



CONSERVING RESOURCES
towards sustainability



JK Tyre is among India's leading tyre manufacturers and also among the top 25 tyre manufacturers in the world. The Company is respected for being one of the world's 'greenest' tyre companies, especially given its low carbon footprint, declining water consumption per unit of production and energy consumption. As part of our founding principle, we take measures to empower communities and achieve inclusive development of the surrounding communities through adult literacy programmes, vocational trainings, income generation activities, agriculture improvement, livestock development, etc.

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Board of Directors



Dr. Raghupati Singhania
Chairman & Managing Director



Bharat Hari Singhania
Managing Director



Vimal Bhandari
Director



Kalpataru Tripathy
Director



Arvind Singh Mewar
Director



Sunanda Singhania
Director



Bakul Jain
Director



Anshuman Singhania
Managing Director



Meera Shankar
Director



Shreekant Somany
Director



Dr. Wolfgang Holzbach
Director



Arun K. Bajoria
Director & President –
International Operations



ADMINISTRATIVE OFFICE
3, Bahadur Shah Zafar Marg,
New Delhi – 110 002



REGISTERED OFFICE
Jaykaygram, PO – Tyre Factory,
Kankroli – 313 342, Rajasthan



AUDITORS
S S Kothari Mehta & Company
Chartered Accountants



**VICE PRESIDENT (LEGAL)
& COMPANY SECRETARY**
Pawan Kumar Rustagi



CIN
L67120RJ1951PLC045966



Website
www.jktyre.com

Conserving resources towards sustainability

We are on a transformation journey in which sustainability features act prominently as both an enabler and key result of our actions. By investing extensively in moderating our carbon footprint, we have strengthened our brand recall as an environmentally conscious, green tyre Company. Our responsible manufacturing and stress on green technologies, which has led us to manufacture next generation energy-efficient, low resistance, IoT-enabled tyres, and our efforts at embedding sustainability in every business process and function have made the JK Tyre brand synonymous with 'trust', 'technology', 'superior performance' and 'superior value'.

We have set our 5P strategy that is helping us work on the material ESG topics integral to our business. Each of these Ps have its own individual KPIs and is connected with the SDGs and GRI Disclosure requirements.

Targets 2030

We are taking targeted initiatives to implement this 5P strategy. Resource conservation is at the core of our sustainability mission. We have made major advances over the last two years in inching closer to our goal.

We have drawn up a fresh set of targets for 2030. This Sustainability Report highlights our achievements so far and our targets for the future.

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Our 5P Strategy

Planet



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People



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Process



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Product



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Profit



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About the report

This is our fourth Sustainability Report. The report focuses on our actions and accomplishments in the area of sustainability for FY 2020-21. It presents our efforts on the material topics for the Company. It also brings to the fore our targets, achievements and efforts to mitigate risks.

Scope and boundary

This report has been prepared in accordance with the GRI Standards: Core option. Our GRI Content Index is part of the report. The report's scope and boundary cover all operations of JK Tyre & Industries Limited. The content in this report has been presented in line with international standards of sustainability reporting under the Triple Bottom Line Approach. All information pertaining to the reporting period was sourced from the three manufacturing locations using representative sampling methods.

JK Tyre is committed to producing its sustainability report at least once every two years. Please refer to our GRI index for our disclosures against each of the indicators.

There are entities that are part of the consolidated financial statements of JK Tyre, but not covered in this report. For details, please refer to the JK Tyre & Industries Ltd. Annual Report 2020-21.

External Assurance

Our Sustainability Report 2021 has been externally assured by BSI (British Standards Institution), an independent third party that has no financial interest in the operations of JK Tyre other than for the assessment and assurance of this report. This report has been assured by BSI as per AA1000 Standard and GRI Standard.

The selection of the external assurance provider was carried out in line with JK Tyre's established procurement practices for services based on a combination of technical and commercial criteria. The issued assurance statement has been included in the report.

FEEDBACK

We welcome any feedback or suggestions on this report. Please contact us at:

[✉ sustainability@jkmail.com](mailto:sustainability@jkmail.com)

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Sustainability snapshot

Our focus on continuous transformation translated into strong outperformance in FY2020-21.



Innovation

20 Millionth

TBR tyre rolled out, the first to do so in India

New products developed

across categories

'Smart' tyre

nationwide roll out



CSR

1 Lakh+

CSR beneficiaries



People

Great Place to Work award

in 2020-21 by Great Place to Work Institute, India

Invested in digitalisation

and in enhancing per person productivity

British Safety Standard Sword of Honour 5 Star rating

for all 5 locations



Financial

₹9,145 Crores

consolidated turnover

14.8 %

EBITDA margin delivered compared to 11.6% in the previous year despite the global economic slowdown

1.41%

of net sales invested in R&D

₹1,135 Crores

revenue of JK Tornel

₹2,571 Crores

revenue of Cavendish industries Ltd.



Resource efficiency

55%

power requirements addressed through renewable sources

'Zero Waste to Landfill'

audited and certified

'Water Positive'

certification

Carbon footprint

assessment done

Extensive improvement in manufacturing efficiencies

across plants in India

Platinum level certified manufacturing facilities

by CII GBC Hyderabad Greenco rating system



Sustainability

CDP Disclosure for climate change

and water security, every year

Carbon neutral website

maintained for 4 years

Frost & Sullivan Award and

TERI Sustainability 4.0 Award

received by Vikrant Tyre Plant (Mysuru)

3rd Innovative Practices Award

for Sustainable Development Goals received from United Nations Global Compact Network India in FY 2019-20



Our promise to tread with care

"It gives me great satisfaction to share with you that at JK Tyre, we prioritised the safety and well-being not merely of our employees but also that of all stakeholders, especially the communities in the vicinity of our manufacturing facilities. We partnered with administrative authorities at the Centre and the states, as well as civic bodies in every aspect of the fight against the pandemic, mobilising both financial and material resources."



Dear Stakeholders,

I am delighted to present to you the fourth edition of the JK Tyre Sustainability Report 2021. Our commitment to sustainability is stronger than ever before and it has become an integral part of our work ethos and process.

At the outset, I would like to express our deep anguish at the loss of lives to COVID-19, and the devastating socio-economic impact that the pandemic has had on our country. We also convey our heartfelt gratitude to health workers and civil forces who went out of their way, risking their own lives, to ensure the health and safety of the public.

It gives me great satisfaction to share with you that at JK Tyre, we prioritised the safety and well-being not merely of our employees but also that of all stakeholders, especially the communities in the vicinity of our manufacturing facilities. We partnered with administrative authorities at the Centre and the states, as well as civic bodies in every aspect of the fight against the pandemic, mobilising both financial and material resources.

For a sustainable recovery

The pandemic not only brought the world to its knees but also reminded us more than ever before the importance of sustainability. Research has shown that warmer temperatures will heighten our vulnerability to various kinds of diseases while making us more susceptible to largescale natural disasters, and its huge economic costs. Sustainability has to be placed at the heart of post-pandemic recovery since conservation of the planet and the way we conduct our business will shape the world and the legacy we leave for future generations.

As pointed out recently by the Government of India, we are the only country among the G20 nations progressing at a good pace towards its climate goals. India remains firmly committed to its Paris pledge. India's Vehicle Scrapage Policy exemplifies its 'Mission Circular Economy' approach. Electric mobility, too, is progressing well with state governments calibrating their policies in this direction. The automotive industry has also positively responded by consistently increasing the production of electric vehicles.



Our SMART choice

JK Tyre embarked on its sustainability journey right from its inception. We pioneered Radial tyres in the country, which not only have superior life, and optimise resource use, but also enhance vehicles' fuel efficiency. Our innovation capability is integral to our sustainability journey. The Global R&D and Tech Centre – Raghupati Singhania Centre of Excellence located at Mysuru is consistently working to widen the range of eco-friendly green products with low rolling resistance and catering to the emerging needs of EVs in both two- and four-wheeler segments.

With an eye to the future, we recently launched the 'SMART' tyre, with in-built sensors which monitor air pressure and temperature variations in real time. Optimum air pressure in tyres enhances vehicle fuel efficiency, thus leading to lower emissions and a reduced carbon footprint.

Over the years, we have transformed to deepen our ESG commitment. We have strengthened our Environment, Social and Governance (ESG) initiatives around a sustainability strategy formed with respect to Planet, People, Product, Process, and Profit. These also align well with the United Nations' Sustainable Development Goals.

I am happy to state that JK Tyre continues to be a green company. We pioneered the manufacture of 'green' tyres in India and emerged as the first Indian tyre company with a verified carbon footprint. Today, we are amongst the global leaders in green and sustainable manufacturing.

A milestone year

Among some of our achievements is the fact that we are the global benchmark for the lowest raw water use per kg of tyre manufactured in the world. With 55% of our power requirement being met from renewable sources, our carbon footprint has been moderated in excess of 50% over time. Our focused efforts towards energy conservation have resulted in our achieving a total energy consumption level of 8.92 GJ/tonne of production. We now rank among the top three companies in the world to have achieved this feat in the sector. Our establishments are now certified as 'Zero Waste to Landfill' as well as 'Single Use Plastic Free'. To further curb our Greenhouse Gas emission, we have reduced the use of coal and increased use of biomass, which now stands at 12% of our total fuel consumption.

At the heart of our journey is the customer. Our wide network of brand shops for various customer segments provides wheel servicing and tyre care, which enable our customers to derive superior tyre life, thus conserving resources. Our Service and Fleet teams constantly guide end users for deriving optimal value from tyres. The JK Retread business is a classic case of a circular economy as retreaded tyres play a key role in environmental sustainability. This is part of our approach to provide comprehensive cradle-to-grave solutions.

With an eye to the future, we recently launched the 'SMART' tyre, with in-built sensors which monitor air pressure and temperature variations in real time. Optimum air pressure in tyres enhances vehicle fuel efficiency, thus leading to lower emissions and a reduced carbon footprint.

Our digital transformation

The use of digital technology has been a great enabler in our sustainability mission, helping us not only to enhance our manufacturing efficiency but also helping us transform our processes to further limit our carbon footprint. This year, we digitised our warranty claim processes, adding to customer convenience and enhancing our process efficiency. For our channel partners, we have created a virtual app-based office, which has facilitated resource conservation and added to their ease of business.

Despite the various challenges faced during the year, our teams ensured that JK Tyre could execute its duties as a socially responsible corporate with pride and dedication. **During the year, we continued with our CSR programmes targeted at the improvement of health and sanitation, skill development, education and environment even as we worked hard to combat the COVID-19 pandemic.**

At the same time, we strengthened our Health, Safety and Environment culture by making investments in practices related to safety. We hold the rare distinction of being the first tyre company in India to be awarded the prestigious Sword of Honour by the British Safety Council for all our plants in India.

Towards a greener future

I take this opportunity to thank all our stakeholders for their support in our endeavours. I also thank the entire JK Tyre team for their hard work and dedication, especially during the tough period of the successive lockdowns. I assure you that JK Tyre will continue on its path to be a 'Greener' tyre company and together, we will try our best to tread softly and carefully on this earth.

Raghupati Singhania
Chairman and Managing Director

Awards and recognition

Energy efficiency



JK Tyre plant in Chennai awarded **Excellent Energy Efficiency Unit**

CTP plant received **CII National Energy Award for Excellence in Energy Management 2020** for the fifth consecutive year and National Energy Leader Award for the second consecutive time

Water stewardship



JK Tyre plant, Kankroli received **National Water Award**

KTP Plant emerged **winner** in **'Within the Fence'** category at the 14th CII National Awards for Excellence in Water Management 2020

Safety culture



Won prestigious **Sword of Honour Award** from British Safety Council, UK



Brand recognition



Recognised as an **'Iconic Brand of India'** 2020 by The Economic Times



Recognised as **Superbrand 2021** for the eighth time in a row



Received **Gold award for Innovation in Digital Marketing for Smart Tyre campaign** at the 9th Global Customer Engagement Awards 2020



Recognised as a **Trusted Brand 2020** by Reader's Digest



Recognised as one of the **Most Preferred Brands 2020** by India Today Impact



Won **Silver for the Marketing Campaign of the Year (Shukriya India)** at the 9th ACEF Asian Leaders Forum and Awards

Conferred **Digital Campaign of the Year award by World Digital Marketing Congress** at the Global Digital Marketing Awards for the **'Zindagi Ke Pahiye'** campaign.

Conferred **Gold award at DIGIXX 2021 Awards for Digital Marketing Excellence** in the Automotive Category for the **'Zindagi Ke Pahiye'** campaign

Company overview

A flagship of JK Organisation, JK Tyre & Industries Ltd. is a premier tyre manufacturer in India and among the top-ranking manufacturers in the world. Pioneers of radial technology, we have been setting benchmarks in the industry for the past four decades with our ground-breaking technologies and products for a diverse customer base across industries.

We provide integrated solutions across segments, such as passenger and commercial vehicles, farming, off-the-road and two- and three-wheelers. As a transnational Company, we are present in 105 countries through a strong distributional network that includes 180 global distributors. We are constantly transforming ourselves, with greater focus on innovation, adoption of try taking to one line if possible technologies, our avowed customer-centricity and commitment to sustainability and prioritising of environment-social-governance concerns.



Vision



To be amongst the most trusted companies with a global tyre brand

Mission



- Be a Customer Obsessed Company
Customer First 24x7
- Most profitable tyre Company in India – deliver enhanced value to all stakeholders
- No. 1 tyre brand in India and amongst leading tyre brands globally
- Lead with premium products through technological edge
- Enhance global presence through acquisition/JV/strategic partnerships
- Be a socially responsible corporate citizen
- Be a learning & innovative organisation with a motivated team

Core Values



Excellence comes not from mere words or procedures. It comes from an urge to strive and deliver the best. A mindset that says, when it is good enough, improve it. It is a way of thinking that comes only from a power within.

- **Caring for people**
- **Integrity including intellectual honesty, openness, fairness and trust**
- **Commitment to excellence**



Group pedigree

Headquartered in India, the **JK Organisation** is an eminent manufacturing Group that has a heritage of **more than 125 years**. With **40,000+ employees**, the Group has multi-business, multi-product and multi-location operations with a footprint in **100+ countries across six continents**. JK Group products enjoy significant market share in their respective segments on the back of visible brands, cutting-edge technologies and futuristic R&D institutes that promote innovation.

Competitive advantage

JK Tyre's manufacturing operations comprise **12 state-of-the-art manufacturing facilities**. The Company has nine modern plants in India (three plants in Mysuru, three plants in Haridwar and one plant each in Banmore, Kankroli and Chennai) and three plants in Mexico – **an aggregate production capacity of 32 Million tyres per annum**.

Strong value chain

The Company has established enduring relationships with major automotive Original Equipment Manufacturers (OEMs) with whom it has forged enduring relationships. It markets products pan-India through a network of **6,000+ channel partners**, including **500+ dedicated brand shops** known as Steel Wheels, Xpress Wheels and Truck Wheels, providing complete solutions to customers. In addition, JK Tyre's fleet management team provides complete tyre solutions to 1,000+ large fleet operators. The Company's distribution footprint covers 90% of the country by geography.

Environment-friendly

All of JK Tyre's plants are ISO 140001 certified to ensure environmental responsibility. Over the years, the Company has undertaken several 'green' initiatives to moderate its carbon footprint. JK Tyre is now certified for **'Zero Waste to Landfill' and 'Single Use Plastic Free'**.

Products

The Company is engaged in the manufacture and marketing of automotive tyres, tubes and flaps. The **Company's tyre products comprise Truck/Bus Radial & Bias, Passenger Car Radials, 2/3 wheeler tyres, LCV & SCV Bias & Radial, Off-Highway Tyres (OTR and Farm) as well as speciality tyres for racing, military/defence, industrial and farm applications.**

Leadership

JK Tyre is one of India's leading tyre manufacturers and among the **top 25 tyre manufacturers in the world**. The Company is also respected for being one of the **world's 'greenest' tyre companies**, especially for its lower carbon footprint, declining raw water consumption per unit of production, green-house gas emissions and power consumption.

Pioneer

The Company pioneered Radial technology in India in the 1970s. In the subsequent decades, JK Tyre helped grow India's Radial market through cutting-edge technologies, innovation and consistent new product introduction. The result is that the Company is a preferred brand in India's Truck Bus Radial (TBR) segment.

The Company offers tyres across the entire range of passenger and commercial vehicles as well as speciality tyres. JK Tyre is the first Company in India to **market more than 20 Million TBR tyres**.

The Company is the first and only tyre manufacturer in India to be recognised as a Superbrand in 2021 for the eighth consecutive time.

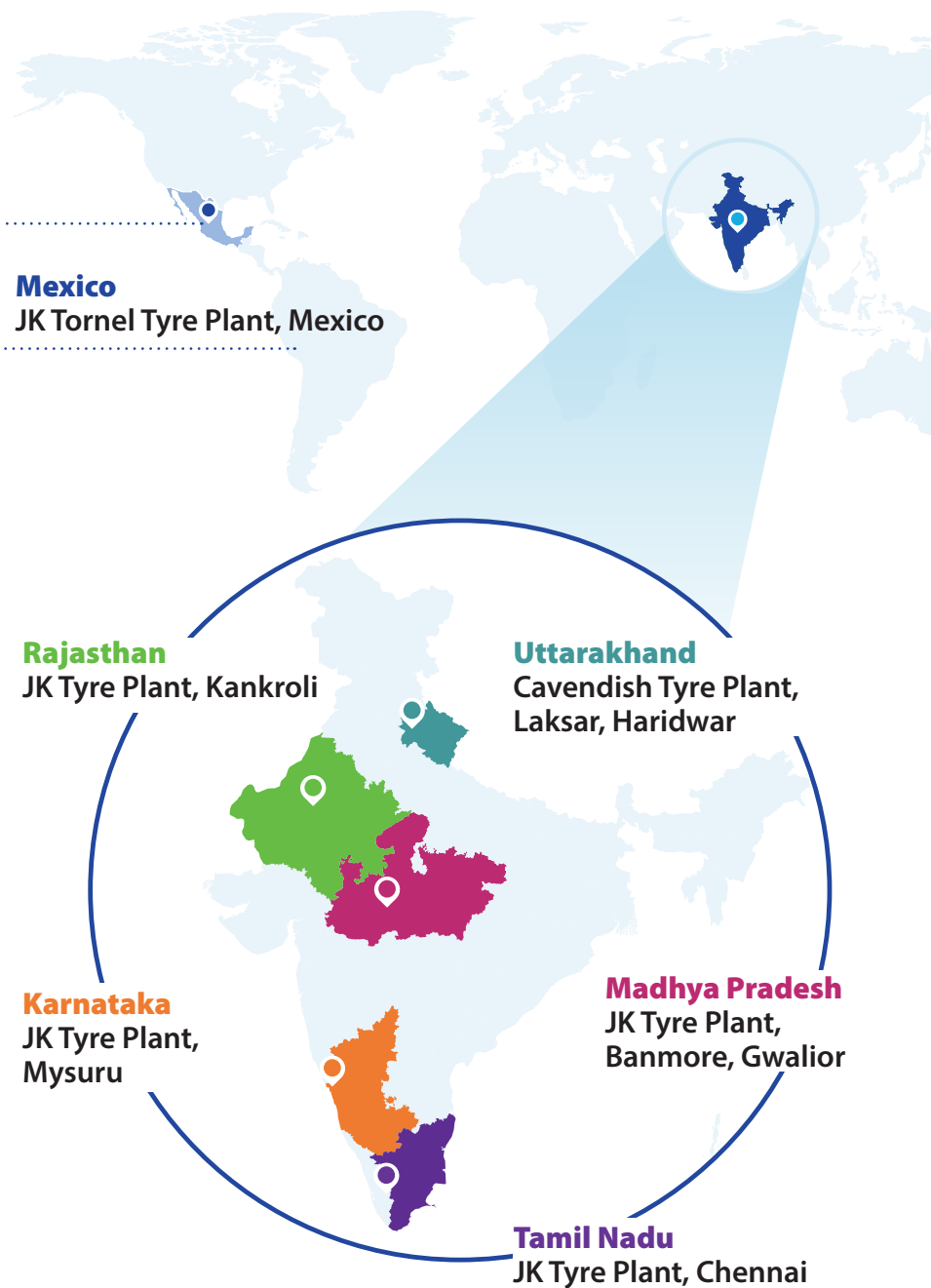
The Company established the state-of-the-art Global R&D and Tech Centre located at Mysuru - Raghupati Singhania Centre of Excellence (RPSCOE).

Credit rating

The Company's credit rating for the long-term facilities was **upgraded to A (Outlook – Stable)**, and for short-term facilities to **A1 in FY 2020-21**.

Operational footprint

Spread across two continents, our operations make it possible to service the growing mobility needs of more than 110 countries.



140
sales, service and stocking points

23
regional offices and 4 zonal offices

6,000 +
dealers

500+
brand shops (Steel Wheels and Xpress Wheels)

50
JK Tyre Truck Wheels (fully equipped tyre service centre offering complete tyre solutions)

40
JK Tread Centres (value-added services such as retreading)

350+
distributors

1,000+
fleet operators

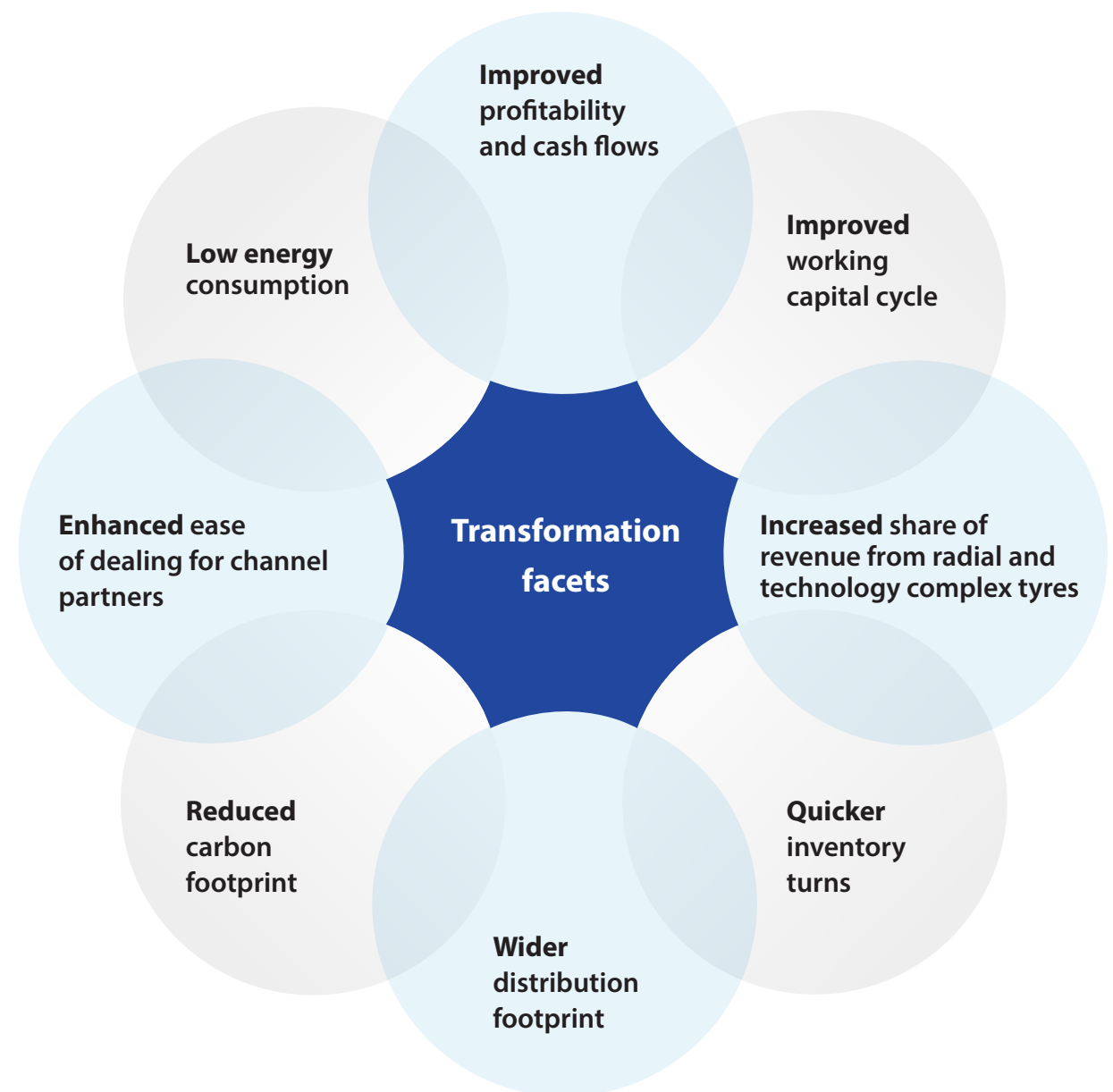
Partner to leading OEM manufacturers in India and Mexico



Transforming into a smarter company

At JK Tyre, we are transforming across every facet of our personality and have embedded technology at our core. Today, we are more of a technology company that manufactures tyres than a tyre company that uses technology as a business input. Our digital transformation has made us into an agile market-driven company.

Outcomes



Response to COVID-19

At JK Tyre, we anticipated disruption and prepared in advance. Our micro-contingency planning, together with investment in infrastructure and digital technologies, prepared us for the challenges.

FY 2020-21 was a year of turmoil as the COVID-19 pandemic disrupted the world. In March 2020, it was evident that the pandemic would affect India. At JK Tyre, we began preparing for the pandemic in advance, which ensured operational readiness when the lockdown was implemented.

We initiated a wide array of measures to ensure safety of our employees at manufacturing facilities and sales offices and secure our business operations. We also enhanced our digital capability to ensure prompt communication. Given our preparedness, we were able to begin operating 'virtual' offices that engaged external and internal stakeholders. As the economy gradually revived, we were ready to leverage business opportunities.



