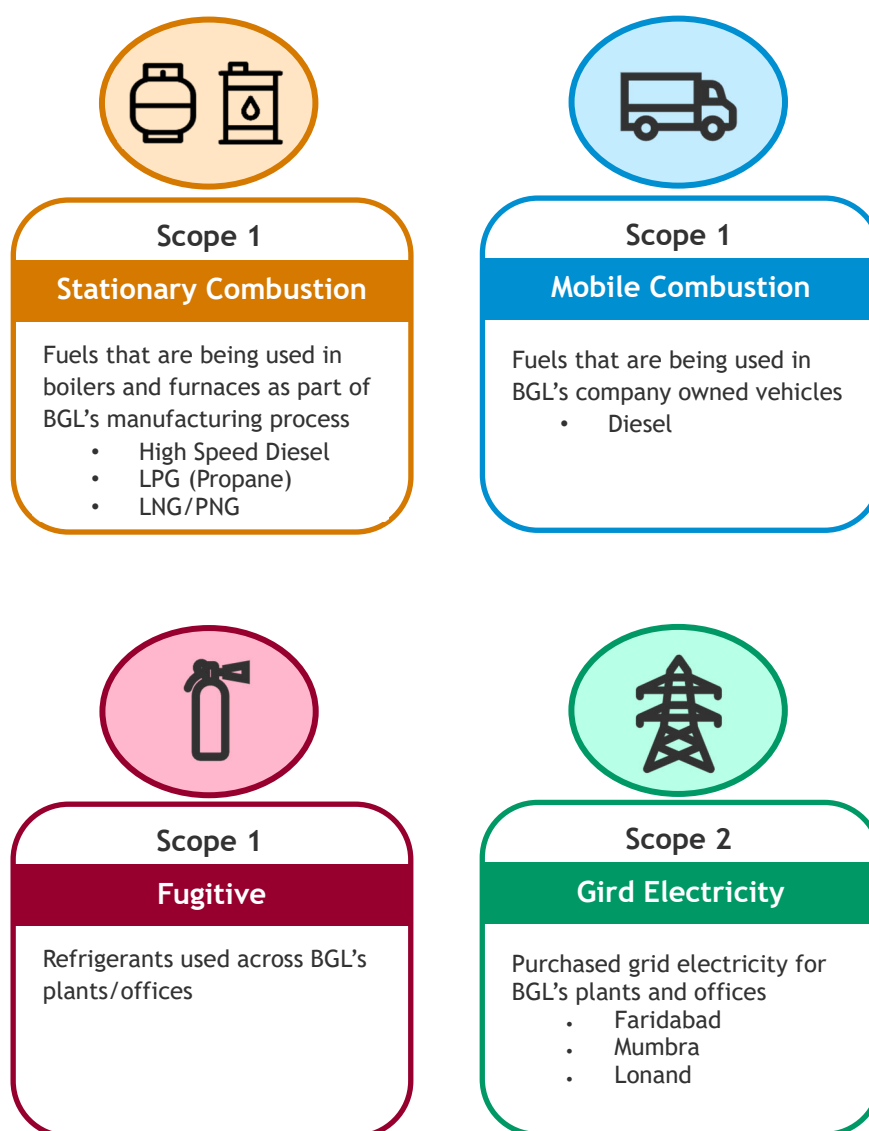


Figure 11 Sources of Scope 1 & Scope 2 Emissions

Table 3 Scope 1 & Scope 2 GHG Emissions

Scope Wise Distribution of Bharat Gears Limited' GHG Emissions (FY2023-24)				
Scope/Locations	Faridabad	Mumbra	Lonand	Total
Scope 1 -Stationary Combustion (tCO2e) (A)	6,590.50	1,501.29	972.58	9,064.37
Scope 1 - Mobile Combustion (tCO2e) (B)	6.48	1.62	-	8.10
Scope 1- Fugitive Emissions Refrigerants + Fire Extinguishers (C) (tCO2e)	166.88	57.03	31.80	255.71
Total Scope 1 Emissions (A+B+C) (tCO2e)	6,763.86	1,559.95	1,004.38	9,328.18
Scope 2- Emissions (tCO2e)	11,168.89	6,525.92	3,438.84	21,133.65
Total Scope 1 + Scope 2 Emissions (tCO2e)	17,932.75	8,085.87	4,443.21	30,461.83

