



towards
green
mobility

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About the report

JK Tyre & Industries Limited hereby presents its Sustainability Report for FY 2016-17 and thereby taking its first step towards realising its goal of Green Mobility. Sustainable Growth and Development has been a part of JK Tyre's inclusive growth agenda and this report is a reflection of its commitment towards accountability and transparency to its stakeholders. This report is also in accordance with the GRI Standards - Core Option. It presents information about the four tyre manufacturing plants across the country – Mysore in Karnataka, Banmore in Madhya Pradesh, Kankroli in Rajasthan and Chennai in Tamil Nadu, unless otherwise mentioned specifically (the reporting boundary). The report covers Financial and ESG information for the period 1st April 2016 to 31st March 2017 and contains data and information for the identified Material Topics for these said locations only.

The Sustainability Report (FY 2016-17) report 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. The selection of the external assurance provider has been carried out in line with JK Tyre's established procurement practices for services that are based on combination technical and commercial criteria. The assurance statement thus issued has been included in the report. JK Tyre is committed to producing its Sustainability Report atleast on a biannual basis.

There are entities which are part of the consolidated financial statements of the JK Tyre but not covered in this report. For details please refer to our annual report.

For any suggestions and feedback:
sustainabilityinfo@jkmil.com

JK Tyre accomplishments



Knowledge

First Indian tyre company to commission an independent research and development centre – HASETRI (Hari Shankar Singhania Elastomer & Tyre Research Institute), a one-of-its-kind state-of-the-art R&D centre recognised under SIRO by DSIR, Government of India.



Pioneering

- First Indian Tyre Company to manufacture and market "Radial Tyre" in India
- First Indian Tyre Company to launch an eco- friendly 'green' tyre.

Soles to souls initiative

Every day the number of vehicles hitting India's roads is rising exponentially, which means more tyres and more importantly more scrap tyres and a fact that is sordidly neglected. 80% of these castaway tyres leave incurable scars on the environment. In the wake of global warming and depleting ozone layer the matter calls for immediate attention with the obvious answer being recycling.

But at JK Tyre we wish to go a step ahead. We want recycling to appeal to every citizen of the country. The idea is to convert what is unwanted to become the most desired. Scrap tyres till now abandoned could become the objects of design. So we teamed up with the Footwear Design & Development Institute of India. Fifty promising students were selected to participate in the **SOLES with SOULS** work shop. Months of hard work later recycling got a new persona and new spokespersons. The future designers of the country would pledge to use recycled products for their designs.

And this has become a REALITY.



Technology

- First tyre company in India to install the 'On level Tyre Test Machine - generating real-time data in tyre testing
- First tyre company in India to install anechoic chamber for noise measurement





Product

First company in India with OE fitment of tubeless passenger radials. First in India to launch high performance H, V and Z-rated passenger radial tyres.



Key Institutional Partners

JK Tyre is a preferred supplier to leading automotive Original Equipment Manufacturers like Maruti Suzuki, Tata Motors, Honda, Hyundai, Ashok Leyland, Mahindra & Mahindra, Volvo Eicher, General Motors, Volkswagen, Fiat, Nissan, Bharat Benz TAFE, Case New Holland, John Deere, BEML and Caterpillar India, among others.



Contribution to environment

Successfully achieved "REACH" Compliance & "SMARTWAY" certification for export to USA & Europe.

JK Tyre's soles with soul initiative helped recycle old tyres by partnering with Footwear Design & Development Institute (FDDI) to create footwear & accessories from scrap and old tyres with unconventional and environment friendly methods.



Highlights



Renewable Energy Source
Contributed around

21%

of Total Power Consumed
in FY 2016-17

2.83

Ltr/Kg is now the world
benchmark in Tyre
Companies.

16%

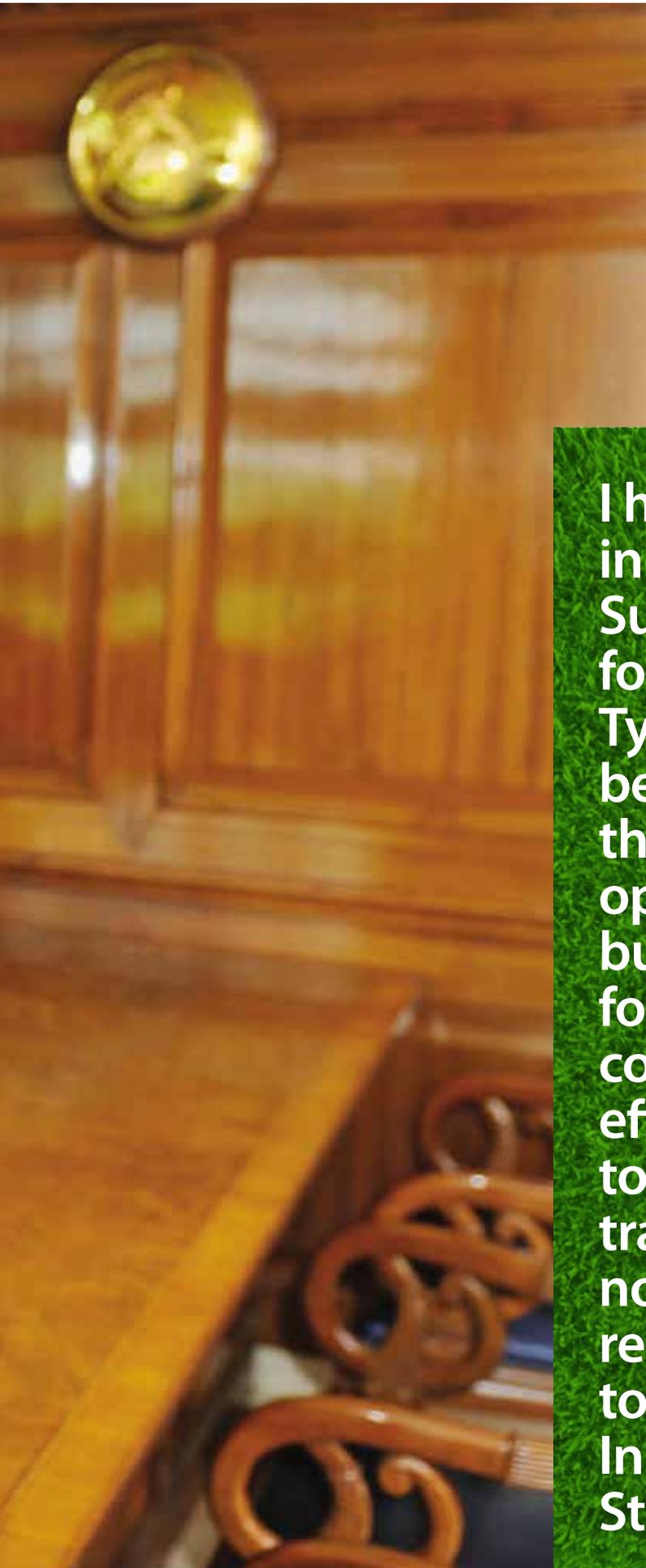
Savings in Energy
Consumption per Tonne of
Finished Good over Base
Year (2013-14)

Energy Savings of
311453
GJ over Base Year (2013-14)

27%

reduction in GHG Emission
(Scope-1&2) in reporting
year as compared to Base
Year (2013-14)





I have great pleasure in presenting to you Sustainability Report for FY 2016-17. At JK Tyre, sustainability has been at the core of our thinking, innovation, operations, and business practices for many decades. In continuation to our efforts in adherence to the principle of transparency we have now prepared this report complying to Global Reporting Initiative (GRI Standards).



Dr. Raghupati Singhania presenting the Indian Car of the Year award 2017 to the senior management of Maruti Suzuki India Ltd.



We partnered with Government's ambitious Swachh Bharat Mission and helped in construction of over 1100 toilets in rural areas in FY17 and encouraged their proper usage as well.

We have followed the principles of encompassing growth and development of all stakeholders. This philosophy and commitment to contribute to the Triple Bottom Line in terms of building economic, environmental and social capital governs JK Tyre's spirit of innovation and sustainable growth.

In JK Tyre, CSR initiatives extended well beyond compliance and created benchmark practices for other-companies to follow. We believe strongly that developing right partnerships is key to success of development projects. We partnered with Government institutions, Corporates & NGOs for scaling up CSR Projects, their effective implementation, and creating sustainable impact.

- We collaborated with Government's ambitious Swachh Bharat Mission and helped in construction of over 1100 toilets in rural areas in FY17 and encouraged their proper usage as well.
- In rural areas, we implemented livelihood enhancement initiatives such as agriculture improvement and livestock development programs to assist farmers in enhancing their income

through better crop & milk production. The unemployed youths have been trained in area specific & need based trades like Tailoring, Beauty & Wellness, Mobile Repairing, Motor winding, etc. and so they have secured meaningful jobs and become entrepreneurs.

- The water conservation activities such as field bunding, trenching, farm pond deepening/ de-silting, etc. have been implemented to harvest rain water and enhance water availability for agriculture and other purposes for neighbouring communities.
- We addressed the reproductive and child healthcare issues in remote tribal areas of Rajasthan. The initiative has significantly moderated maternal and infant mortality rate in the project areas and has benefited large number of pregnant women and newly born children.
- JK Tyre is also actively engaged in prevention of HIV/AIDS with the help of Government, Corporates and local NGOs and has reached to more than 2.5 Lakhs people predominantly from trucker/ transporter fraternity till now.



Dr. Raghupati Singhania presenting the Indian Motorcycle of the Year award 2017 to the senior management TVS motors

JK Tyre is committed towards goal of being Green and Clean Company with sustainable use of energy. Our initiatives towards conserving water and energy are one of the best as per industry standards. We are very pleased to record that JK Tyre in FY-2016-17 achieved a total energy benchmark level of 10.33 GJ/Tonne of production and ranks among top five best companies in the sector worldwide.

We have also made considerable efforts to reduce our dependence over conventional thermal energy sources. As part of our commitment to utilise Natural resources, we have invested in Solar & Wind Energy. We have set up Solar Rooftop Plant in Chennai and in Vikrant. We are also purchasing Wind Power for our plants. In FY17, we met 21% of our power requirement through Renewable energy.

JK Tyre is the 1st Indian Tyre Company to get CFV certificate as per IS standard and continues to focus on reducing GHG emission resulting in over 27% reduction in emission over base year (2013-14).

Monitoring carbon footprint is part of our commitment to the society for better & safer environment of our future generation.

Unequivocally, water is one of the most important natural resource needed equally by industry and communities. We, at JK Tyre, have taken conscious decision to reduce our water consumption. Our Kankroli Plant has a specific Water Consumption of 1.7 Litre/Kg, one of the lowest among all Tyre Plants across the world.

JK Tyre is committed to sustainable Growth while meeting its Economic, Environmental and Social obligations to ensure betterment of all its stakeholders including Customers, Employees, Investors, Government and Society at large. We endeavour to make earth more liveable and our quest continues to strengthen our sustainability practices and remain accountable to all our stakeholders.

Dr. Raghupati Singhania
Chairman and Managing Director

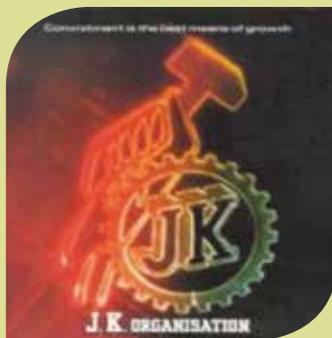


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About JK organisation

The major business of JK organisation include Tyre, Paper, Cement, Agri-Genetics, Dairy & Food Products, Cosmetics, Woollen Textiles, Engineering Files, Hybrid Seeds, Industrial Rubber Products, Material Handling System etc. with total group turnover of \$ US 4 Billion Dollars.

'Commitment is the best means of growth'



Since 1889



Lala LakshmiPat Singhania
1910-1976

Key Architect of JK Organisation & Founder of the Company

"We as businessmen are anxious to contribute to the best of our capacity and knowledge for the evolution of a progressive society"

JK Tyre & Industries Ltd



JK Tyre is a flagship company under the umbrella of JK Organisation. JK Tyre is one of the India's leading tyre company present in all tyre segments. The Company enjoys the highest market share in truck / bus radials in India; it is amongst the largest players in India's truck bias and passenger car segments as well.

Dr. Raghupati Singhania is Chairman & Managing Director and is ably supported by Board of directors of JK Tyre.

The Company's manufacturing operations comprise 9 modern plants strategically located across the country – Mysore, Banmore, Kankroli, Chennai and Laksar (Haridwar) and 3 modern plants in Mexico.

JK Tyre pioneered radial technology in India way back in 1977 (first to make radials for the entire range of Truck/Bus, LCV, Pass Car, MUV and Tractors) introducing the radialisation trend in India.. The Company possesses a comprehensive product portfolio from the smallest tyres for two-wheeler to the largest tyres for earth-movers. The product range comprises tyres for truck/bus bias & radial, passenger cars, SUVs, light commercial vehicles and small commercial vehicles (both bias & radials), farm (including radials), industrial and speciality vehicle, off-the-road tyres

for earth moving and construction equipment, racing cars and defence.

The Company has a wide geographic footprint across the country through its 141 selling points, which provides sales and service to customers and channel partners. The Company also markets products through 30 JK Tyre Truck Wheels (fully equipped tyre service centre), 230+ JK Tyre Steel Wheels (exclusive passenger car tyre retail) and 11+ JK Tyre Xpress Wheels for small towns & semi urban markets.

The Company's tyres are marketed under the brands of JK Tyre, Vikrant, Challenger and Tornel. JK Tyre is Technically self-Reliant & Exports to 105 countries across globe.

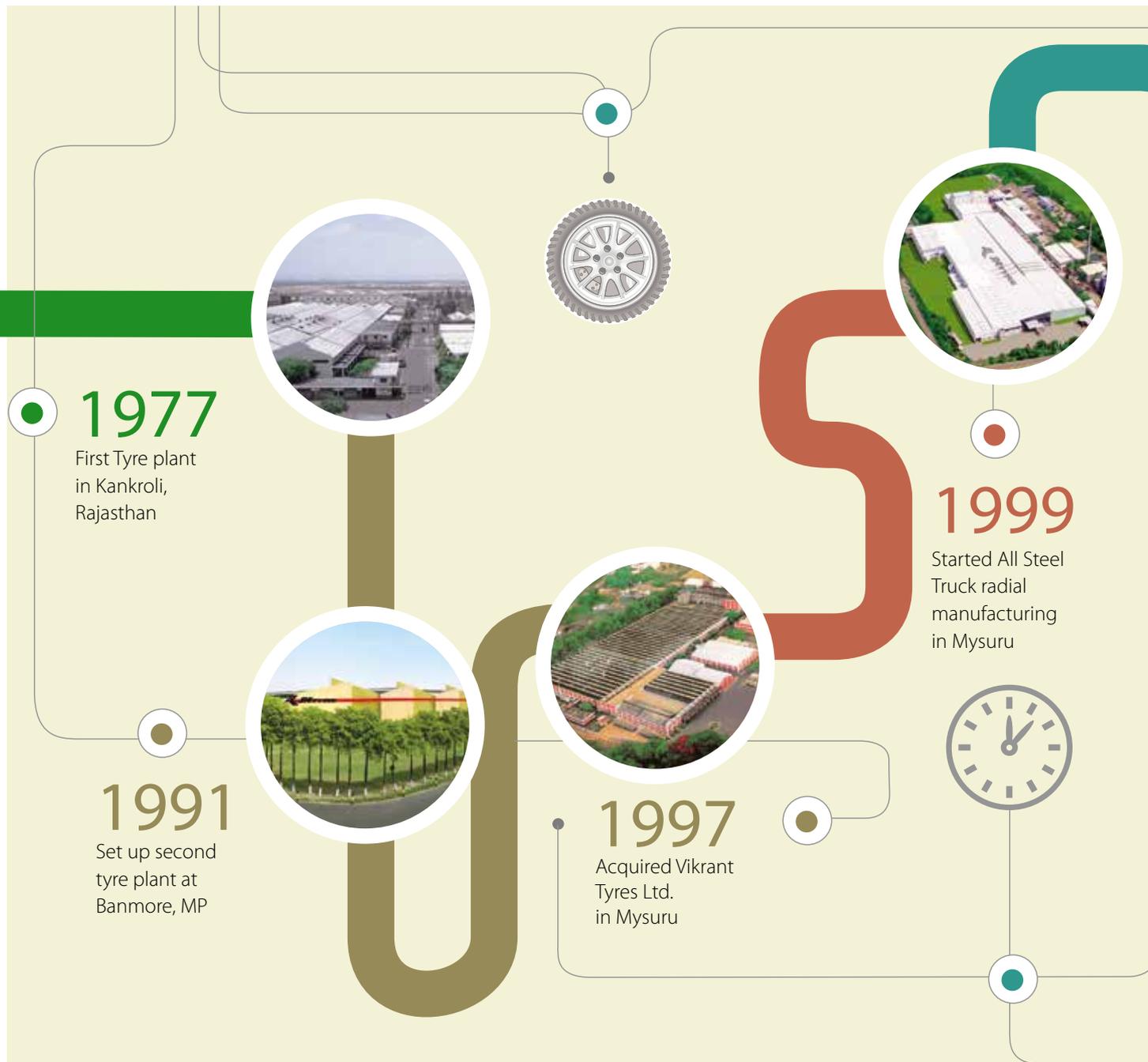
JK Tyre is a preferred supplier to leading automotive Original Equipment Manufacturers like Maruti Suzuki, Tata Motors, Honda, Hyundai, Ashok Leyland, Mahindra & Mahindra, Volvo Eicher, General Motors, Volkswagen, Fiat, Nissan, Bharat Benz, TAFE, New Holland, John Deere, BEML and Caterpillar India, among others.