Wave 1

We undertook a slew of measures in response to the pandemic in its first wave:

- **Assisting migrant workers** with cooked meals, food and hygiene products
- **Support to communities** with ambulances, safety equipment, masks, soaps and gloves
- **Assisting the government** with contribution of ₹100 Million to the PM-CARES Fund, along with group companies
- **Safety of employees** with sanitisation drive undertaken across all plants and offices and implementation of safety protocols together with regulation of office timing
- **Developed a 'Total Control' hand sanitiser** in accordance with the best industry standards to overcome a national shortage of sanitisers. This was made available for distribution at our 140 offices and 3,000 channel partners

'Total Control' hand sanitiser

developed and distributed



Wave 2

The second wave of COVID-19 created its own challenges. There was tremendous pressure on the health infrastructure and the country's vaccine drive was yet to take off. We rose to the occasion by supplementing government efforts and strictly implementing safety measures.

- **Various community services**
We provided a range of support services to communities from running ambulance services, rolling out awareness drive on the prevention of COVID-19 across 200 villages to educating villagers about the pandemic through public address systems, door-to-door visits, banners, posters and fumigation drive in villages and our manufacturing facilities
- **Organising health camps**
More than 100 health camps benefiting 10,000 individuals were organised. We created isolation and COVID-19 care facilities with oxygen beds on a war footing in Madhya Pradesh, Rajasthan, Tamil Nadu, Karnataka and Uttarakhand

100+

Health camps organised, benefiting 10,000+ individuals

- **Oxygen and medical care equipment**
We dedicated an oxygen plant to the district hospital apart from providing medical equipment such as oxygen concentrators, oxygen cylinders, pulse oxymeters, thermal scanners. We also provided medicines to local hospitals
- **Protective gear and sanitisers**
We provided a variety of sanitisation equipment (30,000 sanitiser bottles, 10 Lakhs masks, medicine packets, PPE kits) for local healthcare centres, municipal corporations, offices and railways at our plant locations, benefiting 50,000+ people
- **Multi-speciality hospital for COVID-19 care**
Our co-promoted multi-speciality Pushpawati Singhanian Hospital & Research Institute in New Delhi was turned into a COVID-19 care centre, together with the addition of 160+ beds equipped with ICU facilities, to boost the health infrastructure in the National Capital region. A dedicated online medical consultation service helped address mild cases at home. We also helped setup an oxygen generation plant

200-bed

Multi-speciality hospital dedicated to COVID-19 care

Caring for our employees

- **Enabling vaccination**
We began our 'Mission Critical' to ensure 100% vaccination for employees and their families. Our >45 years workforce has been fully vaccinated. The vaccination of employees in the age group of 18-44 years was also arranged in partnership with government and private hospitals, including the PSRI Hospital
- **Location-specific COVID 2.0 task teams**
We formed COVID 2.0 task force to ensure the welfare of employees. A 24x7 helpdesk enabled employees to access information on issues such as COVID-19 tests, doctor consultation, availability of medicines and hospital beds etc. We had 5,000+ employees undergo health checks
- **Work from home and other assistance**
We promptly ensured the work-from-home protocol in India and at JK Ternel in Mexico. For our people whom we unfortunately lost to COVID-19, we ensured JK CARES (COVID-19 Assistance Relief & Support), which ensured financial support, continuance of health insurance and support for children's education for the families of the deceased

[Read more in JK Tyre AR 2020-21](#)



Our ESG framework

Today, more than ever, there is tremendous emphasis on responsible governance and sustainability. We have championed sustainability for years, emerging as a reputed green tyre Company. As we transform, we retain our focus on this critical issue and take each business decision based on our culture of Environment-Social-Governance (ESG).

We are aware that our production process is dependent on the consumption of a host of natural resources, particularly water, fossil fuels and electricity and a hike in consumption automatically multiplies threat to the environment, which, as a responsible corporate citizen, we are committed to preventing at all costs. We have an ESG framework in place to monitor our performance to help us invest our efforts to improve our ESG performance, set targets and achieve them.

5P Strategy

At JK Tyre, our commitment to environment responsibility has been centred around our 5P Strategy: People, Product, Process, Profit and Planet. The 5Ps represent our efforts to drive business sustainability, our commitment to reconcile production growth and moderated carbon footprint.

Our parameters to drive sustainability

Planet	People
Moderated carbon footprint of the product	A preferred employer among tyre companies in India
Investments in 4Rs (Recycling, Reuse, Renewable and Reduction)	Recruitment of specialised professionals
Investment in cutting-edge technologies, enhancing manufacturing efficiency	Increased productivity; driven by outperformance
Preference for cleaner fuels, plants, resources and processes	Prudent recruitment; declining average age of employees
Integrated 'green' as a way of life	Driven by passion, youthfulness, delegation and stretch target-setting



Process	Product	Profit
Focus on getting more out of less	A prominent tyre brand. Pioneered the range of Radial tyre products in India	Strong brand; growing revenues
Focus on stretch target, measurement and outperformance	Products manufactured around the highest quality and environmental standards	Better working capital management
Institutionalised digitalised approach	Superior road grip, mileage, fuel-efficiency and terrain customisation	Deeper OEM relationships
Investment in a futuristic world-class R&D centre	End-to-end knowhow from tyre design, manufacture and quality appraisal	Growing after-market relevance
Recruitment of specialised R&D professionals	Introduced eco-friendly green tyres with low Rolling Resistance Coefficient (RRC) in India	Declining debt
	Introduced smart tyres which enable maintaining correct pressure, aid vehicle fuel efficiency and thus lower carbon footprint	

Stakeholder engagement

Our stakeholders are our partners in growth. To ensure our sustainability focus, which is also a key concern of our stakeholders, we proactively engage with them to gain valuable insights into their needs, the changing business environment and the emerging opportunities.

We have a responsibility to our stakeholders and believe that sustained stakeholder engagement is fundamental to the success of our business. Obtaining inputs from our stakeholders is an important component of our sustainable development journey. We proactively engage with our stakeholders to formulate mutually beneficial business strategies. Open and honest communication through a variety of traditional and innovative ways with our stakeholders provides us with valuable insights regarding emerging trends, business risks and opportunities.

At JK Tyre, we emphasise on building relationships with these stakeholders.

To promote sustainability, we continuously engage with our employees, customers, suppliers, investors, media, the government and the local community. Engagement with the stakeholders is carried out across the business through different platforms and forums. The key stakeholders for JK Tyre across all our manufacturing locations are identified on the basis of the value and expectations generated by them and their impact on the Company.

We identified key stakeholder groups on the basis of their present and potential impact on our business and vice versa. We continually engage all our stakeholder groups through various modes of communication. Our annual Sustainability Report is one of the tools to inform our stakeholders of our various initiatives and progress. We strive to align the report contents to the interests of our stakeholders. Our assessment of sustainability issues is primarily shaped by the nature of our activities, degree of impact on business and stakeholder expectations. For the purpose of adoption of the GRI Standards, we reviewed our materiality and identification of stakeholders through a workshop with the senior management at the manufacturing locations followed by an interaction at the Head Office. The following representations show our stakeholders and the modes of engagement with them.



During FY 2020-21, our process of stakeholder engagement can be summarised as follows:

Stakeholder	Engagement mechanism	Key concerns raised	Feedback mechanism	FOE
Employees	<ul style="list-style-type: none"> Monthly organisational V-connect - addressed by top management Town hall meetings Focused group discussions Training Communication Displays Monthly publication SAMVAAD Employee onboarding app-based learning 	<ul style="list-style-type: none"> Employee well-being Career development Grievance mechanism Communicating policy decisions New initiatives and organisational progress Industry scenario 	<ul style="list-style-type: none"> Performance appraisals Satisfaction surveys Sales smart app Field personnel 	D W M A N
Customers	<ul style="list-style-type: none"> Customer meets One-on-one interactions Feedback surveys End user education in digital mode Digital warranty settlement Fitment surveys 	<ul style="list-style-type: none"> Complaints handling Product development feedback 	<ul style="list-style-type: none"> Customer satisfaction surveys and communicating with customer 	A P N
Community	<ul style="list-style-type: none"> Direct interactions with community leaders, NGO 	<ul style="list-style-type: none"> Education Skill development Health & hygiene Women empowerment 	<ul style="list-style-type: none"> Interactions surveys 	A N
Vendors/suppliers	<ul style="list-style-type: none"> Supplier meets Vendor analysis 	<ul style="list-style-type: none"> Quality and timely delivery EHS and social policy deployment 	<ul style="list-style-type: none"> Satisfaction surveys Vendor rating 	H A
Channel partners	<ul style="list-style-type: none"> Channel partner in digital mode New channel partner onboarding Dealer meets One-on-one interactions Audits Training JK Tyre Dealer Clubs 	<ul style="list-style-type: none"> Customer relationships Product knowledge 	<ul style="list-style-type: none"> Satisfaction surveys through JK Connect - portal-based communication 	W M A N
Statutory bodies	<ul style="list-style-type: none"> Interactions Industry forum meets 	<ul style="list-style-type: none"> Compliance Industry concerns Government expectations 	<ul style="list-style-type: none"> Interactions 	N
Shareholders	<ul style="list-style-type: none"> Investor meets Investor grievance forums AGM Annual Report 	<ul style="list-style-type: none"> Strategy and performance Compliance Feedback on actions implemented 	<ul style="list-style-type: none"> Meetings Action plans 	Q A N

Frequency of engagement (FOE)

D Daily
 W Weekly
 M Monthly
 A Annual
 H Half-yearly
 N Need based
 Q Quaterly
 P Periodic

All stakeholders - Website and social media




Materiality assessment

Material issues are those that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large. At JK Tyre, we use materiality assessment to prioritise sustainability issues across business operations.

Issues that meet two conditions - impact business and are important to stakeholders - are material to us. Materiality assessment helps us in identifying and addressing core issues and enables us to devise strategies and ensure sustainable performance.

Determining 'materiality' also helps us understand issues relevant to our stakeholders over the short, medium and long term. This understanding, in turn, aligns our sustainability strategy and action with stakeholder priorities, and helps us create impact and navigate risk.

Materiality determination approach

Ability to	<ul style="list-style-type: none"> Identify and prioritise issues for action according to the degree of significance to the business Determine what information is useful and meaningful to different stakeholders
Based on	<ul style="list-style-type: none"> Broad-based and inclusive research and engagement with stakeholders Clear and transparent criteria to help decide what is material Integration and embeddedness into governance processes
Needs to be	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Rigorous</p> </div> <div style="text-align: center;">  <p>Practical</p> </div> <div style="text-align: center;">  <p>Purposeful</p> </div> </div>



Engagement process

The topics for engagement were assessed against the following critical parameters that drive the Company's policies, strategies and goals:

- Compliance requirements
- Risks and opportunities
- Insights from the top management
- Innovation and product development
- Competition

We review the progress on material aspects concerning our stakeholders on an on-going basis and communicate the progress on the same through various channels. The discussions and results thus declared through this report demonstrate a robust stakeholder engagement process that reflects JK Tyre's attention to stakeholder requirements, which, in turn, becomes an input to the materiality process. Periodic discussions, reviews with the Board and its committees, and meetings with the stakeholders and location management, focus our attention towards prioritising and meeting the expectations of the stakeholder fraternity.



Arriving at our material topics



Identification of issues

A significant part of the materiality determination stems from the organisation's mission, values, commitment and competitive strategy as well as the impact of or on its economic performance. An internal perspective on risks – as identified through organisational processes like risk assessment studies, financial reports and sustainability reports using disclosure frameworks – was considered in the process.

We conducted an extensive review of literature to identify issues considered as material and identified as risks by our business peers. We also tried to understand expectations expressed in international standards and agreements. Information was drawn from annual reports, sustainability reports and ISO 26000 guidance on social responsibility.



Stakeholder interaction

Stakeholder inclusiveness is central to the materiality determination process. It is important to consider reasonable expectations and interests of stakeholders so as to provide a balanced view of the issues that emerge. At JK Tyre, we engage with our stakeholders regularly to understand their concerns and develop plans to address those concerns.

A stakeholder interaction exercise was conducted across our operations, covering the senior management and mid-level management to identify and understand their concerns among the identified universe of material topics. From the above-mentioned sources, a list of all issues that could be material for our businesses was drawn up. Subsequently, the material topics were plotted based on the importance to stakeholders and impact on business in a graphical representation depicting the material issues for JK Tyre.

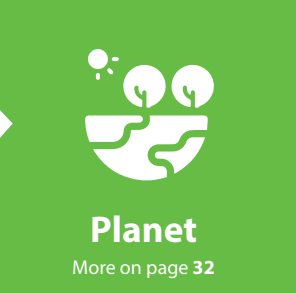





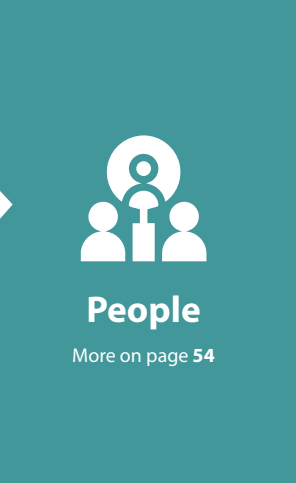






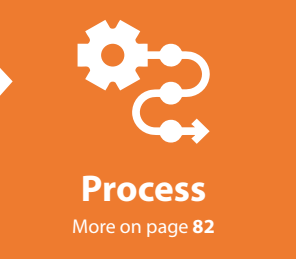





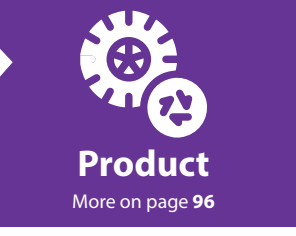








Delineation of material topics

The materiality process resulted in the emergence of a list of material topics significant for JK Tyre – a list prioritised by stakeholder groups engaged with and which reflected the sustainability context of the Company. The selection of the final material topics was done considering the impact that each one could create across the value chain and to ensure that comprehensive and relevant information went into the report to address the information needs of stakeholders.

The reporting principles on stakeholder inclusiveness, sustainability context, materiality, and completeness were also ensured throughout the process. The set of material topics determined are the same in this report and the previous Sustainability Report. We believe that these are relevant material topics as they also reflect our vision, action plans and progress towards the different key challenges faced by us across various aspects of sustainability.

Material topics that impact our business

5P ESG strategy	Pillars	Material topics	Why is this important for JK Tyre	Contribution to UN SDGs
 <p>Planet More on page 32</p>	<p>Resource conservation</p>	<p> Energy</p> <p> Emissions</p> <p> Water</p> <p> Waste management</p>	<p>Combating climate change, resource conservation and waste management are the foremost concerns facing mankind today. At JK Tyre, we recognise this to be relevant considering the operations involved. Being a responsible organisation, we aim to manage our greenhouse gas emissions, conserve energy and reduce our wastes through an approach that is focused on going beyond legal compliance and exploring green solutions.</p>	
 <p>People More on page 54</p>	<p>Employee well-being</p>	<p> Employment</p> <p> Health & safety</p> <p> Training & education</p>	<p>We recognise our employees to be our biggest assets. In order to meet our strategic goals and the changing consumer needs, JK Tyre's priority has been towards attracting, engaging and retaining the best talent in the industry; all aimed at ensuring the overall well-being of the employees.</p>	
	<p>Community development</p>	<p> Local communities</p>	<p>Giving back to the community is central to the culture of JK Tyre and we believe strongly that serving local communities is not only integral to running a business successfully, but is part of our individual responsibility as citizens of the world. Our community development initiatives can be categorised across education, health, livelihoods and water conservation, wherein we emphasise the empowerment of communities and mainstreaming them.</p>	
 <p>Process More on page 82</p>	<p>Governance</p>	<p> Compliance</p> <p> Supply chain mechanism</p> <p> Procurement practices</p> <p> Resource conservation</p>	<p>Sustainability at JK Tyre has been a journey that goes beyond mere compliance – one that strives towards being seen as a transparent and credible organisation among the stakeholder fraternity.</p>	
 <p>Product More on page 96</p>	<p>Customers</p>	<p> Innovation</p> <p> Customer centricity</p>	<p>Engagement is critical to understand and meet expectations of customers and customer retention is dependent on the quality of engagements. Innovation too helps generate revenue for the business and builds relationships for the long term.</p>	
 <p>Profit More on page 104</p>	<p>Economic performance</p>	<p> Economic performance</p>	<p>In line with the Company's vision of striving towards a sustainable world, this topic is relevant for ensuring inclusive growth; one that involves and benefits all stakeholders such as employees, shareholders, customers, suppliers and the community.</p>	

Risk management

At JK Tyre, we have invested in suitable resources and established a structure for efficient risk management. The Risk Management Committee, which includes senior team members, assesses possible risks periodically and devises ways of mitigating them. Our senior leadership team is responsible and engaged in identification of risks.

In an ever-changing environment, business outlook is impacted due to various uncertain events resulting from political changes, regulatory changes, changes in the economic scenario, technological advancements, raw material availability, etc. Internal and external environment could also impact business.

This needs a strong and prudent risk management framework to identify, assess and quantify all the possible risks/concerns that may have a bearing on the Company's performance. An organisation needs to have a systematic approach to creating a comprehensive mitigation plan for the identified risks to safeguard business performance or risks' impact on business.

Key business risks



Uncertain economic scenario

Last year, the global economy witnessed a slowdown due to various interruptions including the COVID-19 pandemic. Almost all economies around the world have witnessed a contraction in GDP growth. Apart from the pandemic, events such as trade disruptions, rising geopolitical tensions, including a tense border situation for India and interruptions such as the farmer agitation have also impacted economic recovery. Such events increase the uncertainty in business outlook.

Mitigation

These uncertainties have been identified as risk by the Company as they can impact our exports to other markets as well as the competitive sourcing of raw materials. However, restrictions on the import of tyres have helped the domestic tyre industry as cheaper imports not only reduces demand for domestic manufacturers but also puts pressure on the realisations from the market, impacting profitability significantly.



Impact of the pandemic on business

It has been more than a year since the pandemic started impacting world economies. In the absence of remedial options, lockdowns were imposed, which severely impacted operations and demand. It also caused severe financial stress to many businesses.

Mitigation

We formed various task forces to minimise the impact of the pandemic and keep business operations intact. Employees' health and safety were considered a prime focus area and all the government/local administration guidelines were followed strictly. We used our digital backbone to continue operations even during the lockdowns and during the gradual reopening of the economy.



Raw material availability

The pandemic also disrupted the global supply chain and severely affected raw material availability. Interruptions in the global movement of goods has led to significant rise in raw material costs as shortage of shipping capacity has led to higher freights.

Availability was further impacted as demand picked up post reopening of economies across the globe and vaccination gathered pace. The sudden increase in demand led to shortage of key raw materials. Some of the raw material production facilities had also closed down, and this intensified the shortage, pushing up input costs.

Mitigation

We had anticipated the situation and managed the availability crisis of raw materials well with diversification of sources across the globe. The situation is expected to continue for some time before easing off. Till then, we are prepared to ensure uninterrupted operations with action plans in place. Increased cost impact is applicable to the Company, and this is being passed on to the consumer slowly.



Technology risk

Auto industry and the associated industries like tyre, have been witnessing continuous regulatory changes over the years in order to move towards a more sustainable future. This includes the implementation of BS-VI norms and several others. Worldwide, countries are moving towards increasing EV (Electric Vehicles) adoption. India also has been preparing to move in the same direction. Such technology changes require the tyre industry to develop new products suited to specific requirements.

Mitigation

We already have a good R&D base with its dedicated product development centre and our R&D centre located at Mysuru. We are suitably positioned, with the right skills and talent, to cater to such changing product requirements, and we have been working on various tech-driven products as well.



Supply risk/Capacity risk

The Indian economy has witnessed sustained demand growth since reopening post the lockdown. Similar signs are visible in other global markets. Healthy demand revival has enabled the Company to increase sales in the domestic as well as export markets, resulting in fairly good capacity utilisation of installed capacities. Going forward, we expect the demand cycle to go into a higher spiral on the back of CV as well as PV category OEM segment demand, induced by GDP growth and the recently announced vehicle scrappage policy. This might entail a further enhancement of capacities in the near future.

Mitigation

We are ready to take up expansion plans if so required by the market. In 2016, we acquired Cavendish Industries Limited comprising a large and modern tyre manufacturing facility in Laskar, Uttarakhand, in order to enhance our TBR capacity and enter the 2/3 tyre segment, where we did not have a presence. The acquisition helped us avoid a gestation period that would have been necessary had we planned a similar greenfield facility. We have also made several acquisitions in the past few years, such as Vikrant Tyres, Mysuru for launch of Truck Radials and JK Tornel, Mexico, which have brought home handsome gains. Our expansion plans were earlier put on hold due to the slowdown of the auto sector over the past few years. We keep a strict watch on future demand, doing our estimates in order to capitalise on any such opportunity.



Sustainability in mobility



Contributing to sustainability by encouraging use of Nitrogen inflation which enhances tyre life.



IoT powered smart tyres which lower carbon footprint

JK Tyre has lived up to its sobriquet of being the 'Pioneer of Radials in India' by bringing yet another innovative product, the Smart Tyre as an extension of its endeavour to provide mobility solutions to both commercial and passenger vehicle owners.

We widened our Smart Tyre range powered by TREEL Tyre Pressure Monitoring Systems (TPMS). This is the first such move towards creating a hi-tech Smart Tyre in the Indian market and is in synergy with our ethos of embracing green technology. As is well known, maintaining correct air pressure enhances vehicle fuel efficiency, thus conserving fuel, reducing emissions and lowering carbon footprint. The use of our IoT enabled Smart Tyres enables the vehicle driver to get real time alerts on air pressure loss and temperature variations, which prevents tyre failure and ensures superior tyre life and greater road safety.

The innovative concept of Smart Tyres gained immense traction during the year under review. Our Smart Tyres, an industry first, are now available in PCR, 2-Wheeler, LCV and truck categories. The Smart Tyre range in truck sizes was enhanced and had a high acceptance as it provided great value to the customer.




Sustainability targets 2030

Being cognisant of the need of sustainable growth and the dwindling stock of natural capital, we, at JK Tyre, are committed to the attainment of 10 Natural Capital Commandments within a set target. We have already made substantial progress along this route.

- 1** Reduce specific consumption of energy and water by 2-5% every year over the next 10 years 
- 2** Reduce specific generation of waste and reduce the quantum of waste going to landfills by 2-5% every year over next 10 years
- 3** Increase the use of renewables, including renewable energy by 2-5% every year in place of non-renewables over the next 10 years
- 4** Reduce specific greenhouse gas emissions and other process emissions by 2-5% every year over the next 10 years and explore opportunities through Clean Development Mechanism (CDM) and other Carbon Exchange programmes



- 5** Increase the use of recyclables and enhance recyclability of resources used in the product by 2-5% every year over the next 10 years
- 6** Increase the share of harvested rainwater in overall annual use of water by 2-5% every year over the next 10 years
- 7** Incorporate life cycle assessment criteria for evaluating new and alternative technologies and products
- 8** Strive to adopt green purchase policy and incorporate the latest clean technologies 
- 9** Take the lead in promoting and managing product stewardship programme by forging partnerships with businesses and communities
- 10** Reduce depletion of natural capital, which is directly attributable to JK Tyre's activities, products and services by 2-5% every year over the next 10 years. We also commit to demonstrating attainment of these commandments in our pursuit for certifications such as TS16949, ISO 9001, ISO 14001, OHSAS 18001, SA-8000, ISO- 50001, ISO-27001, Green Buildings, Eco Labels and Sustainability reporting and so on



Planet

Contribution to UN SDGs



Material Issues



Water



Energy



Emissions



Waste management

Highlights

Energy

- JK Tyre has implemented several focused initiatives for green and clean energy. Usage of biomass and nitrogen curing is one of the focus areas
- Among the best three in reducing emissions

Water

- Increased the share of harvested rainwater in the overall annual use of water
- Focus on achieving Zero Raw Water for the process, leaving fresh water only for domestic purposes
- Global benchmark for raw water consumption per kg of tyre manufactured (KTP)

Inside this section

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- 36 A low-carbon approach
- 38 Utilising clean energy
- 40 Carbon emission reduction
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- 48 Acting on the zero waste to landfill mission
- 50 Biodiversity preservation
- 52 Innovations for green manufacturing



Our environmental stewardship

At JK Tyre, a culture of Environment-Social-Governance (ESG) represents the essence of our business. The environment component of our ESG culture ensures that we consume natural resources responsibly, utilise an optimal quantum of finite fossil fuels, recycle waste, moderate our carbon footprint and build resistance to climate change.

'Preserve environment for the future generation' is the vision of JK Tyre abides by. We understand the need of a healthy environment and are committed to maintaining and preserving the ecosystem. The coming generations should have the right to breathe clean air, take comfort in the fragrance of flowers, have a chance to enjoy the freshness of the early morning mist, behold the majestic view of nature and share the earth with a variety of plant and animal species. The earth is an inheritance which should be passed to the next generation with the least damage possible.

At JK Tyre, we focus on manufacturing more from less, an idea which forms the basis of our environmental responsibility. This approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

There is a growing commitment to reduce energy intensity, moderate greenhouse gas emission intensity and graduate to cleaner processes and fuels. We intend to achieve zero waste to landfill and zero effluent discharge targets while moderating water consumption intensity.

We are aligned to the 10 principles of the United Nations Sustainability Development goals with regard to manufacturing responsibility and environmental sustainability, including human rights, labour interests, environment responsibility and anti-corruption initiatives.

Achievements across initiatives taken



Carbon footprint

The Company moderated its carbon footprint from 0.97 CO₂ equivalent per tonne of output in the previous year to 0.83 CO₂ equivalent



Energy

The Company achieved an energy level of 8.92 GJ per tonne despite a lower utilisation



Renewable power

The Company increased renewable power in its power mix from 4% in FY 2015-16 to 55% in FY 2020-21



Greenhouse gases

The Company moderated greenhouse gases by 55% by the close of the year (base year FY 2013-14)



Waste

The Company reduced process waste from 0.63% to 0.59%



Environmental compliance

Our strict governance process ensures that we are in step with all compliance requirements mandated by the government. We regularly file report to various state pollution control boards and have our HSE and social accountability mechanism validated by an independent third party.