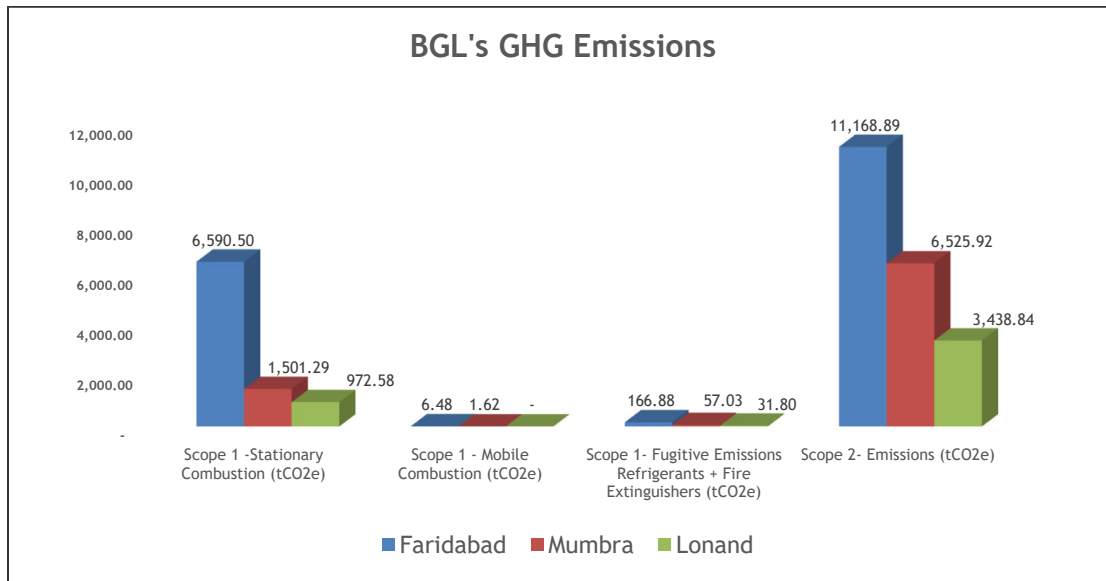


Figure 12 Scope 1 & Scope 2 GHG Emissions

In FY2023-24, our total GHG emissions across all our three locations (Faridabad, Mumbra & Lonand) amounted to **30,461.83 tCO2e**, with **Scope 1 emissions contributing 9,328.18 tCO2e** and **Scope 2 emissions accounting for 21,133.65 tCO2e**.

The following table highlights the air emissions across the three sites:

Category	Unit	Faridabad	Lonand	Mumbra	Total
Particulate Matter	mg/Nm3	234.11	763.1	791	1788.21
Oxides of Nitrogen		80.41			80.41
Sulphur Dioxide		80.98	379.32		460.3
Carbon Monoxide		1020			1020
NHMC		30			30

Water Stewardship

We understand that water is an essential resource for sustaining life, ecosystems, and industries, making its responsible management crucial for a sustainable future. Water stewardship goes beyond. By adopting a proactive approach, we as businesses and as a part of communities can minimize water-related risks, enhance resilience to climate change, and protect local water ecosystems.

Being in a manufacturing industry, we recognize our responsibility towards effective water stewardship which involves reducing consumption, improving water quality, promoting reuse, and engaging stakeholders to ensure long-term water security for both people and nature. A robust water management strategy not only ensures business continuity but also demonstrates a commitment to sustainability, regulatory adherence, and corporate social responsibility (CSR).

Table 4 Water Consumption

Water Consumption for FY2023-24				
Particulars	Faridabad	Mumbra	Lonand	Total
Water Consumption (KL)	20,764.00	20,986.00	20,344.00	62,094.00

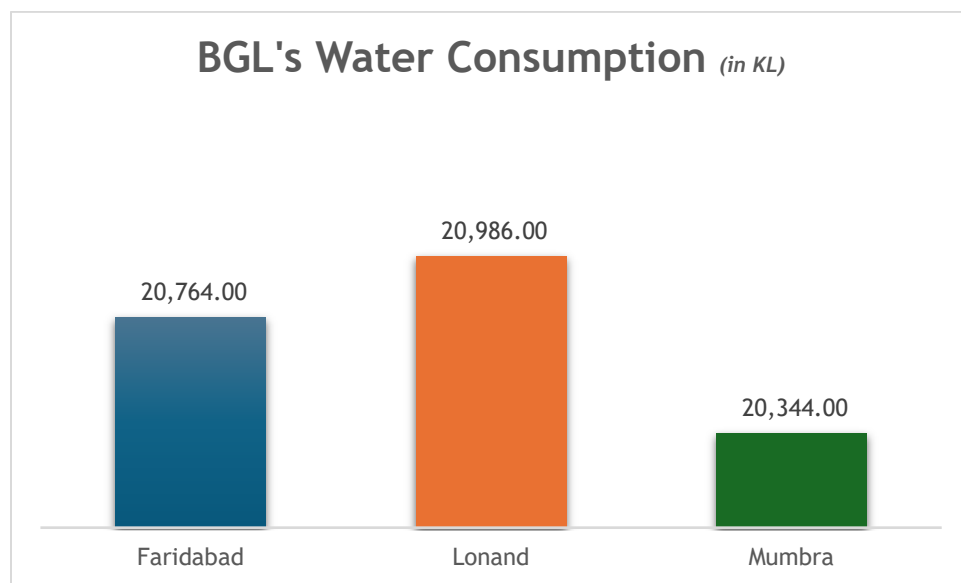


Figure 13 Water Consumption

At BGL, water as a resource is being procured from third-party sources which include municipal corporations and private vendors for procuring drinking water bottles. Within our operations, water is utilized for multiple purposes, including machine processes, cooling systems, washing, drinking, and irrigation. In FY2023-24, a total of 62,094 kiloliters of raw water was consumed across the three plants located at Faridabad, Mumbra & Lonand.

Reduction of Water Consumption Through Technological Interventions

As part of our commitment to water stewardship, our company has implemented several strategic initiatives focused on groundwater recharge, water recycling, and conservation efforts. We have introduced innovative groundwater recharge systems to replenish and sustain local water sources, ensuring long-term resource availability. Additionally, our water recycling program allows for the efficient reuse of water in horticulture purposes, reducing our overall consumption and minimizing waste. We also have a rainwater harvesting system in place within our plants and will now begin to monitor the volume of water collected. This will help us better understand our conservation impact and explore opportunities to further enhance water efficiency across our plants.

Zero Liquid Mechanism at Bharat Gears Limited



Our facilities follow a Zero Liquid Discharge (ZLD) mechanism, ensuring that no wastewater is released outside the plant premises. Water is utilized from two primary sources: process and domestic. Process water includes sand filter backwash, DM water charging, and soft water backwash & charging, while domestic consumption covers drinking water, canteen usage, and washrooms.

Any process loss from these sources is directed at the Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP). After thorough treatment, the processed water is repurposed for horticulture, reinforcing our commitment to water conservation and sustainable resource management.