JK Tyre & Industries Limited is a public limited company and its Equity Shares are listed at BSE Ltd. and the National Stock Exchange of India Ltd.



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JK Tyre - The growth journey



1977

First Tyre plant in Kankroli, Rajasthan



1999

Started All Steel Truck radial manufacturing in Mysuru



1991

Set up second tyre plant at Banmore, MP

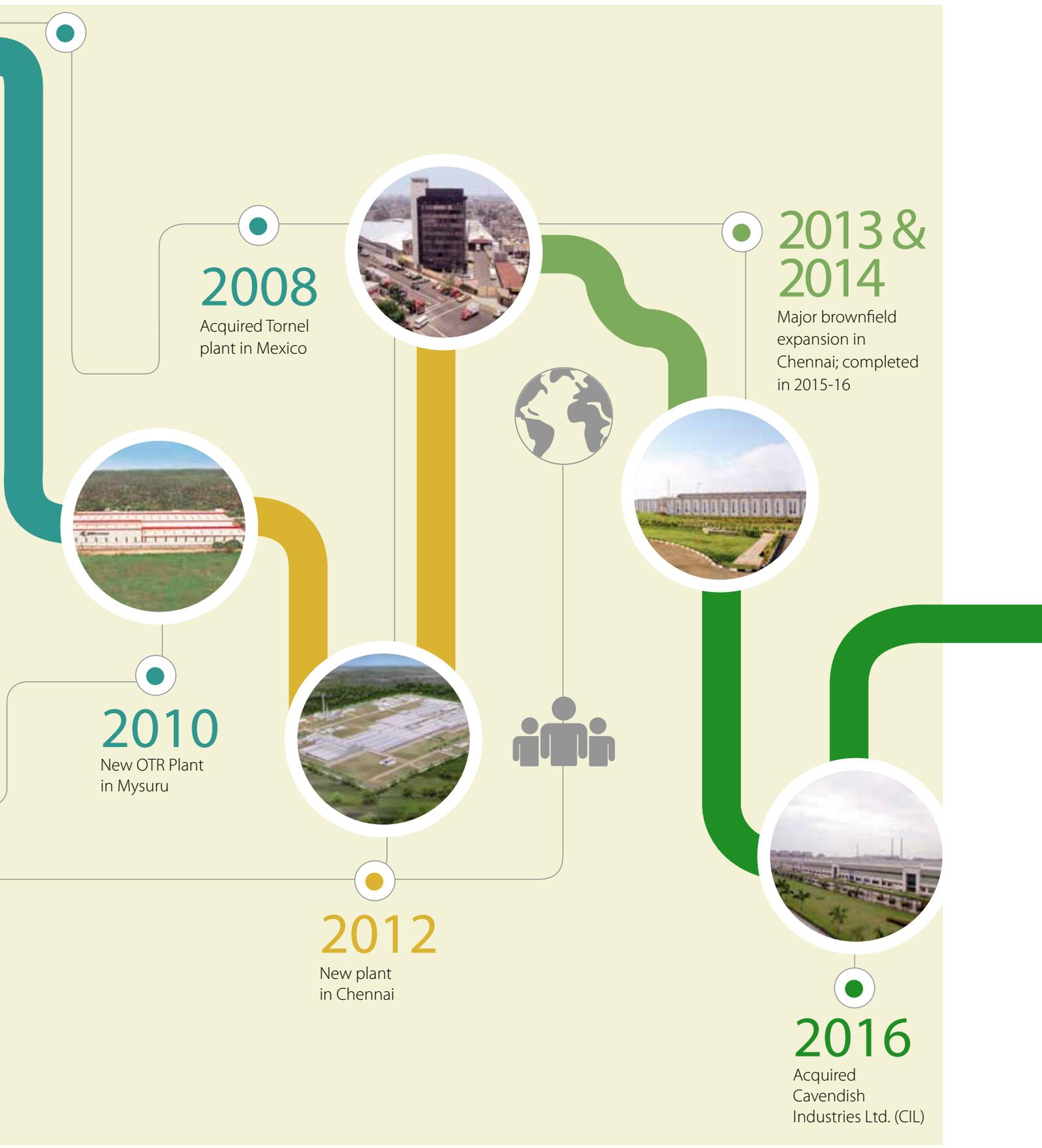


1997

Acquired Vikrant Tyres Ltd. in Mysuru



JK Tyre has maintained a strong track record of organic and inorganic growth over time



2008

Acquired Tornel plant in Mexico



2013 & 2014

Major brownfield expansion in Chennai; completed in 2015-16



2010

New OTR Plant in Mysuru



2012

New plant in Chennai



2016

Acquired Cavendish Industries Ltd. (CIL)

JK Tyre - Global footprint





	Own plants (12)
	Outsourcing (1)
	Marketing hub (8)

Presence in 105 countries across globe		
2016-17	USD mn	₹ Cr
From India	97	631
Global	145	935

The Company's tyres are marketed under the brands of JK Tyre, Vikrant, Challenger and Tornel.



Awards and appreciation



Lakshmipat Singhanian - IIM, Lucknow National Leadership Award

Dr. Raghupati Singhanian,
Chairman & Managing Director
was conferred, amongst others

During the year 2016-17, the Company received several coveted awards for excellence in various following areas





Brand Recognition



JK Tyre has been selected **'Superbrand 2016-17'** by Super Brand Council of India. JK Tyre continues to be the First and Only Tyre Superbrand in India having been selected six times consecutively since 2004.



It has also once again been recognised as **Most Trusted Brand 2017** by Reader's Digest



JK Torkel Awarded with



"Superbrand", 2015



One amongst **500 Most Important Companies** in Mexico for year 2015, 2016 and 2017 by Expansion Magazine



"Outstanding Quality Performance" certification in 2014 & 2015 as one of the top Original Equipment Suppliers by Fiat Chrysler Automobiles.



Management commitment



JK Tyre has always been conscious of its commitment towards services to customers, environment, communities, other stakeholders at large and best in class technology coupled with state of the art manufacturing. There have been always sincere efforts towards maximising shareholders value through providing best quality products & services thereafter.



Left to right

DR. RAGHUPATI SINGHANIA

Chairman & Managing Director

BHARAT HARI SINGHANIA

Managing Director

KALPATARU TRIPATHY

Director

ARVIND SINGH MEWAR

Director

VIMAL BHANDARI

Director

BAKUL JAIN

Director

SUNANDA SINGHANIA

Director

SHREEKANT SOMANY

Director

ANSHUMAN SINGHANIA

Whole-time Director

DR. WOLFGANG HOLZBACH

Director

ARUN K. BAJORIA

Director & President – International Operations

Manufacturing Excellence - Institutionalise Quality Culture

System Certification	India			
	Mysuru	Kankroli	Banmore	Chennai
ISO 9001:2008 / TS 16949: 2009 QMS (Quality Mgt)	●	●	●	●
ISO 14001: 2004 EMS (Env Mgt)	●	●	●	●
OHSAS 18001:2007 (Occupational Health & Safety)	●	●	●	●
ISO 50001:2011 EnMS (Energy Management System)	●	●	●	●
SA 8000 : 2008 Social Accountability	●	●	●	●
Information Security Management System ISO 27001:2013	●	●	●	●
NABL Accreditation ISO/IEC 17025:2005	●	●	●	●
TPM Certification (Excellence) JIPM, Japan (2010)	●	●	●	-
CII Sohrabji Godrej Green Business Centre – GreenCo Rating (first tyre company in India)	●	●	●	●
TPM Certification (Consistency) JIPM, Japan (2015)	●	-	-	-

TPM implementation at our Plants not only helped in improving business results but also brought drastic change in organisation culture. There is greater participation of employees as they are encouraged to suggest innovative ways of project implementation.

Strategic business plan



The Company prepares Strategic Business Plan defining Key Strategic Objectives for next 5 years. The Strategic Business Plan (SBP) is formulated through a systematic process of analysing the external environment (historical trends, the current position and the likely future scenario), competitive scenario, customer preferences, Technology Requirement and Human Capital. The historical trends are tracked for the immediate past and

for a longer period to establish the correlation between the influencing factors and the key results. The areas of strong correlation are separately focused and examined in details to establish the extent of connectivity between their behaviour and the performance outcomes.

These parameters and trends are continuously monitored in the backdrop of the current environmental scenario

and competitor's moves and actions and any significant change in them is captured and incorporated in Strategic Business Plan (SBP) every six months. The Company then zeroes down on major deliverables required to meet these objectives. The deliverables are further broken down into Company Level Projects (CLPs) and Functional Level Projects (FLPs) in order to ensure smooth implementation.

Strategic Plan is essential for the Company for following reasons.



It helps the Company align all functions on Major Goals and Objectives.



Assists the Company in zeroing down on major issues across functions, which hinder Company's Performance



Helps the Company respond to changes in Market or customer needs swiftly.



Allows timely allocation of Resource and Capital for Strategic Projects.

Mission, Values & Ethics

Core values

- Commitment to excellence and customer satisfaction
- Maximising long term shareholders value
- Socially valued enterprise and
- Caring for people and environment

Our vision

To be amongst the most admired companies in India
Committed to Excellence

Our mission

- Be a customer-obsessed company – where the customer comes first 24x7
- Be India's number one tyre brand
- Be the most profitable tyre company in India
- Sustain a motivated and committed team for performance excellence
- Be widely respected for 'green' practices
- Deliver enhanced value to all stakeholders
- Widen global presence through acquisition/joint ventures/strategic partnerships

Risk management at JK Tyre

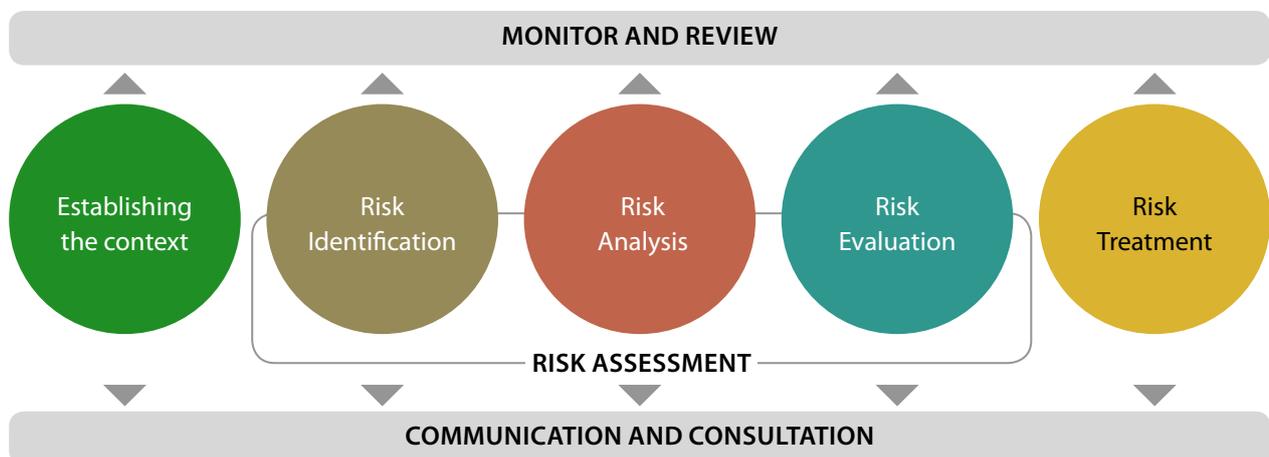


Risk is an integral and unavoidable component of business. In today's challenging and competitive environment, mitigating risks is imperative. Common risks include: regulations, competition, business risk, technology obsolescence, investments, and retention of talent.

Risk management is a key activity for all companies. It is a continuous, forward-looking process that is an important part of business and technical management processes. Risk management should address issues that could endanger achievement of critical objectives. A continuous risk management approach

is applied to effectively anticipate and mitigate the risks that have critical impact on the business.

We, at JK Tyre have adopted a comprehensive Risk Management framework based on guidelines of ISO 31000:2009 and tailored it to our organisation needs.



Based on ISO 31000:2009

For managing risks more efficiently, the Company has identified key risks that can have a critical impact on the Company's performance. In nutshell, the Company has identified the following risks:

Economic risks

A weakened global economic environment or an increase in geopolitical tensions could impact the Company's export revenues. To counteract these pressures, the Company identifies markets which are

relatively stable and makes every effort to enhance sales there. It also expands its product range in various segments and deploys new/additional sales and service teams.

The threat of Chinese import is defused to an extent by developing products to compete with Chinese tyres as well as pursuing governmental agencies to impose anti-dumping and safeguard duties.

Raw material shortage risks

The Company ensures raw material availability by entering into long-term tie-ups with major suppliers apart

from continuously exploring new and alternative sources. It also keeps additional stocks for usage during lean

periods apart from substituting materials which are in short supply.

Operational risks

Operational risks like equipment obsolescence, power and water shortages can impact production. To mitigate these risks, the Company continuously monitors equipment obsolescence and upgrades equipment from time to time and undertakes

preventive maintenance exercises. The Company has also made significant investment in equipment modernisation. In order to overcome any power shortages, the Company has installed power backups and made arrangements with various power generation

companies to guarantee uninterrupted supply. To meet its water needs, the Company identifies alternative sources. In addition to rainwater harvesting, several measures are undertaken to further reduce water consumption levels.

Market risks

The Company makes continuous efforts towards expanding its network, forge tie-ups and launch new products. Furthermore, the Company lays a keen

emphasis on demand creation, customer retention/growth and brand-building. The Company actively tracks demand on a real-time basis through automated

connectivity with its dealer network. It has also launched an e-commerce platform to push sales.

Technology risks

The Company introduces new technology and continuously develops the competitiveness of its existing offering based on future customer needs and market requirements. Technology risk is mitigated by leveraging innovation to enhance speed-to-market, continuously evaluating energy usage and shopfloor productivity parameters, benchmarking products with those of the best in the world and initiating

timely capacity expansions. Furthermore, it continuously upgrades its facilities, hones skills of its employees and bolsters its infrastructure. There is also extensive usage of available knowledge through international experts/networks. Risk management forms an integral part of the business planning and review cycle at your Company. The Company's risk and control policy is designed to provide reasonable assurance that objectives are

met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures. It makes the management responsible for identifying critical business risks and implementing fit-for-purpose risk responses.

Customers



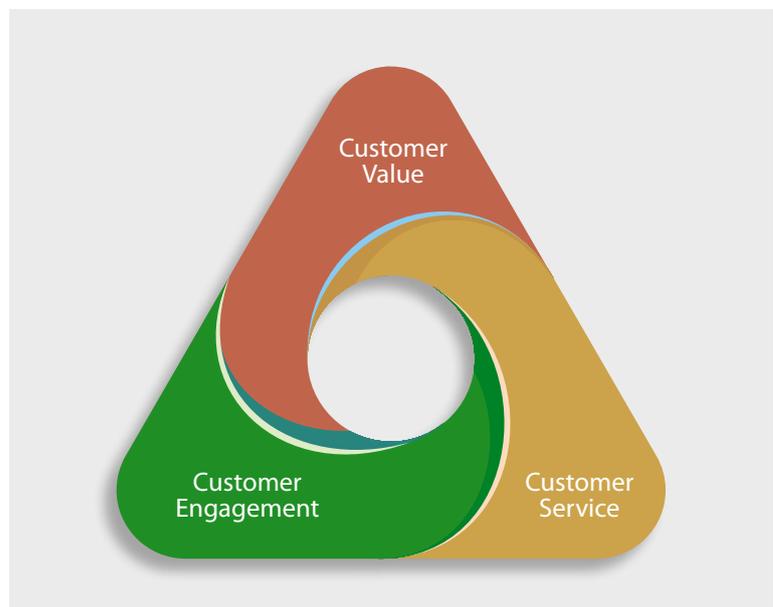
Customer Interaction Program

At JK Tyre, the first mission emanating from the Company's vision and group core values is: **To be a Customer Obsessed Company – Customer first 24x7**

Our Philosophy

JK Tyre lives by its philosophy of customer first 24x7. It has always been ahead of the curve by anticipating customer needs and exceeding their expectations. Its products & services enjoy the trust of customers whether be it OEMs, institutional buyers, defence, channel partners or end users. The primary focus is to make available world class products manufactured in the state of the art facilities as per well-established international processes and quality standards. For every category of customer, JK Tyre has made available unique customised propositions. JK Tyre has the last mile philosophy by being accessible to customers wherever and whenever they want.

