







Annual
Sustainability
Report FY 2025-26

LESS FRICTION.
MORE FUTURE.

Precision bearings for a world that must run cleaner, longer, and with less waste.

PBW

PBW BEARINGS PVT. LTD.



www.pbwbearings.com

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01

Introduction, Strategy & Materiality

78 years of removing friction



02

Responsible Governance

Integrity without friction



03

Environmental Responsibility

Running cleaner — in energy, carbon, water and waste.



04

Social Responsibility

Reducing friction in people's lives



TABLE OF CONTENT

Introduction, Strategy & Materiality

1.1 About This Report
1.2 Message from the Chairman & Managing Director
1.3 Message from the Director
1.4 About PBW Bearings
1.5 Seventy-Eight Years of Removing Friction
1.6 Business Model & Manufacturing Technology
1.7 The PBW Efficiency Spine
1.8 Certifications, Associations & Recognition
1.9 Stakeholder Engagement
1.10 Materiality Assessment
1.11 Sustainability Strategy, Risks & Opportunities
1.12 Alignment with the UN Sustainable Development Goals
1.13 Sustainability Performance Dashboard — FY 2025-26

Responsible Governance

2.1 Our Approach to Governance
2.2 Governance Structure & Oversight
2.3 ESG Governance & Sustainability Oversight
2.4 Policies, Codes & Due Diligence
2.5 Business Ethics & Anti-Corruption
2.6 Whistleblowing, Grievance & Remediation
2.7 Risk Management & Internal Controls
2.8 Information Security & Data Privacy
2.9 Regulatory Compliance
2.10 Responsible & Sustainable Procurement
2.11 Governance Transparency — Conflicts, Remuneration & Associations
2.12 Governance Targets & Commitments

Environmental Responsibility

3.1 Environmental Management & Approach
3.2 Integrated Energy Management & Decarbonisation Strategy
3.3 Climate Action, GHG Emissions & Decarbonisation
3.4 Air Emissions & Ambient Air Quality
3.5 Water Stewardship
3.6 Waste Management & Circular Economy
3.7 Materials & Product Stewardship
3.8 Product-in-Use Impact — The Handprint
3.9 Biodiversity & Green Cover
3.10 Environmental Compliance & Management Systems

Social Responsibility

4.1 Our Approach to People
4.2 Workforce Profile & Employment
4.3 Employee Engagement & Well-being
4.4 Occupational Health & Safety
4.5 Learning, Training & Skill Development
4.6 Diversity, Equity & Inclusion
4.7 Human Rights & Labour
4.8 Wages & Working Conditions
4.9 Product Quality & Customer Value
4.10 Community Engagement & Social Initiatives
4.11 Social Supply Chain

Annexures

- GRI Index
- Third-party Verification — GreenMinds India

Introduction, Strategy & Materiality

CHAPTER 01

Introduction, Strategy & Materiality

78 years of removing friction

Every machine in industrial civilisation loses energy the same way: as heat, at the interface where one moving surface meets another. The bearing exists to minimise that loss. For seventy-eight years, PBW has manufactured the components that sit at precisely that interface — in locomotives, marine and stationary engines, compressors, turbochargers, earthmovers and wind turbines. Our business has always been the reduction of friction. This report examines what that means when the measure is not only mechanical efficiency, but energy, emissions, water, waste and human wellbeing.

ABOUT THIS REPORT

GRI 2-1 · 2-2 · 2-3 · 2-4 · 2-5

This Sustainability Report presents the environmental, social and governance (ESG) performance of PBW Bearings Private Limited for the financial year 1 April 2025 to 31 March 2026 (FY 2025–26). As PBW's inaugural sustainability report, it establishes the Company's ESG baseline and demonstrates its commitment to transparent, responsible and accountable business practices.

The report has been prepared to communicate PBW's sustainability approach, management systems, performance and future commitments to its key stakeholders, including customers, employees, suppliers, regulators, assessment agencies and the communities in which the company operates.

Rather than presenting sustainability as a separate corporate initiative, this report reflects how environmental stewardship, responsible business conduct, employee wellbeing, product quality and ethical governance are increasingly being integrated into PBW's day-to-day manufacturing operations and long-term business strategy.

Reporting Standards & Frameworks

PBW has prepared this report with reference to internationally recognised sustainability reporting frameworks to ensure that its disclosures remain transparent, consistent and comparable with evolving stakeholder expectations. The report has also been structured to support customer sustainability assessments and internationally recognised ESG rating methodologies.