Through these initiatives, we have significantly improved water efficiency, reduced dependency on freshwater sources, and reinforced our responsibility towards water stewardship. Our aim is to continuously invest in water-saving technologies and best practices, to contribute more towards environmental preservation while optimizing operational sustainability.

Waste Management

Our Company believes in and follows the fundamentals of the circular economy and relies on Reducing, Reusing and Recycling to ensure reduction in waste generation. As part of our commitment towards sustainable business operations, we ensure responsible handling, reduction, and disposal of waste generated across various processes covering all our plants and facilities.



Table 5 Categories of Waste Generated

Categories	Waste Type	Total Quantity (MT)		
		Faridabad	Lonand	Mumbra
Hazardous Waste	ETP Sludge	11.99	0.04	
	Oil Sludge	10.88		
	Oil Soaked Cotton	4.525	0.505	
	Used Oil Filter	0.031	2.415	
	Empty Oil Drum	0.172		
	Waste/Residue Containing Oil		0.505	3.45
	Chemical Sludge from Wastewater Treatment		0.04	0.185
	Process Residue and wastes (Grinding Dust)		0.37	
	Process Residue and wastes (Shot Blasting Dust)		0.35	
	Phosphate Sludge		0.065	0.43
	E-waste	2.008		
	Spent oil			0.6
Non-Hazardous Waste	Scrap - Turning & Boaring	NA	198025	268.197
	Scrap - Wood	NA	8025	126.5116
	Scrap Corrugated Boxes	NA	8055	257.414
	Metal Scrap	NA	10872	NA
	Heavy Melting Scrap	NA	54155	231.7172
	Scrap Hss Hobs, Shaping/Shaving, Oerlikon & Gleason Blades	NA	NA	195.349
	Scrap Aluminium	NA	620	NA
	Plastic Waste	10	NA	1.164
	Others	5	NA	NA

Specialized Treatment and Safe Disposal of Hazardous Substances

The hazardous waste generated from our operations such as cotton waste, empty oil barrels, ETP sludge, oil-soaked filters, etc. is managed with utmost care to ensure environmental safety and regulatory compliance. These hazardous waste materials are systematically segregated, stored in designated areas, and handed over to government authorized vendors specializing in the recycling, incineration, or safe treatment of hazardous waste. Following the government regulations, the waste is handled as per Hazardous and Other Wastes (Management and Transboundary Movement) rules 2016 & its amendments. This approach of ours not only prevents environmental contamination but also aligns with our commitment to responsible and sustainable waste management practices.

Internal Waste Sorting

Within our plants, internal waste sorting is carried out diligently to ensure efficient segregation of different waste streams at the source. Separate bins and designated collection points are provided for recyclable, non-recyclable, hazardous, and organic waste. This systematic sorting process enables effective downstream waste management, promotes recycling, reduces landfill burden, and enhances our overall environmental performance.



Figure 14 Waste Sorting at Bharat Gears Limited

Reduction Of Internal Wastes Through Material Reuse, Recovery or Repurpose

As part of our commitment to waste management and resource efficiency, we have undertaken several initiatives to repurpose and reuse different types of waste accumulated within our plants.

-  At the Faridabad plant, rolls of used packing strips were creatively repurposed into flowerpots, adding greenery to the workplace while reducing plastic waste.
-  Wooden planks from discarded materials were reused to build chairs and benches for internal use, minimizing the need for new furniture purchases.
-  Damaged electrical panels were not discarded but instead repaired and modified into functional almirahs, extending their life and reducing waste.
-  Instead of allowing the leftover food waste to end up in landfills, where it could contribute to greenhouse gas emissions, we ensure that it is collected and sent to local pig farms where it could be used as animal feed.

Air Pollution

Use Of Alternative, Less Hazardous Substances in Operations

As part of BGL's commitment to safer and more sustainable operations, we have adopted alternative, less hazardous substances across our processes to improve the air quality. One key initiative includes the shift to oils that emit fewer fumes, thereby creating a healthier work environment for our workforce by improving the air quality around the machines. These oils not only reduce airborne contaminants but also enhance machine performance and longevity, contributing to improved operational efficiency and reduced environmental impact. This proactive step aligns with our goal of minimizing exposure to harmful air pollutants while promoting sustainable manufacturing practices.

Other Initiatives to Improve Air Quality

1. Dust collector working in shot blasting/shot peening machines



A high-suction dust collector system was implemented for the shot peening and shot blasting machines. These machines generate fine dust particles during operation, which previously affected nearby air quality.

The upgraded dust collector effectively captures airborne particles using powerful suction and specialized filter bags, significantly reducing dust dispersion in the surrounding environment. This improvement has not only ensured cleaner air quality but also contributed to better machine performance and overall operational efficiency.

2. Increasing the stack height for Diesel Generator (DG) set
To improve air quality, the stack height was increased to 90 feet. This measure is aimed at minimizing the impact of heavy pollutants by allowing them to disperse at a higher altitude, reducing their concentration at ground level.
3. Installation of Fume Extractor
To improve workplace air quality and ensure a safer environment for employees, an assessment was carried out to identify areas where fume extractors were needed. Based on the assessment, a fume extractor was installed on the HB-12 machine, which was identified as a key source of fumes during operation. The extractor helps in capturing and filtering harmful airborne particles, thereby reducing exposure to pollutants and maintaining a cleaner work atmosphere for our workforce.

Social

Strong companies are built by strong people. That's why we focus on creating a workplace where safety isn't optional, growth isn't limited, and respect isn't negotiable. From training shop-floor workers on new skills to supporting families through our community outreach, our social responsibility starts with taking care of our own and extends to those around us.