The Triangle of Customer First





JK Tyre conducting Defence User Training

Customer Value

JK Tyre has made available wide product portfolio for various market segments and categories. The journey started with pioneering radials in 1977 as a future customer requirement much ahead of its times. JK Tyre was then first to introduce radials for the entire range, whether be it truck, bus, light truck, jeep, car and farm. It then went on to introduce high performance tyres, high performance car radials, tubeless radials and eco-friendly tyres way back in 2001. JK Tyre then brought value to the commercial tyre segment in 1997 by driving the second radial revolution in the country.

Radial Tyres have helped sustaining the environment as vehicle fuel consumption is reduced on account of lower rolling resistance. The increase in use of silica also reduces usage of carbon.

To meet customer needs JK Tyre launched an industry first multi-product, multi-brand, multi-tier product strategy in Truck Bus (radial & bias) and 2/3 wheeler. The multi-tier product addressed the need of both premium

and value conscious customers. JK Tyre also entered the 2/3 wheeler segment for the first time and innovated the segment by introducing the products with unique hybrid technology.

Similarly, for the tractor rear segment, agri gold tubeless radial range was established which met customer needs of durability, comfort, puncture resistance and haulage and agricultural applications. The high performance tubeless radial range was enhanced by the UX Royale in passenger and Ranger in XUV applications. The tubeless range was enhanced in light commercial vehicle and small commercial vehicle category also. In the industrial tyre segment, the product portfolio was widened with products for cranes and forklifts for port applications.

There is a strong emphasis on tubeless radials as they further enhance vehicle fuel efficiency, comfort and safety as well eliminate the need for manufacturing tubes.

Cradle-to-grave solutions – A differentiated value Proposition

The pioneers of radials continued to address customer needs by offering a comprehensive array of services with a complete package from new tyres to retreads to its customers. Thus, JK Tyre has created a differentiated value proposition for its customers by integration of retreading solutions, truck wheels as well as fleet management.

The Retreading process enables us to follow the principles of Reuse and Recycle; wherein the durability of tyres is enhanced by 50% by retreading the casing of tyres especially in the commercial segment. We manufacture and market pre-cured tread rubber which enables a customer to avail of multiple retreads.





In post-sales service, regular workshops are held for Institutional buyers like State Transport Undertakings and Defence on preventive tyre care and maintenance practices. Keeping in line with the last mile connect campaigns are conducted on highways for customer education.



Visit of Dr. Raghupati Singhania at JK Retread Centre Delhi

Customer Service

JK Tyre enjoys excellent relations with its customers and believes in giving best in class services to the last mile. Keeping this in mind dedicated campaigns are conducted at OEM dealerships across categories. Guidance on tyre care practices is given and these enhances confidence of customers and end users and enable them to derive superior value.

With the tyre being only point of contact with the road on vehicle it is imperative to create awareness on tyre care and maintenance practices. At JK Tyre equal emphasis is placed on pre and after sales service to enable customer to avail the benefits of enhanced tyre life, reduced fuel consumption, vehicle safety and ride comfort. Pre sales service comprises of proactive structured communication to all categories of customers and end users. The role of influencer who are referral points for the customer at large is extremely important. Such influencers

are OE franchise works managers, tyre fitters and fleet managers. Accordingly, such programs are conducted for all stake holders. Another important influencer in the rural market are tractor mechanics who provide immense guidance to tractor tyre users. JK Tyre has put in place a "Tractor Ustaad Program".

In post-sales service, regular workshops are held for Institutional buyers like State Transport Undertakings and Defence on preventive tyre care and maintenance practices. Keeping in line with the last mile connect campaigns are conducted on highways for customer education.

Some elementary and basic principles which are shared with all end users are:

- Maintaining recommended air pressures
- Wheel servicing (alignment and balancing)
- Tyre rotation
- Timely removal of tyres

● Tyre mounting and demounting

Special training program is conducted for tyre fitters who are located in transport cluster areas. The above education enables conservation and optimal utilisation of scarce resources. Post sales service can be availed at 141 offices pan India by our dedicated service team. We have a customer helpline branded as "Hello JK Tyre" running on all seven days. It is a toll free number for product complaint registration, warranty registration and general customer enquiries.

To enhance the skills of the team handling, customers dedicated commercial vehicle training is provided to the service and fleet management team in partnership with a leading commercial vehicle manufacturer.

Structured programs known as "Back To School" are conducted at educational institutions with emphasis on tyre safety.



JK Tyre Steel Wheel outlet



This is a part of our partnership with leading automotive manufacturers from the drawing board to the last mile. These outlets are an extended arm of the Company and personnel of Steel Wheels have been provided customised training on handling warranty claims.

Customer Engagement

JK Tyre has created comprehensive and easily accessible sales and service platforms across all geographies and has always been ahead of its time. From a historic perspective, JK Tyre has launched many initiatives:

- Establishment of Tyre Care Centres for truck radial tyres providing repair facilities along the Golden Quadrilateral across the country to facilitate truckers when knowledge and infrastructure end user level was minimal or non-existent at the onset of the 2nd radial revolution unleashed by JK Tyre
- Establishment of Air Care Stations at petrol pumps in partnership with Indian Oil to facilitate correct air care for customers especially car and two wheelers customers
- Dial – a-Tyre and Fix- a- Tyre service
- In a matter of thought leadership and recognising the future problem of reuse of tyres and tubes, JK Tyre unveiled the

award winning ‘Soles with Souls’ an environment friendly initiative where in partnership with FDDI reused tyres and tubes converted into footwear and fashion accessories and show cased in an especially created event.

Taking it forward, JK Tyre has sustained its customer first initiatives. To service the market, JK Tyre has established a wide distribution network and extended the reach through over 4000 dealers pan India. Various retail sale and service platforms have been created which enables customers to avail JK Tyre’s wide range of products and services.

● Truck Wheels

JK Tyre has established leadership in developing JK Tyre Truck Wheels throughout the country. These provide complete tyre solutions. They are equipped with modern wheel servicing equipment which provide alignment, balancing and automated

tyre changing. These services are now increasingly sought after as they save cost for truck owners.

● Steel Wheels & Xpress Wheels

Spread across the length and breadth of the country, Steel Wheels as a concept was developed way back in 1977 to facilitate customers switching over to radials. These are branded franchises for passenger tyres in metro and urban markets and provide cutting edge wheel care services. Gradually the network is being expanded to reach semi urban markets. This is a part of our partnership with leading automotive manufacturers from the drawing board to the last mile. These outlets are an extended arm of the Company and personnel of Steel Wheels have been provided customised training on handling warranty claims. This has enabled superior customer experience.

In another industry first, our unique Fleet Management program covering



Recognising the important role of the channel and giving them partner status various programs are ongoing like the Ace Club, Radial Badshah for fleets and Radial Stars.



Truck wheels

over 1200 fleets continues to provide guidance on comprehensive tyre care practices to give greater value to customers. The program offers 360° tyre care solutions to the fleets, which includes right tyre selection, technical consultancy, data management, training support and much more. It is one of a kind service bouquet that helps customers and ensures the optimum cost per kilometre (CPKM). There are dedicated personnel are stationed at major fleet and periodically conduct programs like Heal the Wheel, Driver Training Program etc. The team closely interacts with the personnel at all levels in the fleet. Services can be availed throughout the country. The Fleet Management program continues to enables operation efficiency to their business.

JK Tyre has extended its sales and service network by partnering oil marketing companies.

The Directorate General of Quality Assurance (DGQA) vehicles is an important wing of the defence purchase organisation. Special training program has been conducted for their personal tyre manufacturing and tyre care.

The Customer Interaction program is an interactive platform with truck customers. At JK Tyre customer feedback is highly valued and customised interactive platform known as "Customer Interaction Program" has been created. At this platform end users especially truck customers are guided on correct product application and tyre basics. Feedback on usage and customer experiences is also captured here.

Recognising the important role of the channel and giving them partner status various programs are ongoing like the Ace Club, Radial Badshah for fleets and Radial Stars. This Valuable customer feedback is captured through these platforms.

Partners/ Suppliers

Information on the suppliers is gathered through structured meetings held half yearly with major raw material suppliers who form 85 to 90% of our total purchase value. In these joint meetings, prices, quality improvements, technical capabilities, areas of improvements as well as external benchmarking form the agenda. Also unstructured interactions with other suppliers help in collection

of the information. Apart from above biennial vendors conference is organised where the top management interacts with suppliers on the needs of business and future trends and expectations. Formal information on supplier is also gathered through techno-commercial database, attending industrial fairs and seminars and visits to collaborator.

JK Tyre carries out centralised purchase at our Head Office for all our tyre manufacturing units including Tornel, Mexico. Orders are placed on quarterly/ half yearly/yearly basis as required. Delivery schedule are given separately from each plant depending on the monthly requirement.

For supply of automotive tubes and flaps JK Tyre has developed exclusive & dedicated outsourced manufacturing units We provide assistance to them on their system development as well as technology inputs to achieve best - in - class quality

While suppliers are spread across Asia, Europe & America, most of the raw materials are sourced directly from the manufacturers. These constitute 60% of the materials from domestic suppliers while the rest are imported.



Supply chain management

In today's ultra-competitive age, an integrated and agile supply chain plays a crucial role in enhancing the Company's viability and performance. JK Tyre has transformed its supply chain over the last year with numerous improvements to align with its mission of being a customer obsessed company.

The IT-enabled supply chain improved visibility across the chain, reduced redundancy and increased efficiency.

JK Tyre designed logistics, distribution channels and transportation keeping in mind the optimum use of energy and natural resources, managed through

regional warehouses, just in time delivery and beat cycle for last mile deliveries. Team collaboration and cross functional approach lead to smooth operations.

JK Tyre strengthened its Supply Chain to address the growing needs of internal or external customers. To improve the customer experience, the Company introduced a third party to interact with dealers on its behalf.

The Company IT enabled the entire supply chain and the result was increased visibility and better planning, extensive use of SAP in OE just-in-time warehouses and export order

management and fulfilment process being two of the many examples. Integrated mould management system was introduced across nine plants, enhancing mould utilisation. The Company could reduce export port stock significantly. The Company used the best warehouse practices and know-how, successfully converted some of its warehouses into model warehouses.

An integrated and more efficient supply chain helped in increasing product availability for all segments and surpassing the global supply chain standards, while there was substantial cost saving during the year.

Motor sports

JK Tyre continued to make its presence felt in the Indian markets by aggressively and smartly promoting motor sports like Tata T1 Prima Truck Racing Championship (with Tata Motors), helping showcase Jet Racing (first truck racing tyre in India) and tyre capacity to sustain 160 km/hr speed with demanding braking requirements. The

Company's tyres were deployed in all kinds of terrain, ranging from tarmac to dirt road and from forests to mountains.

While well-established JK Tyre FMSCI National Racing Championship was held for the 19th year in succession, JK Tyre FMSCI National Karting Championship completed its 13th year. At the same time, JK Motorsport made its presence

felt in various other formats across India: Drag Racing in Bengaluru, off-roading events in Arunachal Pradesh and Chandigarh, the Parliamentarians rally in Delhi and the women's rally in Mumbai, among others. The Company is particularly proud of the JK Himalayan Drive 5 this year which saw it go into two other countries: Bhutan and Nepal.

Technology & R&D

To compete with global giants and match their product performance, JK Tyre in-house R&D centre is keenly pursuing technology sustenance through self-reliance. The Company is also engaging global experts in this field to support R&D endeavour. The R&D team is working in the field of advanced materials, alternate materials, nano technology, process and product simulation, predictive technology, advanced tyre mechanics, vehicle dynamics (including tyre characterisation) and other relevant areas in association with Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI), RPS Centre of Excellence for Tyre & Vehicle Mechanics (RPS CoE) at IIT-Madras; Rubber Technology Centre, IIT Kharagpur,

and major international raw material suppliers.

A team of competent, qualified and trained scientists, engineers and technologists are adopting the latest global technologies and best practices to improve productivity and quality of processes, products and services.

In addition, our in-house R&D team is continuously supporting the Satellite Product Development Centre in Mexico to service customers in the Americas (OEM and after-markets).

The Company derived benefits as a result of these efforts in the areas of new product development, green technology, product performance improvement, cost optimisation, improved product reliability, optimised

material usage, waste and scrap reduction including water and energy conservation.

Key new product developments

- 131 new products launched for the domestic and international markets (OE and replacement)
- Foray into 2/3 wheeler segment marked by the launch of 28 new products for the Indian market.
- Received OEM approvals for seven new tyres.
- New innovative products developed and launched (Challenger brand) to counter the onslaught of low-priced Chinese products.
- New TBR product line Vikrant™ launched in the TBR segment.
- PCR and TBR products for export markets were tested and approved for ECE – Reg 117, meeting rolling resistance, wet grip and noise limits specified by European regulations.

R&D and Technology: All Solutions under One Roof

The Company also commissioned a centralised Global R&D centre in Mysore to strengthen synergies between the various technology and R&D groups. Goal-oriented teams collaborated to drive projects in each technology area. The Company commissioned task forces in each area around focused goals. The technology and R&D teams continue to engage in extensive customer contact programs in the domestic and global markets to understand customer needs better.

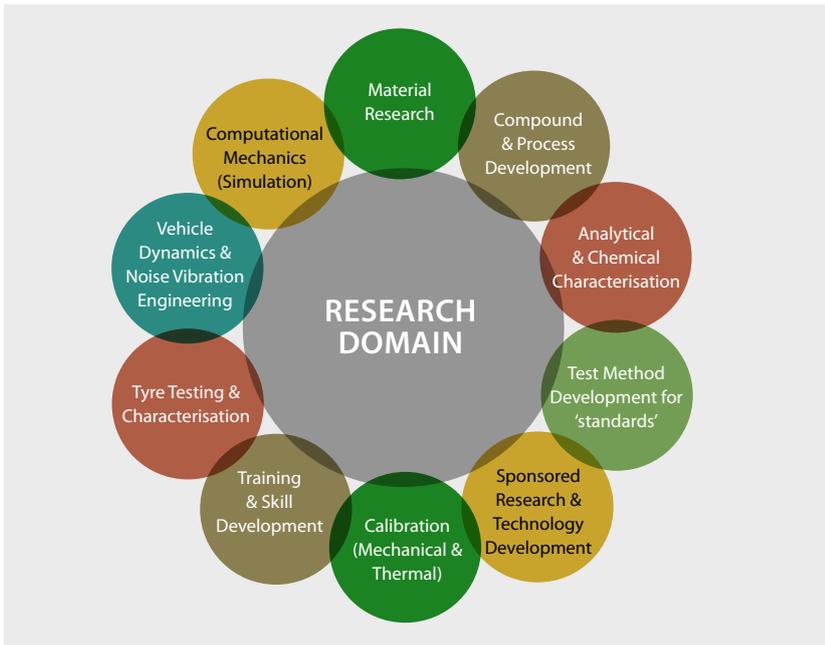
The state of the art facility houses the following:

- Product Development Centre
- HASETRI (R&D centre)
- Test Centre for all our Benchmarking studies/analysis
- Chemical, Physical and analytical labs
- Reinforcement lab
- Anechoic chamber etc.





'Raghupati Singhania Centre of Excellence', Mysuru, Karnataka



paints. At JK Tyre we have taken a conscious decision to reduce the solvent consumption through lube and paint to the level of zero. Now JK Tyre is using lube and paints which is 100% aqua based.