Our plants are compliant with relevant statutory laws and the requisite reports are filed periodically to State PCBs.

Each manufacturing plant has the consent of the respective State Pollution Control Board (PCB) for air, water and solid waste management. During FY 2020-21, the plants were compliant with relevant statutory laws in this regard; requisite reports were filed periodically with the State PCBs. We are proud to state that there were no show cause/legal notices received from the State PCBs and no such legal notice is pending for action.

A third party, M/S Proind, a global corporate legal advisory and technology service company, has verified the implementation of our legal monitoring mechanism related to Health Safety & Environment (HSE) and Social Accountability (SA). Proind Legal Services specifically

tracks those updates that impact the Compliance tool/spreadsheet provided to JK Tyre or forms the scope of the review. By 'Impact' we mean any changes, deletion or addition to the already provided Compliance tool/spreadsheet. Any other update that Proind Legal Services team infers to be brought to our notice although it does not impact the Compliance spreadsheet is also covered under the scope.

Statutory/Legal update includes regular

- Updates
- Amendments
- Changes

Management systems

At JK Tyre, we have always been pioneers in adopting and maintaining world-class Quality Management Systems (QMS). To comply with OEM requirements and sustaining stringent quality parameters, we have gone for IATF 16969, ISO 45001, ISO 50001, ISO 27001, ISO 17025 NABL and SA 8000 certifications. We have also raised the bar on safety standards by winning the British Safety Standard's Sword of Honour – 5-Star rating of our 9 Indian plants. All of JK Tyre's plants are ISO-14001 certified for environmental conservation.

We have an established system under ISO 14001: 2015 through which environmental risk, impact and assessment are reviewed periodically. The purpose of this procedure is to establish ways for identifying probable environmental/hazards of activities, risk assessment and determining control over products and services.

One of our mission statements is 'Be a socially responsible corporate citizen' and to walk towards that direction, being a Green Tyre Company is one of our goals.

All our plants are certified by CII-GODREJ with Greenco Awards for the last four years. Pursuant to Swachh Bharat Initiatives, our mission is to water-positive in all plants by 2022. The ongoing greening initiatives include plantation of over 1.15 Million trees, life cycle assessment for products, green supply chain for logistics, carbon footprint measurements as per ISO-14064:2006 (by BSI) periodically. We have initiated and achieved EnMS (Energy Management system) ISO-50001 in all locations.

A low-carbon approach

A low-carbon approach is integral to our business and provides the foundation for business scalability. We are working towards ensuring 70% of our power requirements are obtained from renewable sources. In the next decade, we will enrich this energy mix to accommodate more use of renewable energy.

A low-carbon approach is now a universal priority, marked by the willingness of customers to engage with companies that manufacture products in an environmentally responsible manner. This is a clear manifestation of a low-carbon approach being linked to marketplace dynamics and profitability.

We are working towards having 70% of our power requirements obtained through renewable sources across our manufacturing facilities.

We are committed to designing, manufacturing and distributing products and services in a manner that is environmentally sustainable.

We are measuring our greenhouse gas (GHG) emissions, and making value-addition to the processes as a step towards reducing our GHG emissions in a systematic manner by the following means:

- Conformance with ISO 14064-1:2006 international standard
- Ensuring that this information would facilitate the preparation of GHG reports that remain relevant, complete, consistent, transparent and accurate
- Ensuring the availability of resources to enhance GHG performance and building a suitable corporate culture
- Aligning employee competencies to the needs of this system
- Creating a continual improvement mindset with respect to GHG performance within the organisation



Energy

At, JK Tyre, today for tomorrow is the new mantra in our energy conservation drive to becoming a 'Green Company'. One of the key missions of JK Tyre is to be greener through consistent efforts targeted at achieving sustainable energy consumption through the reduction in fossil fuel dependence and continuous decline in our GHG intensity. We continued to put major emphasis on energy conservation and ensured sustenance of the measures taken during the previous years.

In alignment to this principle, we have achieved new milestone of energy consumption. We are very pleased to report that in FY 2020-21, we achieved a total energy level of 8.92 GJ/tonne of production and we rank among the top 3 companies in the sector worldwide. Since JK Tyre is the first Indian tyre Company to have certified CFV as per IS standard, the focus continues on GHG emission resulting in 55% reduction in emission over the base year. Monitoring carbon footprint is part of our commitment to society for a better and safer environment.

8.92 GJ/tonne

Energy consumption level in FY 2020-21. JK Tyre among the top 3 companies in the sector worldwide to achieve the target

Total energy consumption

Total energy consumption for FY 2020-21 is 23,22,818 GJ. A major component of the energy mix is coal-based power, which constitutes 67% of the total energy consumed in the reporting year. Switching to renewable sources from non-renewable sources is in process and almost 55% of power is sourced from renewable sources in the reporting period as compared to 50% in FY 2019-20.

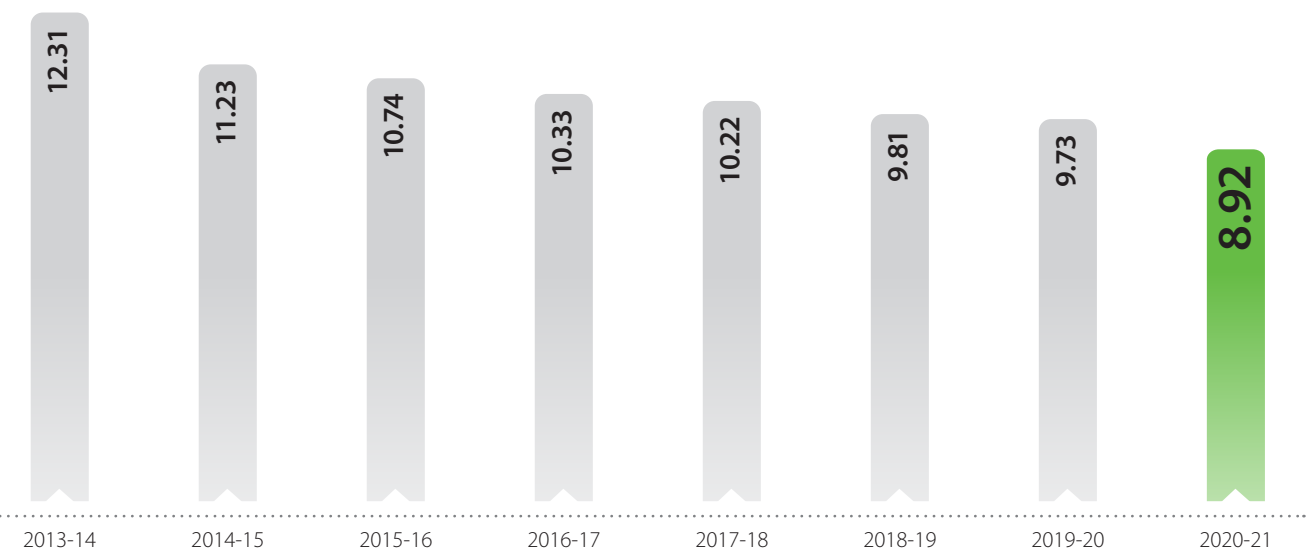
Energy conservation

The most effective way to lower overall energy consumption is energy conservation, and the same can be said about improving energy efficiency. Push towards renewable energy is one of the major steps in conservation.

We have utilised 55% renewable power of our total requirement, and the share of renewables is steadily rising with the increasing number of new projects and work in line. Adopting an efficient lighting system with LEDs is one of the major changes effected by us. Resource utilisation to maximise efficiency with lower wastage is now key hand to becoming an energy efficient Company. In FY 2020-21, we achieved a total energy benchmark level of 8.88 GJ/tonne of production and stands in the line with top five best companies in the sector worldwide, which is almost 8.7% less than the achievement of FY 2019-20.

ENERGY CONSUMPTION

GJ/tonne of finished product



Utilising clean energy

We have made substantial improvements in our plants to prioritise clean and green energy use. We target to improve on these measures, aiming to reduce thermal energy consumption while stepping up the use of energy from solar and wind sources.

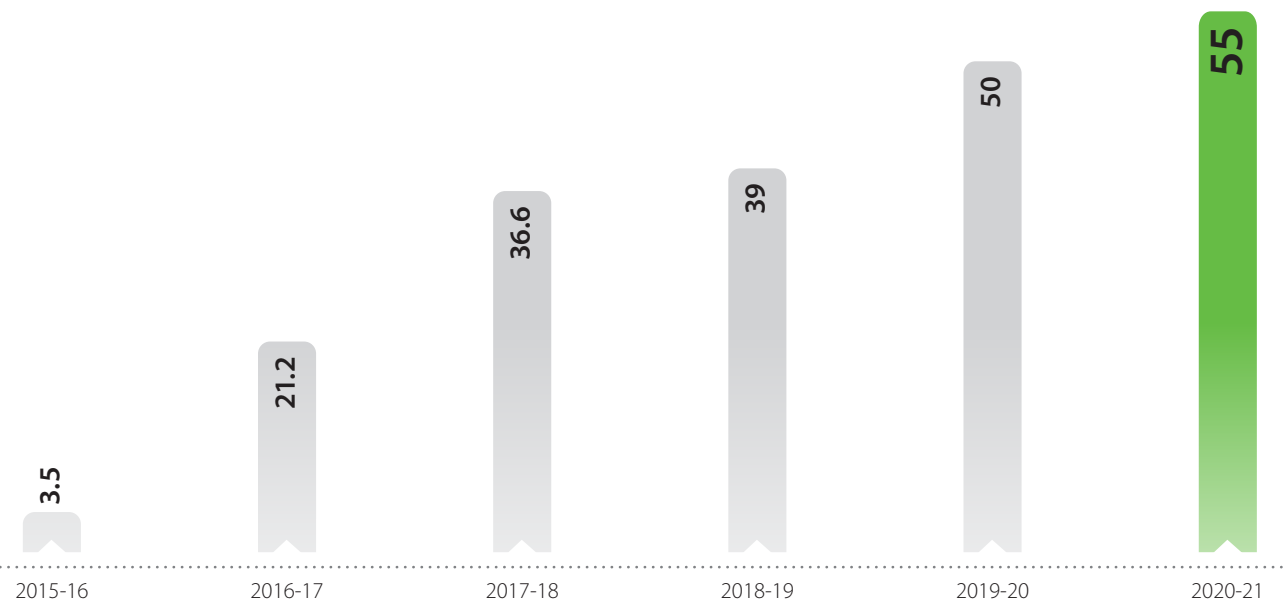
Shifting from conventional sources of energy to renewable sources is demanded by reasons of efficient resource utilisation as also by society. JK Tyre is moving ahead on this path to get maximum utilisation of renewable sources of energy for its usage. After solar rooftop at Mysore Vikrant plant and Chennai Plant, we setup solar capacity at Kankroli plant and Banmore plant to enhance our renewable energy capacity further. All these efforts are now yielding encouraging results and these will be further improved upon to establish new benchmarks.

55%
power of our power mix is being met from renewable sources

Increasing the share of renewable energy

Our key objective and one of the mission statement is to increase the use of renewable energy by 2-5% every year. The following table shows the sustained increase in renewable energy contribution over the past period, which shows how we are fulfilling our commitment to responsible energy use:

RENEWABLE POWER IN TOTAL POWER CONSUMPTION In %



Towards a carbon-neutral status

We are improving our use of biomass and gradually advancing towards a carbon-neutral status.

In this initiative, we started the use of biofuel as an alternate fuel for boiler since FY 2018-19. Biofuel was chosen, based on experiments with charcoal, biomass briquette, saw-dust, and rice husk.

A total of nearly 13,722.68 MT of biomass was used during FY 2020-21 as fuel in our boilers.

The calorific value of biomass is in the range of 3,200-3,600 Kcal/kg. Emission due to biomass use for FY 2020-21 is 16,930.14 tCO₂e, in which 13,533.79 tCO₂e for JKTIL and 33,96.34 tCO₂e for Cavendish.

In the current financial year, Charcoal (45 MT), Briquette (6,000 MT), Saw Dust (5,300 MT) and Rice husk (800 MT) was used, that amounted nearly 12% of energy due to biomass uses.

The quantity of 13,722.68 MT of biomass, as fuel in boiler, has contributed around 179.92TJ of energy by substituting around 12,045 MT of coal that this was energy substitution was around 17,290 tCO₂e of emission.

This has enhanced our confidence and now efforts for increasing percentage of biofuel utilisation are underway. We are optimising the process and removing operational hurdles.

17,290 tCO₂e avoided

With the use of biomass as an alternate fuel in boiler. This contributed to 12% of total energy consumption sources, out of total power consumption in FY 2020-21

Renewable energy share

We have also made considerable efforts to reduce our dependence on conventional thermal energy sources. As part of our commitment to utilise green and clean natural resources, we are stepping up our investment in the utilisation of solar and wind energy. We migrated from complete grid dependence and derived half of our energy needs from captive renewable energy.

Key initiatives for green and clean energy across plants

6.5 MW
of solar roof top installation for Chennai plant

0.5 MW
of solar roof top installation for Vikrant plant, Mysuru

3.0 MW
of solar ground installation for Kankroli plant, Rajasthan

4.7 MW
of solar ground installation for Banmore plant, Gwalior

Procuring wind power
for Chennai and Mysuru locations



JK Tyre Radial Plant, Mysuru

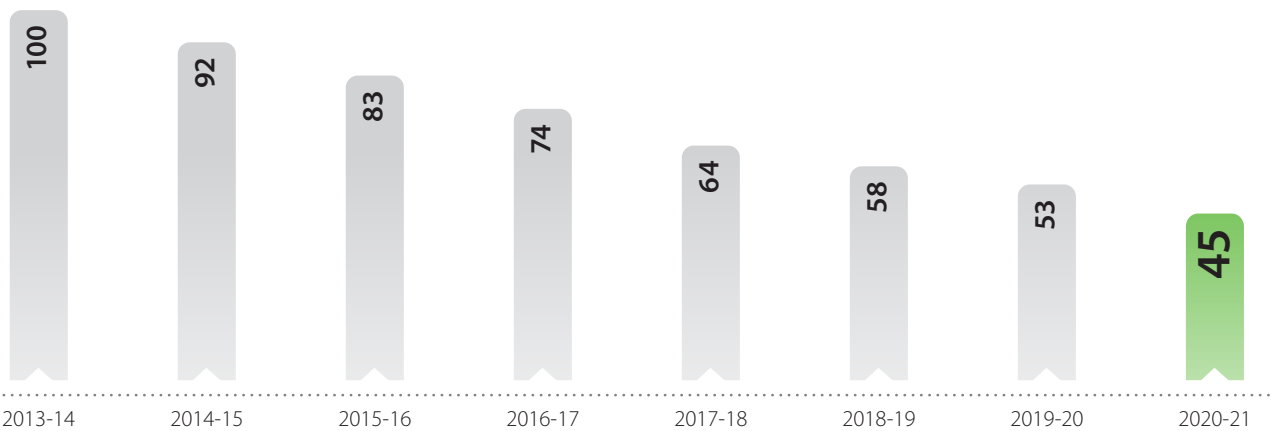
Carbon emission reduction

At JK Tyre, we have been accounting and reporting our carbon footprint since 2013. We are committed to designing, manufacturing and distributing products and services in a manner that will be 'green'. We will also be driving down our greenhouse gas emissions with the adoption of processes that help serve this goal in a systematic manner. Our GHG emissions emanate largely from fossil fuel consumption in our manufacturing facilities' boilers and processes, purchased electricity and steam consumption, diesel consumption in DG sets, refrigerant gas consumption in chillers and air conditioning units of the Company. The relevant GHGs for the four locations are carbon dioxide, methane, nitrous oxide and hydrofluorocarbons (HFCs).

Using the operational control approach, JK Tyre accounts for all quantified GHG emissions and/or removals from all the operations over which it has control. Source of the emissions together with the global warming potential (GWP) rates used, or a reference to the GWP source have been indicated; standards, methodologies, assumptions, and/or calculation tools used have been clearly documented in our Sustainability Report 2018-19. With pointed focus and continuous efforts, we have managed to sustain our emissions intensity at 0.831 tonne of CO₂e /tonne of finished product in FY 2020-21. We shall be adopting a twin-pronged strategy of improving our energy efficiencies and embracing renewable energy at each of our manufacturing locations.

The share of renewable energy as an energy source increased significantly during the reporting period. We are in the fourth cycle of our reporting; as part of our Go Green initiative, we participated in CDP 2017, CDP 2018 and CDP 2019 and was the first Indian tyre Company to participate in it. For the reporting year, JK Tyre has emitted 2,68,163.33 tonnes of CO₂ equivalents of GHG. During the same period, manufacturing and delivery of each tonne of tyre has generated 0.831 tonnes of CO₂ equivalents of GHG.

EMISSION INTENSITY: INDEX CO₂ per tonne



For JK Tyre plants

55%

Reduction of total emission intensity from base year



JK Tyre Plant, Banmore, Gwalior

For Cavendish

30%

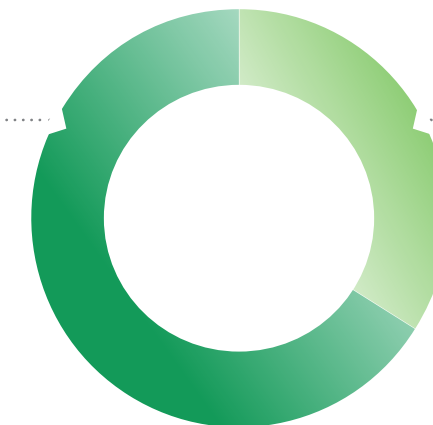
Reduction of emission intensity from base year 2017-18



Cavendish Tyre Plant, Laksar, Haridwar

66%

Direct Emission (Scope 1)
CO₂e tonne 1,43,342



34%

Indirect Emission (Scope 2)
CO₂e tonne 74,603

SCOPE-WISE EMISSIONS

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Scope 1 (tCO ₂ e)	29,454.00	2,86,198.00	2,17,246.00	2,06,105.00	2,06,445.00	1,95,117.00	1,58,568.00	1,43,342.12
Scope 2 (tCO ₂ e)	1,78,504.00	1,79,686.00	2,09,021.00	1,60,958.00	1,32,978.00	1,26,667.00	88,424.00	74,603.94
Total emission (tCO ₂ e)	4,73,044.00	4,65,884.00	4,26,267.00	3,67,063.00	3,39,423.00	3,21,785.00	2,46,992.00	2,68,163.33
Production (MT)	2,57,762.00	2,75,217.00	2,78,573.00	2,71,803.00	2,84,590.00	2,99,973.00	2,55,447.75	2,62,273.38
Emission Intensity (tCO ₂ e/MT)	1.8350	1.6930	1.5300	1.3500	1.1927	1.0727	0.9669	0.8310

Carbon Disclosure Project (CDP)

As a part of the Go Green initiative, JK Tyre has been participating in the CDP since 2017 with the 'Climate Change' programme. It became the first and only Indian tyre Company to participate in CDP.

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP is looked upon globally as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action. CDP has regional offices and local partners spanning 50 countries. There are now companies, cities, states and regions from over 90 countries which disclose their climate action through CDP on an annual basis. Since 2002, over 8,400 companies have publicly disclosed environmental information through CDP.

JK Tyre participates in 3 CDP programmes

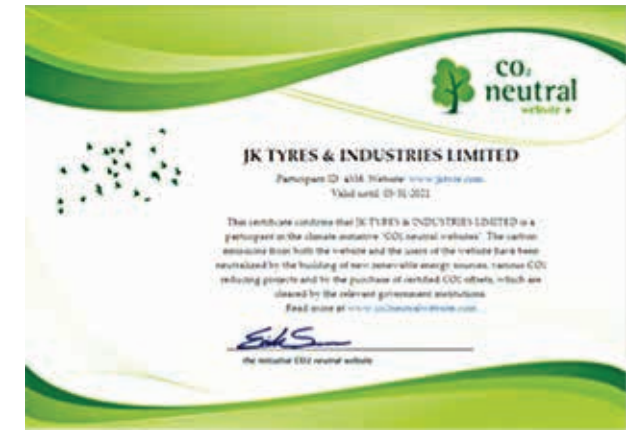
- Climate Change
- Water Security
- Supplier Engagement

JK TYRE RATINGS			
Leadership (A/A-)	Management (B/B-)	Awareness (C/C-)	Disclosure (D/D-)
Implementing current best practices	Taking coordinated action on supplier engagement	Knowledge of impacts of supplier engagement	Transparent about supplier engagement

Programme	JK Tyre Score	Average Performance		
		Light Manufacturing	Asia	Global Average
Climate Change (4th Cycle)	C	B	D	C
Water Security (2nd Cycle)	C	B	B	B
Supplier Engagement (1st Cycle)	D	B-	B-	C

Carbon Neutral Website

JK Tyre's and JK Ternel's websites are certified as CO₂ neutral websites by Denmark agency ingenCO₂. CO₂ Neutral Website is a global climate initiative through which website owners compensate for the total CO₂ emission caused by the operation of their website. Based on the number of page views, the agency calculates how much CO₂ the website emits. When signing up for 'CO₂ Neutral Website' the website owners pay for their website's average number of visitors per month. With the membership contribution, the agency invests in comprehensive, long-term projects to minimise CO₂ emissions and establishes sustainable facilities, such as wind and solar energy plants.



Reducing water usage

We are strictly monitoring our water usage through the installation of water metres at key points in our manufacturing units, and constantly aiming to improve the water efficiency of our operations, along with reducing our use of groundwater.

Water resources are under tremendous pressure all across the world. The global population is growing fast, and estimates show that at the existing pattern of water usage, the world will face a 40% shortfall between forecast demand and available supply of water by 2030.

Furthermore, chronic water scarcity, hydrological uncertainty, and extreme weather events (floods and droughts) are perceived as some of the biggest threats to global prosperity and stability.

The roughly one Billion people living in monsoonal basins and the 500 Million people living in deltas are especially vulnerable. Flood damages are estimated in \$120 Billion per year (only from property damage), and droughts pose, among others, constraints to the rural poor, highly dependent on rainfall variability for subsistence. Fortunately, acknowledgement of the role that water scarcity and drought are playing in aggravating fragility and conflict is increasing.

Water conservation at JK Tyre

We understand that corporates have a significant role to play in developing and implementing solutions to the water challenge. At present, however, awareness and understanding of water-related risks and opportunities are generally limited to business and investment communities.

In FY 2020-21, we reported raw water consumption of 1.87 litres per kg of production. While surface water as sourced from the nearby rivers or supplied by the municipal corporations form our principal source of water, our manufacturing locations at Chennai and Mysore also consume underground water. Water metering points have been installed at key use points for effective control in all the manufacturing units.



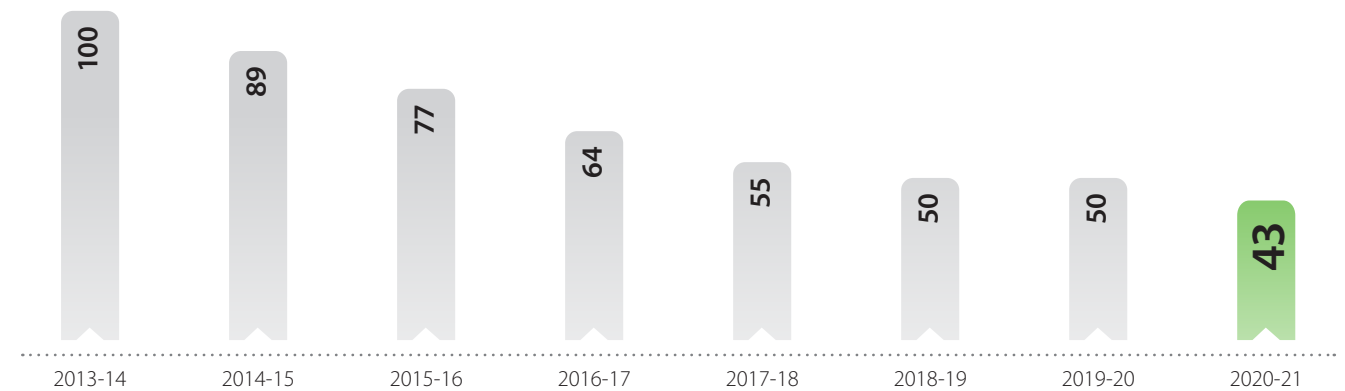
Reducing freshwater consumption

JK Tyre has emerged as a global benchmark for the lowest raw water use per kg of tyre manufactured. We are setting a new benchmark in water consumption by achieving the milestone of 1.87 litre/kg of finished product, an outcome of systematic initiatives over the last five years.

We are also pursuing Swachh Bharat initiatives, and following up on our mission of being water positive in all plants.

RAW WATER CONSUMPTION: INDEX

KL per tonne production



Water management strategy

At JK Tyre, we have long recognised water availability as a business risk and therefore, we are focused on proactive assessment and planning for water security at all our manufacturing locations essentially through continuous improvement of water efficiency (water use per tonne of finished product) of our operations.

Goals	<ul style="list-style-type: none"> Improve water efficiency (water use per tonne of finished product) by 5% YoY
Action plan	<ul style="list-style-type: none"> Ensuring rainwater harvesting and its integration into the consumption side of the water cycle at each of our manufacturing locations Monitor, measure, manage and reduce water wastage. Continue with the regular water audits and monitor losses. Implement standard metering infrastructure and procedures across campuses Implement aerators, waterless urinals etc. across all locations

Effluent and waste management

At JK Tyre, we have a well-defined waste management process that segregates waste at source and ensures their safe disposal.