SDGs Impacted



Policies

Bharat Gears Limited (BGL) upholds a robust framework of HR policies that emphasize safe, fair, and inclusive workplaces. Our Working Conditions Policy outlines adherence to Indian labour laws and international standards, covering fair compensation, rest periods, and health and safety. The Social Dialogue Policy ensures open communication channels between employees and management, fostering transparency, participation, and collective bargaining. We also maintain clear protocols on non-discrimination, child and forced labor prohibition, and grievance redressal. These policies are reviewed periodically to ensure legal and ethical compliance.

Our Workforce

BGL employs a diverse and skilled workforce, committed to operational excellence and innovation. Our employees are engaged across core areas such as manufacturing, engineering, administration, and quality control. Regular programs such as Annual Day, Quality Month, and Kaizen Ceremonies reflect our commitment to recognition, engagement, and continuous improvement.

Our Workforce in FY 2023-2024 (Age and Gender)

	<30		30-50		>50	
	Male	Female	Male	Female	Male	Female
Trainees	192	0	31	0	0	0
Workers/ Operators	270	0	413	0	136	0
Contractual	172	0	393	0	88	0
Permanent/ White collar	20	2	236	5	84	0
Total Workforce	654	2	1073	5	308	0

The number of employees covered by collective bargaining are as follows:

Faridabad	Lonand	Mumbra
162 Permanent associates are covered under tripartite settlement	100 Permanent associates are covered under tripartite settlement.	102 Permanent associates are covered under tripartite settlement.

Our Hiring Practices

Our recruitment process is structured, merit-based, and transparent. It includes job postings, candidate evaluations through technical and behavioral assessments, and background verification. We maintain fairness in hiring decisions and clearly communicate expectations. A formal onboarding process and probation period help new hires integrate effectively.

Total employees hired are mentioned in the table below:

	<30		30-50		>50	
	Male	Female	Male	Female	Male	Female
Top management	0	0	0	0	1	0
Senior management	0	0	3	0	1	0
Middle management (Executive)	12	0	8	0	0	0
Associates / Operators	29	2	18	5	84	0
Contract Workers	22	0	37	0	5	0
Others (Interns, trainees, part time employees etc)	107	0	15	0	0	0

Employee Turnover

BGL places strong emphasis on employee retention through regular engagement, fair compensation, and growth opportunities. Initiatives like structured performance reviews, feedback loops, and celebration events contribute to a stable workforce.

	<30		30-50		>50	
	Male	Female	Male	Female	Male	Female
Top management	0	0	0	0	1	0
Senior management	0	0	4	0	4	0
Middle management (Executive)	1	0	15	0	3	0
Associates / Operators	9	0	19	0	18	0
Contract Workers	34	0	54	0	5	0
Others (Interns, trainees, part time employees etc)	198	0	33	0	0	0

Diversity, Equity and Inclusion

Through DEI training, workshops, and awareness programs, BGL promotes an inclusive culture that values individual differences. We recognize DEI as a driver of innovation and engagement. Events like Women's Day Celebrations and dedicated DEI training sessions underscore our commitment to creating equitable workplaces. DEI principles are integrated into our hiring, training, and decision-making processes.

Our PoSH outlines a zero-tolerance approach to sexual harassment and applies to all employees and external stakeholders, including vendors and business associates. An Internal Complaints Committee (ICC) has been constituted at all administrative units to oversee the redressal process and ensure impartial resolution of grievances. The policy mandates confidentiality, protection against retaliation, and timely inquiry and resolution, with provisions for both informal and formal redressal mechanisms. Regular awareness and training sessions are conducted to promote a culture of dignity, equity, and accountability across all levels of the organization.

Number of complaints of sexual harassment received in the reporting year	0
Number of complaints disposed of during the reporting year	0
Number of cases pending for more than ninety days	0
Nature of action taken by BGL	-

Ratio of basic salary and remuneration of women to men			
Category	Median Basic Salary Men	Median Basic Salary Women	Ratio
Top Management	NA	NA	NA
Senior Management	NA	NA	NA
Middle Management	111795	99405	1:12:1
Junior Management	83660	79493	1.5 : 1
Associates/non-management	43771	43117	1.01 : 1

Equal Opportunity Employer

We maintain a zero-tolerance policy against any form of discrimination. All employment decisions – hiring, promotions, compensation are based on merit, qualifications, and performance. Our policies explicitly prohibit discrimination based on gender, caste, religion, age, disability, or sexual orientation.

Training and Awareness

BGL promotes continuous learning and professional development through a comprehensive training policy. Topics include safety protocols, leadership skills, technical competency (e.g., VDA FMEA). Training is provided across departments and roles, with specific emphasis on production efficiency, employee safety, and regulatory compliance. We also actively document training hours, which support internal KPIs and external ESG assessments.

If an employee wishes to pursue a training program independently, outside the scope of the company's official training curriculum, they must seek prior approval from their Head of Department (HOD). Upon receiving approval, they may undertake the training at their own initiative.

In FY 2023-24, 100% of our employees across all categories received regular training and participated in structured performance and career development reviews.

Employee Well-being at BGL

Employee welfare is at the heart of our HR strategy. We organize health check-up camps, mental health awareness workshops, and provide access to medical facilities and health insurance. Our workplace is equipped with clean sanitation, rest areas, and subsidized canteen services. Psychological safety is promoted through POSH compliance, anti-harassment awareness, and respectful workplace norms.

We are committed to complying with all applicable wage regulations and periodically review our compensation practices to ensure alignment with government-mandated standards. While we have not set an internal target for living wages, our wage structure is revised in accordance with official notifications and legal updates.