- Increased use of natural rubber and their derivatives - this approach has the added advantage in that it indirectly leads to increased plantation, job creations and absorption of greenhouse gases. Also, increased production in radial commercial vehicle tyre by JK Tyre is a defined approach to increase the consumption of natural rubber, along with the use of modified natural rubber in passenger vehicle tyre. This has resulted in an impetus to increase natural rubber use in tyre production through intense research and development activities.

- **Drastic reduction on carbon black usage thereby leading to conservation of precious fossil fuel:** Continuous R&D efforts at HASETRI have led to the development of compounds for bias and radial commercial vehicle tyre by replacing carbon black with silica. While this achievement has not only led to a reduction if the carbon footprint, JK Tyre has gained reputation as the first manufacturer of a GREEN TYRE way

HASETRI - the Genesis

HASETRI is the very first of its kind in Asia (Estd. Oct. 1991), named after Padma Bhusan Late Shri Hari Shankar Singhania, President of JK Organisation and former President of International Chamber of Commerce. This centre is also recognised by DSIR as SIRO, IITs and other leading universities in India for Ph.D. programmes and higher studies. The facility is also accredited as per Accredited as per ISO / IEC 17025:2005.

With the ever increasing demand for fuel-efficient vehicles, vehicles with better aesthetic properties and increased focus on passenger safety, the challenges and pressures faced by the automotive industry and the tyre industry to demonstrate sustainable operations is becoming insurmountable by the day. In a bid to show and demonstrate JK Tyre's contribution and mite towards this agenda of sustainable operations, the Company has adopted the GREEN MOBILITY approach in all its decisions and operations, that is singularly aimed at resource & energy conservation and minimising the

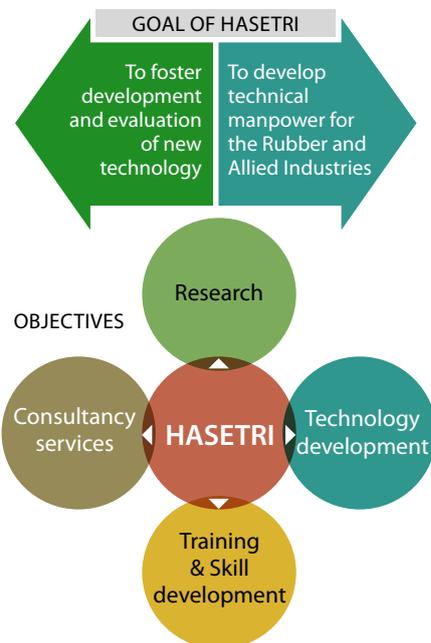
impacts on the environment on the one hand and yet maximise performance on safety, reliability, compliance and durability on the other. This has required not only a change in the thinking, but a change in the culture of the organisation as well.

At HASETRI, the mantra has always been GREEN MOBILITY and towards this intent the key focus areas from a sustainability perspective has always been:

- Reducing usage of petro-based products and increased use of natural materials
- Use of more silica rather than carbon black
- Use of bio-based additives

This sustainable approach has already resulted in the following achievements and ongoing projects that have been recognised and appreciated in the industry.

- Use of water based lubes and thereby reducing petro-based solvent in the plant. It is common in rubber industry to use solvent based inner lube and



back in 2005, and also be recognised as the first tyre industry in India to have launched full silica based tyre for an OE in the year 2013.

- Research and development of JK Tyre is continuously working in developing compounds for bias and radial commercial vehicle tyre by replacing carbon black with silica. This is an approach towards reducing carbon footprint. Also JK Tyre through its focused research had launched first Green Tyre way back in 2005. Also JK Tyre is the first tyre industry in India, who had launched full silica tyre for OE in the year 2013.
- **Use of nano filler:** Development work on the use of nano fillers is an ongoing activity at the R&D centre. High aspect

ratio nano fillers are used in the inner liner compound to improve the air impermeability (by almost 30%) than the regular inner liner. This higher level of impermeability not only improves the durability of the tyres but also improves the fuel efficiency of the tyres. Other ongoing nano research is with nano clay, carbon nano tube and grapheme.

- **Use of Natural resins to improve product performance:** Petro based resins are widely used in tyre industry to improve the tackiness of the compound which is one of the requirements during tyre building operation. Our specific research work is in the field of performance resins that are bio-based. These bio-based performance resins will not only maintain the tackiness, but also

improve other performance parameters such as wet grip, dry grip and handling characteristics. Some performance resins are also expected to improve on the cut and chip resistance of the bigger tyres.

- **Tyre compounds for Battery Operated vehicles:** Battery operated electric vehicles is the norm for a sustainable future. Reduction in rolling resistance from battery operated vehicle tyres is much higher as compared to the tyres fitted with IC engines. Research is ongoing on this front.
- **Resource conservation:** Increased use of recycled materials and materials sourced for renewable sources is another focus area for research in a conscious bid to reduce consumption of virgin materials.

Unique facilities and services offered at HASETRI include the following:

NVH Machine with anechoic chamber



Anechoic Chambers are echo-free enclosures with a sound energy absorption level of 99% to 100%, or a reflected sound pressure level of 10% or less. The frequency at which the energy absorption drops below 99%, or the pressure reflection exceeds 10%, is known as the low-frequency cut-off. Sound absorption is obtained by lining the walls, ceilings, and floor with wedges or other sound absorbing elements or Super Soft panels, depending on performance level required and cut-off desired.

Shearography as a non-destructive testing tool has found innumerable applications involving a wide range of materials and in particular has had notable success in identifying debonds and laminations in composite material structures. Shearographic non-destructive testing reveals the presence of flaws or defects as a localised disturbance in the fringe pattern depicting the gradient of surface displacements on the test piece.

Product Development Centre (PDC)

The Product Development Centre is the "Centre of Excellence" of J K Tyre & Industries Limited, set up primarily for the following activities: Product Design, Project Management, Bench Marking (Reverse Engineering), Simulation of Design and Testing, that encompasses tyre categories such as Passenger Car & Light Truck Radial, Truck Bus Radial, Truck Bus Bias, Light Truck Bias, Farm, Off The Road and 2/3 wheelers.

Our products are all certified for Domestic as well as for Export markets like;

- ISI (for India),
- ECE (for European Union countries),
- DOT (for Americas),
- GSO (for Middle East countries),
- INMETRO (for Brazil),
- SABS (for South Africa),
- NOM (for Mexico),
- SNI (for Indonesia) etc.





HASETRI as an institution has not only pioneered and facilitated many scientists and R&D Engineers complete their Ph.D. programmes, but also enabled many patenting efforts and research papers be published as well.

Bio-diversity, sustainable use of resources and climate change are high priority environmental issues at present. In order to meet the challenges of these environmental issues, R&D Centre (HASETRI) is focused on three objectives viz. work in harmony with nature, value natural resources through resource optimisation and reduce greenhouse gas emissions. Towards this end, R&D Centre has undertaken research projects based on "4R" strategy viz. **"Reduce-Reuse-Recycle-Renewable"** including

decoupling natural resource use and environmental impacts from economic growth.

As a part of self-development programme, Scientists & Engineers are encouraged for carrying out research on basic and applied sciences addressing current environmental issues related to automobile and rubber industry in association with different academic institutions/universities of national repute leading to Ph.D. So far, eleven scientists were awarded Ph.D. from

different universities and institutions (IITs - 4, University of Calcutta - 3, Mohanlal Sukhadia University, Udaipur - 4). Different research projects carried out at HASETRI were presented at different national and international seminars/conferences including publishing book chapters, research papers and patents.

In line with the focus areas on Sustainability, Green Mobility & resource conservation and the "4R" strategy, highlights of the contribution by HASETRI could be enumerated as:

A. Relevant topics published in books

- Graphene Based Elastomer; functionalisation Techniques, Morphology and Physical Properties Nanocomposites
- Testing & Quality Assurance in Retreading Industry
- Reverse Engineering of Rubber Products, Concepts, Tools and Techniques
- Automotive Application of Rubber Clay Nano composites
- Recent Advances in Eco Friendly Elastomer Technology

B. Papers presented in National/ International Seminars/Conferences

- Green Mobility – Challenges and Opportunities for Rubber, Automotive and Related Industry
- Green Mobility and Sustainability- Challenges and Opportunities for tyre industry
- Competitiveness in Rubber Industry through Sustainable Development
- Future Perspective of Nano Technology – Clean Energy and Resource Conservation
- Green Technology & Environmental Sustainability
- Green Technology for Rubber Industry
- Sustainable Development in the Tyre Industry

C. Research publications

- A new silica-rich material from waste fly ash – Generation, characterisation and study of its effectiveness as a filler for rubber compounds
- Technical analysis of *Euphorbia Caducifolia Haines* latex of South-East Asian Origin
- Unique Multifunctional Behaviour of Ash from the Latex of *Euphorbia Caducifolia Haines* in Chlorobutyl Rubber (CIIR) Compound for a Truck Inner-Tube application
- Effect of fly ash as filler in rubber – A comprehensive study of the vulcanisate properties of styrene-butadiene rubber compounds
- Improved Polymer-Filler interaction with an eco-friendly processing aid
- An Overview of Rubber Recycling
- Use of Tyre recycled Tyre Material in NR/BR Blend Based Tyre Tread Compound: Part II (with Ground Crumb rubber)
- Effect of recycled dust stop lubricating oil in rubber compounds
- Effect of corn powder as filler in radial passenger tyre tread compound
- Regeneration of Carbon Black from waste automobile tyre and its uses in carcass compound

D. Patents

1. A Green tyre lubricant composition and a process for the manufacture there of.
2. An Apparatus for determining the steel cord rubber adhesion property during dynamic conditions.
3. Yeast Treated Corn Powder as a filler in tyre Compound to reduce rolling resistance properties
4. A Rubber Composition -Non Carcinogenic multifunctional processing aids to replace High PCA Aromatic Oil
5. Latex Carbon Black Master batch to avoid pollution in the rubber compound mixing area
6. Regenerated carbon Black from scrapped tyre to prevent environmental pollution
7. Usage of Semi Reinforcing Natural Filler for rubber compound

Patent granted for S.No. 1 to 4

Governance



Company's Philosophy on Code of Governance



JK Tyre reaffirms its commitment to the highest standards of Corporate Governance practices.

Corporate Governance is an integral part of the values, ethics and the best business practices followed by JK Tyre. The core values of JK Tyre are:

- Commitment to excellence and customer satisfaction
- Maximising long term shareholders value
- Socially valued enterprise and
- Caring for people and environment

In short, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders value

and commitment to high standard of business ethics.

JK Tyre reaffirms its commitment to the highest standards of Corporate Governance practices. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report of the Company for the financial year 2016-17.

Board of Directors and its committees

The Board of Directors of JK Tyre consists of Eleven Directors as on 31st March 2017, of which four are Executive Directors and seven are Non-Executive Directors (NED); out of seven NED, six are independent Directors (IND). The composition of the Board is in conformity with the applicable provisions of the Companies Act, 2013 and the 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. Five Board Meetings have been held during the reporting period

– one each in the months of May 2016, August 2016, November 2016, December 2016 and February 2017. 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 of Directors has also made formal annual evaluation of its own performance and that of its Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under the Listing Regulations.

Further, the following Committees of Board have been constituted and are functioning as part of the Governance

at JK Tyre:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

The composition and the “Terms of Reference” of the above Committees of Board are in conformity with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

For complete details of the Board of Directors and Committees of the Board, please refer to the Corporate Governance Report given in the Annual Report for the Financial Year 2016-17.

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 the website of the Company. All the Board Members and Senior Management Personnel affirms compliance with the said Code every financial year.

Vigil Mechanism

JK Tyre has a Policy on Vigil Mechanism 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 workplace

JK Tyre is sensitive to women employees at 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 and has set up Internal Complaints Committee (ICC) at its work places to redress the complaints of women employees. During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

Conflict of Interest

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.



Our people



At JK Tyre, people represent the cornerstone of our multi-decade competitiveness. Their passion, experience and knowledge have translated into our premier industry standing.



At JK Tyre, the Human Resource function represents the foundation of our respect, industry leadership and global competitiveness. We have accorded human resource management the highest priority, evolving it from a business support function into the core of the Company's competitive strategy. We recruit young and enthusiastic talent, blended with the rich experience derived across the

decades. To this ferment we have added room for entrepreneurial thinking and initiative taking, making it possible for our employees to extend beyond the usual.

At JK Tyre, we employ over 8,000 people across manufacturing facilities and sales offices in India; the team enjoyed an average age of 36; over the years, the Company has demonstrated a commitment towards

individual development, marked by an ongoing culture of training and skills replenishment. The result is a willingness to adapt one's role and mind set to rapid changes in the external environment. A progressive culture of business partnership has, over the years, translated into some of the highest manufacturing and operating standards in the world, strengthening the Company's competitiveness.



Workplace and Diversity

JK Tyre is equal opportunity employer and practices diversity in race, nationality, religion, gender, age, culture, language, thoughts and physical ability. We recognise and respect each individual for their civil, economic and fundamental rights and fully comply with labour norms and prevailing fair practices. There is recognition of freedom of association, employee's participation in management and collective bargaining. These can be witnessed in all manufacturing units in a unionised work environment.

Creating an ethical work environment is on the priority of the leadership team. Beside, having "Code of conduct" for Management cadre staff (MCS) and "Standing orders" for workmen, various anti-discrimination laws are made mandatory compliance at all locations

of JK Tyre which helps to promote the ethical behaviour in the workplace. SHAW policy (Prevention of Sexual Harassment at Workplace) for the safety of women is one such example adopted by our organisation. Ethical business rules and guidelines are applicable to employees' for interaction with each other, customers, suppliers, and other external parties. Ethical codes cover a wide range, including guidelines for accepting business courtesies, prohibited conflict of interest activities, guidelines regarding 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 for "Social Accountability Standard-

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, skills sets and performance and no other parameter

JK Tyre encountered a challenging workplace environment during the last few years. Increased competition translated into a premium in the need to retain intellectual capital, enhance plant and people productivity, and adapt proactively to a rapidly changing industry environment. JK Tyre continued to invest in workplace environment with the objective to sustain its respect as one of the best places to work within the sector.



Engaging Human Capital

JK Tyre consider Employees as its most vital asset and HR plays role of a Business partner in enabling business excellence in today's competitive environment through engagement and development of employees.

We firmly believe that the High levels of employee engagement, passion for excellence coupled with sharp skills have empowered the Company to report sustained growth.

On employee engagement, JK Tyre recorded highest score of 82 in a survey conducted by TNS (a global research agency). Some of our employee engagement programs are:



We firmly believe that the High levels of employee engagement, passion for excellence coupled with sharp skills have empowered the Company to report sustained growth.

Cross Functional Collaboration

We follow certain practices to promote and encourage a culture of mutual support and team spirit within the organisation through creating a culture of cross functional team's collaboration and mutual respect. Cross functional teams consisting of people from different Functions work together as a team to identify and implement various

Projects to achieve business goals.

These CFT's are engaged in "Breakthrough and High Impact projects", TPM Circles, Suggestion Scheme, Competitions (Slogan, posters, essays). CFT's are suitably recognised and honoured at group level by the honourable Directors/ Chairman and by Unit Head / HOD's at unit level.

UDAAN: Celebrating Employee Innovation

An Organisation level annual Inter Business competition organises every year with an objective to:

- Unleash Creativity & Innovation, foster cross functional team working for

engaging young talent.

- Teams brainstorm and generate new innovative ideas on the given theme.



Krishna – Arjuna: A unique example of Mentoring & Reverse Mentoring

A novel concept called “KRISHNA-ARJUNA” is one of the unique examples of employee engagement through mentoring. The Identified High Performers are nick-named as Arjuna’s and their bosses as Krishna’s. Each of the Krishnas coaches / mentors

respective Arjuna’s through the process of Individual Development. Krishna & Arjuna identify and engaged in “High Impact Projects” to build their leadership capabilities and add value in business goals. HR initiates the necessary training to help Arjuna’s to develop the skills

required as identified by Krishnas. High Performers with necessary qualification and aptitude are transferred on Job Rotation thus developing them for future leadership roles to meet the Organisational requirements.

JK FEED (Forum for employee engagement and development)

JK Feed provides a platform for initiating employee engagement programs such as Interactive sessions, celebrations, sports & cultural events and CSR programs at Chennai Tyre Plant. The objective of the forum is to :

1. Enhance effective employee

- participation and involvement
2. Improve sense of ownership and responsibility in people
3. Bring “We” work culture, and
4. Contribute to the development of local society

Family events

At JK Tyre, we work together, we celebrate together and we grow together. To add dynamism in the work environment, we celebrate all major festivals and events together with employees and many a times with their families. Some of such events are –

- Annual Day Function
- Annual Spots week
- Annual Picnics
- Radial Club and Manoranjan Kendra at Kankroli Plant
- Diwali, Holi, Christmas etc. celebrations
- Involvement in Motor Sports event

Krishna & Arjuna identify and engaged in “High Impact Projects” to build their leadership capabilities and add value in business goals.