Waste management

We emphasise on the production of eco-friendly products with a focus on minimal waste generation by reusing and recycling waste. We have a well-defined process to recycle and re-use the entire process waste. Waste generated from the tyre manufacturing process is both in solid and liquid form and is classified as hazardous and non-hazardous waste.

All our manufacturing locations are equipped with effluent treatment plants that treat the water to the effluent quality standards prescribed in the water consents. This treated water is used within the premises and/or used for gardening purposes. There have been no recorded instances of non-compliance, either in the effluent parameters or in the quantities to be generated as prescribed in the water consents in any location.



Hazardous and non-hazardous waste generation in FY 2020-21

Hazardous waste	Unit	Waste Generation
Used oil	KL	115.005
Waste oil	KL	129.559
ETP sludge	MT	75.022

Non-hazardous waste	Unit	Waste Generation
Metal scrap	MT	325.242
Plastics	MT	514.6529
Rubber (Process Scrap)	MT	1700.941
e-Wastes	MT	2.98
Drums & Can	Nos	30507
Wooden scrap	MT	184.46
Jumbo/Chemical Bag	MT	105.37
Plant sweep	MT	323.96
Conveyor belt	MT	2.89
Shell	MT	7.47
Poly	MT	488.28
Treated water from STP	KL	88669.3
BOD (Avg)	-	38.0
Treated water from ETP	KL	128650.3
TSS (Avg)	mg/L	52.6
COD (Avg)	mg/L	183.7
BOD (Avg)	mg/L	18.5



Zero liquid discharge certification for Chennai tyre plant

Our Chennai tyre plant is the first Indian facility of any tyre Company to receive Zero Liquid Discharge Plant certification from a 3rd party British Standards Institution (BSI).

ZLD means zero discharge of wastewater from industries. This involves a range of advanced wastewater treatment technologies to recycle, recover and re-use 'treated' wastewater and thereby ensure there is no discharge of wastewater into the environment. ZLD refers to installation of mechanism that enable industrial effluents for absolute recycling of permeates and converting solute (dissolved organic and in-organic compounds/salts) into residue in the solid form by adopting a method of concentration and thermal evaporation.

ZLD is recognised based on two broad parameters that is, water consumption versus wastewater re-used or recycled (permeate) and corresponding solids recovered (% of total dissolved/suspended solids in effluents).

Major driver for adopting ZLD are:

- Environmental regulation on discharge of specific solutes (salt, toxic elements, nitrate nitrate-nitrite etc.)
- Water scarcity/water stress growing world-wide along with negligible rate of wastewater recycling
- The economics of recycled water becoming more affordable as the water supply from conventional sources becomes more expensive
- Growing social responsibility and education towards awareness of environmental issues

This segregation enables formulation of suitable strategies for their safe disposal, thus preventing harm to the environment. Keeping the above objective in mind, we have achieved process scrap/waste below 1%. In addition, we use approximately 5% of the recycled/regenerated material as raw material for our production.

Extending the life of used tyres

A chain of 40 JK Retread Centres established across India are giving quality retreading solutions to fleet owners and helping them reduce their operational cost (cost per km) CPKM. These centres are equipped with ultra-modern retreading machinery and JK Tyre-recommended repair and retread procedures.

The retreading business plays a key role in environmental sustainability, ensuring Recycle, Repair and Retread. It is safe, green, cost-effective and also energy-saving, avoiding scrap ensuring a second and third life for tyres. JK Treads is a premium brand in the retreading industry today.

JK Retread business, which completed a decade of operations, has grown steadily. Treads manufactured at the state-of-the-art facility in Kankroli enjoy a high abrasion resistance, thanks to the new compound technology resulting in superior mileage and performance. JK Treads provides unmatched retreading services for optimised utilisation of tyres.

During the year, the XM range was enhanced to meet the requirement of Truck Bus Radial users. The original tread JUM pattern for tubeless tyre customers was introduced.



Acting on the Zero Waste to Landfill mission

We have developed an integrated waste management process for all waste types. Zero Waste to Landfill is one of our sustainability goals which we are acting upon through process improvements across our operations.

In 2019, at the annual Manufacturing Conclave at Mysuru, the JKTIL Energy team coined the slogan – Zero Waste to Landfill – once more demonstrating our commitment to sustainability and the Go Green initiative.

Zero Waste to Landfill is typically where no waste is sent for disposal to landfill or to incineration without energy recovery – waste is either totally eliminated at source or recycled off site. Waste handling and treatment need to follow the hierarchy– Reduction, Reuse, Recycling, Recovery – by using techniques such as prevention, material recycling, composting, energy from waste and use of alternative fuels. But disposal of waste to landfill or incineration without energy recovery is not acceptable.

We have an Integrated Waste Management Plan (IWMP) for all type of wastes – such as rubber compound, scrap green tyres, cut flaps, trimmings, used tyres etc. in a controlled and transparent way. We have also developed an audit system for the contracts given to recyclers. The IWMP also includes used oil, e-waste etc. in all our five locations – Kankroli Tyre Plant in Rajasthan, Chennai Tyre Plant in Tamil Nadu, Vikrant Tyre Plant in Karnataka, Banmore Tyre Plant in Madhya Pradesh and Cavendish Industries Ltd. in Uttarakhand.

We use BSI for verification of our system as per ISO 14051 and ensure that the waste generated is not going to landfill in any way. Generation, collection, segregation, storage, treatment and disposal in the different processes is also calculated. Traceability of waste is confirmed from the vendors who are taking the scrap.

Process balancing including utilities, offices, IT services, procurement, stores and other support functions (OH Centres, Guest houses etc.) is verified for types of scrap and waste.

BSI New Delhi has audited all five locations (KTP, BTP, CTP, VTP and CIL) and is of the opinion that no waste, either solid or liquid, is disposed to the landfill. It stated that all five plants of JK Tyre are Zero Waste to Landfill plants.

Zero Waste to landfill Certification for all 5 plants of JK Tyre by BSI New Delhi



Single-use plastic free journey

As the world progresses, we are becoming more conscious of the environmental cost of development. For example, once considered a miracle, plastics are now a hazard for the environment. Plastics are highly non-biodegradable and last for more than 400 years in the environment, polluting the water and land. Not only that, given that almost all plastic is derived from materials (like ethylene and propylene) made from fossil fuels (mostly oil and gas), the process of extracting those fuels generates Billions of tonnes of GHG.

As a green Company, JK Tyre aims to weave in sustainability in every function through the 4R concept – Reuse, Reduce, Recycle and Recover. R&D efforts are targeted at the development of alternative materials that reduce dependence on petro-based material, thereby minimising environmental harm.

We have banned Single Use of Plastic (SUP) as another concrete step towards our commitment to protect environment. This is in line with the commitment of Prime Minister Mr. Narendra Modi to make India an SUP-free country by 2022.

We have identified and then eliminated in phases 14 SUP items, notified in the Gazette notification dated 18th March, 2016 and Department of Environment of respective states.

As plastic is integrated into human life, we found that a ban alone would not be effective. So we offered alternatives such as cloth bags, biodegradable food plates etc. as replacement to ensure ease. In addition to the ban within the Company, we are also communicating to our stakeholders to not use SUP.

Zero waste to landfill strategy

At JK Tyre, our waste management strategy shall be centred around the 3R's – Reduce, Recycle and Reuse (b) ensure safe disposal of all those wastes that are generated but not reused or recycled and (c) monitoring of air, water and noise levels to operate beyond mere compliance.

Goals	<ul style="list-style-type: none"> To achieve an in-house recycling across all locations
Action plan	<ul style="list-style-type: none"> To achieve an in-house recycling across all locations Initiate waste assessment audits across all locations for inorganic waste, e-waste and solid waste streams Adopt the concept of Circular Economy in all the manufacturing locations

Biodiversity preservation

At JK Tyre, we take proactive measures to mitigate risks to the environment, including biodiversity, and place high priority on extending the green belt around our manufacturing sites and areas of key operations.

All businesses rely upon Biodiversity and Ecosystem Services (B&ES) irrespective of their size, location and sector as they are directly or indirectly dependent upon the B&ES for goods and services through their operations or the supply chain. Degradation of the biodiversity and ecosystems thus lead to severe impact on business operations and the supply chain, exposing businesses to significant risks.

Conversely, taking proactive measures to mitigate these risks and including biodiversity in business decision making, can offer many benefits to businesses and create new business opportunities.

Apart from ensuring long-term stability to business, this results in increased brand value and open up new market opportunities.

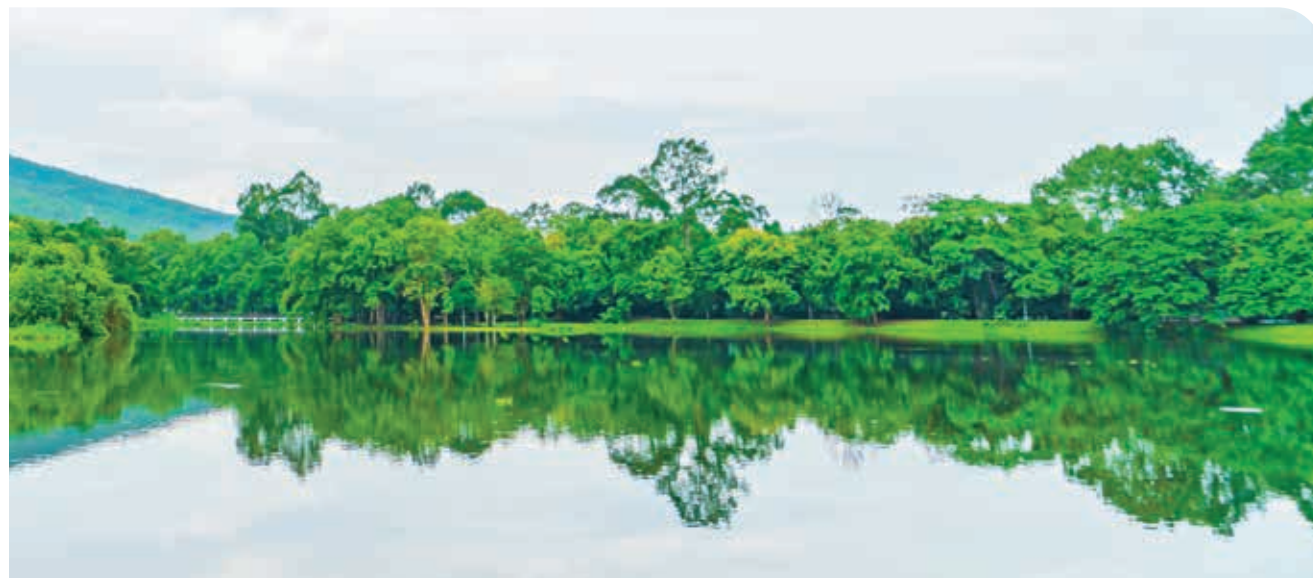
JK Tyre has given high priority to conservation of the existing green belt and promoting the biodiversity around its factory premises.

Afforestation is a major part of this initiative. Trees provide shade and contribute to microclimate, thereby reducing the 'heat island' effect. They stabilise the ground conditions, preventing soil erosion. They also absorb groundwater and slow down the movement of rainwater across the ground surface. More specifically, they absorb CO2 emissions from the air.

Efforts for biodiversity protection

- Around 25% of the total site area is allocated for greenery and to enhance biodiversity
- More than 50 natural and adaptive varieties of trees and shrubs have been planted across the sites not only to promote the biodiversity but also to reduce consumption of water. Plants that consume less water and do not require pesticides or constant maintenance have been planted.
- Flora study has been done at two locations – Kankroli Tyre Plant and Cavendish Industries Ltd. by CII-GBC
- Environmentally sensitive zones such as water bodies and lakes have been desilted and maintained under our CSR activities

11,51,336 trees planted



Partnership with CII-IBBI

JK Tyre has signed 10 commitments towards biodiversity protection as a result of its partnership with CII-IBBI (India Business and Biodiversity Initiative).

The ten commitments are:

- 1 Mapping biodiversity interfaces with business operations
- 2 Enhancing awareness on biodiversity within the organisation
- 3 Considering the impact of business decisions on biodiversity
- 4 Setting objectives and targets for biodiversity management
- 5 Designating an individual within the organisation as Biodiversity Champion
- 6 Assessing biodiversity risks and opportunities
- 7 Including the applicable biodiversity aspects in environmental management systems
- 8 Encouraging relevant stakeholders to support better biodiversity management
- 9 Engaging in policy advocacy and dialogue with government, NGOs and academia on biodiversity concerns
- 10 Initiating the valuation of relevant biodiversity and ecosystem services

Biodiversity Protection Policy

We at JK Tyre are committed to reducing the negative impact on biodiversity and nature in general from our own operations and from the supply chain by:

- Considering the impacts of business decisions on biodiversity
- Minimising biodiversity risks in the business operations
- Enhancing awareness on biodiversity within the organisation and external stakeholders
- Encouraging relevant stakeholders to support better biodiversity management
- Establishing a system for monitoring and reporting of progressive steps taken towards the protection of biodiversity



Raghupati Singhanian Centre of Excellence (RPSCoE), Mysuru

Biodiversity risk and opportunities

Physical	Regulatory and legal	Market	Reputational	Financial
Risk				
Water scarcity due to drought	New laws introduced by the government to reduce the use of fresh water	Increasing awareness about pollution from tyres	No investor trust or support from community due to unsustainable practices	Having to pay more for ecosystem dependencies such as water, and for environmental externalities such as pollution
Opportunities				
Implement rainwater harvesting, reduce water consumption by optimising processes	Minimise the specific water consumption	Target more retreading; manufacturers are introducing carbon-neutral tyres	Improve stakeholder relationships by committing to procuring only raw material or goods that have been certified as sustainable	Improving access to project finance loans by adhering to a bank's biodiversity policy

Innovations for green manufacturing

JK Tyre's 'Go Green' initiative has been validated by third party certification for several initiatives such as Zero Waste to Landfill, Water Positive Plants, carbon footprint assessment for 6 years. The Company also releases an annual Sustainability Report based on GRI standard. Our plants at CTP and VTP are now Platinum level in Greenco rating system by CII GBC Hyderabad. We are also on the way for a Globe of Honour assessment by British Safety Council, UK. JK Tyre now regularly discloses its performance on the global platform of carbon disclosure projects for Climate Change and Water Security. It has also achieved Carbon Neutral Website recognition for four years. The Company has embarked on the journey of Total Quality Management for overall business improvement and have taken up improvement projects to excel in Productivity, Quality, Cost and Delivery.

Our Green Tyres

Characteristics

- They use environment-friendly materials
- Lead to less emissions

How is this achieved?

- Use of eco-friendly material replacing petroleum-based materials. For eg. higher silica (natural filler) replacing carbon black (Petroleum based)
- Reduction of rolling resistance, thus improving fuel efficiency and, in turn, less consumption of petroleum fuel and lower emissions

Our green products

• Passenger Car Radial (PCR) Category:

A number of Stock Keeping Units (SKUs) have high content of silica. Amongst these, the largest selling is UX Royale, across market segments

• Truck Bus Radial (TBR) Category:

1. Products with best-in-class fuel efficiency, reducing fuel consumption by up to 8%. They are:
 - 10.00R20/295/90R20 JDH XF
 - JUH XF
2. Lowest Rolling Resistance Coefficient (RRC) Tyre with very high mileage
 - 295/80R22.5 JUL XM – Tubeless

We pioneered the manufacture of green tyres in India, being the first Indian tyre Company with a verified carbon footprint (as per IS-14064).



Biomass use at KTP

At the Kankroli Tyre Plant (KTP), the boiler is used for the generation of steam required for plant processes. The steam load fluctuates, depending on the loading of presses. The boiler, in the stocker spreader design, is meant to use crushed coal of the size of 6-25 mm.

Kankroli tyre plant is full of greenery. A lot of horticultural waste was being generated due to the pruning of trees, bushes and dry leaves, all of which were going to the land fill.

The KTP team undertook a drive to use all this as fuel. As a pilot project, a small dry leaf crushing equipment was developed in-house. The crushed waste was then fed to the boiler using secondary air piping of the boiler. This gave some success, but the quantity of biomass produced was little. Another trial was conducted by feeding biomass briquettes through the window of the boiler furnace and this was also limited to 2 MT/day.

To maximise the use of biomass in the boiler, various ideas were explored by the team to use more biomass briquettes/horticulture waste. Finally, with modification of the coal feeding arrangement, the biomass briquettes and horticulture waste use quantity increased to 25% of the total fuel used in boiler.

5,583 MT

Biomass used at KTP, resulting in the reduction of 865 tCO₂ in GHG

Biomass briquettes

Boiler of 30 Tonne capacity is used for steam generation as required for the plant process. This boiler is designed in the chain grate stoker/spreader system and uses for solid fuel of the size between 6-25 mm.

Higher coal cost leads to higher steam cost and directly impacts CO₂ emission in the environment. So we arranged to use bio fuel as much as possible in the boiler instead of coal.

Given the advantages of using biomass fuel, we tried to maximise its usage without affecting boiler. We first looked for the availability of biomass fuel in the market before starting our trial to feed through the window of the boiler furnace. In the beginning, we could undertake only 2-3 MT of feed into the boiler. Finally, we decided to use biomass briquettes with coal blending by changing some of the boiler parameters like draft control.

25%

Of total fuel consumed made up by biomass briquettes after successful trials

Reasons for using alternate fuel

- Reduction in fuel cost
- Reduction in natural resources
- Reduction in wastage
- Reduction global warming with reduction in carbon emission
- Utilisation of renewable energy resources

Briquette composition

Made with agro waste residues such as saw dust mustered husk, tree bushes etc.

How they are made

Binding agent mixes with waste residue and passes through die (of different sizes) by compacting 90-100kg/cm² pressure.



People

Contribution to UN SDGs



Material Issues



Employment



Health and safety



Training and education



Local communities

Highlights

- JK Tyre recognised as a Great Place to Work in 2020-21, validating its positioning as a preferred employer
- More investment in digitalisation, enhancing per person productivity
- The Company reported its highest people retention in years; average age ~37 at the close of the year
- Received Sword of Honour, British Safety Council
- Total reportable accidents declined by 33% since FY 2019-20
- Successfully conducted ISO 45000 Safety and Occupational audit
- Completed SA8000 audit

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Assuring employee well-being

At JK Tyre, we have always placed a premium on competent people management and the Company's performance indicates our efficiency in this regard. The unique circumstances induced by the pandemic tested our abilities. However, the results have validated our established record in ensuring employee well-being.

In FY 2020-21, the challenging circumstances induced by the COVID-19 pandemic required us to be proactive in the management of the safety and physical and mental well-being of our knowledge capital or our people. We placed a premium on virtual engagement to sustain sales and enhance employee morale across geographies. Since the inception of the Company, seldom has its HR function been as extensively tested, and validated for its superior performance, as during FY 2020-21.

Our HR function transformed the approach from conventional crisis management to re-orienting and re-skilling the workforce to increase the Company's agility while deepening its resilience and competencies.

We emphasised adaptiveness in the face of the rapidly evolving environment. At the same time, we kept the focus on performance, timely communication, business continuity, engagement with external stakeholders (dealers, vendors, customers) and digital transformation.

We will continue to stress on Occupational Health, Safety and Environmental performance for sustainable growth.

HSE commitments

- Complying with legal and other HSE requirements applicable to products, processes and services
- Setting up appropriate objectives including well-being and OHS of all employees and stakeholders
- Taking measures in HSE management system by being proactive and innovative
- To 'provide instructions' and 'to identify and eliminate HSE hazards'
- Adopt life cycle thinking and work towards conserving natural resources and energy by optimising efficiency, minimising waste and encouraging adoption of reuse/recycle throughout the value chain, wherever practically feasible
- Enhancing effectiveness of Safety, Health & Environmental Management system through proper risk assessment and identification of opportunities to reduce the OHS and environmental risk and impacts
- Providing our employees, contractors, sub-contractors and transporters a safe work environment, facilities, adequate resources,

- support, information and need-based training to work safely and involving them in HSE matters concerning them and evaluating their performance based on EHS parameters
- Integrating HSE policy into our business planning, decision making and performance review at appropriate levels. The policy will be reviewed periodically to suit its applicability for business requirements
- We commit to consulting all stakeholders and ensuring participation of workers' representatives and ensure adequate supervision to enhance the OHS and environment performance



Health and safety

We accord top priority to Occupational Health and Safety and have zero tolerance towards any incidences related to it. Our goal is to build an accident-free organisation, so that our employees can work comfortably in a safe and healthy environment. Our sustained commitment in this regard won us the coveted Sword of Honour from the British Safety Council.

We have rigorous and elaborate health and safety policies and mechanisms in place that ensure full compliance of safety norms at all levels of the organisation. The management's commitment towards OHS standards is articulated in our Health, Safety, Security, Environment and Quality (HSSEQ) policy. The policy emphasises on continual improvement and is based on management systems developed in accordance with internationally recognised standards, and supported by continued investments in state-of-the art technology and quality human resources.

We, at JK Tyre, are committed to designing, manufacturing and distributing our products in a manner that protects the environment, prevents work-related injury and ill health and pollution from all activities carried on under our control. We identify specific risk and opportunities as per their context to the organisation.

The policy is communicated to all employees, persons working for and on our behalf and is made available to all interested parties on request.

How we have strengthened our HSE culture

- Deployed safe work systems
- Near misses being monitored and corrected daily
- Worker surveys to obtain feedback
- Training intensified; workers provided workplace safety awareness
- Displays and signages increased for public safety
- Person-to-person marking at workplace

Our safety initiatives in the context of the pandemic

- All manufacturing locations were sanitised before plant commencement after the lockdown
- Thermal scanning of all employees was done before they entered the premises
- Social distancing and hand sanitisation protocols were followed
- Awareness sessions on COVID-19 were organised at all locations
- COVID-19 testing was organised at all plant locations

Where we have invested

- Added PPEs for worker use
- Increased frequency of monitoring
- Strengthened Safety team through recruitment
- Increased budgetary allocation

FY 2020-21 HSE achievements

- Achieved Sword of Honour from British Safety Council
- Globe of Honour training was organised
- Total reportable accidents declined by 33% as compared to the last financial year
- Near-miss reporting increased coupled with timely correction
- Completed ISO 45000 Safety and Occupational audit
- Completed MS 14001:2015 Environment audit
- Completed Social Accountability SA 8000 audit

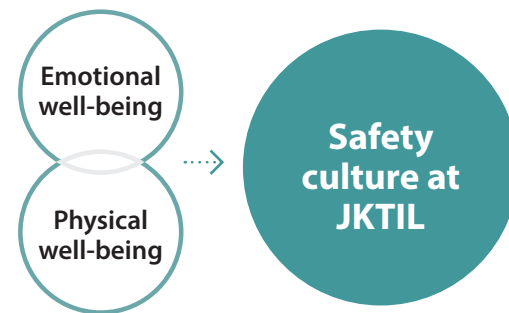
Ingraining a safety culture

To maintain and improve upon the well-established safety systems, extensive trainings were conducted during the year by internal and external experts on firefighting and emergency handling, electrical safety and road safety. Just as in the past, there were no fatalities during the reporting period.

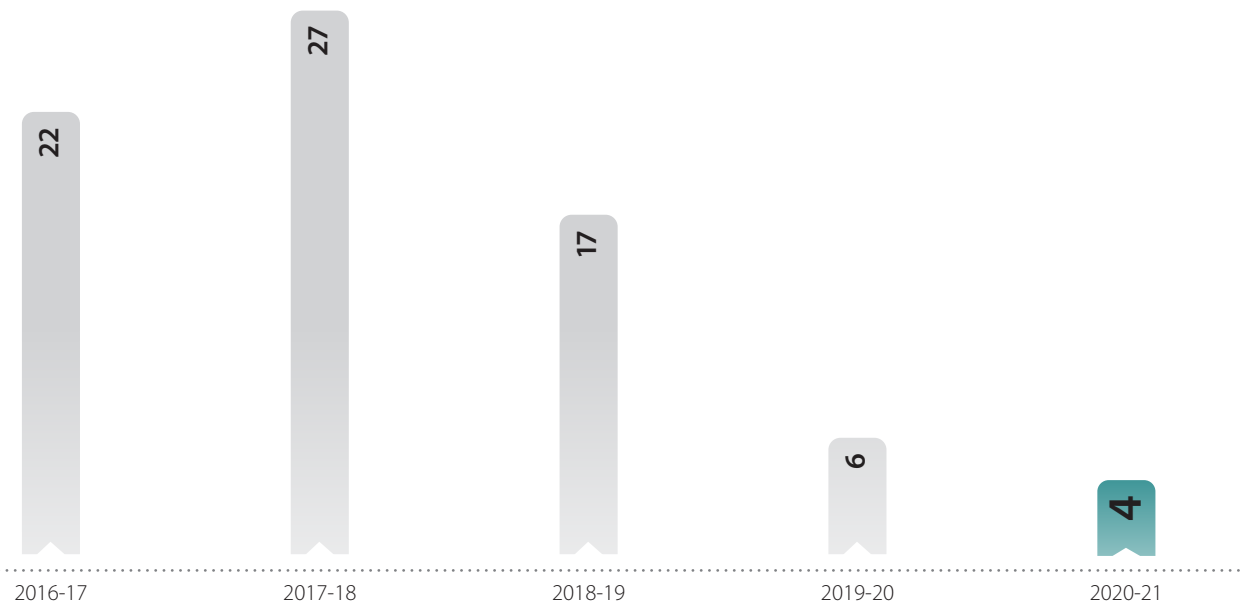
Safeguarding employees from injury or occupational disease is a major ongoing drive for us. We ensure safety and security at the workplace by enforcing policies and procedures, creating awareness and imparting trainings. Knowledge on ergonomics related illnesses and upper respiratory infections is important for our workforce. We have institutionalised health and safety processes including trainings for service providers, risk assessments, ergonomic session for employees, health awareness sessions and regular cafeteria food inspections.