We also have a strict policy against the retention of employee identification documents. All original identification documents submitted during onboarding are immediately returned after verification, ensuring compliance with ethical labor practices and respect for employee rights.

Category	Male	Female
Number of employees entitled to parental leave	100%	100%
Number of employees that took parental leave in FY 2024	None	None
Number of employees who returned to work after parental leave ended	NA	NA
Number of employees who returned to work after parental leave ended who were still employed 12 months after their return	NA	NA
Return to work and retention rates of employees that took parental leave	NA	NA

Employment Category	Senior Management	Middle Management	Junior Management	Associate	Contractual/ Part-time
Life Insurance	100%	100%	100%	100%	100%
Health Care	100%	100%	100%	100%	100%
Disability Coverage	100%	100%	100%	100%	100%
Parental Leave	100%	100%	100%	100%	100%

Employee Survey and Feedback

BGL encourages a two-way dialogue with employees. Feedback mechanisms include surveys, performance reviews, and open forums. Regular engagement during initiatives like Safety Week, 2S Program, and employee celebrations enables us to adapt practices and improve employee experience.

We believe that safe and supportive working conditions are built on open, two-way communication between employees and management. As part of our commitment to continuous improvement in workplace safety and well-being, we have institutionalized a 2S (Sort and Set in Order) activity that emphasize structured employee feedback on working conditions.

Through regular Safety Committee Meetings, which include both workers and management representatives, employees are encouraged to share concerns and suggestions related to their work environment. These meetings are formally documented with Minutes of Meeting (MoM) that highlight key issues raised, action plans, and timelines for resolution ensure accountability and follow-through. This participative approach empowers employees to play an active role in shaping their workplace conditions, reinforces a culture of safety, and supports our ESG goal of inclusive and responsible labor practices.

Occupational Health and Safety

Safety is a top priority. BGL is certified under ISO 45001 and adheres to the Factories Act, 1948, and other applicable safety regulations. We conduct regular safety training, risk assessments, and emergency drills.

Safety awareness is promoted through events like National Safety Week, PPE matrix implementation, and Fire Safety Programs.

To anticipate health and safety risks related to change of operations, major operational changes are rare, but we have procedures in place to anticipate and manage potential health and safety risks associated with such changes. In recent years, only technological upgrades have occurred, which have been assessed for safety impacts before implementation to ensure continued compliance and employee well-being.

Health and Safety Performance

BGL's health and safety programs include:

- **Provision of Personal Protective Equipment (PPE):** All impacted employees are provided with the necessary protective gear to perform their tasks safely, especially in high-risk zones.
- **Chemical Handling Procedures:** We follow strict protocols for the safe handling, storage, and disposal of chemicals and hazardous substances, in compliance with applicable regulations.
- **Multilingual Safety Communication:** Health and safety procedures are translated into major languages spoken by employees to ensure complete understanding and effective implementation across the workforce.
- **Joint Labor-Management Safety Committee:** A joint committee consisting of both management and employee representatives actively monitors safety-related matters and provides recommendations for improvement.
- **Preventive Measures for Stress and Noise:** Active steps are taken to mitigate workplace stress and noise exposure through ergonomic interventions, schedule management, and periodic monitoring.
- **Employee Safety Training:** All relevant employees receive comprehensive training on occupational health risks and safe work practices. Refresher sessions are conducted periodically.
- **Mandatory Health Check-ups:** Regular health screenings are conducted for all employees to monitor well-being and enable early identification of health issues.
- **Safety Equipment Inspections:** Routine inspections and audits are conducted to ensure that all safety equipment is functional and compliant with regulatory standards.
- **Internal Safety Audits:** Internal audits are conducted regularly to identify gaps, evaluate compliance, and strengthen our safety protocols.
- **Safety Week Celebrations:** We observe an annual "Safety Week" to raise awareness, celebrate milestones, and reinforce a culture of safety through campaigns, training, and employee engagement activities.
- **Age Verification:** We strictly verify the age of all candidates during hiring to ensure compliance with applicable labor laws and prohibit child labor. We have never received any cases of child labor or forced labor.

For employees:

0	Fatalities because of work-related ill health
	Cases of recordable work-related ill health

For workers:

0	Fatalities because of work-related ill health
	Cases of recordable work-related ill health

Category	Total (Incidents)	Employees	Workers
The number and rate of fatalities because of work-related injury	0	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Recordable incidents	0	0	0

Indicators	%age
Percentage of operational sites for which an employee health and safety risk assessment has been conducted	100
Percentage of employees covered by formally elected employee representatives or collective agreements	100
Percentage of employees who received regular performance and career development reviews	100
Percentage of employees who received skills-related training	100
Percentage of employees trained on diversity, discrimination, and harassment	100

Community Engagement

Corporate Social Responsibility (CSR) is not just a regulatory obligation – it’s a fundamental expression of our values. Our approach goes beyond compliance with fostering inclusive, equitable, and sustainable growth for the communities we serve.

CSR Vision and Policy Framework

Guided by the provisions of Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, BGL’s CSR Policy is centered around inclusive development and social transformation. The CSR Committee, comprising Board members including the Chairman and Managing Director, oversees implementation, monitoring, and performance of CSR projects. Our CSR initiatives are strategically aligned with the UN Sustainable Development Goals (SDGs) and are focused on creating long-term impact across key thematic areas.

Highlights from FY 2023-24

In the reporting year, we continued our commitment to community well-being through the following impactful projects:

- Scholarships and Educational Support were extended to economically disadvantaged students through the Surinder Kanwar Foundation.
- Preventive Health and Sanitation Drives were conducted in partnership with local NGOs to promote health literacy and access.
- Support to Autism and Disability Advocacy through contributions to “Action for Autism” – a national organization empowering individual with autism.