People Development

At JK Tyre, we are proud to have instituted “A Culture of Learning”, a culture that begins from the first day a new recruit walks through the door.

Over the years, we have instituted continuous learning processes that

aim at providing fresh knowledge and skill inputs to the employees, to ensure development of their competencies, dynamism, motivation and effectiveness in a systematic and planned way, thereby improving the productivity and overall organisational effectiveness.

JK Tyre learning and development strategies aims to develop a workforce’s capabilities, skills and competencies to create a sustainable, successful organisation, and is an important part of our organisation’s overall business Vision, Strategy and Goals.

Raghupati Singhania Centre of Excellence (RPSCoE)

(A state of art, research, product design and In-house Skill Development Centre)



This Institute was established in October 1991 as an independent Research and Testing Laboratory, to cater to the need of rubber and allied industries at National and International level.

Research & Development and technology plays vital role in the Company’s pursuit of growth by ensuring speedy development of new products to be always ahead of competition in the global market. JK Tyre has established its World Class Technology Centre “Raghupati Singhania Centre of Excellence” at Mysuru. The ‘RPSCoE’ has two major wings i.e. HASETRI (Hari Shankar Singhania Elastomer & Tyre Research Institute) and Product Development Centre with advanced facilities of design and technology housed under one roof spread across 10,000 sq mts of built-in area.

Hari Shankar Singhania Elastomer & Tyre Research Institute (HASETRI) is India’s first and foremost independent Research and

Testing Centre, which fulfils the Nation’s need for developing newer and better technologies for Elastomer and Tyres.

The primary goal of this institute is to foster development and evolution of new technologies for Rubber and Allied Industries for domestic and international markets as also to develop technical manpower for Rubber & Allied industry in Asia Pacific Region.

This Institute was established in October 1991 as an independent Research and Testing Laboratory, to cater to the need of rubber and allied industries at National and International level.

HASETRI is recognised under SIRO (Scientific and Industrial Research



Organisation) by the Department of Scientific & Industrial Research (DSIR), Govt. of India. HASETRI is also acknowledged by the Indian Institute of Technology (IITs) and other universities for registration leading to higher studies for M. Tech and Ph.D.

HASETRI is engaged in providing education and training for the people engaged in Rubber & Allied Industry in India for students appearing for DIRI/PGD-IRI examinations conducted by Rubber Technology Centre, IIT Kharagpur. HASETRI regularly conducting Short Term courses and Workshops on Rubber Science & Technology. HASETRI is a Training provider for Rubber Sector.

Webinars

Use of Technology to Collaborate and Share Knowledge has become essential for organisations. Collaboration drives creativity and innovation, and social media as well as conferencing technologies can help bring people together (or virtually together) more often for that collaboration. At JK Tyre we understand need and benefits of digitalisation for both organisation and employees. In line with the same we

have started Webinars on large scale and in a structured form especially for Marketing and Sales professionals who are spread across PAN India Locations.

Four Pillars of Skill Building Programs

The Company has put in place meticulous learning and development programmes for employees at all levels in-line with Business, Training & Development Strategy and JKO Competency Framework. These include On the job, competency-based functional and behavioural training interventions. The Company fosters a culture of ongoing coaching and feedback for all employees. On-the-job development is part of the way JK Tyre works. These initiatives ensure a robust succession planning and minimise the ill-effects of talent attrition. There is also an extensive focus on upgrading Operative staff skills through various functional skills, safety and behaviour based training initiatives such as Fire & behavioural based safety, Kaizen, 5S, preventive maintenance & series of motivational programs. All these programs have been summarised as below -



There is also an extensive focus on upgrading Operative staff skills through various functional skills, safety and behaviour based training initiatives such as Fire & behavioural based safety, Kaizen, 5S, preventive maintenance & series of motivational programs.



R & D Tyre Testing

R&D and Product Development

ICE – Innovation and Creativity Excellence

Design FMEA

Rubbers and Polymers

Sales Effectiveness

Managing Sales Performance

Channel Management and Value Selling

Key Account Management

Operational Excellence

Manufacturing Excellence & TPM Drive

Project Management

Navi Urja – Navi Disha

People Development

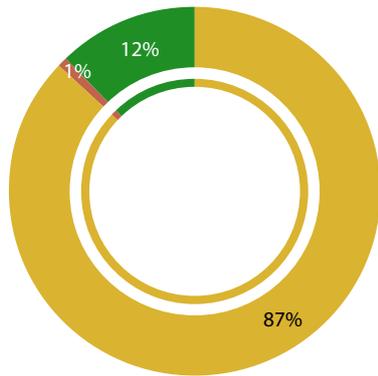
Management Development Programme-B Schools

Behavioural Based Interviewing Skills

Stop Look Go-enthusiasm

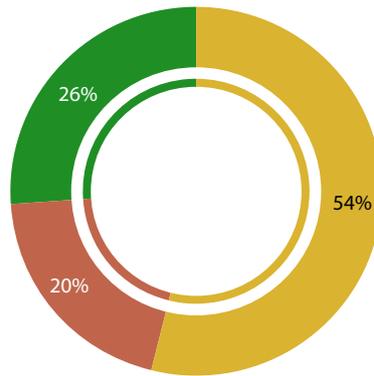
People Statistics

Employee Strength



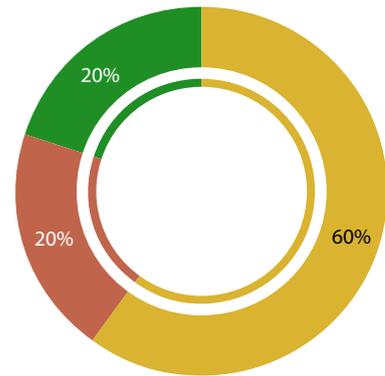
- Manufacturing
- R&D and Product design
- Head Office and Field Sales

Employee Age Profile



- < Less than 35 years
- Age between 35-45 years
- Age more than 45 years

Employee tenure in JK Tyre



- JK Services less than 5 years
- JK Services between 5-15 years
- JK Services more than 15 years

Details about number of employees (excluding CIL & Tornel)

Sl. No.	Location	No of Employees Directly Employed				Total	No of Unionised Workforce	% of Unionised Workforce
		Workmen		Staff & Sub staff	MCS (including Trainees)			
		Permanent	Badli					
1	Location- 1	974	496	24	187	1681	974	57.9
2	Location- 2	968	294	64	320	1646	968	58.8
3	Location- 3	1272	646	24	614	2556	1272	49.8
4	Location- 4	1105	-	-	315	1420	1105	77.8
5	Location- 5	-	-	-	79	79	-	-
6	Location- 6	-	-	30	976	1006	-	-
7	Total	4319	1436	142	2491	8388	4319	51.5

New Employees hired during FY 2016-17

Head Count	Category	Location	Location 1		Location 2		Location 3		Location 4		
		Category	Execu-tives	Workmen	Execu-tives	Workmen	Execu-tives	Workmen	Execu-tives	Workmen	
Total number of new employee hires	Age group	< 30 yrs	2	0	32	0	20	14	18	293	
		30-50 yrs	2	30	0	0	12	4	7	0	
		> 50 yrs	5	5	2	0	0	0	0	0	
	Total		9	35	34	0	32	18	25	293	
	Gender	Male		9	35	34	0	27	18	25	291
		Female		0	0	0	0	5	0	0	2
Total			9	35	34	0	32	18	25	293	



Employee attrition rate during FY 2016-17

Head Count	Category	Location	Location 1		Location 2		Location 3		Location 4	
		Category	Execu-tives	Workmen	Execu-tives	Workmen	Execu-tives	Workmen	Execu-tives	Workmen
Employee turnover	Age group	< 30 yrs	7	0	15	0	9	0	13	255
		30-50 yrs	4	0	5	4	9	1	17	0
		> 50 yrs	0	0	3	5	0	0	0	0
	Total		11	0	23	9	18	1	30	255
	Gender	Male	11	0	23	9	18	1	29	255
		Female	0	0	0	0	5	0	1	0
Total		11	0	23	9	18	1	30	255	

Training information

Location	Category	Average training hours per head (category)	Gender	Average training hours per head (gender)	Average training hours per employee
Location 1	Executive	42.72	Male	20.32	20.35
	Workers	16.16	Female	16	
Location 2	Executive	34.4	Male	17.6	17.4
	Workers	13.6	Female	0	
Location 3	Executive	41.6	Male	17.6	16.2
	Workers	16	Female	16	
Location 4	Executive	52.8	Male	31.2	31
	Workers	26.4	Female	28	



Stakeholder Engagement

JK Tyre has mapped its internal and external stakeholders and has identified - employees, customers, dealers/ suppliers, government and government agencies, lenders, shareholders/ investors and society as its stakeholders. In addition, we continued our efforts towards systems implementation in

order to aid in the overall engagement process. We periodically engage our internal and external stakeholders on pre-defined schedules and on an ongoing need basis. Key stakeholders are those who have actual or potential significant impact on our business, and in turn are impacted by us. Our

sustainability report preparation is done internally, and all concerned function heads are engaged with, for their inputs and performance details specific to their roles. A summary of our approach to stakeholder engagement is presented below.

Investors/Shareholders

- AGMs & EGMs
- Interaction through dedicated email-id's
- Corporate website and publications and stock exchange portals

Government agencies/ Regulators

- Periodic interactions
- Participation in conferences, forums and meetings
- Compliance reports submission and feedback

Society

- Awareness campaigns
- CSR initiatives
- Feedback mechanism and evaluation process through meetings

Employees

- Satisfaction survey
- Performance management systems
- Interactions, trainings sessions and periodic communications

Customers & dealers

- Customer satisfaction surveys
- Dealers' meet
- Visits and 'One on One' engagements

Suppliers and subcontractors

- Supplier meetings
- Feedback through plant visits
- Feedback mechanism and evaluation process

The Company has also identified the disadvantaged, vulnerable & marginalised stakeholders in and around its manufacturing plants. The Company engages with these stakeholders through various programmes, projects and activities.



of customers and the complaints are immediately attended to both from the customers of original equipment as well as the customers who have purchased tyres in retail. The Technical Service Department is equipped with technically qualified personnel and cutting-edge equipment. The customers may approach the Company through various mediums such as emails, toll free numbers, website, channel partners and Company's nationwide offices, etc. The % total consumer cases under process as on 31st March 2017 was negligible (of total complaints/claims processed).

The Company has been ranked No. 1 in the JD Power India Customer Satisfaction Index Study in the years 2005, 2009 and 2015.

The more non-traditional stakeholders such as the NGOs, consumer groups, special interest groups and activist groups as relevant however need focus. This being the first GRI-4.0 compliant Sustainability Report by JK Tyre, involvement of only the internal stakeholders has been primarily considered. JK Tyre interacted with these stakeholders in regular meetings that were conducted to progress on this sustainability report at each of the location. The first meeting was a brief about Sustainability and why JK Tyre has chosen to take steps in this direction at each of the locations. Subsequently, in order to derive maximum information from these consultations focussed group discussions at each location was the key methodology adopted. The GRI training was also conducted for all the relevant stakeholders who will contribute towards the report with the active involvement of the leadership team. One of the major forums where the leadership meets to discuss on Occupational Health, Safety, Sustainability and Environment is the Central SHE Committee that meets at each location periodically.

Customer Feedback



The insights get integrated with the Strategic Business Plan of the Company, which is reviewed on a regular basis for improving it even further. Various awards and accolades received by the Company, is a testimony of customer centric approach adopted by the Company.

The Company believes in Customer First. JK Tyre is customer focused and is committed to understand the present and changing needs of the customers and fulfilling the same for achieving total customer satisfaction. The Company has a strong mechanism to capture the 'Voice of Customer'. On regular basis, Customer Experience Measurement Surveys are undertaken, both amongst its channel partners and end users. These 3rd party surveys, along with information gathered during market visits and customer interactions at various fora, act as an unbiased source of consumer insights. Further, the Company has adopted a robust mechanism of imbibing the consumer learnings within the system. The insights get integrated with the Strategic Business Plan of the Company, which is reviewed on a regular basis for improving it even further. Various awards and accolades received by the Company, is a testimony of customer centric approach adopted by the Company.

The Company has a well laid out redressal procedures for complaints

Materiality Matters

The Company has been one of the foremost proponents of inclusive growth and since inception it has been undertaking projects for overall development and welfare of the society. The Company aims to contribute to sustainable growth of the society at large. As a means to this end, the Company will continue responding to society's expectations and demands in a holistic and decisive manner in the fields of environment, conservation of natural resources, health, education, rural development, among others.

Materiality of information is the soul of sustainability reporting. For us at JK Tyre, the challenges posed by the three pillars of sustainability (viz., economic, environmental and social) are of equal importance. Specifically, we are focusing on economic performance, climate change and social responsibility. These issues are addressed through various material topics identified by an assessment process keeping in mind a sustainable approach, stakeholders' view and importance to business. Since this is our first year of GRI 4.0 compliant reporting, the assessment has been done internally through a



Defence User Training Program with OEM Partner

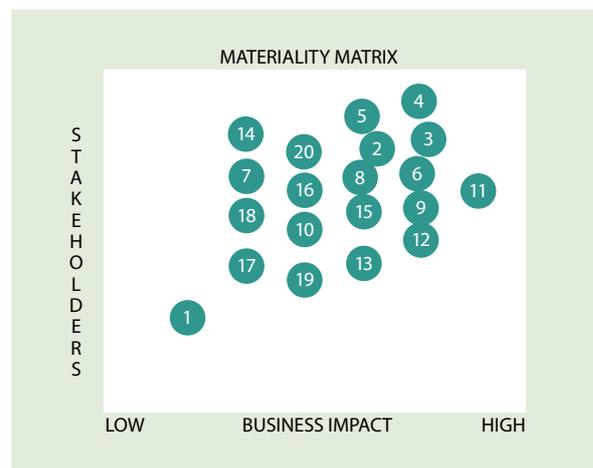
survey of employee's representatives and management discussions.

The process adopted was as follows: The preliminary identification of the material topics at the organisational level was done keeping in mind the negative as well as positive impacts that these topics could create on the value chain. Care was taken to ensure that they represent the range of sustainability impacts as relevant for JK Tyre and identified teams at each of the locations were also involved in the process of identification and prioritisation.

Prioritisation of the topics identified was then carried out by establishing a materiality matrix as relevant for the stakeholders involved and the business impacts for JK Tyre. The reporting principles on Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness were also ensured throughout the process. The topics thus collected were further discussed with the Sustainability Committee and eventually finalised. The material topics identified and prioritised during the materiality assessment survey are listed below.

Material topics identified as relevant for JK Tyre: (those highlighted in red are prioritised)

- | | |
|---------------------------------|--------------------------|
| 1 Biodiversity | 11 Compliance |
| 2 Energy | 12 Health & Safety |
| 3 Emissions | 13 Materials |
| 4 Anti-corruption | 14 Labour relations |
| 5 Economic performance | 15 Employment |
| 6 Water | 16 Procurement Practices |
| 7 Diversity & Equal Opportunity | 17 Remuneration |
| 8 Waste management | 18 Grievance mechanisms |
| 9 Local communities | 19 Labour practices |
| 10 Transport | 20 Training & education |



Economic value generation



The two-wheeler tyre launch at the Buddh International Circuit

At JK Tyre, we have reported resilient financials in the face of growing competition, an index of our competitiveness

The automotive sector had its own set of regulatory challenges when it comes to migrating to BS-IV standards. This has also resulted in increased costs for most manufacturers. While the overall industry sales grew by over 5% there were variances across segments. The truck bus segment grew by over 2% and the light truck segment grew by 8%. The deceleration in small commercial vehicle slowed down to 1% In the passenger segment the trend of the last few years was maintained with passenger cars growing at nearly 6% and MUVs close to 30%.

The overall growth in domestic demand for 4 wheeler tyres was 7%. While truck/bus bias (TBB) segment continued to decline slowly, the truck/bus radial (TBR) segment recorded a growth of 8%. The TBR market for most part of the year reeled under the impact of low-cost Chinese imports. Chinese tyres constituted close to 92% of the total imports and accounted for a peak market share of 38%. The overall level of radialisation in truck/bus segment reached 46%. The passenger tyre segment grew steadily at 8%. In the light commercial segment, there was a substantial dip of 7% while the small commercial tyre demand witnessed a growth of 5%. In line with the upswing in the agricultural sector, farm tyres registered a growth of about 26%.