Women's safety, assistance to persons with disability, emergency response, and preventive health and safety measures are also the key pillars of our safety culture at all our locations. Safety at the workplace has also been strengthened through the implementation of robust processes such as the employee counselling service, prevention of sexual harassment policy and grievance handling mechanisms.

Core EHS teams and Safety Committees established at each of the manufacturing locations drive compliance with standard procedures, organise awareness programmes on health and safety for employees and service providers, and carry out periodic risk assessments, safety inspections, incident investigations and hygiene audits.



REPORTABLE INCIDENTS



Sword of Honour Award for JK Tyre plants

All JK Tyre manufacturing facilities have been awarded the Prestigious Sword of honour by the British Safety Council.

This is among the highest global recognition in safety. Also, for the first time in India the highest number of tyre units have achieved the highest rating in implementing safety standards.

Journey and challenges

Our journey towards the honour from the British Safety Council (BSC) started when we engaged highly trained safety professionals from BSC India. We had several hand holding visits, reviews, and conference participation organised by BSC.

In the next step, we developed the Vision and Mission statements – to be a safe place to work and a Green Company. We also developed a 141 page manual that included 56 procedures and 121 SOPs, well-defined RACI matrix, roles, accountability, communication and information for corporate and plant.

We provided enough resources for modification and Safety Kaizens with the help of an external agency, with whom we also carried out fire safety assessment, static charge, safe working limit, counselling, behaviour-based training and safe driving. We internally conducted 10 surveys on the display equipment hazard, social risk, canteen food quality, perception of workers, disease prevention and so on.

Health and wellness

At JK Tyre, 'caring for people' has always been a core value. The pandemic required us to live this value in every step we took to ensure the safety of our people and keep them motivated.

Employee well-being and health today is paramount. On it also depends how an organisation is perceived globally. At JK Tyre, 'Caring for People' is one of our core values and it has helped us beneficially influence the lives of our employees and their families over the years. The value also remained at the core of all the measures we took to ensure the safety of our employees during the pandemic. We setup a COVID-19 task force so that none of our employees were affected and ensured proper sanitisation, masking and physical distancing. We reached out to our employees through webinars, live sessions, one-to-one interactions to keep them motivated. The essence of health and wellness is support in times of distress and JK Tyre firmly stands by its people in these difficult times. Today, after a year of the pandemic, we are more equipped and prepared to fight the virus. Our plants have beds, adequate oxygen and we have also provided oxygen concentrators to rural hospitals. We are continuously in touch with our employees in case of any requirement.



A great place to work

At JK Tyre, we have always devoted our resources to enhance our employees' capabilities, while preparing and strengthening the group dynamics, promoting information sharing, succession planning and transparent communication throughout the year.

The one differentiator that can make an organisation stand apart is its people. Organisations with the right talent have shown the capability to beat market cycles, report stronger margins, create bigger revenue streams while making business sustainable.

At JK Tyre, people represent the cornerstone of our multi-decade success. Their passion, experience and knowledge are behind our premier industry standing. Throughout FY 2020-21, we invested to develop capabilities, strengthening group dynamics, systematise information sharing, succession planning and transparent communication. The business environment has become extremely challenging over the years, and it was important to retain our intellectual capital, enhance work efficiency and productivity, and adapt proactively to the rapid changes in the industry.

Our house of JK Tyre

At JK Tyre, we take pride in addressing ourselves as one big extended family. We do not nurture our employees, we groom them as our own family members. Our employees have stood by the organisation through thick and thin, and taken us to where we are today.

At the foundation of this family lie three core values:

Caring for people



Integrity, including intellectual honesty, openness, fairness and trust



Excellence is our commitment



These Values help us bond together. At the foundation of our deep values rest the pillars that support our Mission:

Customer first



Premium products



Profitable to stakeholders



No.1 in India



Global presence



Socially responsible



Innovation and learning



Employee Volunteering visit to Leprosy Mission

These are our action points that govern, necessitate, facilitate, amalgamate and create our steps towards creating a sustainable business, engaging talent, motivating employees, benefiting society and reducing environmental risks.

Our Vision provides the foundation that supports our Values and Mission statements. Over the years, these have kept us motivated to take on new ventures and reach new heights of excellence.

Our people processes and initiatives are aligned to these stated objectives, making for a sustainable, inclusive and comprehensive work culture. We accord the highest priority to people management and develop it from being a key pillar supporting our business to the centre of our competitive business strategy. We understand that an amalgam of diverse cultures, castes, age, values, dialects and so on, will further build up the organisation's agility, foster deftness create a sense of fellowship, and promote learning and innovation.

We enlist youthful, enthusiastic and eager talent, together with rich industry experience. To this intellectual ferment, maturity, we also ensure space for entrepreneurial thinking, reasoning and initiative-taking zeal.

JK Tyre - A GREAT PLACE TO WORK

JK Tyre has been re-certified as Great Place to Work by Great Place to Work Institute, India. It is a recognition of the trust, pride and camaraderie that define our work environment, and set the benchmark for people practices for the industry. We take pride in receiving the recognition because our feat, for the third time in a row, showcases our focused commitment, sense of togetherness and the organisational culture that binds our processes, people and purpose.



Diversity and Inclusion

At JK Tyre, diversity is about understanding, accepting and valuing diverse perspectives and cultures including differences in race, ethnicity, gender, age, religious choice, abilities and sexual orientation. We are an amalgam of people with diverse education, personalities, skill sets, experiences, and knowledge.

JK Tyre is a diverse organisation having multi-location manufacturing facilities in India, and exporting to more than 100 countries across the globe. Three generations from different cultures, traditions, social economic backgrounds are working together to achieve a common goal. Diversity is perceived differently by different generations. Gen-Y (frontline) and millennials (middle management) view diversity as the combination of different backgrounds, experiences and perspectives. They believe that taking advantage of these differences will inspire more innovation. Gen-X (top management) and Boomers (senior management), on the other hand, view diversity as equal and fair representation.

At JK Tyre, we have long realised that workplace diversity means good business: that embracing a multiplicity of viewpoints and cultures drives innovation, improves decision-making, increases employee productivity and retention and leads to better-served customers.

On the other hand, inclusion leads to a collaborative, supportive and respectful work environment that increases participation of all employees. Diversity and inclusion are thus an integral part of our business strategies and practices. We support workplace diversity and leverage its effects to retain our competitive advantage.

Our people practices help create an inclusive, performance-oriented work culture that supports incredible variety and diversity in the workforce. We promote mutual respect and collaboration. We give our employees industry best compensation and conform to global work standards and winning people practices. We encourage workers' interest in administration and collective bargaining. We uphold straightforwardness and transparency as well as responsibility and accountability while helping every worker achieve their full potential.

We consistently benefit from the experience and diversity of our key personnel and employees, many of whom possess extensive industry expertise. As of 31st March, 2021, we have 11 doctorates, 50 scientists, 511 business administration and 903 engineering/technical professionals engaged in our operations.



Women's Day celebration at JK Tyre



Gender diversity

At JK Tyre, we are consistently making efforts for enhanced diversity in our workforce. It has been our constant endeavour to increase the number of women on the shopfloor and encourage their induction in different roles in manufacturing. However, the number of women employees at manufacturing plants is still a challenge across locations given the limited number of female candidates opting for such work opportunities. We also encourage women to take up supervisory roles.

Though the overall percentage of female employees in the organisation stands at ~1%, we have a relatively higher percentage of female employees at our Global R&D and tech centre located at Mysuru as well as the Head Office in New Delhi. As a part of our ongoing efforts, we are targeting to enhance the percentage of female employees by 2% y-o-y. The achievement of this target will be the outcome of a collaborative effort of both HR and business & operations division.



JK Tyre encourages participation of women in motorsport

5,893
Male

44
Female

Age diversity

%

39
30-50 years

34
<30 years



27
>50 years

Ethics at JK Tyre

Creating an ethical work environment is a priority of the leadership team. We have a Code of Conduct for the Management Cadre Staff (MCS) and 'Standing orders' for workers, apart from various anti-discrimination laws which are mandatory compliance at all our locations. POSH policy (Prevention of Sexual Harassment at Workplace) for the safety of women is again a priority for the organisation. Ethical business rules and guidelines are applicable to all employees while interacting with each other, with customers, suppliers, and other external parties. Ethical codes govern business courtesies, prohibit conflict of interest, and set the

guidelines on sharing of confidential and proprietary information, appropriate use of Company property and technology. Inappropriate behaviour is subject to counselling and appropriate disciplinary action.

In addition, all our plants are certified with SA 8000, which further strengthens our good practices related to employment conditions and work environment for people. Compensation levels are also determined purely on the basis of qualification, experience, skill sets and performance. We continue to invest in promoting a congenial workplace environment with the objective to sustain our record as one of the best places to work within the sector.



JKTIL employees detail

S. No.	Location	Full Time Employees				Total	Casual Basis/ Contractual / Temporary		Grand Total	No. of Unionised Workforced	% of Unionised Workforced
		Workmen	Staff & Substaff	MCS (Including MCS Trainees)	Badli		Contractual				
1	Location 1	656	11	161	828	665	860	2353	667	80.6	
2	Location 2	780	56	177	1013	325	470	1808	836	82.5	
3	Location 3	1341	16	334	1691	650	1212	3553	1357	80.2	
4	Location 4	1137		236	1373		807	2180	1137	82.8	
5	PDC			111	111			111	0	0.0	
6	HO & field sales		21	900	921		245	1166	21	2.3	
7	Total	3914	104	1919	5937	1640	3594	11171	4018	68	

Gender wise details

S. No.	Location	Category	Workmen	Staff & Substaff	MCS/(including Trainees)	Total	
1	Location 1	On Roll	Nos.	656	11	161	828
		Gender	Male	656	10	161	827
			Female		1		1
2	Location 2	On Roll	Nos.	780	56	177	1013
		Gender	Male	780	56	177	1013
			Female				0
3	Location 3	On Roll	Nos.	1341	16	334	1691
		Gender	Male	1337	13	328	1678
			Female	4	3	6	13
4	Location 4	On Roll	Nos.	1137		236	1373
		Gender	Male	1137		234	1371
			Female			2	2
5	PDC	On Roll	Nos.			111	111
		Gender	Male			104	104
			Female			7	7
6	HO & field sales	On Roll	Nos.		21	900	921
		Gender	Male		21	879	900
			Female			21	21
7	Total	On Roll	Nos.	3914	104	1919	5937
		Gender	Male	3910	100	1883	5893
			Female	4	4	36	44

Attrition detail

Location	Category	As on 31 st March, 2020	Employee left	Turnover %
Location 1	Mcs (including trainees)	185	19	10.27
	Staff/sub staff	11	0	0.00
	Workmen	749	0	0.00
Total		945	19	2.01
Location 2	Mcs (including trainees)	184	17	9.24
	Staff/sub staff	60	1	1.67
	Workmen	667	1	0.15
Total		911	19	2.09
Location 3	Mcs (including trainees)	566	35	6.18
	Staff/sub staff	20	0	0.00
	Workmen	1197	3	0.25
Total		1783	38	2.13
Location 4	Mcs (including trainees)	259	34	13.13
	Staff/sub staff	0	0	0.00
	Workmen	1101	92	0.00
Total		1360	126	9.26
PDC	Mcs (including trainees)	107	16	14.95
	Staff/sub staff	0	0	0.00
	Workmen	0	0	0.00
Total		107	16	14.95
HO & field sales	Mcs (including trainees)	882	53	6.01
	Staff/sub staff	24	0	0.00
	Workmen	0	0	0.00
Total		906	53	5.85
Grand total		6012	271	4.51

New employees hired (HO & field sales) 2020-21

Head count	Category	Location	HO & field sales
Total no of new employees hired	Age group	< 30yrs	85
		30-50	45
		> 50yrs	0
Total	Gender	Male	124
		Female	6
		Total	130

Employee attrition rate 2020-21

Head count	Category	Location	HO & field sales
Total no of new employees hired	Age group	< 30yrs	35
		30-50	18
		> 50yrs	0
Total	Gender	Male	52
		Female	1
		Total	53

JKTIL employees detail

Head Count	Category	Age Group	HO & Field Sales			PDC			Location-1			Location-2			Location-3			Location-4			Total
			(MCS+ Staff & Sub Staff)	Workmen	Total	(MCS+ Staff & Sub Staff)	Workmen	Total	(MCS+ Staff & Sub Staff)	Workmen	Total	(MCS+ Staff & Sub Staff)	Workmen	Total	(MCS+ Staff & Sub Staff)	Workmen	Total				
Total number of employees	Age group	< 30 yrs	214	0	214	57	0	57	30	1	31	23	181	204	87	270	357	92	1077	1169	2032
		30-50 yrs	555	0	555	45	0	45	79	159	238	113	513	626	188	482	670	129	60	189	2323
		>50 yrs	152	0	152	9	0	9	52	507	559	41	142	183	59	605	664	15	0	15	1582
Total			921	0	921	111	0	111	161	667	828	177	836	1013	334	1357	1691	236	1137	1373	5937

Employee engagement

We consider our people as our most fundamental resource. The Company's HR function assumes the role of a business accomplice in empowering employees in a highly competitive environment and ensuring their commitment to larger organisational goals by being productive and conscientious workers.

The commitment, enthusiasm and abilities of our workforce have enabled the Company to report sustained profitability. Given the churn in the industry, it has been necessary to upgrade our emphasis and ways of employee engagement in order to ensure their loyalty, resulting in higher productivity. Dynamic changes related to technology and expertise have also made it essential to improve fitment.

We undertake several programmes to maintain transparent communication with our employees and keep them engaged, happy and motivated.

Communicating with our employees

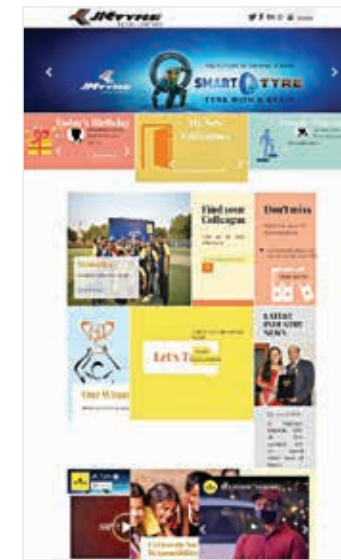
V-Connect

A monthly V-Connect is organised by the head office in the first week of each month connecting the head office, all plants and field locations. In this forum, the Company President, Whole-Time Director, and functional heads present an overview of the month/quarter gone by to all employees. The Chairman and the Managing Director address a quarterly V-Connect, where they share information on best practices, innovations and initiatives that are making an impact. Employee efforts are always acknowledged at these meets and their contribution mentioned with regard to enhancing safety, energy efficiency, manufacturing output, automation and digitalisation and so on.

JK Tyre Digital Wall

Our intranet Pitstop, is an internal portal that give employees information on the following:

- News updates on the latest happenings at JK Tyre
- Employees' birthday with an option for others to wish them
- New joiners in the month
- Peoples' movement within the organisation
- Functional corners, i.e. Technical/HR/Marketing/Finance etc.
- Find your colleague – giving a personal profile of employees



Pitstop

It also serves as an important tool for knowledge sharing. Through this portal, employees learn about various functional processes and products.

Discussion Forums

A platform where employees can begin discussion with their colleagues including the senior management team. Various forms of surveys/quizzes are initiated at Pitstop and analysis is conducted.

Raise Your Hand

It is the platform through which employees are encouraged to participate in constituting and revamping employee-related policies. This platform gives freedom to employees to share their valuable inputs, raise any query with regard to employee policies available on the the digital wall on Pitstop or the HR Guide Book.

Office 365 refers to the subscription plans that include access to office applications and other productivity services that are enabled over the Internet (cloud services). At JK Tyre, Office 365 includes services such as Skype for Business, web conferencing and exchange, online hosted email for business, and collaborative tool Yammer. These are extremely helpful as we have remote employees working at multiple locations and employees who often travel for business. These tools help employees collaborate on projects, initiatives and events.

Group conversations provide open, flexible workspaces for teams and communities by providing a central place for conversations, sharing files, updates, and more. It also enables us to add partners, customers, and vendors to group conversations for specific inputs. For ongoing collaboration, we are able to create dedicated external groups or external networks to foster deeper relationships and a sense of community.

Microsoft Teams and Zoom provide a simple way for our teams to collaborate, share knowledge, and engage everyone across our Company. Regional Sales Managers or Zonal Sales Managers head the regional meets and discussions with other members at times through Skype.

SAMVAD, our monthly e-Magazine, captures updates for the month. It encompasses all HR-related initiatives and information such as training updates, CSR activities, employee engagement and involvement activities, information of new joiners, various training workshops and much more. It also provides a platform to highlight updates/achievements of employees from across all plant locations and offices. It features a key note from one of the leaders every month.

Coffee with Leader: Every month, a senior leader becomes the guest for an informal talk show hosted by the HR team. Featured in the form of a webinar, the staff actively participate in these talk shows, where the family members and peers of the leader are also invited to talk about the leader. The leader shares his/her journey, passion, hobbies and so on while the host, Mr. Anupam Bajpai, usually throws a googly for the leader to answer.

Employees Special Day Celebration: We celebrate the birthday, marriage anniversary and work anniversary of our JK Tyre family across locations within the work teams as well as a common celebration at the unit. In FY 2020-21, we changed to the virtual mode to host the fanfare.

Cross-functional collaboration: Cross-functional teams work together to identify and implement various projects and achieve business goals. During the year, these CFTs were engaged in Breakthrough and High Impact projects, TPM Circles, Suggestion Scheme and various competitions (Slogan, posters, and essays). The CFTs were suitably recognised and at the Group level by the Directors/Chairman and by unit heads. Udaan is a Group level competition where Group employees across JK Tyre present ideas on innovation. Top 4 ideas are shortlisted at the Company level and then are presented at JKO Group level.

Training and development

At JK Tyre, our prime endeavour is to attract, retain and nurture talent. We are proud to have instituted a culture of learning, which engages and involves an employee right from the day the new recruit walks in through the door.

We have instituted a continuous learning process that aims at providing fresh knowledge and skill inputs to our employees. It is critical to ensure development of their competencies, dynamism, and effectiveness in a systematic and planned way, thereby improving the productivity and overall organisational effectiveness.

Our Learning & Development framework focus areas are designed and developed in line with the organisation's strategic business goals, mission, vision and core values.

Pillars of L&D strategy and framework

The strategy is divided into three main clusters as per the organisation's specific needs, functional development needs and people development needs.



Focused and customised training interventions

At JK Tyre, focused and customised training interventions are designed for executives (MCS -Management Cadre Staff) and non-executives Non-MCS that are directly linked with the Company's training and development strategy. It is essential to continually upgrade the functional skills and behavioural competencies of the employees to ensure future growth of the business. This is especially so in the wake of technological advancements, legal amendments and changes in customer requirements. It becomes extremely important for us to keep up with the industry trends to enhance our competitive edge and retain our market leadership in the face of stiff competition.

JKO leadership competency framework

Competencies are knowledge, skills and abilities – described in behavioural terms – that are observable, measurable, and critical to successful individual or corporate performance. Competencies, when correctly identified and used, have proved to be one of the most powerful tools for an organisation to meet its business results with the help of its most valuable resource – its people. We have a Competency Framework that has been shaped by AON Hewitt.



Competency framework

7 Competencies | 4 Proficiency levels | Singular competency framework for all the JKO businesses and groups



Developing talent and leadership pipeline



LEAD

- Leadership exploration and development by Assessment Development Centre
- 10% identified talent in the organisation



Differentiated Workforce

- Initiative drawn from "The Differentiated Workforce" – by Brian E Becker, Mark A Huselid and Richard W Beatty
- 8 strategic capabilities
- 31 strategic positions
- 10% people holding strategic positions
- HR architecture for Differentiated Workforce including "Work Designs" for each strategic position



Executive Coaching

- 360-degree executive coaching by Hewitt/ Human Synergistics for leadership positions



Youngage Konnect: Mentoring

- A unique initiative for identified high performers/ talents and also for young blood – GET's & MT's

Strategy for retaining talent

We understand that talent matters immensely because it is high value and scarce. We have a well laid out recruitment strategy and we ensure retention of the best workers through proactive measures that include assistance in career planning apart from an industry-best compensation package and benefits.



Retaining Management Cadre Staff (MCS)

To retain high-performing MCS, we draw up a list of those critical to business success in strategic positions (20-30% of MCS). We are following the strategy enumerated below:

Top 10% of MCS
to have a CTC equal to market/competition

Next 20% of MCS
to have CTC 80-85% of market/competition

3 to 5x
Normal increment for top performers

Career growth

To ensure steady career growth for our employees, we have adopted the following strategy:



Career planning: Assess career aspirations and develop and communicate clear career growth plan, promote from within, with 60 to 70% readiness, rather than recruit from outside



Job rotation: The career plan should include opportunities for development through job rotation



Challenging assignments beyond expectation: Bet on identified MCS to shoulder business challenges. Support them during failures and setbacks without criticism or blame and guide them to succeed



Youngage Konnect mentoring

To foster the culture of mentoring, we have launched the Youngage Konnect: Mentoring for Development, a six-month structured intervention for new management trainees and graduate engineer trainees.

During the year of disruption, our mentors and mentees connected virtually, collaborated and demonstrated their learnings and experiences. We are proud of this initiative as it has groomed employees in becoming adept in their respective fields of work.

Our mentoring journey



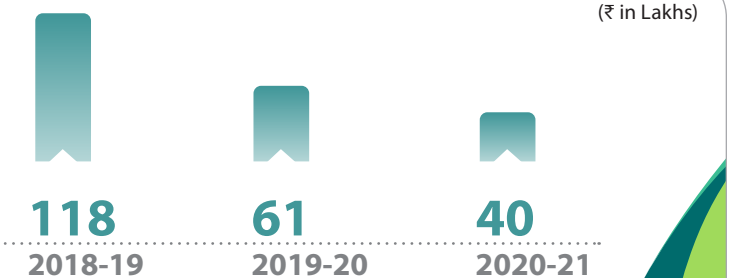
JK Tyre workforce as on 31st March, 2021

Executives	Workmen	Total	Contracters/Temp workmen	Grand total
1,919	5,658	7,577	3,594	11,171

JK Tyre training data as on 31st March, 2021

Executives	Workmen	Total	Total Hours	Average training hours
1,771	4,018	5,937	1,66,574	27.08

Training and development spend*



*The spending trend does not, in any way, reflect on the level of training as the mode of delivery is increasingly virtual.

Community engagement

At JK Tyre, our CSR mantra is to empower people and generate social wealth. Apart from creating value for our shareholders, staying invested in the creation of sustainable societal value has been part of our organisational purpose.

JK Tyre has always been committed to creating sustainable societal value in addition to generating wealth for its shareholders and nurturing the immediate environment. The founders of the Company believed that it was imperative for the surrounding communities and other stakeholders to progress along with the Company. We have been engaged in various community development initiatives such as organising health camps, providing support to schools, creating better rural and semi-urban infrastructure, conserving the surrounding environment and so on to bring enduring change in the lives of people. We believe that our CSR initiatives are closely linked to our business success and business processes. Hence it becomes imperative for the Company to respond to the challenges in the areas where it operates. Additionally, as a Company that operates in some of the poorest areas of the country, the Company may not remain unaffected with the poverty and unemployment in its vicinity.

Empowering communities

The key stakeholders of our CSR programme are communities that live in the periphery of our manufacturing units, suppliers, employees, contractors, truckers and transporters. A large chunk of our social development work is with the community around the factory/plant as we are committed to bringing prosperity in the areas where we operate. While planning a CSR project or selecting beneficiaries, we lay emphasis on the interests of marginal people, vulnerable sections of society, women, the elderly and children. Similarly, truck drivers are other vulnerable populations are also our target groups. We seek to empower them by creating awareness, trainings on safe driving, road safety, prevention of HIV/ AIDS, and so on.

Approach and methodology

Our CSR activities are not determined by what we believe people want but what communities tell us they want.

We understand that CSR programmes need to be relevant to people's lives and the locale, and need to be connected to the grassroots. Our CSR interventions thus take in the needs of the area and enlist active participation of the local communities. Community engagement is of utmost importance as the sustainability of a CSR initiative is ensured only through community ownership. Community engagement starts right from project inception and is ensured at different stages of the project, such as planning, implementation, monitoring and evaluation and finally handing over the project to local communities. Further, in place of implementing one-off activities like a health camp or sponsoring a sports event, emphasis is laid on providing sustainable solutions for communities.

A Needs Assessment Survey is conducted at all CSR project areas periodically and based on the findings of the survey, CSR projects/activities are planned. We actively engage with and assist local communities in identifying, prioritising and meeting their developmental aspirations through periodic needs assessment surveys. Various social research methodologies like participatory rural appraisal, focused group discussion/group discussion, personal interviews, secondary/primary data analysis, etc., were used to identify community needs.



Implementation of CSR projects

CSR activities are implemented directly or through competent grassroots NGOs, depending on the nature of activity and required competence. Presently, activities like adult literacy, reproductive and child healthcare projects are being implemented directly, while for the implementation of projects on water conservation, livelihood, skill development, etc. competent NGOs have been partnered with.