- Infrastructure Support for drinking water and sanitation in village clusters near our operational sites.

Governance and Monitoring

BGL has established a robust CSR governance system involving:

- A formal Annual Action Plan, approved by the Board and CSR Committee
- Monitoring through a Quarterly Progress Report (QPR)
- Evaluation of outcomes through measurable deliverables and stakeholder feedback

All unspent CSR amounts, if any, are transparently disclosed and managed as per statutory timelines, including transfer to designated accounts or funds in compliance with CSR Rules.

Stakeholder Engagement

BGL actively collaborates with implementing partners such as NGOs, trusts, and local administrative bodies. We also promote employee volunteerism and community involvement to deepen engagement and build shared ownership of social goals.

Key Focus Areas

Our CSR activities focus on the following priority areas:

- **Education and Skill Development:** Supporting underprivileged students through scholarships, education kits, and adoption of government schools. Vocational training programs are conducted for women and youth to enhance employability.
- **Healthcare and Sanitation:** Organizing preventive health checkups, health awareness camps, menstrual hygiene education, and improving sanitation infrastructure in rural and underserved communities.
- **Women Empowerment:** Programs focused on girl child education, skill-building, and promoting gender equality. Celebrations like Women's Day serve as engagement platforms to recognize contributions of women across levels.
- **Environmental Sustainability:** Supporting green initiatives such as tree plantation drives, awareness campaigns on waste segregation, and encouraging water conservation practices in surrounding communities.
- **Rural Development:** Facilitating infrastructure improvement in villages, including drinking water systems and renovation of wells. BGL also extends support for disaster relief efforts and social upliftment in marginalized areas.

Responsible Operations

Responsible operations are embedded in our manufacturing ethos – prioritizing resource efficiency, occupational safety, regulatory compliance, and ethical conduct across every stage of our value chain.

SDGs Impacted



Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:	
Incidents of non-compliance with regulations resulting in a fine or penalty	0
Incidents of non-compliance with regulations resulting in a warning	0
Incidents of non-compliance with voluntary codes	0
Has the organization has not identified any non-compliance with regulations and/or voluntary codes	0

We are committed to building a resilient, responsible, and transparent supply chain that supports both operational excellence and sustainable development. We are in the process of strengthening our supplier engagement practices by integrating environmental, social, and governance (ESG) criteria to align with global standards, client expectations, and our internal quality benchmarks.

Supplier Code of Conduct and Compliance

All direct material suppliers are expected to comply with applicable laws, including labor rights, human rights, and environmental protection. BGL ensures compliance through documented policies and regular audits. Suppliers are assessed for adherence to ISO 9001, IATF 16949, ISO 14001, and ISO 45001 standards.

Sustainability Screening and Self-Assessment

In alignment with global customers such as CNH Industrial, BGL mandates participation in Supplier Sustainability Self-Assessments that evaluate suppliers across key ESG domains including:

- Human Rights and Labour Practices
- Environmental Impact
- Health and Safety
- Ethics and Governance
- Diversity and Inclusion

Participation in these assessments is mandatory for direct material suppliers, and non-compliance affects their sustainability score and eligibility for continued engagement

Audit and Evaluation Mechanisms

BGL conducts rigorous on-site audits, such as those performed at forging and machining units like KNL Driveline Parts Pvt. Ltd. These audits assess:

- Raw material traceability
- Quality control systems
- Occupational health and safety protocols
- Lab infrastructure and process control
- Corrective action mechanisms

Audits are scored quantitatively, and suppliers are rated across categories ranging from material control to sustainability practices. Suppliers must demonstrate continuous improvement or risk downgrading and reassessment

Traceability and Material Assurance

We enforce full traceability of materials through:

- Heat code tagging and documentation
- Steel mills test certificates
- In-house and third-party lab validation for spectrometry, hardness, and grain flow

Suppliers are also required to maintain proper retention of samples and quality records, ensuring consistent compliance and product integrity

Supplier Performance Monitoring

We maintain a structured Supplier Performance Rating System, updated periodically to evaluate quality, delivery timelines, sustainability efforts, and audit scores. Underperforming suppliers are either provided corrective action plans or phased out of the sourcing network.

Capacity Building and Collaboration

BGL supports supplier development through:

- Technical training and awareness sessions
- Joint risk mitigation planning
- Engagement on new regulatory or client-specific sustainability requirements

Suppliers are encouraged to align their practices with the Sustainable Development Goals (SDGs) and industry-specific ESG frameworks, enhancing their long-term partnership potential.

IT Security at BGL

We recognize the critical role of robust IT security in ensuring business continuity, data integrity, and stakeholder trust. Our approach to information security is built on layered defenses, risk-based access control, proactive vulnerability assessments, and adherence to global best practices in IT governance.