Truck/Bus tyres is the single-largest category by value. JK Tyre's leadership in the truck/bus radial category was once again demonstrated with the roll-out of the 10 millionth truck radial in Mysuru. Premium high performance TBRs such as JDE, JUH-5 and JUC-3 continued to enjoy customer preference during the year. JK Tyre further strengthened its presence in this segment by increasing its volumes by 17%.

The Company's passenger range of tyres led by high-performance UX Royale and UX-1 series for cars and Ranger series for SUVs enjoyed high customer preference. This high quality product

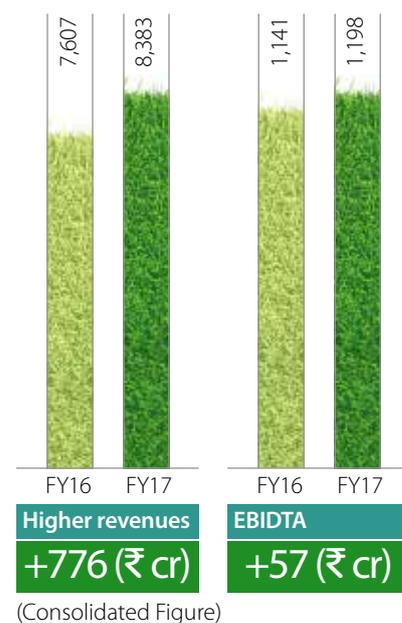
portfolio ensured increase in PCR sale volume by 7.4% during the year. The network of retail outlets i.e. JK Tyre Steel Wheels which offer unique service experience to customers was further expanded to 230 across the country. To extend this experience to smaller towns and in suburban markets, a newly conceptualised chain of branded shops, Xpress Wheels, was launched, with 11 outlets established during the year.

JK Tyre entered 2/3 wheeler fast-growing segment by offering wide range of products catering to 80% of the market needs. 15 SKUs were introduced under the Challenger range for both motorcycles and scooters, and were received extremely well in the market.

JK Tyre has reported a 5% increase in its EBIDTA in the reporting period FY 2016-17 – an outcome of painstaking team efforts in improving operational efficiency. Our aggregate income has also increased by 10% to ₹8383 crore in FY 2016-17 (Consolidated Figures).

In a competitive environment marked by sluggish global offtake on the one hand and cost increase on the other, there was a premium on the ability to be competitive across market cycles. At JK Tyre, we possess a credible Balance Sheet that makes it possible for the Company to be viable across crests and troughs, an index of its business sustainability

JK Tyre emphasised continuous cost reduction through material substitutions and product weight rationalisation. The Company addressed 21% of its energy requirement through non-conventional sources. The Company moderated waste and scrap generation thus saving costs and has introduced new products like Ranger Series, UX Royale and Blaze that generated increased sales. The Company reported continuous business process improvement in supply chain management; a strong distribution network catalysed sales and effective after sales service. The Company reported significant improvements in power, steam and water consumption parameters that moderated costs.



Mentioned hereunder is a brief summary of the financial year ended 31st March, 2017

Particulars	Year ended		Year ended	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Standalone		Consolidated	
Turnover	6,667.17	6,532.55	8,383.28	7,606.98
Operating profits (PBIDT)	805.62	1,021.97	1,197.84	1,140.85
Finance costs	267.58	236.09	440.36	252.43
Profit before tax (PBT)	459.70	600.80	535.24	659.51
Tax expenses	127.57	176.31	155.42	202.72
Profit after tax (PAT)	332.13	424.49	381.06	467.31

The year witnessed an increase in input costs on account of an unprecedented surge in raw material prices (particularly natural rubber and petro products). This has led to an increase in production costs which impacted operating margins. However, the impact of this was partly abated by improvement in operational efficiencies.

% , estimated growth
(by volume) of
India's tyre sector

7

2016-17

% , JK Tyre's growth
(by volume)

8

2016-17

% , estimated growth
(by volume) of India's truck
and bus radial segment
(without inports)

8

2016-17

% , growth (volume)
in JK Tyre's truck and
bus radial segment

17

2016-17

% , radialisation of
India's Truck/Bus
segment

46

2016-17

% , radialisation of
JK Tyre India's Truck/
Bus segment

55

2016-17



The Company has since inception, laid down a system of internal control which is commensurate with the size and nature of the business. Adequate and effective checks are in place to ensure that financial data is accurate and reliable. The internal control systems also ensure that the assets and the interest of the Company are well protected.

The internal audit is carried out throughout the year based on a systematic plan covering all functions and aspects of the

business. The internal audit reports are reviewed by the senior management and are placed before the audit committee of the Board of Directors along with actions taken. The Audit Committee undertakes a detailed review of the audit observations and actions, in order to ensure that the internal audit system is effectively functioning. The recommended actions by audit are monitored and improvements are implemented which are regularly reviewed by the senior management.

JK Tyre's total capitalisation - in terms of debt and equity:

(₹ crore)

Sl. No.	Particulars	As on 31.3.17	
		Standalone	Consolidated
(a)	Equity (Net worth)	1673.95	2109.79
(b)	Debt		
	Long term borrowings	1637.28	3570.32
	Short term borrowings	1494.54	1805.74
	Payable in 1 year	243.03	278.59
	Total Debt (b)	3374.85	5654.65
(C)	CWIP	131.24	321.22
	CAPITAL EMPLOYED (a+b-c)	4917.56	7443.22

For all further details, please refer to our Annual report 2016-17 www.jktyre.com/annualreports.aspx



JK Tyre public park

Our environment

JK Tyre aims to contribute to sustainable growth of the society at large. Towards this end, the Company will continue responding to society's needs and demands in a holistic and decisive manner in the fields of environment, conservation of natural resources, health, education, rural development, among others. Sustainability is built into JK Tyre's business processes through well-defined HEALTH, SAFETY & ENVIRONMENTAL (HSE) POLICY. The Company is committed to design, manufacture and distribute its products in a manner that protects the environment; prevents injury and ill health in all the activities being carried out under our control. The Company continually strives to improve on Occupational Health, Safety and Environmental performance for sustainable growth by:

- Complying with legal and other HSE requirements applicable to products, processes and services.
- Taking measures in HSE management system by being proactive, innovative and cost effective.

- Conserving natural resources and energy by optimising efficiency, minimising waste and supporting environment friendly processes.
- Enhancing effectiveness of Safety, Health & Environmental Management system through Risk assessment and regularly reviewing its objectives and targets.
- Providing our employees, sub-contractors and transporters the appropriate work environment, facilities, information and training to work safely and involving them in HSE matters concerning them.
- Integrating Safety, Health and Environmental policy into our business planning, decision making and performance review at appropriate levels.

The Company communicates this policy to all employees, persons working for and on its behalf and to make it available to all interested parties on request.



Sustainability is built into JK Tyre's business processes through well-defined HEALTH, SAFETY & ENVIRONMENTAL (HSE) POLICY. The Company is committed to design, manufacture and distribute its products in a manner that protects the environment; prevents injury and ill health in all the activities being carried out under our control.



Seeding for future generation

Mission Statement on Sustainable Growth



We also commit to demonstrate attainment of these commandments in our pursuit to certifications such as TS16949, ISO 9001, ISO 14001, OHSAS 18001, SA-8000, ISO-50001, ISO-27001, Green Buildings, Eco Labels Sustainability reporting and the like.

Being cognisant of the need of sustainable growth and dwindling stock of natural capital, the Company is committed to the attainment of the following Ten - Natural Capital Commandments.

- Reduce specific consumption of energy and water by 2-5% every year over next ten years.
- Reduce specific generation of waste and reduce the quantum of waste going to landfills by 2-5% every year over next ten years.
- Increase use of renewable, including renewable energy by 2-5% every year in place of non-renewable over next ten years. The Company already uses about 21% of its total requirement of power, through renewable resources.
- Reduce specific greenhouse gas emissions and other process emissions by 2-5% every year over next ten years and explore opportunities through Clean Development Mechanism (CDM) & other Carbon Exchange Programs.
- Increase use of recyclables and enhance recyclables of resources embedded in the product by 2-5% every year over next ten years.
- Increase the share of harvested rainwater in the overall annual use of water by 2-5% every year over next ten years.
- Incorporate life cycle assessment criteria for evaluating new and alternative technologies & products.
- Strive to adopt green purchase policy and incorporate latest clean technologies.
- Take lead in promoting and managing product stewardship program, by forging partnerships with businesses and communities.
- Reduce depletion of natural capital, which is directly attributable to Company's activities, products and services by 2-5% every year over next ten years. We also commit to demonstrate attainment of these commandments in our pursuit to certifications such as TS16949, ISO 9001, ISO 14001, OHSAS 18001, SA-8000, ISO-50001, ISO-27001, Green Buildings, Eco Labels Sustainability reporting and the like.

The Company has been committed for years to energy conservation, waste reduction and water conservation. The Company is proud to share that specific



Employee Training on Energy Conservation

water consumption was at the global sectoral benchmark. The Company reported a significant reduction in energy consumption, achieving a new milestone in energy consumption of the lowest GJ/Tonne of finished goods

in FY16-17, which stands among five best companies in the global sector. This also resulted in continuous drop in our carbon footprint year-on-year. The journey will continue with defined plants for ongoing improvement activities.

All the data and information presented on the material topics prioritised by JK Tyre – energy, GHG emissions, water and waste – pertain to the four manufacturing locations in India (Mysore, Chennai, Banmore and Kankroli). JK Tyre has a defined plan of action to handle all energy, GHG emissions, water and waste related aspects. The monitoring systems have been installed at all relevant places in all the four manufacturing locations which help to measure the consumption patterns and also enable analyse the same for drawing future interventions. The plans are reviewed by dedicated management personnel at regular intervals to estimate the execution status, improvement made & decide the future course of action. Typically, these reviews are in the form of Management Reviews, in line with the ISO standards and relevant procedures established on environment and energy (ISO 14001 and ISO 50001 respectively).

Energy

India is still in the early stages of a major transformation, bringing new opportunities to its 1.3 billion people and moving the country to centre stage in many areas of international affairs. The energy sector is expanding quickly but is set to face further challenges as India's modernisation and its economic growth gather pace, particularly given the policy priority to develop India's manufacturing base.

The tyre manufacturing industry is typically classified as a large energy consuming industry. Power drawn from the grid forms the main source of energy in all the manufacturing locations.

JK Tyre is committed to be a green and clean Company marked by sustainable resource use. The Company continued to emphasise energy conservation.

Towards this end, JK Tyre achieved milestones in energy consumption. JK Tyre in FY-2016-17 achieved a total energy benchmark level of 10.33 GJ/Tonne of production which is almost 16% less than as compared to Base Year (2013-14) and stands in the line with top five best companies in the sector worldwide. The efficiency of energy utilisation in each manufacturing unit is monitored at the corporate level each quarter; necessary improvement initiatives are taken. Since JK Tyre is the first Indian tyre company to have certified CFV as per IS standard, the focus continues in minimising greenhouse gas emission (27% reduction in emission over the last three years). Monitoring carbon footprint is a part of our commitment to society to create a better and safer environment for succeeding generations.

Energy Highlights

- First tyre company in Asia to receive ISO 50001 certification for Energy Management, and second such company in the world
- One of the lowest consumers of energy per tonne of tyre manufactured in the world
- The Company addressed 21% of its energy requirement through non-conventional sources
- Excellent Energy Efficient Unit Award for the Chennai tyre plant from CII during the 15th Energy Efficient Summit,
- 2016 Rajasthan Energy Conservation Award (RECA-2016)
- Copper Excellence Award for Energy Efficiency
- National Energy Conservation Award-2016



and almost 21% of power is now sourced from renewable sources in the reporting period as compared to 4% in the FY 2015-16. In a forward-looking initiative, JK Tyre invested in a renewable source of energy to achieve its goal of green and clean energy. The Company installed solar rooftop capacity in its plants, moderating energy costs. In addition to the 500 KW rooftop solar installations at the Vikrant Tyre plant, Mysuru, the Company installed a 3 MW solar rooftop capability in Chennai Tyre plant to address captive requirements. Solar and wind power account for 20% of Company's electricity consumption, a level likely to increase.

We have initiated and achieved EnMS (Energy Management system) ISO-50001 in all locations. Also the Company is working to make 30% use of Renewable Energy in Plants. The projects towards achieving this have started.

Total Energy Consumption (GJ) - 2016-17

	UOM	Location-1	Location-2	Location-3.1	Location-3.2	Location-3.3	Location-4
Direct	GJ	455580	259698	307387	394497	62017	476492
Indirect	GJ	169455	118113	115292	174186	22673	295151
Total	GJ	625034	377812	422679	568683	84690	771643

Energy Consumption in 2016-17

Type of Energy	GJ
Electricity	894870
Wind	45
Solar (roof top)	9
Fuel	
Coal	1900078
HSD	13497
Furnace Oil	28868

Total energy Consumptions

16%

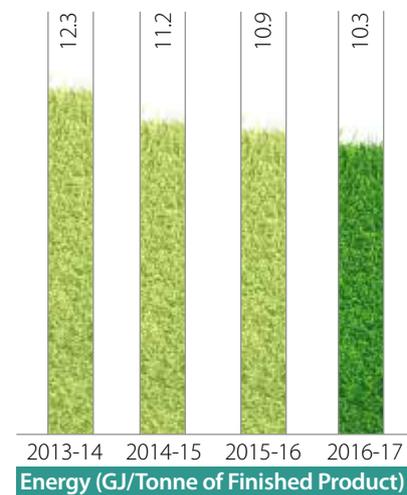
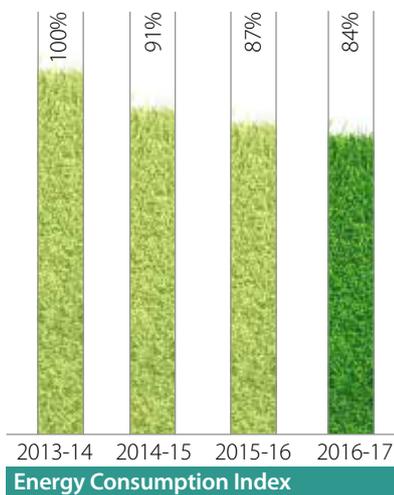
Savings in energy consumption per tonne of finished good over base year (2013-14)

Energy savings of 311454 GJ

Total energy consumption for the reporting year is 2850541 GJ as compared to 3161995 GJ in Base Year (2013-14). The major constitute of energy is Coal- 67% & Power- 31% of total energy consumed in the reporting year.

To improve usage on thermal energy a major initiative has been taken in one of our plants to replace highly energy inefficient hot water system with N2 as cure media. This not only has resulted in cost efficiency but also has improved product consistency with reduced GHG footprint. Efficient lighting system, rationalisation of boiler capacity and redistribution of thermal energy are new initiatives to increase energy efficiency.

JK Tyre's journey towards 100% Green Energy has been kick started through the switching to renewable source from non-renewable sources





Aerial View of RoofTop Solar PV

Green power initiatives



- 15.2 MW capacity wind mills supply power to JK Tyre Chennai Tyre Plant, located at Tirunelveli, Tamil Nadu.
- Total generation of 3.28 crore units/annum is utilised which substitute 35.6% of grid power from total annual plant consumption.



- 3 MW solar roof top plant has and supplied the power, which is the first largest rooftop solar project in Tamil Nadu.
- Total generation per year is 44 Lakhs units and substituted 5% of grid power from total annual plant consumption.
- Another 3.2 MW (Phase II) is under progress which will increase the solar power contribution to 10% of total plant power consumption.