Framework	Purpose
GRI Standards 2021	Primary framework for reporting ESG impacts and performance.
United Nations Sustainable Development Goals (UN SDGs)	Sustainability initiatives throughout the report are mapped to relevant Sustainable Development Goals.
GHG Protocol Corporate Standard	Used as the basis for greenhouse gas accounting methodology presented in the Environmental chapter.
ISO 14064-1:2018	Referenced for organisational greenhouse gas quantification and reporting methodology.
UN Guiding Principles on Business and Human Rights (UNGPs)	Provides the foundation for the Company's human rights commitments and due diligence approach.
Applicable Indian Laws & Regulations	Environmental, labour, occupational health & safety and corporate governance requirements applicable to PBW's operations.

Reporting Boundary, Period & Assurance

GRI 2-2 | 2-3 | 2-4 | 2-5

Reporting Boundary

This report covers the operations of PBW Bearings Private Limited located at Lodhika GIDC, Metoda, Rajkot, Gujarat, based on the principle of operational control. The reporting boundary includes all manufacturing, machining, centrifugal casting, electroplating, testing laboratories, utilities, warehouses and administrative functions operating within the facility.

The reporting boundary also includes PBW's 2.1 MW captive wind power project located at Khiri, Jamnagar, as the renewable electricity generated from the facility is contractually allocated against PBW's manufacturing operations under Gujarat's captive power mechanism. Accordingly, the associated renewable electricity generation and its environmental benefits are incorporated within the Company's energy and greenhouse gas disclosures.



Assurance

This Sustainability Report has been subjected to Limited Assurance by **GreenMinds India**, an independent sustainability consulting firm comprising qualified ESG professionals with relevant academic backgrounds and technical competencies in environmental engineering, greenhouse gas accounting, sustainability reporting, and international ESG frameworks. The assurance process included a review of the reporting methodology, supporting data, calculations, and disclosures to enhance the accuracy, completeness, and reliability of the information presented. The responsibility for the contents and disclosures of this report, however, remains solely with the management of PBW Bearings Private Limited.

Restatements of Information

As this is PBW's inaugural Sustainability Report, there are no restatements of previously reported sustainability information. Any future changes to previously disclosed information, resulting from improvements in data quality, reporting methodology, organisational boundaries, or error corrections, will be transparently disclosed and explained in subsequent reporting cycles to maintain consistency and comparability.

Contact & Feedback

PBW welcomes feedback, suggestions and stakeholder engagement regarding the information presented in this report. Questions relating to sustainability performance, ESG initiatives or this report may be directed through the contact details below.

Registered Office	ESG Communication
PBW Bearings Private Limited, Plot No. G-515, G-516 & G-517, Gate No. 3, Kishan Gate Road, Lodhika GIDC, Metoda, Rajkot – 360021, Gujarat, India	Phone: +91 2827 286271 / 272 / 273
	Email: Sandeep.goswami@pbwbearings.com
	Website: www.pbwbearings.com
	Contact Person: Sandeep Goswami

Reporting Principles

This report has been prepared in accordance with the reporting quality principles set by the GRI Standards 2021. These principles guide both the selection of report content and the presentation of information to ensure that disclosures remain useful, balanced and credible.

Reporting Principle	How PBW Applies It
Accuracy	Performance data is derived from internal records, statutory submissions and verified operational information.
Balance	The report presents achievements, challenges and improvement opportunities in a transparent manner.
Clarity	Technical information has been presented using clear and accessible language supported by tables, graphics and explanatory notes.
Comparability	FY 2025–26 performance is presented alongside FY 2024–25 wherever data is available.
Completeness	Material ESG topics relevant to PBW's operations have been covered within the reporting boundary.
Timeliness	The report has been prepared following completion of the reporting period and is intended to be published annually.
Verifiability	Reported information is supported by documented operational records and management systems.

Message from the Chairman & Managing Director

GRI 2-22

As I reflect on PBW's journey, I feel a deep sense of gratitude towards everyone who has contributed to making the Company what it is today. From the vision laid by the founding generation to the continued efforts of our employees, customers, suppliers and business partners, every stage of our growth has been built on trust, commitment and a shared belief in doing things the right way.

Over the years, PBW has grown with a clear focus on engineering excellence, product quality and long-term relationships. We have always believed that lasting success is achieved through continuous improvement, disciplined execution and an unwavering commitment to our customers. These values continue to guide every decision we make and remain the foundation on which the next generation of leadership is taking the Company forward.

Alongside business growth, we have equally believed that an organisation has a responsibility towards its people and the society in which it operates. Whether through providing a safe and respectful workplace, supporting employee welfare and development, or contributing to healthcare, education and community initiatives through our charitable trust established in 1999, our objective has always been to create value beyond business. This philosophy is also reflected in our mission to grow while keeping a healthy environment, recognising that responsible manufacturing is essential for long-term progress.

The publication of this Sustainability Report marks an important milestone for PBW. For the first time, we have systematically measured, documented and communicated our environmental, social and governance performance. While this report captures our current position, more importantly, it establishes a strong foundation for continuous improvement, greater transparency and stronger accountability in the years ahead.