Information Security Governance

BGL maintains a formalized IT Security Policy which governs data access, user identity management, system protection, and authorization protocols. Key governance features include:

- Role-based access control with quarterly user list reviews and clear separation of duties
- Authorization workflows validated by department heads and IT leads for every access change
- User deactivation procedures during leave or separation to prevent unauthorized access
- These protocols ensure that sensitive systems such as the ERP (Ramco), mail servers, and file systems remain secure and compliant

Data Backup and Recovery

A multi-tiered Disaster Recovery Plan (DRP) is in place to minimize downtime and protect data assets during unforeseen events. The DRP includes:

- Daily and weekly backups across disk and cloud locations
- Retention protocols for critical tapes
- Structured recovery time objectives (RTOs) and escalation processes
- Quarterly reviews and version-controlled updates to recovery strategies

Business Continuity and Risk Mitigation

To ensure resilience, BGL has implemented:

- UPS and redundant systems for all core infrastructure
- Secure data logging and real-time monitoring of temperature-controlled environments (e.g., servers and DR sites)
- An audit trail for each IT incident and system change

GRI Index

Statement of use	BGL has reported in reference to the GRI Standards for the period [April 1, 2023, to March 31, 2024].
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Reference Section	BRSR Alignment
2-1	Organizational details	About Bharat Gears	Principle 1
2-6	Activities, value chain and other business relationships	About Bharat Gears	Principle 2
2-7	Employees	Our Workforce	Principle 3
2-22	Statement on sustainable development strategy	Message from the CMD	Principle 1
2-23	Policy Commitments	Policies EHS Policy Code of Conduct DEI Policy	Principle 1
2-26	Mechanisms for seeking advice and raising concerns	Whistleblower Policy	Principle 1
2-27	Compliance with laws and regulations	Business Ethics and Compliance	Principle 1
2-9	Governance structure and composition	Corporate Governance Board of Directors	Principle 1
2-10	Nomination and selection of the highest governance body	Nomination & Remuneration Committee	Principle 1
2-11	Chair of the highest governance body	Board of Directors	Principle 1
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance	Principle 1
2-13	Delegation of responsibility for managing impacts	ESG Governance	Principle 1
2-14	Role of the highest governance body in sustainability reporting	ESG Governance	Principle 1
2-15	Conflicts of interest	Business Ethics and Compliance	Principle 1
2-16	Communication of critical concerns	Whistleblower Policy	Principle 1
2-17	Collective knowledge of highest governance body	Board Composition and Committees	Principle 1

2-18	Evaluation of the performance of the highest governance body	Corporate Governance	Principle 1
2-19	Remuneration policies	Nomination & Remuneration Committee	Principle 1
2-20	Process to determine remuneration	Nomination & Remuneration Committee	Principle 1
2-29	Approach to stakeholder engagement	Stakeholder Engagement Approach	Principle 4
2-30	Collective bargaining agreements	Our Workforce	Principle 3
1	Requirement 7: Publish a GRI content index	GRI Index	Principle 1
1	Requirement 8: Provide a statement of use	GRI Index	Principle 1
2-2	Entities included in the organization's sustainability reporting	About The Report	Principle 1
2-3	Reporting period, frequency, and contact point	About The Report	Principle 1
2-5	External Assurance	Not externally assured	Principle 1
3-1	Process to determine material topics	Double Materiality Assessment	Principle 1
3-2	List of material topics	Double Materiality Assessment	Principle 1
3-3	Management of material topics	Materiality, Strategy and ESG Governance	Principle 1
2-23	Policy Commitments	Policies Code of Conduct Supplier Code EHS Policy	Principle 1
2-25	Processes to remediate negative impacts	Whistleblower Policy ESG Governance Supplier Evaluations	Principle 1
3-3	Management of material topics	Double Materiality ESG Strategy and Governance	Principle 1
416-1	Assessment of health and safety impacts of product and service categories	Occupational Health and Safety	Principle 3
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health and Safety Performance	Principle 3

408-1 (2016)	Operations and suppliers at significant risk for incidents of child labor	Responsible operations	Principle 5
409-1 (2016)	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Responsible operations	Principle 5
414-2 (2016)	Negative social impacts in the supply chain and actions taken	Responsible operations	Principle 5
414-1 (2016)	New suppliers that were screened using social criteria	Responsible operations	Principle 5
308 - 1 (2016)	New suppliers that were screened using environmental criteria	Responsible operations	Principle 6
308 - 2 (2016)	Negative environmental impacts in the supply chain and actions taken	Responsible operations	Principle 6
418-1 (2016)	Substantiated complaints concerning breaches of customer privacy and losses of customer data	IT Security at BGL	Principle 1
302 -1 (2016)	Energy consumption within the organization	Energy Management	Principle 6
302-2 (2016)	Energy consumption outside of the organization	Energy Management	Principle 6
302-3 (2016)	Energy intensity	Energy Management	Principle 6
302-4 (2016)	Reduction of energy consumption	Energy Management	Principle 6
302-5 (2016)	Reductions in energy requirements of products and services	Energy Management	Principle 6
303-1 (2018)	Interactions with water as a shared resource	Water Stewardship	Principle 6
303-2 (2018)	Management of water discharge-related impacts	Water Stewardship	Principle 6
303-3 (2018)	Water withdrawal	Water Stewardship	Principle 6
303-4 (2018)	Water discharge	Water Stewardship	Principle 6
303-5 (2018)	Water consumption	Water Stewardship	Principle 6
305-1 (2016)	Direct (Scope 1) GHG emissions	Climate Change & GHG Emissions	Principle 6

305-2 (2016)	Energy indirect (Scope 2) GHG emissions	Climate Change & GHG Emissions	Principle 6
305-3 (2016)	Other indirect (Scope 3) GHG emissions	Climate Change & GHG Emissions	Principle 6
305-5 (2016)	Reduction of GHG emissions	Climate Change & GHG Emissions	Principle 6
305-6 (2016)	Emissions of ozone-depleting substances (ODS)	Climate Change & GHG Emissions	Principle 6
305-7 (2016)	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Climate Change & GHG Emissions	Principle 6
306-1 (2020)	Waste generation and significant waste-related impacts	Waste Management	Principle 6
306-2 (2020)	Management of significant waste-related impacts	Waste Management	Principle 6
306-3 (2020)	Waste generated	Waste Management	Principle 6
306-4 (2020)	Waste diverted from disposal	Waste Management	Principle 6
306-5 (2020)	Waste directed to disposal	Waste Management	Principle 6
307 - 1 (2016)	Non-compliance with environmental laws and regulations	Environmental Compliance	Principle 6
403-1 (2018)	Occupational health and safety management system	Occupational Health and Safety	Principle 3
403-2 (2018)	Hazard identification, risk assessment and incident investigation	Occupational Health and Safety	Principle 3
403-3 (2018)	Occupational health services	Occupational Health and Safety	Principle 3
403-4 (2018)	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	Principle 3
403-5 (2018)	Worker training on occupational health and safety	Occupational Health and Safety	Principle 3
403-6 (2018)	Promotion of worker health	Occupational Health and Safety	Principle 3
403-7 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	Principle 3