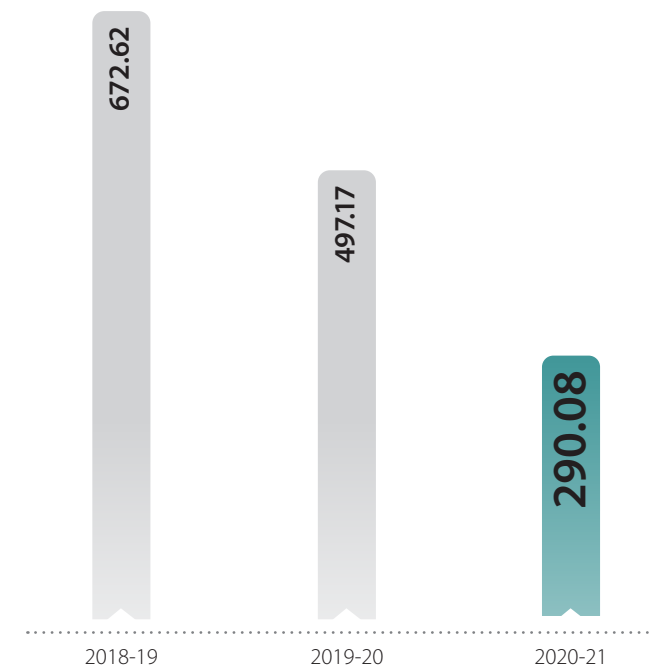
Our CSR agenda meets requirements of Section 135 & Schedule VII of the Companies Act, 2013 and is in consonance with most of the UN Sustainable Development Goals. We have a well laidout CSR Policy in the Company and CSR initiatives are planned and implemented under the guidance of the Board-level CSR Committee and the top management.

Monitoring and evaluation

For effective implementation and timely improvement in CSR initiatives, it's mandatory to have a robust MIS and feedback mechanism. Monthly, quarterly and annual progress reports are shared with the top management for their feedback and suggestions. Impact assessment studies are also conducted regularly to know the ground reality, short-term and long-term impact of social interventions on the lives of people. Based on the findings of these studies, further CSR interventions are planned.

CSR EXPENDITURE

(₹ in Lakhs)



Social impact assessment

We regularly conduct third-party impact assessment studies to measure the transformative changes brought about in the lives of poor and marginal people by our social projects.



We also undertake individual case studies to explore how a CSR project has been instrumental in increasing overall income, whether it has inculcated health-seeking behaviour, brought a decline in Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR), helped conserve water for better agriculture and other significant measurable positive changes in the lives of people. These surveys are an effective tool to record and document people's voices, assess the effectiveness of the project, its shortcomings and ways to improve the project outcome through effective planning, implementation and continuous monitoring and evaluation.

Partnering to deepen impact

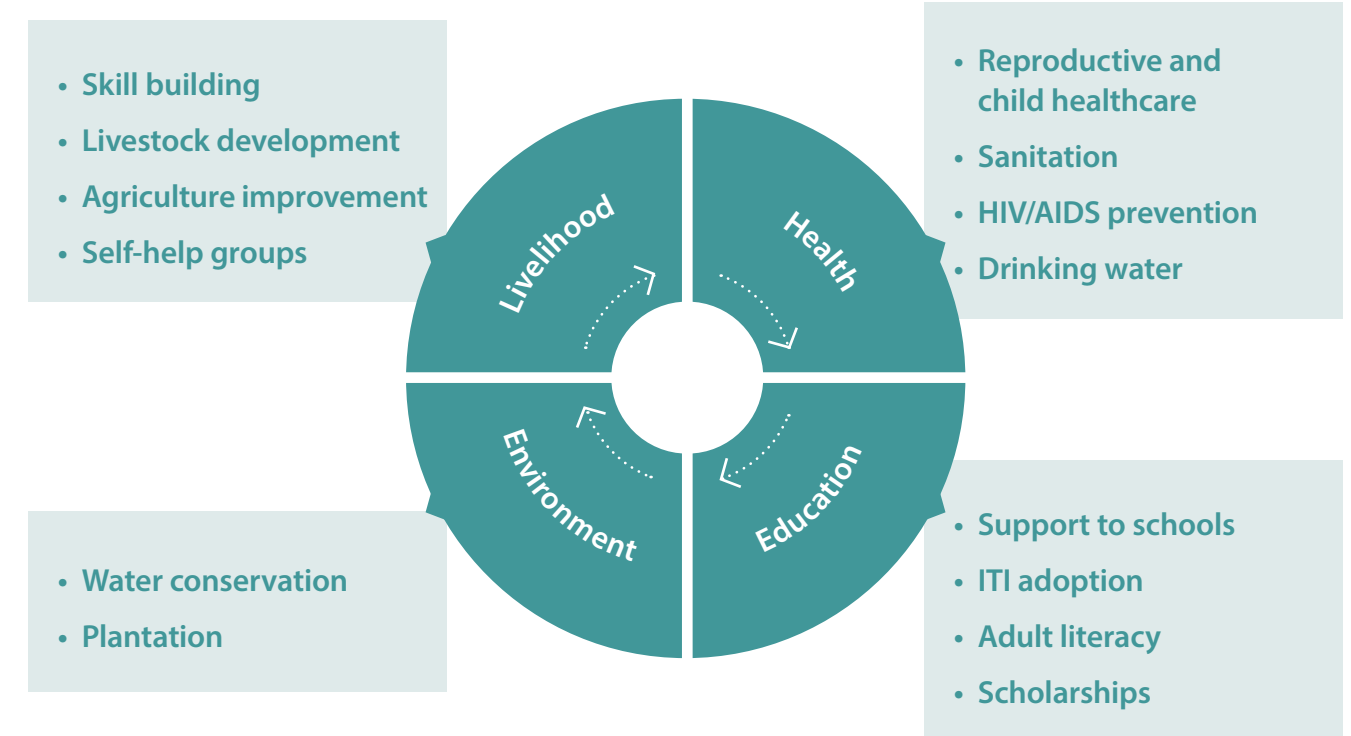
JK Tyre believes strongly in partnering with development-oriented corporates, NGOs, government agencies and other stakeholders to improve project implementation, enhance outreach and create greater impact on stakeholders. We have collaborated with reputed NGOs to benefit from their grassroots presence, technical competence and rich experience of social project implementation.

We have partnered with the government's Swachh Bharat Mission and helped build a large number of individual toilets, thus making many villages completely Open Defecation Free (ODF). All stakeholders are encouraged to have regular dialogue with the Company through a structured formal engagement process.



Focus areas of intervention

JK Tyre's social development initiatives may largely be categorised into education, health, livelihoods and water conservation, wherein emphasis is laid on providing long-term sustainable solutions to marginal and disadvantaged communities, specifically in rural and semi-urban areas.



Employee volunteering

The culture of helping society is deep embedded in JK Tyre employees as well. They have also played a pivotal role in voluntarily participating in various CSR initiatives of the Company.

They have taken adult literacy classes, shared their technical expertise with ITI students, visited old age homes, leprosy care centres and sponsored studies of poor students apart from devoting time during various CSR events through various structured volunteering programmes.



Generating sustainable livelihoods

Through our livestock development programme, training on sustainable agriculture and diverse farming practices and skill training, we ensure that communities are able to find alternative means of sustenance that help them gain agency over their lives.

In rural India, agriculture and livestock are the major sources of livelihood. To enhance farm and off-farm incomes of poor and marginal farmers, we have undertaken various agriculture and cattle breed improvement programmes.

Livestock development

While agriculture is the backbone of India's rural economy, livestock rearing is also a vital contributor to it. Almost all rural households own livestock – even landless families own one or two cows or buffaloes. For the poorest among these families, livestock is often their only source of income. However, in general, milk yields are extremely low as a result of poor nutrition and genetic quality.



- JK Tyre's Livestock Development Programme provides artificial insemination services to produce calves with significantly higher milk yields - producing enough surplus that can be sold. Livestock Development Centres in villages provide services right at the owner's doorstep. This also includes veterinary support to ensure proper health and nutrition
- Having surplus milk for sale brings in extra income. With the additional income and experience, families can invest in increasing their herds, paving the way for dairying to become a viable livelihood option
- During the last five years of the livestock development programme, a total 28,156 artificial inseminations have been performed, 7,638 hybrid calves were born and more than 1,00,000 cattle were provided various other healthcare services such as vaccination, deworming, de-ticking, fertility treatment, and so on
- We have been trying to encourage cattle-owners to come together to form milk producers' associations so that they can reduce logistic costs and connect to larger markets to get higher prices. To enhance outreach and scale, we partnered with NABARD for a project scale-up and extension. The second phase of project will start from FY 2021-22 onwards

Livestock development in Morena

- Total 28,156 artificial Inseminations have been performed
- Total 7,638 hybrid calves have been born
- More than a lakh animals have been attended with clinical health services, treated for first aid, infertility, vaccinated, deworming, etc in animal health camps
- A large number of farmers have been trained in fodder development activities

28,156

Artificial inseminations performed. 7,638 hybrid calves have been born under the Livestock Development Programme

Agricultural improvement

To make agriculture more inclusive and profitable, technically advanced and sustainable, efforts have been made to train farmers, more specifically the women farmers, on modern agricultural practices in order to give them access to the latest technology, high-yielding variety/seeds, optimum fertiliser regime, pesticides etc. for increasing agricultural production sustainably.



Floriculture in Kankroli

To make agriculture more profitable, a group of 200 women farmers was trained in floriculture in Kankroli (Rajasthan) area. There is an immense scope of floriculture in the project area because of its proximity to the Nathdwara temple and Udaipur market. Marigold, jasmine and chrysanthemum seedlings were distributed among enthusiastic and enterprising women farmers. All the farmers were also provided wire fencing to protect the crop from stray animals. Floriculture has been immensely beneficial to the women, creating on an average an additional income of ₹10,000 per beneficiary.

Skill development

Location specific and market-oriented trainings on Light Motor Vehicle (LMV) driving, mobile repairing, and motor winding have been provided. Training has also been imparted to train youths to become beauticians or take up tailoring.

More than 200 unemployed youths were trained to enhance their entrepreneurial and employability skills. Many of the participants have been employed after skill development trainings, while a few trainees have initiated their own enterprises, generating employment for many other unemployed youths.



Improving focus on healthcare and sanitation

Quality healthcare and proper sanitation are crucial to improving the resilience of communities to disease and infection. At JK Tyre, our targeted initiatives address the concerns of clean drinking water, healthcare and sanitation.

Project Jyoti Kiran

Project Jyoti Kiran was initiated a year back to provide free eye care services, especially to truckers and transporters. The eye care camps for drivers and transporters are organised at Transport Nagar, Mandis and other places where a large number of trucks, light and heavy commercial vehicles visit on a daily basis. The eye testing for truck drivers is done free of cost and spectacles are provided on the spot to those who need it. On an average, we have observed that 30-40% of visiting drivers have issues related to vision and require vision correction glasses. Around 50 such eye camps were organised under project Jyoti Kiran covering more than 5,000 truckers. More than 1,500 truck drivers were supported with spectacles to have clear vision.

50	5,000	1,500
Eye camps	Truckers checked	Truckers supported with free spectacles



Prevention of HIV/AIDS

JK Tyre is actively engaged in prevention of HIV/AIDS epidemic. The network of People Living with HIV/AIDS (PLHIV) in Rajsamand, Rajasthan helps HIV patients get medical, guidance, medicines and nutritional supplements and emotional support. The network has enrolled a total 1,250 PLHIV in Rajsamand and a large number of them have also been linked with various government social schemes like Antyodaya, Palanhar, etc.

1,500
Connected through PLHIV network for medicinal and emotional support. Many connected with government schemes



PSRI Hospital & Research Institute

Pushpawati Singhania Hospital & Research Institute, New Delhi, is a multi-super specialty hospital co-promoted by JK Tyre on a no profit-no loss basis. During the last two decades, more than 1.5 Million patients have availed affordable and best-in-class health care services at this hospital every year.

Creating opportunities through education

We understand that access to quality education can transform lives and open up new growth opportunities for individuals and communities. Our scholarship and adult literacy programmes and contribution to strengthening school infrastructure are intended to promote a better future for children, youths and, thereby, communities.

JK Tyre Student to Scholar Programme

JK Tyre Student to Scholar Programme helps meritorious and needy students find government and corporate scholarships as per their profile and need. Work begins with the creation of an updated student-friendly scholarship database. Later, profiles are identified and matched with the right student scholarships. Students are made aware of the opportunities and assistance is provided in filling up scholarship applications. More than 150 needy students have been mobilised to get scholarships worth ₹38 Lakhs.



150 students	6,000
have accessed scholarships worth ₹38 Lakhs	inmates of Mysuru's Central Prison are now literate

Adult Literacy Programme

Our Adult Literacy Programme, operational since 2004 at all our manufacturing locations, has transformed the lives of more than 50,000 rural illiterate women. These women are now functionally literate, can read and write with ease, do basic calculations and can help their children study. Many have become entrepreneurs, moving ahead on the path of progress and prosperity. The Adult Literacy Programme at Central Prison, Mysore, a unique initiative, has helped more than 6,000 prison inmates become functionally literate.

A third-party impact assessment of the programme has revealed that the project has been extremely successful. In addition to educating rural women, the project has been instrumental in improving women's position in society, education of their children, entrepreneurship development, increase in household income and eventually improvement in the quality of life.

JK Tyre has adopted three government ITIs under the public-private partnership model to impart job-oriented quality vocational education for the benefit of more than 500 local students each academic year. This engagement has resulted in enhancing the reputation of the adopted ITIs, where campus interviews are being conducted by reputed corporates, providing almost 100% employment to students. It has also co-promoted the premier JK LakshmiPat University in Jaipur.

Many schools are also supported in improving pedagogy, learning outcomes, digital learning and infrastructure. The remedial classes are run for weaker students after the school timings, so they may catch up with other students and get mainstreamed.

50,000	500 students
Rural women have had their lives transformed through Adult Literacy Programme	of 3 ITIs benefited through PPP model

Water conservation in the community

Apart from regulating water use in our operations and ensuring resource efficiency, we have gone a step ahead and initiated various water conservation initiatives in villages near our manufacturing units in order to enable local communities to become water sufficient. A total 30 community water tanks, 10 check dams and 38 farm ponds have been developed till date to harvest water for irrigating agriculture fields, groundwater recharge, provide drinking water for animals, and so on. Other water conservation activities like farm bunding, borewell recharge, soak pits, etc., have also been implemented to conserve water and benefit more than 1,00,000 local people.



Highlights on water conservation efforts

- Water is directly linked to our business sustainability and therefore we are working on water conservation issues in all areas of our operation
- Partnered with NABARD, CII, government departments, NGOs and local communities to enhance outreach and scale of water harvesting projects
- This project has helped in the following ways:
 - Transformed a large acreage of waste land into productive land
 - Diversification of traditional agricultural practices
 - Round-the-year availability of drinking water for cattle
 - Increase of 3-4 feet water level in nearby wells
- More than a lakh people have been impacted by our water-based initiatives.

Clean drinking water for Kankroli, Rajasthan

JK Tyre's clean drinking water project has been implemented in 13 bastis/hamlets in Kankroli, Rajasthan, located far from the main village and not covered by the village water supply scheme. The inhabitants, particularly women, of these bastis were facing a lot of difficulties, drudgery and waste of time in collecting drinking water from afar.

To address the issue, JK Tyre teamed up with NGO Seva Mandir to come up with innovative solutions to ensure clean drinking water in these hilly and remote rural settlements.

The following intervention has been taken up to ensure availability of clean drinking water:

- 15 community water tanks built of 4,000-10,000 litre capacity
- 15 perennial sources of water (well/ borewell) have been created/renovated
- For proper operation and maintenance (O&M) of the drinking water supply, Gram Vikas Committees have been formed, water user fee has been imposed, and the responsibility of filling the tank has been delegated to the Committee members, who also ensure that the rules and regulations are abided by the community members
- Defunct hand pumps repaired. This project has been immensely successful and ensured round the year availability of clean drinking water for 4,000+ poor and marginal people





Process

Contribution to UN SDGs



Material Issues



Compliance



Procurement practices



Supply chain mechanism



Resource conservation

Highlights

- 58.33% Independent Directors on the Board
- 16.67% Women Directors

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Corporate governance

Our governance philosophy is to observe business practices with the ultimate aim of enhancing our ability to create long-term value for our shareholders and remain committed to high standards of business ethics. We follow global best practices, uphold and consistently try to improve our corporate governance.

Our corporate governance philosophy

Corporate governance is an integral part of the values, ethics and the best business practices followed by JK Tyre. Our core values in this respect are:



Commitment to excellence and customer satisfaction



Maximising long-term shareholders' value



Socially valued enterprise



Caring for people and environment

Board of Directors and its Committees

The Board of Directors of JK Tyre consists of 12 Directors as on 31st March, 2021, of which four are Executive Directors and eight are Non-Executive Directors (NED); out of the latter, seven are independent Directors (IND) including one Independent woman Director.

The composition of the Board is in conformity with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). As required, every Independent Director gives a declaration that he/she meets the criteria of independence. The management of the Company is vested in the Board, which exercises powers for and on behalf of the Company. Four Board meetings were held during the reporting period – one each in the months of June 2020, August 2020, October 2020 and January 2021. The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any.

The Board has identified the following as core skills/expertise/competencies (core skills) required in the context of the Company's business and sector for it to function effectively:

- Leadership/Business philosophy/Entrepreneurship/Global business strategy/Management
- Financial and accounting knowledge
- Strategic planning
- Legal and corporate governance expertise
- Technology/knowledge pertaining to the tyre Industry
- Commercial and marketing experience
- Community service, sustainability and corporate social responsibility
- Quality and safety
- Risk management
- Human resource

All the Board members possess the above-mentioned skills collectively that enable them to make effective contribution to the Board and its Committees.



The core skills of individual Directors



Dr. Raghupati Singhania, Shri Bharat Hari Singhania and Shri Anshuman Singhania
Industrialists and entrepreneurs

Shri Arun K. Bajoria
Operational and tyre industry experience

Shri Arvind Singh Mewar
Entrepreneur, business philosophy and community service

Shri Bakul Jain
Industrialist, business philosophy and commercial

Shri Shreekanth Somany
Industrialist, business philosophy, commercial and marketing

Smt. Sunanda Singhania
Community service, sustainability and corporate social responsibility

Smt. Meera Shankar
Former ambassador, global business strategy and community service

Shri Vimal Bhandari
Financial expertise

Shri Kalpataru Tripathy
Legal and regulatory

Dr. Wolfgang Holzbach
Technology, quality, manufacturing and safety



Board Committees



Audit Committee



Stakeholders Relationship Committee



Nomination and Remuneration Committee



Corporate Social Responsibility Committee



Risk Management Committee

The composition and the 'Terms of Reference/Role' of the above Committees of Board are in conformity with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. The Corporate Social Responsibility Committee of the Board of Directors is also responsible for implementation of the Business Responsibility policies and reviews various initiatives taken by the Company towards sustainability from social, environmental and governance perspective.

Corporate governance

■ % of Board Members who attended the Meeting

■ Date of Board Meeting

Board attendance

Four Board Meetings were held during the financial year ended 31st March, 2021

The details of attendance at the Board Meetings are as under:



Committee attendance

Audit Committee

Four Audit Committee Meetings were held during the financial year ended 31st March, 2021

The details of attendance at the Meetings are as under:



Stakeholders Relationship Committee

Three Stakeholders Relationship Committee Meetings were held during the financial year ended 31st March, 2021

The details of attendance at the Meetings are as under:



Nomination and Remuneration Committee

Three Nomination and Remuneration Committee Meetings were held during the financial year ended 31st March, 2021

The details of attendance at the Meetings are as under:



Corporate Social Responsibility Committee

Two Corporate Social Responsibility Committee Meetings were held during the financial year ended 31st March, 2021

The details of attendance at the Meetings are as under:



Risk Management Committee

One Risk Management Committee Meeting was held during the financial year ended 31st March, 2021



Performance evaluation of the Board and its Committees

The Board of Directors makes formal annual evaluation of its own performance and that of its committees and individual Directors in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

As every year, in FY 2020-21, performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board also carried out evaluation of the performance of individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees and exercise of his/her duties with due and reasonable care, skill and diligence, etc. In a separate meeting of the Independent Directors of the Company, performance of the Non-independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director were evaluated, taking into account the views of Executive Directors of the Company.

Role of Board in risk management

JK Tyre has an elaborate risk management system to inform the Board about risk assessment and minimisation procedures. The Board has also defined the role and responsibilities of the Risk Management Committee, including steps to be taken to identify and mitigate IT and cyber security risks that the Company is or may be exposed to, on a regular basis. The Board reviews the processes and procedures for mitigating the risks, from time to time.

Code of Conduct

JK Tyre has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

JK Tyre also has a Code of Conduct for Management Cadre Staff (including Executive Directors). In terms of the provisions of the Listing Regulations and contemporary practices of good corporate governance, the Board has laid down a Code of Conduct for all Board Members and senior management of the Company and the same is available on our website.

Vigil mechanism

JK Tyre has a Policy on Vigil Mechanism/Whistle Blower for the Directors and employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company.

Prevention of sexual harassment of women at the workplace

As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment. JK Tyre has Internal Complaints Committee (ICC) under the said Act to redress the complaints of women employees. During the financial year ended 31st March, 2021, no complaint has been filed with ICC with allegation of Sexual Harassment and there were no complaints pending as on the end of the financial year ended 31st March, 2021.

Related party transactions

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. During the financial year ended 31st March, 2021, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations, as applicable.

Further, JK Tyre did not enter into any contract or arrangement or transaction with related parties that could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Board profiles

Dr. Raghupati Singhania, *Chairman & Managing Director*

Dr. Raghupati Singhania, 74 years, is an industrialist with close to 55 years' experience in managing various industries including Automotive Tyres and Tubes, Power Transmission, Automotive Belts, Oil Seals, Industrial Electronics, Steel Products, and others. He is on the Board of various well-known public limited companies and is Chairman of J.K. Fenner India Ltd. and Cavendish Industries Ltd. He is the former Chairman of Automotive Tyre Manufacturers Association and former President of PHD Chamber of Commerce and Industry. He is also associated with number of institutes in the medical research and education sectors, besides serving a number of trade and industry bodies such as CII, ASSOCHAM and CAPEXIL in various capacities.

Dr. Singhania, a promoter Director, has been on the Board of the Company since 29th May, 1967 and as Managing Director of the Company since 1975. Under his sage leadership, the Company, which began with a manufacturing capacity of 5 Lakhs tyres in 1977, has grown into one of the top 25 tyre companies in the world with a manufacturing capacity of 320 Lakhs tyres per annum (including 100 Lakhs tyres/annum capacity of Cavendish Industries Ltd.) and 12 plants (9 in India and 3 in Mexico).

Shri Bharat Hari Singhania, *Managing Director*

Bharat Hari Singhania, 83 years, is an industrialist with over 60 years of experience in varied fields including Cement, Automotive Tyres, Paper, Jute, Synthetics, High-yielding Hybrid Seeds, Audio Magnetic Tapes, and so on. He is also President of JK Organisation. He has vast experience and deep knowledge in the areas of sustainable and long-term financial structuring, policy planning, corporate governance practices, strategy and other long-term developmental activities.

He is a promoter Director of the Company and has been on the Board of Directors since 4th November, 1987 and as Managing Director since 30th March, 1994. Effective 1st October, 2021, he is the Non-Executive

Director of the Company. He has been Chairman/Director of several companies, former President of the Indian Chamber of Commerce and Chairman of Indian Jute Mills Association. He also headed the Indian Jute Industries Research Association and served on various government committees and participated on various overseas delegations. He also heads various philanthropic organisations of the JK Group such as Lakshmipat Singhania Education Foundation, Lakshmipat Singhania Medical Foundation and Pushpawati Singhania Hospital & Research Institute. He is actively associated with many other academic Institutions run by JK Group and remains passionate about promoting educational institutions, healthcare, cultural and philanthropic activities.

Dr. Singhania was inducted into the 'TIA Hall of Fame 2015' on 2nd November, 2015, the highest honour in the global tyre Industry. The Tyre Industry Association (TIA), USA, has acknowledged his distinguished and exemplary service to the industry. He is the third Asian to receive this coveted award in the last three decades. He has also received the Leadership Award from the Indo-American Chamber of Commerce. During the FY 2018-19, the President of Mexico conferred on him the Mexican Order of the Aztec Eagle, the highest distinction awarded by the Mexican government to foreigners.

Dr. Singhania was recognised as 'The Extraordinaire' for his leadership and contribution to the industry by Brand Vision Summit 2018. He received the Lifetime Achievement Award 2019 from the Udaipur Chamber of Commerce and Industry (UCCI) and the Lifetime Achievement Award at Manufacturing Today India Conference & Awards 2019. He was also conferred the Doctorate of Science by Mohanlal Sukhadia University, Udaipur for his outstanding contribution to Education, Training and Research in the fields of Elastomer, Polymers and Tyres.



Shri Vimal Bhandari, *Director*

Vimal Bhandari, 62 years, holds Bachelor's degree in Commerce and is a Chartered Accountant. He joined the Board of Directors of the Company on 1st July, 2011. He has over 34 years of experience as a senior management professional in the financial services industry. He is Executive Vice Chairman & CEO of Arka Fincap Limited and also Chairman of HDFC Trustee Company Ltd. He is an Independent Director on the Board of the Company and brings with him rich experience in financial and commercial matters.

Shri Bakul Jain, *Director*

Bakul Jain, 65 years, holds a Bachelor's degree in Commerce and also holds a Master's in Business Administration from Switzerland. He joined the Board of Directors of the Company on 22nd February, 1989. He is an industrialist with over 42 years of experience. He is presently the Managing Director of DCW Ltd. He is an Independent Director on the Board and brings with him decades of commercial and industrial experience.

Shri Anshuman Singhania, *Managing Director*

Anshuman Singhania, 41 years, joined the Company as an executive on 1st January, 2007 and has since been deeply involved as an Executive, Vice President (Operations), Whole-Time Director and as Deputy Managing Director in the areas of strategic planning, manufacturing & technology, product development, expansion (organic and inorganic), quality control, technology services, business process re-engineering, corporate governance, risk management, marketing and sales, IT services including latest tools of data analytics, etc.