Road side plantation



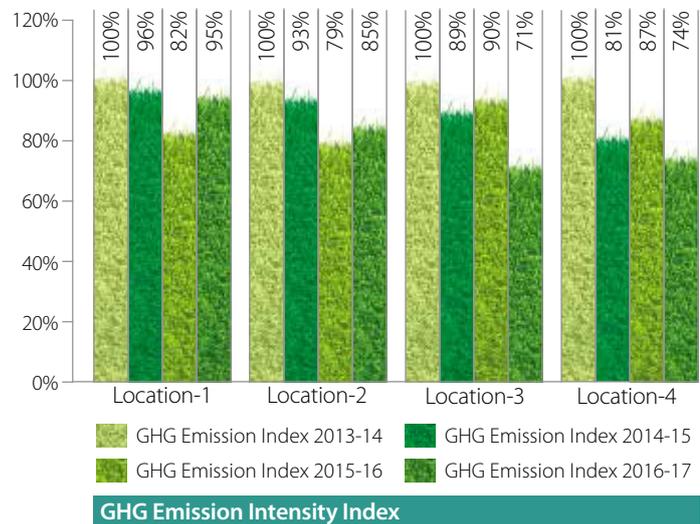
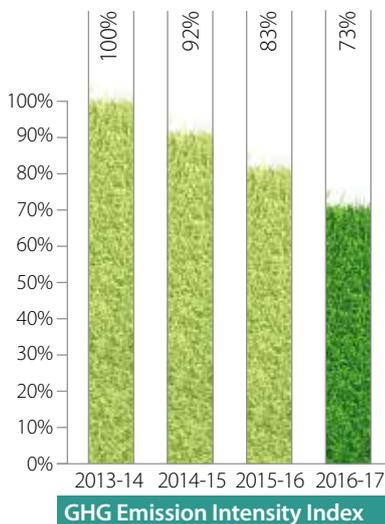
India is highly vulnerable to extreme weather events and has much at stake in the success of any global agreement to combat climate change.

Emissions

Global warming is such a huge phenomenon that the world is witnessing unusual and rapid changes in climate. These changes are characterised by prolonged seasons, extreme changes in weather patterns, rise in ambient temperatures, and increasing floods and draughts. Green House Gas (GHG) emissions are one of the major causes of climate change.

India is highly vulnerable to extreme weather events and has much at stake in the success of any global

agreement to combat climate change. According to Intergovernmental Panel on Climate Change (IPCC) and other projections, climate change will slow India's economic growth, impact health and development and make poverty reduction more difficult, all the while threatening food security. In line with the Indian Government's commitment under the Paris Agreement which includes reduction in emissions intensity of its GDP, JK Tyre has been the 1st Indian Tyre Company to have verified its carbon footprint as per international





De-siltation of community water tanks for efficient rain water harvesting

standards for the last four years. This has resulted in over 27% reduction in emission over base year (2013-14). Monitoring carbon footprint is part of our commitment to the society for better and safer environment of our future generation.

The Company is committed to design, manufacture and distribute its products and services in a manner that will be green and believe in quantification of greenhouse gas emissions by value addition processes as a first step in reducing these emissions in a systematic manner by following means:

- Ensure conformance with ISO 14064-1:2006 international standard.
- Ensuring that this information would

facilitate the preparation of GHG reports which will remain Relevant, Complete, Consistent, Transparent and Accurate.

- Ensuring availability of resources to enhance GHG performance and build a suitable corporate culture.
- Aligning employee competencies to needs of this system.
- Creating a continual improvement mind set in respect of GHG performance within the organisation.

In establishing the operational boundaries for JK Tyre, GHG emissions emanate largely from fossil fuel consumption in the facility's 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. Energy efficiency projects and plantation within the facility's organisational boundary may act as sinks. The relevant GHG's for the four locations are carbon dioxide, methane, nitrous oxide and HFC's. 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 emission factors together with the global warming potential (GWP) rates used, or a reference to the GWP source; Standards, methodologies, assumptions, and/or calculation tools used have been clearly documented in JK Tyre's Annual Report 2016-17.

(Figures in Eq Tonne of CO₂)

GHG Emission	2013-14	2014-15	2015-16	2016-17
Scope 1	294540	286198	217246	206105
Scope 2	178504	179685	209021	160958
Total Emission	473044	465883	426267	367064

27%

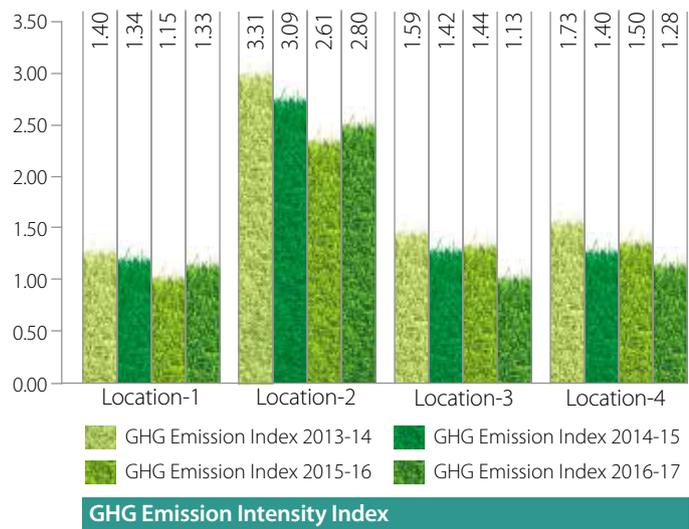
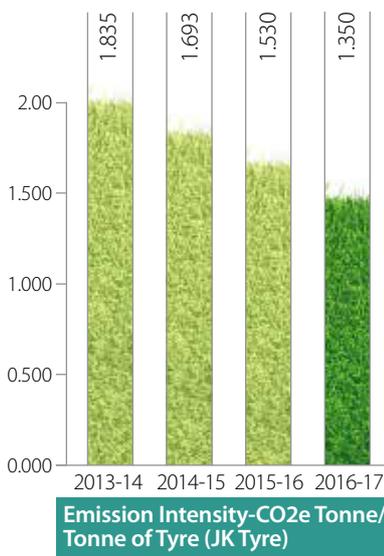
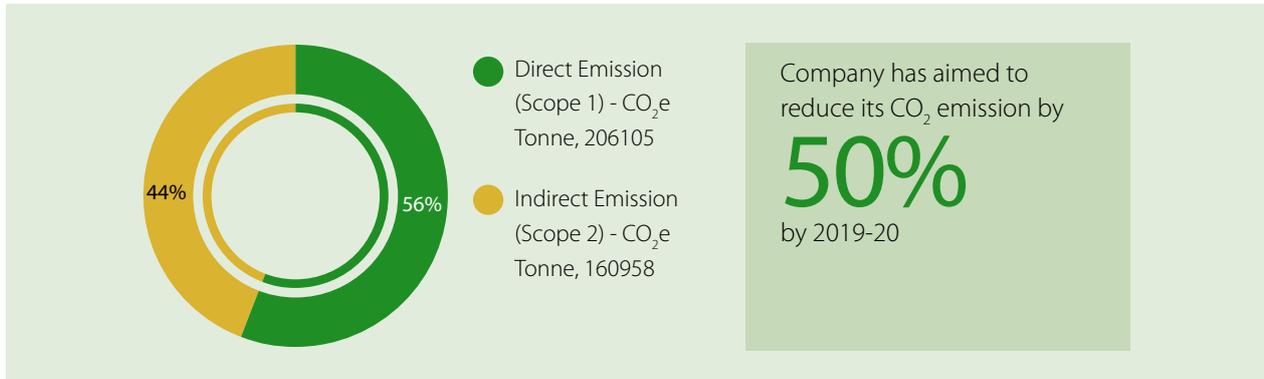
reduction in GHG Emission (Scope-1&2) in reporting year as compared to Base Year - 2013-14

Company has aimed to reduce its CO₂ emission by 50% as compared to the base year emissions (2013-14) by the year 2019-20. With its pointed focus & continuous efforts JK Tyre has managed to sustain at 1.35 Tonne of CO₂e / Tonne of finished product. In the current scenario, most of the operations

depend on non-renewable sources of energy, which is the major contributor to GHG emission. However, the share of renewable energy as an energy source has gone up significantly during the reporting period.

Company takes pleasure to share that,

JK Tyre has become the first Indian tyre company to get the Carbon Footprint Verified (as per ISO 14064) by the third party agency, British Standards Institutions and has been doing so annually for the last four years. JK Tyre has also established a GHG policy.



“Company takes pleasure to share that, JK Tyre has become the first Indian tyre company to get the Carbon Footprint Verified (as per ISO 14064) by the third party agency, British Standards Institutions and has been doing so annually for the last four years. JK Tyre has also established a GHG policy”

Improvement projects identified broadly can be summarised as:

<p>Energy efficiency improvement projects, for example:</p> <ul style="list-style-type: none"> ● VFD drive on HW feed pump ● Lighting transformer installation ● To stop the ideal running of main fan by interlocking with the machine in 4 roll 	<p>Technical and process improvement</p> <ul style="list-style-type: none"> ● Hot water recovery project ● Process cold water circulation in closed loop system ● Flash steam and condensate recovery to boiler de-aerator 	<p>Fuel substitution projects, for example</p> <ul style="list-style-type: none"> ● Increase the turnaround ratio of the boiler by introduction of High GCV coal ● Use of briquette ● Use of alternative fuel 	<p>Tree plantation</p> <ul style="list-style-type: none"> ● Plantation within the factory premises ● Plantation outside the factory premises as a part of social corporate responsibility ● Plantation through engagement of NGOs as special projects
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As a part of Go Green initiative JK Tyre participated in the CDP 2017 and is the first Indian tyre Company to participate in CDP. JK Tyre has been rated a “C” (Awareness) on a four point scale with “A” (Leadership) being the highest.

CDP (www.cdp.net/en) is a global not-for-profit organisation. It has pioneered and provided the world’s only global

natural capital disclosure system through which more than 6,000 companies from more than 80 countries and 571 cities report, manage and share vital environmental information.

Interpretation of the SCORE:

A rating of “C” indicates that companies at “Awareness” level have started to implement changes to business strategy,

reducing emissions or identifying risks and opportunities. JK Tyre & Industries while providing a comprehensive disclosure on environmental issues should now address investigation of how climate change relates to the business is needed to allow further management actions to be taken.

Points appreciated in JK Tyre CDP Report

- Scope 1 emissions are disclosed
- Scope 2 emissions are disclosed
- A climate change risk process has been implemented
- The highest responsibility for climate change lies with senior management

Way Forward for JK Tyre

Actionable points to move from Grading C to Grading B over the next two years that includes the following initiatives: Science based target fixing; Engagement with value chain; Internal price fixing for carbon and engagement with the Climate Disclosure Standards Board (CDSB) framework for climate change

Comparison with Industry/ Sectoral Analysis

Particulars	Total Average CDP Score	Emission Management	Governance & strategy	Risk & Opportunity
Global 500 average	C	B	B	C
Sector Average	C	C	C	C
Industry average	C	B	B	C
J K Tyre & Industry Average	C	C	C-	C



Renovation of water tank under Jal Swavlamban Abhiyan of Government of Rajasthan

Water

Water is often wasted and undervalued with forecasts pointing to a majority of the world's population living in areas of high water stress over the next two decades. Water, like climate change, is set to be a key issue for the 21st century. It is through water that the impacts of climate change are most likely to be felt, with changing patterns of precipitation and melting glaciers affecting the supply of this critical resource. At the same time population growth, urbanisation and rising per capita consumption are expected to result in rapidly increasing demand for water.

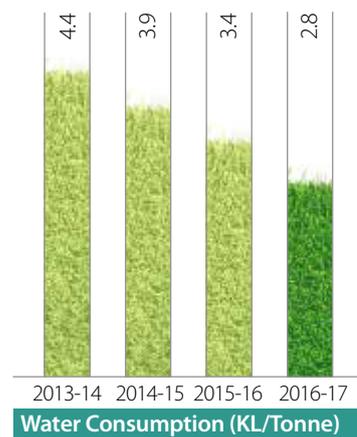
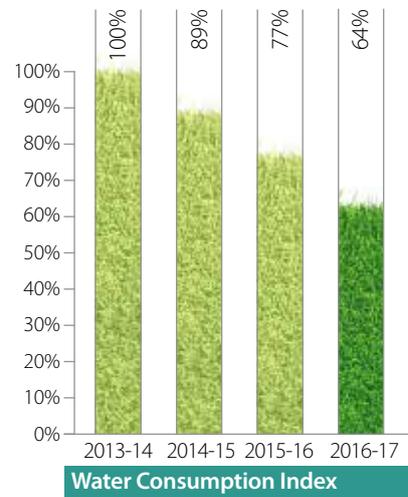
Businesses will be impacted positively and negatively, and will have a significant role to play in developing and implementing solutions to the water challenge. At present, however, awareness and understanding of water-related risks and opportunities is generally limited in the business and investment communities.

We take the stewardship of the environment seriously as we are aware that our manufacturing locations are in

water scarce regions. We are committed to the conservation of fresh water, treatment, recycling and reuse of water in all our locations. While surface water as sourced from the nearby rivers or supplied by the municipal corporations forms the principal source, 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.

In the reporting year, our total water withdrawal in all our manufacturing locations was 521742 KL. Located in semi-arid water scarce regions, water recycling and water conservation practices have been implemented in various ways at all the manufacturing locations. We have adopted a "Zero discharge of wastewater" policy i.e. 100% utilisation of water at all our plants to prevent contamination of groundwater and reduce damage to the ecology, while in some locations such as Kankroli and Banmore, rainwater harvesting programmes are actively being pursued.

JK Tyre is setting a new benchmark in water consumption by achieving the milestone of 2.83 Ltr/Kg Of finished product, an outcome of systematic initiatives over the last five years. Pursuant to Swachh Bharat Initiatives, the Mission is to be water positive in all plants by 2022.



Water Intake from Sources in FY 2016-17

Water Resource		Location-1	Location-2	Location-3	Location-4
Surface Water	KL	5936	6608	214281	125310
Ground Water	KL	0	0	70167	99440
Total Water Withdrawal	KL	5936	6608	284448	224750
Volume Recycled / Reused	KL	4393	828	155580	199265
Volume Recycled / Reused as a percentage of the total water withdrawal reported above	% reused	74.0	12.5	54.7	88.7



Deepening of community water tank for water conservation

Effluents & Waste

Our Environment and Sustainability policy emphasises on production of eco-friendly products with a focus on minimal waste generation due to reusing and recycling of waste. The Company has established a well-defined process to recycle and re-use the entire process waste. In addition we also use to the tune of approximately 5% of the recycled/regenerated material in the virgin product. Keeping above objective, Company has achieved process scrap/waste below 1%. The disposition of waste of all types (including non-hazardous), generated or handled at plants, to various (approved) customers, are done strictly as per directives of Central/State Pollution Control Boards and compliance reports are submitted to the authorities.

All the 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 no instances recorded of any non-compliance, either in the effluent parameters or in the quantities to be generated as prescribed in the water consents in any location.

Waste generated from tyre manufacturing process is in solid and liquid form and is classified as hazardous and non-hazardous. This segregation enables formulation of suitable strategies for their safe disposal, thus preventing harm to the environment. The total solid waste generated in the reporting period was 13356 metric tonne. During the reporting year 612 Tonne of hazardous and 12198 Tonne of non-hazardous waste is generated. In totality 4.8% of total waste is hazardous where as 95.2% is non-hazardous.

Total amount of Hazardous waste generated & disposed in 2016-17

Hazardous Wastes	Unit	Location-1	Location-2	Location-3	Location-4
Used Oil / Waste oil	MT	34.23	21.2	114.01	79.16
ETP Sludge	KL	0	0	363.5	0

Non-Hazardous Wastes	Unit	Location 1	Location 2	Location 3	Location 4
a. Metal scrap	Tonne	3.3	158.25	1200	189.09
b. Plastics	Tonne	22.28	68.84	0	0
c. Rubber	Tonne	119.898	614.80	240	212.89
d. Paper	Tonne	0	98.05	48	199.67
e. Solid waste	Tonne	212.05	7544.205	1200	64.06
f. e-Wastes	Tonne	0	2.73	0	0
TOTAL		357.528	8486.88	2688	665.71



This treated water is used within the premises and/or used for gardening purposes. There have no instances recorded of any non-compliance, either in the effluent parameters or in the quantities to be generated as prescribed in the water consents in any location.