403-8 (2018)	Workers covered by an occupational health and safety management system	Occupational Health and Safety	Principle 3
403-9 (2018)	Work-related injuries	Occupational Health and Safety	Principle 3
403-10 (2018)	Work-related ill health	Occupational Health and Safety	Principle 3
401-1	New employee hires and employee turnover	Employee Turnover	Principle 3
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Well-being at BGL	Principle 3
401-3	Parental Leave	Employee Well-being at BGL	Principle 3
405-1	Diversity of governance bodies and employees	Diversity, Equity and Inclusion	Principle 5
405-2	Ratio of basic salary and remuneration of women to men	Diversity, Equity and Inclusion	Principle 5
413 - 1 (2016)	Operations with local community engagement, impact assessments and development programs	CSR and Community Engagement	Principle 8
413 - 2 (2016)	Operations with significant actual and potential negative impacts on local communities	CSR and Community Engagement	Principle 8
404-2	Programs for upgrading employee skills and transition assistance programs	Training and development	Principle 3
404-3	Percentage of employees receiving regular performance and career development reviews	Training and development	Principle 3

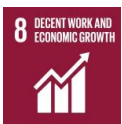
SASB Index

SASB Code	Description	Reference section
Environmental footprint of hardware infrastructure		
TC-SI-130a.1	(1) Total energy consumed	Energy Management
	(2) Percentage grid electricity	
	(3) Percentage renewable	
	(1) Total water withdrawn	Water Stewardship

TC-SI-130a.2	(2 Total water consumed, percentage of each in regions with high or extremely high baseline water stress	
Data privacy and freedom of expression		
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	IT Security at BGL
Data security		
TC-SI-230a.1	(1) Number of data breaches	IT Security at BGL
	(2) Percentage involving personally identifiable information (PII) (3) Number of users affected	
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	IT Security at BGL
Recruiting and managing a global, diverse, and skilled workforce		
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management,	Diversity, Equity and Inclusion
	(2) technical staff, and	
	(3) all other employees	
Intellectual property protection and competitive behaviour		
TC-SI-520a.1	Total amount of monetary losses because of legal proceedings associated with anticompetitive behavior regulations	No legal cases reported

Alignment with UN SDGs

SDG statement		Linked target(s) that Indegene contributes to	Reference sections
	End poverty in all its forms everywhere	Our goal is to secure significant resource mobilization from various sources, including strengthened development cooperation. This commitment provides developing countries, particularly the least developed ones, with adequate and predictable support to combat poverty in all its dimensions.	CSR

	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	Eliminate hunger and ensure year-round access to safe, nutritious, and sufficient food for all, especially the poor and vulnerable, including infants.	CSR
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	- Guarantee equitable access to affordable and high-quality education for both women and men. - Promote gender equality in education, ensuring inclusive access to all levels of education and vocational training for vulnerable groups, such as persons with disabilities, Indigenous peoples, and children facing difficult circumstances.	CSR
	Achieve gender equality and empower all women and girls	Strengthen the utilization of empowering technologies, especially information and communications technology, to advance women's empowerment.	- CSR - Learning and development - Occupational Health and Safety
	Ensure availability and sustainable management of water and sanitation for all	Enhance global water quality by reducing pollution, eliminating dumping, minimizing hazardous chemicals and materials release, halving untreated wastewater, and significantly increasing water recycling and safe reuse.	Water Stewardship
	Ensure access to affordable, reliable, sustainable, and modern energy for all	- Significantly raise the proportion of renewable energy in the global energy mix. - By 2030, achieve a twofold increase in the global rate of energy efficiency improvement.	Energy Management
	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	- Ensure the protection of labor rights and advocate for safe and secure working environments for all workers. - Attain full and productive employment, and decent work opportunities for all individuals, including women, men, young people, and persons with disabilities, while ensuring equal pay for work of equal value.	- CSR - Diversity, equity, and inclusion
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	- Build sustainable, resilient, and inclusive infrastructures. - Strengthen scientific research and enhance technological capabilities in industrial sectors.	- Training and Development - Sustainable Supply Chain

	Reduce inequality within and among countries	Promote equal opportunities and diminish outcome inequalities by abolishing discriminatory laws, policies, and practices while advocating for appropriate legislation, policies, and actions in this regard.	- CSR - Diversity, Equity, and Inclusion - Respecting Human Rights
	Ensure sustainable consumption and production patterns	- Significantly decrease waste generation through prevention, reduction, recycling, and reuse. - Promote the adoption of sustainable practices by companies, particularly large and transnational ones, and encourage the integration of sustainability information into their reporting cycle. - Encourage sustainable public procurement practices aligned with national policies and priorities.	Waste Management
	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy	- Incorporate climate change measures into policy and planning. - Advocate for mechanisms to enhance capacity in planning and management.	Climate Change and GHG Emissions
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	- Promote meaningful partnerships. - Increase the availability of dependable data.	- CSR - Sustainable Supply Chain