He is a promoter Director and has been on the Board of the Company since 16th March, 2016. He has undertaken transformative initiatives which include supply chain management, sales force plant automation, IT, ERP & SAP implementation and so on. He is closely involved with the R&D and product development. He is a graduate BBA (Hons, Business & Management Degree) and also holds a postgraduate diploma from International Management Institute, New Delhi and is an alumnus of London Business School, where he undertook the Emerging Leaders Programme in 2011. He has served Standard Chartered Bank-UK; Free Markets- Singapore; Ernst & Young-Delhi as a management consultant.

Smt. Meera Shankar, *Director*

Meera Shankar, 70 years, had an illustrious career spanning over 40 years in the Indian Foreign Services. She served as India's Ambassador to Germany and the USA among other key roles. She also served in the Prime Minister's Office for six years, working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia, having worked in Bangladesh, Sri Lanka and the Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. As Joint Secretary, she headed divisions dealing with many of India's SAARC neighbours and as Additional Secretary, she handled the UN and international security issues. She joined the Board of Directors of the Company on 30th January, 2020. She is an Independent Director on the Board and brings with her, besides wide knowledge and rich experience in international policy and security matters, a diverse perspective in Board deliberations.

Board profiles

Shri Kalpataru Tripathy, *Director*

Kalpataru Tripathy, 48 years, holds a Bachelor's degree in Science. He is also a Law Graduate and also holds postgraduate diploma in International Business Laws. He joined the Board of Directors of the Company on 1st October, 2010. He is a Member of Bar Council of Delhi and has rich experience of over 24 years in diverse corporate legal matters. He is an Independent Director on the Board of the Company and brings with him rich experience in legal and corporate governance related matters.

Smt. Sunanda Singhanía, *Director*

Sunanda Singhanía, 68 years, is a Member of the Managing Committee of Pushpawati Singhanía Hospital & Research Institute (PSRI Hospital), since its inception about 25 years back. Ever since, Smt. Singhanía has been responsible for development of PSRI Hospital, South East Asia's first super speciality hospital for Liver, Renal & Digestive Diseases. PSRI has since been developed into a multi-speciality hospital and is one the leading hospitals in India. Smt. Singhanía is also overseeing affairs of Indica Travels & Tours Pvt. Ltd., for 32 years, a Travel House providing comprehensive services relating to travel and tours. She joined the Board of the Company on 12th August, 2014 and is a Non-Executive and Non-Independent Director on the Board of the Company and brings with her rich experience in the areas of community service, sustainability and corporate social responsibilities.

Shri Arvind Singh Mewar, *Director*

Arvind Singh Mewar, 76 years, holds a Bachelor's degree in English Literature, Economics and Political Science. He has also studied Hotel Management in the UK. He joined the Board of Directors of the Company on 7th April, 1975. He is an entrepreneur, a well-known hotelier and is Chairman and Director of HRH Group of Hotels, Udaipur. He is former Maharana of Udaipur. He is an Independent Director on the Board of the Company and brings a diverse perspective in Board deliberations particularly in the areas of business philosophy and community service.

Shri Shreekanth Somany, *Director*

Shreekanth Somany, 72 years, a Science graduate from the University of Calcutta. He trained at SIMILOR SA, Geneva (Switzerland) in faucet manufacturing. He pioneered the revolutionary "High abrasion technology called VC SHIELD" for tiles and holds the honour of making SOMANY the first Indian ceramic tile company to receive a patent under the Indian Patent Act. Shri Somany is a recipient of the prestigious Corporate Technical Achievement Award from the American Ceramic Society in the field of ceramics. He is an Industrialist with over 52 years of experience in managing and running manufacturing enterprises and is presently Chairman & Managing Director of Somany Ceramics Ltd. He is associated with various industry bodies. He is the Founder and past Chairman of Confederation of Construction Products and Services (CCPS); past Chairman of Indian Council for Ceramic Tiles and Sanitary ware (ICCTS); past Chairman of the Confederation of Indian Industry Northern Region and former President of the Indian Ceramic Society. He is a member of the CII National Council; Chairman of CII National SME Council; and member of various other councils of CII. He joined the Board of Directors of the Company w.e.f. 16th March, 2016. He is an Independent Director on the Board of the Company and brings with him rich commercial, marketing and industrial experience.



Dr. Wolfgang Holzbach, *Director*

Dr. Wolfgang Holzbach, 70 years, holds a Doctorate Degree in Natural Science. He joined the Board of Directors of the Company on 6th November, 2012. He has had a long and distinguished career of 31 years with a leading international tyre company, where he was responsible for various strategic areas including Material Development, Quality Management, Manufacturing, Engineering and Technology. Besides his deep knowledge and rich experience in manufacturing and tyre technology, he brings to the table an international perspective. He is an Independent Director on the Board of the Company and brings with him diverse experience in the areas of technology, quality, manufacturing, and safety in tyre industry.

Shri Arun K Bajoria, *Director & President – International Operations*

Arun K. Bajoria, 76 years, holds Bachelor's Degree in Mechanical Engineering from BITS, Pilani and a Diploma in Advance Management from London Business School. He has attended a course on 'Mergers & Acquisitions' at Wharton Business School. He has been a Whole-Time Director since 20th January, 2010, and his current designation is 'Director & President – International Operations'. Prior to this role, he was President of the Company since 2003. Earlier, he was President & Director of Vikrant Tyres Ltd., erstwhile subsidiary of the Company. He joined the Company in 1997, when the Company acquired Vikrant Tyres Ltd. and was instrumental in turning it around into a profitable entity. He brings with him his rich experience of managing and running manufacturing companies of over 54 years.

Supply chain

Keep the wheels running

The uncontrolled proliferation of COVID-19 led to a chain of events which were unforeseen. COVID-19 brought its own unique challenges to the business environment and the Supply Chain domain was not immune to the changing nature of events as well. Lockdown, migration of labour, permission requirement for movement of trucks, opening of warehouses surmounted a mammoth challenge. However, not all was lost amidst these bleak times and the joint efforts of all the verticals of JK Tyre were able to not only manage the challenges posed by COVID-19 but also surpass sales in certain months and have achieved all time high figures for replacement sales. Agility and team effort made it possible to achieve these record numbers even during such unprecedented times.



Efforts during COVID-19



Safety

The immediate issue which warranted action was trucks on road at the time of the announcement of a nationwide lockdown. The main issue was to ensure that these trucks, their respective drivers and the material they carried reached a safe and secure location (warehouse). The Warehousing team made joint efforts and within record time, temporary warehousing facilities were identified based on the need, signed up and the trucks cleared on war footing. Not a single tyre was lost in any way and all were safely warehoused. The quick mindedness of the team shone through their efforts and there was no damage or loss.



Supplying essentials with relevant permits

Opening up of the warehouses posed a tough challenge. Although the strict lockdown were being enforced and duly followed, it was imperative to open warehouses since these trucks and essential vehicles carried materials which were required urgently to serve the CORONA Warriors. Requests regarding supply of tyres to ambulances, administrative vehicles and most importantly from transporters engaged in movement of essential goods poured in and hence, it became the need of the hour to respond to these requests. With the help of the local team, which represented JK Tyre, was able to work with the authorities and managed to supply the critical items (tyres) in a short span of time.



Agility

A cross-functional team was created to handle respective geographies across the country. The CFT was tasked with the responsibility of managing the material availability in their respective zone. This proved to be a very fast and agile team, taking quick actions on movement of stocks between regions/depots and satisfying market demand. Not only was JK Tyre able to manage the demand in spite of intermittent supplies from various manufacturing plants but was also able to significantly reduce finished goods inventory to a greater degree. Critical projects like Network Optimisation were initiated and planning part was completed during the said period. JK Tyre was able to rise up to the challenges, and worked with singular focus of keeping the wheels of the country running in these crucial times. One of the core values at JK Tyre is "Customer Focus" and we proved it in these testing times.



Restoring supply after lockdown

Once the unlock process begun, it was important to get the supply moving efficiently and smoothly, considering that the manpower (labour) have moved out of cities. The long and deep relationship with vendors (3PL/CFA's/Carting agent) played a pivotal role. At nearly all the locations the manpower stayed with JK Tyre despite the hardships and uncertainty. JK Tyre have invested time and effort with these vendors, which paid back in the form of full support from their operations staff. This helped JK Tyre in managing the market demand and achieving sales targets. The vendors were able to switch gears and manage any additional requirements like COVID-19 related norms, supplying directly from the regional distribution centers to the dealers wherever needed. This ensured that sales were on track for replacement market and supplies were resumed in a very short span of time. Some deliberate redundancies were designed in the system like ability to take space on a short term basis for storage to manage sudden jolts, which ensured that JK Tyre was ready with supplies as the markets opened. In recent months JK Tyre was able to utilise these redundancies to scale up the export operations at a very short notice contributing to the Make in India initiative.



Resource conservation in supply chain

Even as we faced resource constraints during the year because of the widespread disruption of the supply chain, detailed planning on resource use, diversification of our supplier base and close partnership with our strategic partners helped us optimise resource utilisation.

FY 2020-21 will be remembered as a year of extremes. The COVID-19 pandemic and its fallout impacted business throughout the year, but its impact was most palpable in the first quarter of the financial year. However, business picked up substantially with the phasing out of the lockdown in India in June 2020, and activity rose sharply in the subsequent quarters. Raw material supplies were neither prepared for circumstances such as a complete lockdown nor the sharp pickup in demand following the revival of the economy. This was especially true in the case of the tyre industry. The first half of the year saw subdued prices because of low demand.

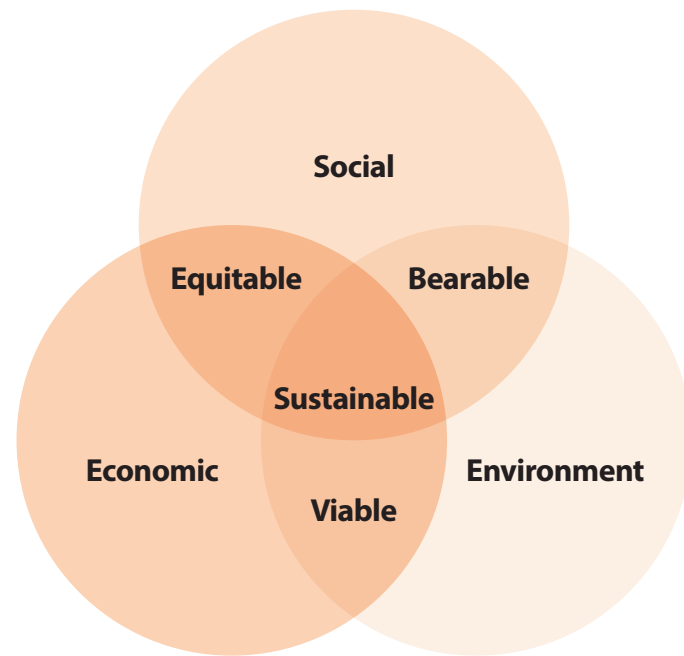
The rise of manufacturing activities subsequently led to a shortage of various products, leading to higher prices. Supply chain disruption including shortage of containers, vessel space, no sailings, resulted into a viscous circle of low raw material availability and higher finished goods demand.

We, at JK Tyre, right from first week of the lockdown, started to critically monitor the entire supply chain. With detailed planning, closely working with strategic partners, followed by diversification of our supplier base to different geographies, we were able to meet our production needs.



Sustainability in procurement practices

We work with our suppliers to develop a responsible and viable supply chain. As part of this effort, we train our suppliers on sustainability aspects including resource optimisation, energy and water management, human rights and various other topics. We have a robust supplier performance evaluation system, and we regularly audit them and give our feedback. The supplier system has matured over the years, and is responsive to the latest quality and sustainability needs.



Meeting grounds for sustainable procurement

We carefully evaluate and select responsible suppliers who are aligned with our sustainability vision. One criterion of selection of local suppliers is their proximity to our plants. We have been able to develop a large number of domestic suppliers and work with them in a collaborative manner to bring them at par with world standards. Vendors are continuously encouraged to adopt state-of-the-art technologies, superior environment and safety management practices. We also share our sustainability efforts to inculcate best practices.

Structured meetings are periodically held between the sourcing and the supplier organisations where all relevant aspects are shared, and joint action plans initiated. This includes engagements with our senior management team. During these engagements, relevant information

considered include key aspects of the supplier's technical capability, process efficiency, product benchmarking, their performance, and areas of improvement. We have had several such meetings engaging our senior management.

Our centralised raw material procurement team supervises global procurement activity of all plants in India and Mexico. Global targets are rolled out covering operations across the globe. The frequency of ordering is decided based on the intensity of material and market conditions. However, procurement is always guided by long-term policies and agreements, which ensure the stability of supplies despite market constraints. A long-term association with most vendors has helped improve efficiencies at all levels on both sides.



Key focus areas for FY 2020-21

Reduction of diesel consumption

- Movement in bulk
- Packing size optimisation
- Optimisation of loading pattern
- Higher vehicle utilisation
- Geographical re-alignment of demand-supply matrix

Use of sustainable packaging material

- Moving away from wood
- Using reusable/recyclable materials
- Ban on single-use plastics

Higher usage of reclaimed and reprocessed raw materials

Training and awareness sessions organised for suppliers

Monthly awareness campaign

Beginning in October 2020, we rolled out a monthly awareness session for our suppliers. The focus is on Education & Skill Development Training

Webinar

A conference was conducted for all MSME vendors. The topic was "Awareness session on stimulus for MSME(s) under the Prime Minister's Aatmanirbhar Bharat"

Supplier engagement on sustainability initiatives

Phase 1: Completed (Sept 2021)

Knowledge-sharing session/Presentation by JK Tyre to its suppliers across the globe on sustainability efforts of JK Tyre

Phase 2: On-going (Oct 2021)

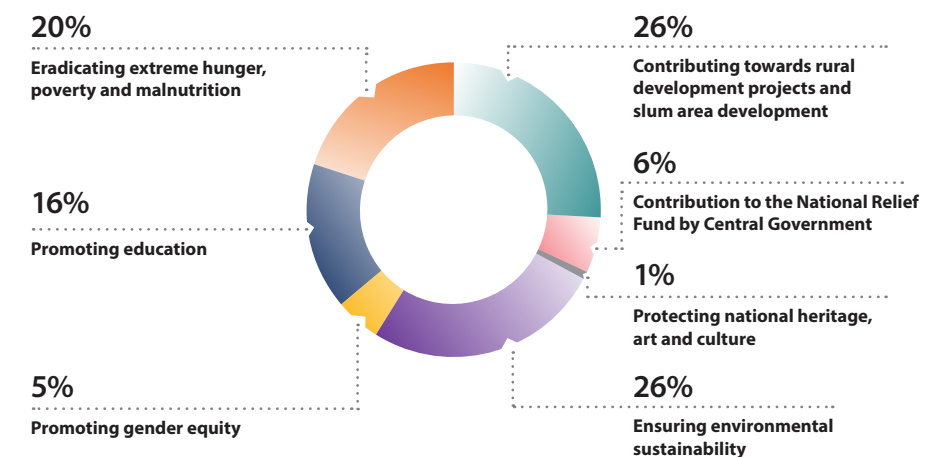
Suppliers have been advised to submit their initiatives and best practices in the form of a presentation that can be shared on a knowledge-sharing platform

Phase 3: (Plan for Nov 2021)

JK Tyre to identify and reward best practices to further encourage suppliers. We will also explore the possibility to co-create and collaborate on the sustainability front

Sustainability initiatives taken by suppliers

To understand the efforts and appreciate the performance of suppliers, we requested inputs from them. We received inputs on several initiatives carried out by our suppliers. These are under evaluation and suppliers will be rewarded after an evaluation. The best practices will be shared across our suppliers to further encourage them.





Inside this section

- 98 Undiluted attention to customer-centricity
- 102 Deepening our market presence



Product

Contribution to UN SDGs



Material Issues



Innovation



Customer centricity

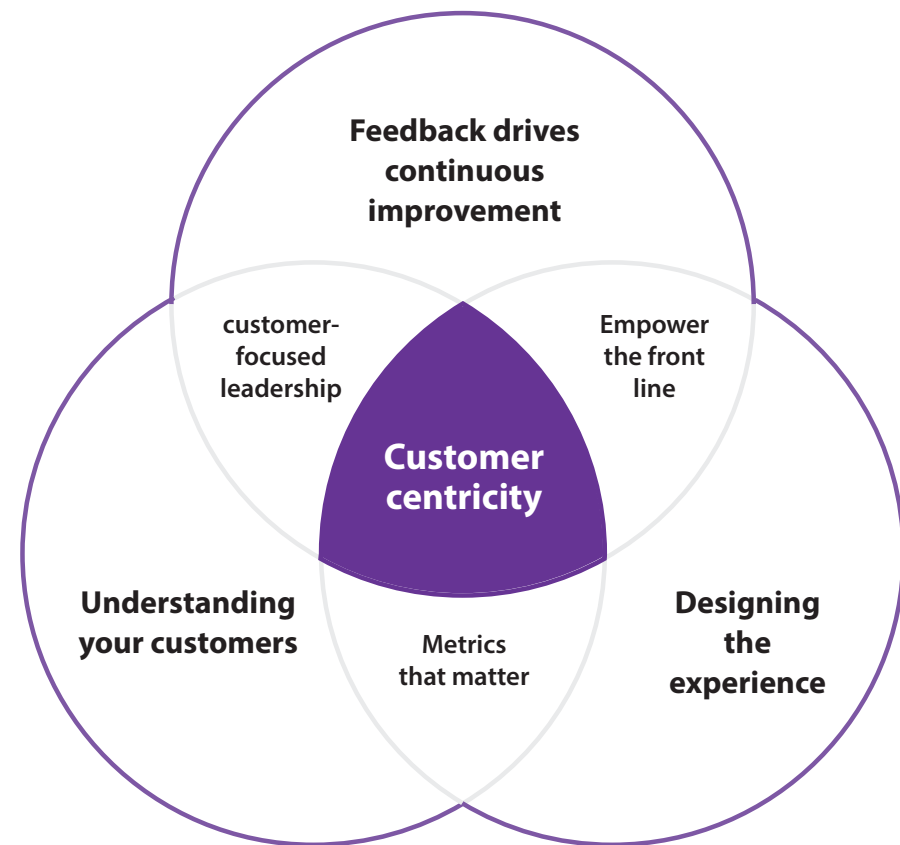
Highlights

- IoT powered smart tyres with lower carbon footprint introduced
- New Digital Claim Management Process implemented for enhancing customer experience



Undiluted attention to customer-centricity

We remain focused on bringing the best products and solutions to our customers. This year, with the pandemic creating its own challenges, we devised a digitalised claims management process for the convenience of our customers. As much as 80% of the claims have been resolved within a matter of minutes.



The recent COVID-19 pandemic has affected life on all fronts. Many business processes have been challenged both by business entities as well as end customers. Digital transformation of claim management is one area where we have challenged and revolutionised the way claims were processed historically at JK Tyre.

Understanding the entire customer journey and eradicating the pain points were essential to this process change that once again reaffirmed our customer centricity. The innovation has enhanced customer experience for both our channel partners and internal teams.

Best-in-class transformation recognition

JK Tyre has been recognised for the Best Digitisation Kaizen in the Manufacturing sector in the large category at the 4th CII National Kaizen Circle Competition 2021



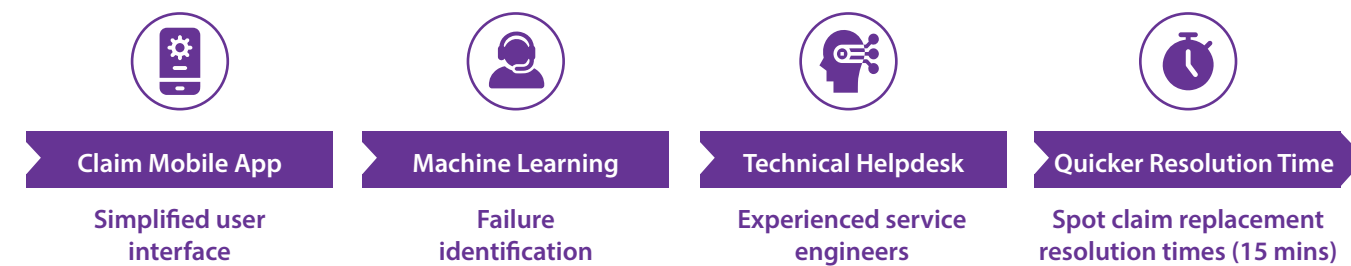
Constraints in conventional claim management process

Conventional claims management journey had multiple pain points



New Digital Claim Management Process for enhancing customer experience

The heart of the digital claim management process was able to leverage the inherent advantages of Information Technology in customer service process for enhanced customer experience.



The new system comprises a mobile app for our channel partners to raise a claim whenever customers are approaching them with tyre complaints. The app is well integrated with the JK Tyre SAP image processing engine using machine learning tool, which predicts the defect condition based on the tyre defect photographs uploaded by the dealer in the app while raising the claim. The entire process is also backed by an experienced service team just to ensure correct warranty disposition through the digital claim medium.

Undiluted attention to customer-centricity

New Digital Claim Management Process benefits



On-the-spot replacement of tyres

Channel partners can now provide on-spot warranty replacement to the end-customer based on JK Tyre warranty disposition received on the mobile app for claims raised by them whenever customers are approaching with a complaint tyre.



Convergence of sales and service point

On boarded digital claim channel partners can now act as both sales and service point for end customers. This has definitely helped our channel partners to move up the value creation ladder for their customer base.



Customer convenience

Digital claim management offers omni-channel support to our valued customers whereby they can approach any medium of their choice to reach out to us for on-spot warranty decision within 15 minutes as per their convenience



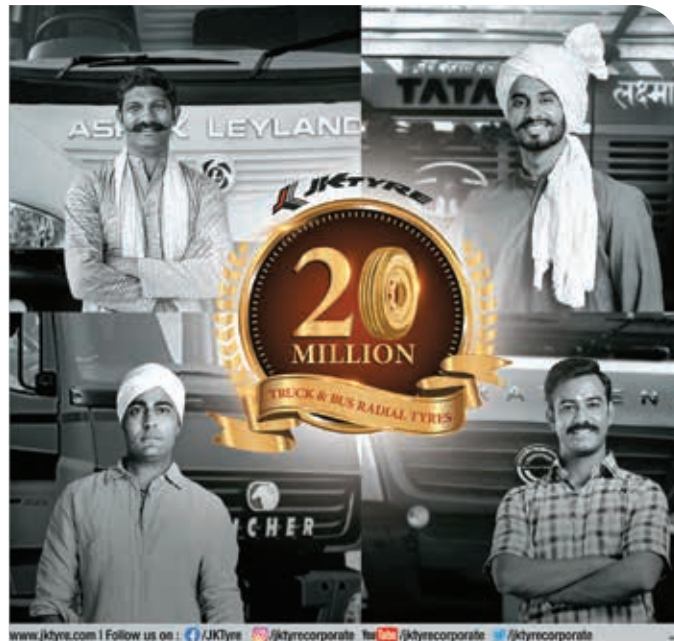
Enhanced service response time

Customers are now receiving warranty decision within 15 minutes unlike the conventional way where the wait time could extend to 6-7 days



Measurement of B2C service response time

Under the digital claim management, we are able to measure the actual time taken for claim resolution right from the point when the customer approached the dealer with a complaint till the time of resolution



New Digital Claim Management Process implementation

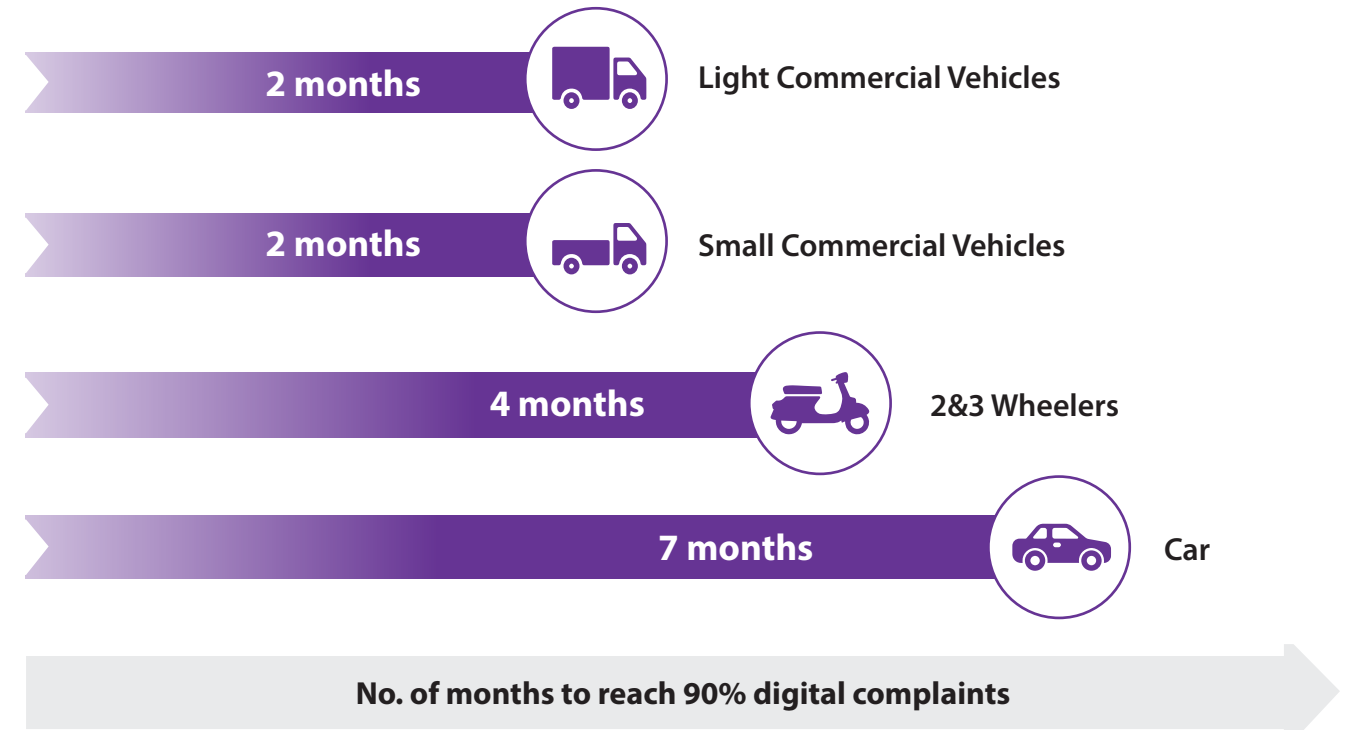
Our channel partners have welcomed this initiative and we could reach 90% digitalisation of claims within 7 months of the launch. We are now planning to cover the Truck category followed up by the Farm category as our next milestone in our digital claim journey.