JK Tyre conducting awareness session for employees

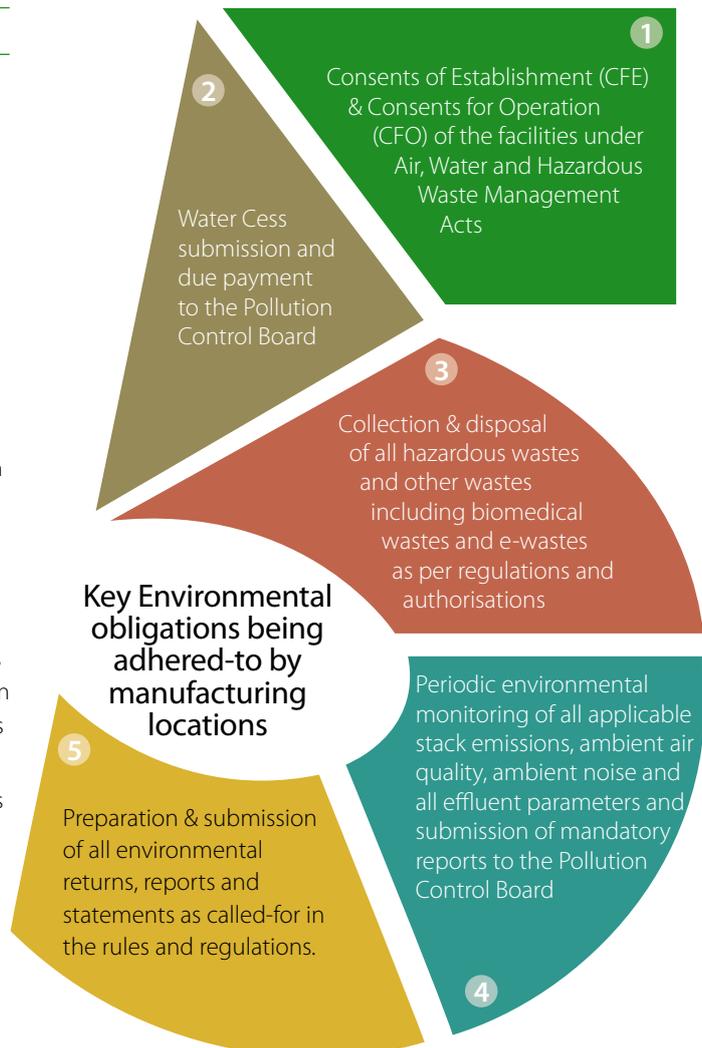
Compliance

At JK Tyre, a comprehensive compliance management system is in place at all the manufacturing locations. We are committed to 100% compliance of all applicable statutory and regulatory laws and the Company has ensured adequate and requisite infrastructure and support to comply with all the obligations. All our employees have also been sensitised in this regard and are committed to fully comply with all compliance-related policies and procedures. The fact that all JK Tyre manufacturing locations have been certified to management systems such as ISO 14001, BS OHSAS 18001; SA 8000, ISO 50001 etc. bears testimony to the fact that commitment to compliance is the fulcrum of all operations in the Company.

We evaluate and amend our compliance programme periodically to reflect changes in regulations and the overall regulatory environment.

- A comprehensive listing of all applicable rules & regulations as applicable to each of the manufacturing locations has been drawn up, together with their obligations. Responsibilities has been defined for compliance to each of these obligations
- Compliance status report from the manufacturing locations is submitted to the Management on a periodic basis.
- Effectiveness of compliance is ensured by regular reviews and audits.

As on date, there have been no violations or any fines imposed on any compliance obligations in any of the manufacturing locations.





Blood donation by employees on 83rd birth anniversary of former Chairman late Shri Hari Shankar Singhania

Health & Safety

JK Tyre accords top priority to 'Occupational Health & Safety' and has a zero tolerance towards any incidences related to it. Our goal is to build an accident-free organisation, so that our employees can work happily in a safe and healthy environment. Rigorous and elaborate health and safety policies and mechanisms are in place, which ensure that there is full compliance of safety norms at all levels of the organisation. The management's commitment towards occupational health and safety standards is articulated in the Health, Safety, Security, Environment and Quality (HSSEQ) policy, that emphasises on continual improvement and is based on management systems developed in accordance with internationally recognised standards, supported by

continued investments in state-of-the-art technology and quality human resources.

To maintain and improve upon the well-established safety systems, extensive trainings were conducted by internal and external experts on fire-fighting and emergency handling, electrical safety and road safety. There have been no fatalities recorded in the reporting period and as in the past also.



Rigorous and elaborate health and safety policies and mechanisms are in place, which ensure that there is full compliance of safety norms at all levels of the organisation.



All the improvements initiated are shared across the group and horizontal deployment is done.

Safety Data- 2016-17

	Location-1	Location-2	Location-3.1	Location-3.2	Location-3.3	Location-4
Incident Rate	0.998	0.428	0.056	0.093	0	0.360
LDR	0.35	322.7	115.2	6.16	0	5.1

Occupational disease rates and work-related fatalities have been nil for the reporting period. First aid level injuries have been excluded and calendar days have been considered in determining the safety data.



Pushpawati Singhania Hospital and Research Institute, a multi-speciality hospital, New Delhi, co-promoted by JK Tyre

Our community

The joy of spreading joy...

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 CSR programs extend well beyond the legal compliance and instead of relying on cheque book driven charity, we prefer adopting a methodical approach to provide sustainable livelihood solutions to local communities.

JK Tyre has been proactively engaged in developing communities and always considered them as one of the most

important stakeholders. Our community development initiatives have evolved through continuous grassroots interactions, community aspirations, local needs, field based learnings and our unstinted commitment to social well-being. Our community development initiatives may largely be categorised in to education, health, livelihoods & water conservation, wherein we emphasise over empowerment of communities and main-streaming them in core process of development.



Our CSR programs extend well beyond the legal compliance and instead of relying on cheque book charity, we prefer adopting methodical approach to provide sustainable livelihood solutions to local communities.



Socio Economic empowerment of rural women through market - oriented vocational training

Creating Sustainable Livelihoods

We believe in providing sustainable long term livelihood solutions to communities. In rural India, Agriculture and Livestock are the major sources of livelihood and therefore we have



Under the livestock development programme, artificial insemination, fodder development and healthcare services are provided at farmers' doorstep.

initiated Agricultural & cattle breed improvement programs for enhancing farm & off-farm incomes of poor and marginal communities. We are also working over skill development to make unemployed youths capable of getting meaningful jobs and also developing future entrepreneurs.

- Under the livestock development programme, artificial insemination, fodder development and healthcare services are provided at farmers' doorstep. During the year 2016-17, more than 3,000 artificial inseminations have been performed, around 400 hybrid calves were born and more than 15,000 cattle have been provided various other health care services like vaccination, deworming, de-ticking, fertility treatment, etc.
- We are working towards making agriculture more inclusive by enabling marginal farmers to enhance their knowledge and skills in modern agricultural practices like access to latest technology, high-yielding variety/ seeds, optimum fertiliser regime, pesticides

and generate higher returns from every acre. During the year 2016-17, more than 2,000 farmers were benefited from agricultural improvement initiatives.

- Women's Self Help Groups have been formed to initiate thrift & credit activities at smaller scale. They are also empowered through trainings on Income Generation Activities to further improve their financial status. Its a known fact that enabling women to earn independent incomes has a positive impact on their families and communities as it is spent largely on their children's education, health and nutrition and is a powerful catalyst for gender development and social inclusion.
- Location specific & market oriented trainings on Mobile repairing, Motor winding, Beautician, Tailoring, etc have been imparted to around 500 unemployed youths to enhance their entrepreneurial & employability skills. These small ventures have the potential to grow into successful and profitable independent enterprises in the future.



Training program on beauty and wellness

Health Care & Sanitation

Open defecation remains a persistent problem across the length & breadth of country. It is particularly acute in rural areas where there is a lack of awareness regarding the causality between open defecation and health related issues, especially of diarrhoeal diseases which are a major cause of child mortality. We partnered in Government's ambitious 'Swachh Bharat Mission' & helped building of more than 1100 toilets in rural areas. We also ensured that these newly built toilets are being used & maintained well and therefore communities have been made aware of consequences of open defecation through meetings, rallies, walks of shame, posters, banners, etc. and community ownership.

The Company is actively engaged in prevention of HIV/AIDS among long distance truckers & transporters. There are 11 clinics running all across country at high risk HIV/ AIDS locations with the help of partner NGOs and it has

benefited more than 2.5 Lakhs people from transporter fraternity. A network of people living with HIV/ AIDS (PLHIV) in Rajsamand, Rajasthan is also supported enabling PLHIVs to adhere to regular medication & linking HIV patients with welfare schemes of government.

The tyre manufacturing plants of the Company are located in remote areas, where adequate health services are not available and therefore we have been engaged in providing quality health care services to poor and marginal people since long. Project 'Parivartan', initiated in the year 2004 has provided better Maternal and child care services and significantly brought down Maternal and Infant Mortality Rates in remote tribal areas of Kankroli, Rajasthan.

Pushpawati Singhanian Hospital & Research Institute, New Delhi is a super speciality hospital co-promoted by JK Tyre for well-being of common public following no profit- no loss philosophy.



A network of people living with HIV/ AIDS (PLHIV) in Rajsamand, Rajasthan is also supported enabling PLHIVs to adhere to regular medication & linking HIV patients with welfare schemes of government.



LakshmiPat Singhania School, Kankroli, Rajasthan

Education

The Adult literacy program, running since year 2004 at all manufacturing locations of JK Tyre has transformed the lives of more than 45,000 rural illiterate women. These women are now functionally literate, may read and write with ease, do basic calculations, help their children in study, started income generation activities and forging ahead with their head held high. The Adult literacy program at Central Prison, Mysore is a unique initiative and it helped more than 5,000 prison inmates to become literate with our efforts.

JK Tyre has adopted 3 Government ITIs under PPP 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 reputation of adopted ITIs, wherein now campus interviews are being conducted by reputed corporates providing almost 100% employment to these students.

We also support many schools for bringing improvement in pedagogy, learning outcomes, digital learning & infrastructure. We run remedial classes for weaker students after the school timings, so they may catch up with other classmates and get main-streamed.

Road Safety

To generate awareness about road safety, key stakeholders have been identified and road safety trainings are provided to transporter community, school children and general public. The road safety

awareness programs are implemented with the help of competent NGOs in collaboration with local Traffic Police departments benefiting a large number of people.

Water Conservation

Water is at the core of sustainable development and is critical for existence of Industry and local communities. It is indeed satisfying that JK Tyre has

achieved the distinction of being the lowest water consuming company and established newer benchmarks for water consumption in tyre industry globally.



JK Tyre has adopted 3 Government ITIs under PPP model to impart job oriented quality vocational education for the benefit of more than 500 local students each academic year.



Employee volunteers spreading messages during road safety campaign

Taking a few steps further, the Company initiated various water conservation initiatives to make local communities water sufficient through mass awareness and implementation of sustainable water harvesting interventions. The focus is on building, reviving and maintaining water harvesting structures as well as implementing other measures which help to reverse land degradation, provide critical irrigation and increase agricultural productivity. The whole program is planned, implemented and evaluated in a participatory way, where communities are not merely stakeholders rather the key drivers of the water conservation initiative. The major activities implemented under water conservation program are as mentioned below;

- Earthen dam/ Tank:** Earthen tanks are meant to harvest rain water with large water storage capacity. Mostly, water tanks are constructed on community lands and benefit a large number of farmers through providing water for irrigation and also recharging ground water. Total 20 water tanks have been excavated/ de-silted, harvesting large amount of water for irrigating agriculture fields, ground water recharge, drinking water for animals, etc.
- Farm Pond:** Farm ponds are dug up in a low lying area of agriculture field for harvesting the rain water, which would have otherwise been wasted due to surface run off. These water harvesting structures not only recharge the ground water but also provide 1-2 crucial protective irrigation during Rabi crop. There are total 25 Farm ponds excavated which are benefiting large number farmers directly and indirectly.
- Farm Bunding:** Farm bunding in agricultural fields is a most widely practiced technique by farmers to check runoff, control soil erosion and in situ moisture conservation. More than 500 acres of farm bunding has been completed which would help conserve soil moisture and ground water recharge.
- Bore well Recharge & Soak pits:** Bore-well recharge pits are very effective way of harvesting ground water sustainably in long run. While soak pits conserve underutilised waste water from water sources like hand pump, etc. Many bore well recharge & soak pits have been constructed to help farmers in conserving water.



The whole program is planned, implemented and evaluated in a participatory way, where communities are not merely stakeholders rather the key drivers of the water conservation initiative.

Assurance statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: SRA-IND-659169-1

JK Tyre & Industries Limited Sustainability Report 2016-17

The British Standards Institution is independent of JK Tyre & Industries Limited (hereafter referred to as "JKTL" in this statement) and has no financial interest in the operation of JKTL other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for JKTL 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 JKTL.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by JKTL. 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 JKTL only.

Scope

The scope of engagement agreed upon with JKTL includes the following:

1. The assurance covers the whole Sustainability Report 2016 of JKTL prepared "In accordance" with GRI Standard – Core option, and focuses on systems and activities of JKTL and its manufacturing operations at Kankrolli, Banmore, Chennai and Mysore during the period from 1st April 2016 to 31st March 2017.

2. The AA1000 Assurance Standard, AA1000AS (2008) Type 1 engagement evaluates the nature and extent of JKTL's adherence to all three AA1000 AccountAbility Principles:

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Inclusivity, Materiality and Responsiveness. 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 (2008) and GRI Standard. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that JKTL's description of their self-declaration of compliance with the GRI Standard were fairly stated.

We conclude that the JKTL Sustainability Report 2016 Review provides a fair view of the JKTL's CSR programmes and performances during 2016. We believe that the 2016 economic, social and environment performance disclosures are fairly represented. The sustainability performance disclosures disclosed in the report demonstrate JKTL'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 JKTL's policies to provide a check on the appropriateness of statements made in the report

Discussion with senior executives on JKTL's approach to stakeholder engagement. We had no direct contact with external stakeholders

Interview with staff 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 (2008)

Conclusions

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

Inclusivity

This report has reflected a fact that JKTL is seeking the engagement of its stakeholders through various channels. Being the first year of reporting, JKTL has limited its engagement primarily to its internal stakeholders while also considering the feedbacks received from its external stakeholders over the last few years. The company has plans to include its external stakeholders in the engagement process more formally in the next year of reporting. A comprehensive survey though has been done within the tyre manufacturing business included in the report which has brought in a wide range of material topics to be included for reporting.

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In this Sustainability Report, material data disclosed is primarily restricted to the manufacturing operations of JKTL at Kankrolli, Banmore, Chennai and Mysore. This report covers the fair reporting and disclosures for economic, social and environmental information. In our professional opinion, the report covers the JKTL inclusivity issues; however, the future report should be further enhanced by detailing more information on the major and prioritized stakeholders.

Materiality

JKTL publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers JKTL's material issues by using JKTL's materiality matrix and boundary mapping. Our view of an area for improvement for the report was adopted by JKTL before issue of this opinion statement.

Responsiveness

JKTL has implemented the practice to respond to the expectations and perceptions of its stakeholders. It includes client survey and different feedback mechanisms to external stakeholders and internal stakeholders. In our professional opinion the report covers JKTL's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Provide further information regarding responsiveness mechanism to different stakeholders

GRI - reporting

JKTL 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 JKTL's social responsibility and sustainability issues, however, the future report will be improved by the following areas:

Integrate data collection and analysis systematically between the systems established for management systems on quality, environment & safety and GRI.

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, 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.

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Assurance Level

The Type 1 moderate level of assurance provided is in accordance with AA1000 Assurance standard, AA1000AS (2008) in our review as defined by the scope and methodology described in this statement.

Responsibility

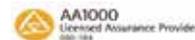
It is the responsibility of JKTL's senior management to ensure the information presented in the Sustainability Report is accurate. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

For and on behalf of BSI:

Kumaraswamy Chandrashekhara
Head - Sustainability, BSI Group India

Mr Wilfred Chan
Head of Operations, BSI Asia Pacific
21 December 2017

New Delhi, India



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Industry memberships and associations

JK Tyre and our Chairman & Managing Director serve various leading Apex chambers and Government Bodies of India, like

- 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
- Indo-American Chamber of Commerce (IACC) – Past President of North India Council, and Member – Executive Council / North India Council for over 30 years
- Has been Chairmen of Automotive Tyre Manufacturers Association – 3 times

JK Tyre has served various Government Bodies, such as,

- Indian Rubber Manufacturers Research Association (IRMRA) – A Ministry of Commerce & Industry, Govt. of India Body (Immediate Past President)
- Expert Committee on Natural Rubber Policy – A Govt. of India body, as its member

- Chemical & Allied Products Export Promotion Council (CAPEXIL), Government of India, as Chairman of Auto Tyres & Tubes Panel
- Indian Wire Rope Manufacturers Association (IWRMA), as Chairman on the early 70's
- Xavier Institute of Management (XIM), Bhubaneswar, as Member of Board of Governors
- Indian Institute of Technology (IIT), Chennai, as Member of Board of Governors
- Rubber Board Kottayam, as Member

And Apex Chambers like ASSOCHAM, Indo American Chamber of Commerce (IACC) and also in a number of Apex bilateral bodies of India and International Business Community

Have been Chairman of various Apex bilateral bodies of Indian and International Business community in the 1990's:

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

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