We started this initiative in the passenger car category in June 2020 and later added categories such as 2/3 Wheels,

SCV (Small commercial vehicles), LCV (Light commercial vehicles) and others.

This initiative was groundbreaking and challenged the way we have been processing tyre claims. So a lot of hand holding as well as training was required to make things work.

We have digitalised 90% complaints in 7 months across the segments launched



Digital learning platform

During the pandemic, JK Tyre – mobile learning app, a digital learning platform enabled training and knowledge sharing from the convenience of a hand-held device at the user's convenience. It was effectively used by field personnel and channel partners to amplify and reinforce the learning process.



Deepening our market presence

During the year, we deepened our customer connect using digital communication channels to position our brand targeted directly at our consumers, trade partners and opinion-influencers.

Automotive tyre being a low consumer-involved product category, it was supposed that branding would be done along conventional lines. There has been a significant rethink owing to the emergence of new digital channels, increased use of the smartphone, consumer impatience with the usual and fast evolution of tyres (towards IoT and complex variants). This has warranted a digital-driven repositioning of the brand and increased digital engagements with consumers.

In the year under review, we transitioned decisively from conventional promotional channels towards the digital, enhancing brand visibility, accelerating speed of market response, widening consumer engagement and ensuring a higher customer impact. The Company responded with speed to an evolving digital landscape, transforming its personality and recall.

We used virtual events, social media promotions, online listing, e-commerce alliances, retargeting campaigns and digital partnerships for connecting with our customers and brand promotion.

Positioning the brand

In FY 2020-21, JK Tyre aggressively pursued its brand activities. We launched a TV campaign celebrating our 20th Million TBR tyre sale achievement while saluting the unknown warriors – truck drivers in select markets. To promote the PCR category among the youth, a new television commercial was launched, promoting the Company's premium range of Ranger tyres through the social media, which generated 24 Million viewers. We promoted our sale of the 20th Million TBR tyre also through Facebook and YouTube, reaching more than 14 Million viewers.

The historic 'Zindagi Ke Pahiye' campaign created a milestone in the automobile industry by generating more than 50 Million views on YouTube. The video showcased the life of truck drivers and how JK Tyre plays an important part in their lives.

We also utilised radio as a medium to reach diverse consumer segments. We used a unique, industry-first radio campaign to connect with fitters and mechanics in key markets to sustain our TBR leadership.

Through motorsport, we engaged with enthusiasts, reaching out to more than 20 Million digital audience and more than 3 Million video views in addition to a racing season webcast on social media. JK Tyre is a leading tyre brand in terms of Instagram and Facebook followers.

JK Tyre continued to be the only tyre Superbrand in India, winning the prestigious Economic Times Iconic Brand Award 2020 for the second time in a row with a Gold Award for innovation in Digital Marketing. We also won Trusted Brand 2020 by Reader's Digest. (as per Reader's Digest Trusted Brand Survey 2020) and India Today's Most Prestigious Brand in the tyre category.



Promoting our commercial products

With a focus on breaking the clutter and creating a larger impact with premium imagery, we used high-impact outdoor advertising with high visibility in focused cities that differentiates our brand imagery and enhances the awareness of key truck and PCR products. We executed a high visibility wall painting and wall-wrap across towns and cities to promote commercial categories and attain TBR leadership.

We also associated with ITC Limited's e-choupal for a first-of-its-kind association to spread awareness of our farm category tyres.

The digital medium promoted branded outlets through an ongoing exercise. For example, Google My Business helped the brand shops (Steel Wheels/Xpress Wheels, Truck Wheels and Retread Centres) to generate walk-ins and enquiries.



JK Tyre Xpress Wheels

Exploring alternative sales channels

During the year, we created a strong presence on e-commerce platforms like Amazon and Flipkart and developed an alternative sales channel for the passenger segment tyres. The leading online tyre platform tyreplex.com helped our SW/XW to generate more enquiries.

We executed an online-to-offline integration for the home fitment of tyres through the JK Tyre man service in association with leading automotive portals.

We carved out consistent visibility on Google Search and Google Display Network. When it came to tyre searches, the mechanism generated product and dealership enquiries on the website.





Profit

Contribution to UN SDGs



Material Issues



Economic performance

Highlights

- ₹9,145 Crores Turnover (as on FY 2020-21)
- ₹331 Crores PAT (as on FY 2020-21)



Inside this section

- 106 Economic performance
- 108 Reaffirming our financial credentials

Economic performance

This year, we continued our efforts to effect a business transformation that shaped us better for the stiff market competition. We emerged leaner and sharper with a lighter balance sheet and reduced capital borrowings. Although the effect of this transformation has been muted on account of the economic slowdown, our operational efficiency has grown manifold and increased our profitability.



Among the external challenges we faced during the year, some were pertinent:

- The slowdown of the Indian economy affected tyre demand
- Global pandemic affected international business
- Low OEM offtake

This necessitated a transformation with speed as the lockdown threatened to erode profitability, our higher leverage needed to be moderated and our EBITDA margin needed to be improved.

We concentrated on the following:

- Focused on strengthening various aspects of our business
- Translated improvements into superior financials
- Right-sized the balance sheet

As a result of this, we were able to ensure higher revenues, profits, cash flows and margins, a lighter balance sheet and superior working capital management.



A critical enabler of transformation

In 2016, we acquired Cavendish Industries Limited comprising a large and modern tyre manufacturing facility in Laskar, Uttarakhand. The facility specialises in the manufacture of Truck and Bus tyres and 2/3-wheeler tyres with an aggregate capacity of 84.9 Lakhs units per annum. The acquisition was intended to enhance our TBR capacity and enter the 2/3 tyre segment, where we had little presence. The acquisition helped us avoid the gestation period that would have become necessary had we tried to develop a similar greenfield facility. The acquisition also helped us deepen our market presence.

Over the past two years, the focus of our transformation journey has been to make the business leaner and more competitive. We have tried to make our balance sheet lighter, reducing capital borrowings related to the acquisition. Although the results of these moves were not apparent initially because of the economic slowdown, but Cavendish has enabled JK Tyre to emerge more profitable by giving it multiple benefits.



Factors that enable outperformance on all fronts

We have always tried to grow our business sustainably through the efficient utilisation of resources to generate higher revenues. With the acquisition of Cavendish, we were able to utilise a larger capacity. In FY 2020-21, we also increased our brand investments, leading to superior returns and greater brand visibility from the second half of the financial year under review.

Each decision was carefully taken to enhance productivity. We streamlined our raw material management to expedite delivery, which warranted a lower working capital outlay and cycle. We also rationalised our portfolio, focusing on popular fast-moving SKUs, which further helped moderate the working capital cycle. As a result, we were able to report higher revenues with lower cash employed and greater capital efficiency.

Improved revenues:

5% increase in revenues to ₹9,145 Crores in a year in which we registered 10 months of operations

Improved profits:

134% increase in PAT, which stood at ₹331 Crores while offsetting a loss of ₹202 Crores due to the COVID-19 - induced lockdown

Improved margins:

310 bps increase in EBITDA margin to 14.8%

Better working capital management:

The Company reported a reduction in its working capital cycle as on 31st March, 2021 compared to 31st March, 2020 with strict credit discipline and efficient cash management leading to a reduction in interest cost.

Debt reduction:

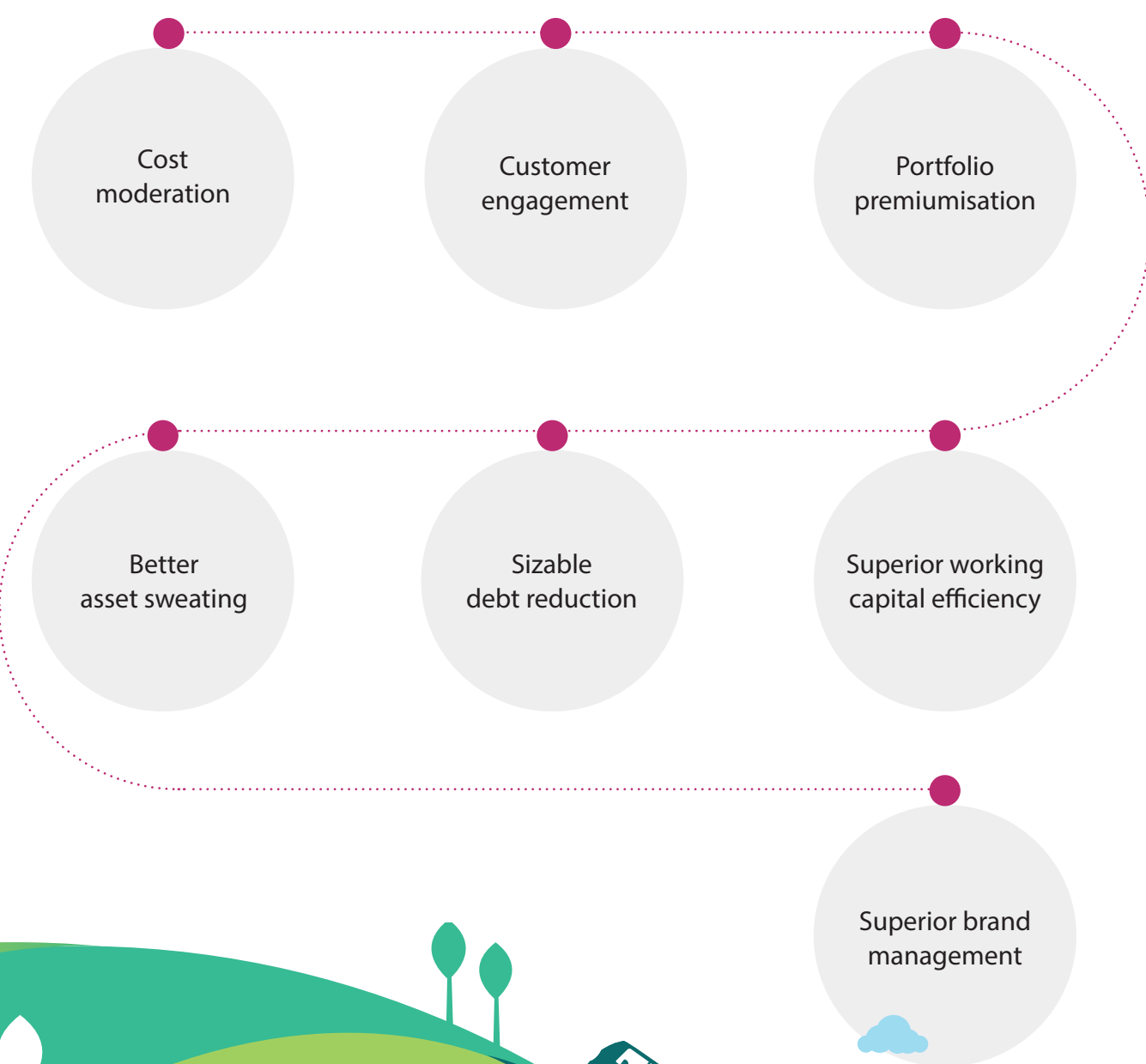
Reduction of ₹929 Crores of debt on a net debt basis (short- and long-term), thus right-sizing of the balance sheet, leading to moderated interest outflow, increased interest cover and strengthened credit rating

Outlook

We are optimistic because of the increased consumer confidence, increased personal mobility, particularly in the context of the pandemic. We intend to capitalise on the unfolding reality through the launch of new products, wider distribution footprint, superior dealer wallet share and increased throughput. We also seek to utilise cash flows to reduce debt further during the current financial year, thus increasing our liquidity and profitability.

Reaffirming our financial credentials

7 ways in which we strengthened our financials in FY 2020-21



Increased profitability

(₹ in Crores)

	Standalone			Consolidated		
	FY 2020-21	FY 2019-20	YoY Growth (%)	FY 2020-21	FY 2019-20	YoY Growth (%)
Turnover	6,170	6,120	1	9,145	8,753	4
EBITDA	887	678	31	1,349	1,016	33
Margin	14.4%	11.1%	330 bps	14.8%	11.6%	310 bps
PBDT (Cash Profit)	620	335	85	884	467	89
PBT	396	85	364	534	(17)	-
PAT	256	229	12	331	141	134
EPS (₹)	10.42	9.29	12	12.97	6.12	112

For full details, refer to Annual Report 2020-21

Assurance statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: **SRA-IND-659169-4**

J K Tyre Industries Limited Sustainability Report 2020-21

The British Standards Institution is independent to J K Tyre Industries Limited (JKTIL) and has no financial interest in the operation of JKTIL other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for JKTIL only for the purposes of assuring its statements relating to its Sustainability report, more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read. This statement is intended to be used by stakeholders & management of JKTIL. Owing to the prevailing extraordinary situation due to the outbreak of the COVID-19 pandemic, the stage 1 assurance was completed using immersive techniques. A remote assurance was conducted over Microsoft Teams video-conferencing tool, where the assessor and the assessee client connected through the computer systems and internet.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by JKTIL. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to JKTIL only.

Scope

The scope of engagement agreed upon with JKTIL includes the following:
1. The assurance covers the Sustainability Report 2020-21 of the JKTIL, prepared "In accordance" with GRI Standards – Core option, and focuses on systems and activities of JKTIL covering the six manufacturing units in India, their corporate office located at Delhi and their Product Development Centre located at Mysore, India during the period from 1st April 2020 to 31st March 2021.

2. The AA1000 Assurance Standard, AA1000AS v3, Type 1 moderate level engagement

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evaluates the nature and extent of JKTIL's adherence to all four AA1000 AccountAbility Principles: Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the report has been evaluated.

Opinion Statement

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance standard, AA1000AS v3 and GRI Standards 2020. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that JKTIL's description of their self-declaration of compliance with the GRI Standards were fairly stated.

We conclude that the JKTIL's Sustainability Report 2020-21 review provides a fair view of the JKTIL's CSR programmes and performances during FY 2020-21. We believe that the 2020-21 economic, social and environment performance disclosures are fairly represented. The sustainability performance disclosures disclosed in the report demonstrate JKTIL's efforts recognized by its stakeholders.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to JKTIL's policies to provide a check on the appropriateness of statements made in the report,
- Discussion with senior executives and their external consultant on JKTIL's approach and methodology of collection and evaluation of stakeholder engagement. We had no direct contact with external stakeholders.
- Interview with staff and authorities involved in sustainability management, report preparation and provision of report information were carried out,
- Review of key organizational developments,
- Review of supporting evidence for claims made in the reports,
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard v3.
- A sample based assessment of the reliability and quality of information as company's performance provided in the Sustainability report

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality Responsiveness and Impact and the GRI Standards is set out below:

Inclusivity

This report has reflected a fact that JKTIL is seeking the engagement of its stakeholders through various channels. This year being a year of Pandemic, face to face interaction has been reduced, supplier's meet was not conducted. However, feedback collection has continued and about 32 topics were compiled for materiality

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Assurance statement



assessment. Employees were given special importance this year. Following GRI principles the materiality assessment was conducted that identified three new material topics in addition to the earlier list of material topics.

In this Sustainability Report, material data disclosed is primarily restricted to covering the six manufacturing units in India, their corporate office located at Delhi and their Product Development Centre located at Mysore. In our professional opinion, the report covers the J K Tyre Industries Limited's inclusivity issues that demonstrates participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality

JKTIL publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance.

The material topics identified are: Energy and Emissions, Water and Effluent, Waste, Employee Well-being, Health & Safety, Learning and Development, Customer Health and Safety, Community, Economic Value creation, Supply chain, Diversity - equal opportunity, Anti-corruption, Environmental compliance, Marketing and communication, Data Security and Data privacy. The adequacy of currently identified material topics for future is being re-assessed by JKTIL.

In our professional opinion the report covers the JKTIL's material issues by using JKTIL materiality matrix, internal and external stakeholder consultation and boundary mapping, however, the future report should be further enhanced by including suitable performance indicators for the newly identified material aspects for which GRI indicators are not available.

Responsiveness

JKTIL has implemented the practice to respond to the expectations and perceptions of its stakeholders. Feedback from all the internal stakeholder representatives were collected along with few selected external stakeholders.

In our professional opinion nothing has come to our attention to suggest that the responses related to identified material topics are not adequately represented in the Report.

Impact

JKTIL has also demonstrated that adequate systems are in place to monitor, measure and be accountable for their actions that affect the economy, the environment, society, stakeholders and the organization itself.

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GRI-reporting

J K Tyre Industries Limited provided us with their self-declaration of compliance GRI Standard and the classification to align with "In accordance" - Core.

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all 3 categories (Environmental, Social and Economic) are reported with reference to "In accordance" with the GRI Standard – Core option.

In our professional opinion the self-declaration covers JKTIL Corporate's social responsibility and sustainability issues. On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe the following sustainability disclosures as stipulated in the GRI Standards.

- GRI 302: Energy 2016 - 302-1, 302-2, 302-3;
- GRI 305: Emissions 2016 - 305-1, 305-2, 305-4;
- GRI 306: Waste 2020 - 306-2;
- GRI 307: Environmental Compliance 2016 – 307-1;
- GRI 401: Employment 2016 – 401-1;
- GRI 403: Occupational Health and Safety 2018– 403-1;
- GRI 404: Training & Education 2016 – 404-1;
- GRI 413: Local Communities 2016 – 413-1;

Competency and Independence

The assurance team was composed of Lead auditors experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including GRI-G4 and GRI Standard, AA1000, ISO10002, ISO 14001, OHSAS 18001, ISO 14064, ISO 50001 and ISO 9001, etc. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Assurance Level

The type 1 moderate level of assurance provided is in accordance with AA1000 Assurance standard, AA1000AS, v3 in our review as defined by the scope and methodology described in this statement.

Responsibility

It is the responsibility of JKTIL's senior management to ensure the information presented in the Sustainability Report is accurate. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

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Assurance statement



Reliability

The assurance statement on the performance was issued based on the evidence collected from ground level provided by the employees of JKTIL. The sample selection was on random basis and selection is done by BSI auditor. The sampled sites covered 3 manufacturing units out of 6 units included in the reporting boundary. The assurance team was convinced that the performance information presented in the report are reliable and representative.

Quality

The quality of information was checked through cross verification of data. Field level measurement and records were verified with the procurement and supply chain invoices/bills. Interview with the responsible persons detailed the activities, maintenance, and process performance. The fitness of the measuring devices, frequency of measurement and recording, competency of the person concerned, and review & approval of information were checked and found in conformance.

Performance Information

JKTIL Sustainability report has addressed their Environment, Social and Governance performance through GRI indicators. The assurance team has evaluated the requirements of the GRI indicators for general disclosures and those relevant to the material topics only.

For the specific data presented in the report, minimal technical/compilation errors were identified during the sampling process which were corrected for the final report.

Based on the processes and procedures conducted with a moderate assurance, there is no evidence that the Environmental and Social data and information are not materially correct and are not a fair representation of their Environmental and Social performance.

For and on behalf of BSI:



Kumaraswamy Chandrashekara
Head – System Certification Operations. BSI Group India
New Delhi, India

13 October 2021



Industry memberships and associations

Our association with top industry bodies as well as government bodies enables us to voice the concerns of the industry as well as help initiate necessary changes.

Dr Raghupati Singhania Chairman and Managing Director of JK Tyre & Industries serves on various leading Apex chambers and government bodies and Academic Institutions of repute of India as listed below:

- Confederation of Indian Industry (CII) as Member of National Council for over 15 years
- PHD Chamber of Commerce & Industry, Senior Member of Managing Committee and past President for over 30 years
- Asia-New Zealand Foundation (Asia-NZ Foundation), New Zealand, as Honorary Advisor, representing India for over 20 years
- Chairman of Automotive Tyre Manufacturers Association – three times
- Member of Board of Governors, Xavier Institute of Management (XIM), Bhubaneswar
- Member of Board of Governors, Indian Institute of Technology (IIT) Chennai
- Member, Rubber Board Kottayam
- President of Indian Rubber Manufacturers Research Association (IRMRA) – A Ministry of Commerce & Industry, Govt. of India Body
- Member of Expert Committee on Natural Rubber Policy
- Chairman of Auto Tyres & Tubes Panel, Chemical & Allied Products Export Promotion Council (CAPEXIL), Government of India
- Chairman, Indian Wire Rope Manufacturers Association (IWRMA) (early 1970s)
- Indo-American Chamber of Commerce (IACC) – Past President of North India Council, and Member – Executive Council
- Deputy President, Associated Chamber of Commerce and Industry (ASSOCHAM)

He has also headed various Apex bilateral bodies of the Indian and international business community in the 1990s as Chairman. These bodies are:

- India-Argentina Joint Business Council
- India-Brazil Joint Business Council
- India-Cuba Joint Business Council
- India-Columbia Joint Business Council
- India-South Africa Joint Business Council

He has also led several delegations to number of countries, including those of 'PHD Chamber of Commerce and Industry' and 'Indo American Chamber of Commerce' to various European countries.

JK TYRE & INDUSTRIES LTD is a member of

1. CII,
2. ATMA
3. PHDCCI
4. Centre for Tire Research (CenTire), USA.
5. Indian Rubber Manufacturers Research Association (IRMRA)

GRI disclosures index

GRI STANDARD 2016	DISCLOSURE	PAGE NO / REMARKS
	102-1 Name of the organization	Cover
	102-2 Activities, brands, products, and services	12-13
	102-3 Location of headquarters	5, Back cover
	102-4 Location of operations	14
	102-5 Ownership and legal form	13
	102-6 Markets served	14, Annual Report 2020-21
	102-7 Scale of the organization	Reference to Statutory disclosures and consolidated financial statements in the published Annual Report 20-21 from page 100 to page 233 (https://www.jktyre.com/Annual/2082021.pdf).
	102-8 Information on employees and other workers	64, 65
	102-9 Supply chain	92, 93
	102-10 Significant changes to the organization and its supply chain	There are no significant changes from previous reporting period in the organization's size, structure, ownership, or supply chain, as well as in the list of material topics and topic Boundaries of the report.
	102-11 Precautionary Principle or approach	34
	102-12 External initiatives	25, 36, 42
	102-13 Membership of associations	115
	102-14 Statement from senior decision-maker	8, 9
GRI 102: GENERAL DISCLOSURES 2016	102-16 Values, principles, standards, and norms of behavior	12, 13
	102-18 Governance structure	2, 3, 84-91
	102-40 List of stakeholder groups	21
	102-41 Collective bargaining agreements	62
	102-42 Identifying and selecting stakeholders	20, 21
	102-43 Approach to stakeholder engagement	20, 21
	102-44 Key topics and concerns raised	21
	102-45 Entities included in the consolidated financial statements	5, There are entities that are part of the consolidated financial statements of JK Tyre, but not covered in this report. For details, please refer to the JK Tyre & Industries Ltd. Annual Report 2020-21.
	102-46 Defining report content and topic Boundaries	5
	102-47 List of material topics	24, 25
	102-48 Restatements of information	5
	102-49 Changes in reporting	None
	102-50 Reporting period	5
102-51 Date of most recent report	5	
102-52 Reporting cycle	5	
102-53 Contact point for questions regarding the report	5	
102-54 Claims of reporting in accordance with the GRI Standards	5	
102-55 GRI content index	116	
102-56 External Assurance	110-114	



GRI disclosures index

GRI STANDARD 2016	DISCLOSURE	PAGE NO / REMARKS	
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	24, 25
	103-2	The management approach and its components	106
	103-3	Evaluation of the management approach	106
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Reference to Statutory disclosures and consolidated financial statements in the published Annual Report 20-21 from page 100 to page 233 (https://www.jktyre.com/Annual/2082021.pdf).
Procurement Practices			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	24, 25
	103-2	The management approach and its components	94, 95
	103-3	Evaluation of the management approach	94, 95
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	94, 95
Energy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	24, 25
	103-2	The management approach and its components	37
	103-3	Evaluation of the management approach	37
GRI 302: Energy 2016	302-1	Energy consumption within the organization	37
	302-3	Energy intensity	37
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	24, 25
	103-2	The management approach and its components	44, 45
	103-3	Evaluation of the management approach	44, 45
GRI 303 Water 2018	303-3	Water withdrawal	45
Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	24, 25
	103-2	The management approach and its components	36, 38, 40
	103-3	Evaluation of the management approach	36, 38, 40
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	41
	305-2	Energy indirect (Scope 2) GHG emissions	41
	305-4	GHG emissions intensity	40
			The emission calculation followed ISO 14064 and verified by third party for assumptions and methodology.

GRI disclosures index

GRI STANDARD 2016	DISCLOSURE	PAGE NO / REMARKS
Effluents & Waste		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries 24, 25
	103-2	The management approach and its components 46-49
	103-3	Evaluation of the management approach 46-49
GRI 306 Effluents & Waste	306-2	Waste by type and disposal method 46
Environmental Compliance		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries 24, 25
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Notes:

- The previous Sustainability report released by JK Tyre & Industries Ltd was for the FY 2018-19 (18th April to 19th March). (102-51)
- Reporting cycle of the Sustainability Report is One Year. (102-52)
- Reporting period of this report is from 1st April, 2020 to 31st March, 2021. (102-52)
- There are additional disclosure elements for which may be considered as work in progress and under development. Detail of the same will be given in the subsequent reports.





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