As we look towards the future, I am confident that PBW will continue to evolve while remaining true to the principles that have shaped the Company for decades. Leadership may transition, technologies may change and markets may evolve, but our commitment to quality, integrity, responsibility and sustainable growth will remain constant.



I sincerely thank all our stakeholders for their continued trust and support. Together, we will continue strengthening PBW as a responsible organisation that creates lasting value for our customers, our people, our communities and future generations.

Mr. Nareshkumar Ravjibhai Patel

Chairman & Managing Director

Message from the Director

GRI 2-22

The manufacturing industry is entering a new era. Today, engineering excellence alone is no longer enough to earn the confidence of global customers. Businesses are increasingly expected to demonstrate responsible governance, environmental stewardship, ethical supply chains and a genuine commitment towards people and society. Sustainability has therefore become an integral part of long-term business competitiveness rather than a separate corporate initiative.

For PBW, this Sustainability Report represents an important milestone in that journey. It is our first comprehensive effort to measure, understand and transparently communicate the environmental, social and governance aspects of our business. More importantly, it establishes the baseline from which we will continuously improve, set higher standards and strengthen accountability across every part of our organisation.

As an export-oriented manufacturer serving customers across more than 44 countries, we recognise that global expectations are evolving rapidly. International customers increasingly seek partners who combine engineering excellence with responsible business practices, transparency and long-term resilience. We see these changing expectations not as challenges, but as opportunities to become a stronger organisation and a more trusted global partner.

As the next generation of leadership, our responsibility is twofold—to preserve the strong values and legacy that have shaped PBW for decades while preparing the Company for the future. This means investing not only in technology, automation and manufacturing excellence, but equally in our people, environmental performance, ethical governance, digital transformation and sustainable supply chains. Our aspiration is not simply to grow larger, but to build a world-class organisation that competes with the very best in the global engineering industry across every dimension of performance.

This report is only the beginning of our sustainability journey. The road ahead will require continuous learning, stronger stakeholder collaboration and measurable improvements year after year.

On behalf of the entire PBW family, I thank our customers, employees, suppliers and business partners for their continued trust and confidence. Together, we will continue building a stronger, more responsible and globally respected PBW for generations to come.



We remain committed to embedding sustainability into every aspect of our business - from the products we engineer and the resources we consume to the way we work with our employees, suppliers, customers and communities.

Mr. Shivraj Nareshkumar Patel

Director

About PBW Bearings

GRI 2-1 · 2-6

Engineering Reliability. Driving Sustainable Industry.

Industrial progress depends on equipment that performs reliably under demanding operating conditions. For more than 78 years, PBW Bearings has specialised in manufacturing precision hydrodynamic plain bearings that enable rotating and reciprocating machinery to operate safely, efficiently, and consistently. Today, the Company combines advanced engineering, world-class manufacturing capabilities, and responsible business practices to deliver reliable bearing solutions to customers across 44 countries while continuously strengthening its environmental, social, and governance performance.

The reporting boundary also includes PBW's 2.1 MW captive wind power project located at Khiri, Jamnagar, as the renewable electricity generated from the facility is contractually allocated against PBW's manufacturing operations under Gujarat's captive power mechanism. Accordingly, the associated renewable electricity generation and its environmental benefits are incorporated within the Company's energy and greenhouse gas disclosures.

With nearly eight decades of manufacturing excellence, PBW has established itself as a globally trusted manufacturer of precision hydrodynamic plain bearings and engineered bearing solutions, serving OEMs and industrial customers across 44 countries.

Operating from its integrated manufacturing facility at Lodhika GIDC, Metoda, Rajkot, Gujarat, PBW combines advanced manufacturing technologies, specialised engineering expertise, and stringent quality systems to produce approximately five million bearings and bushings annually. The Company's manufacturing infrastructure supports dimensional capabilities ranging from 50 mm to 1,000 mm, enabling it to deliver both high-volume standard products and highly engineered customised solutions for demanding industrial applications.

Today, PBW products operate in some of the world's most demanding industrial environments. The Company's bearing solutions support light and heavy-duty engines, railway locomotives, pumps, compressors, turbochargers, earthmoving equipment, steel mills, forging and milling machines, homogenisers, wind turbines, power generation equipment, and a wide range of rotating and reciprocating machinery. Although often hidden inside complex mechanical systems, these components perform a mission-critical role by reducing friction, improving operational efficiency, extending equipment life, and enhancing machine reliability.

As customer expectations continue to evolve, PBW recognises that sustainable manufacturing extends beyond product quality alone. Responsible resource management, climate action, employee well-being, ethical governance, resilient supply chains, and transparent business practices have become equally important drivers of long-term competitiveness. Sustainability is therefore increasingly embedded within the Company's operational philosophy, complementing its long-standing commitment to engineering precision and customer satisfaction while preparing the organisation for future regulatory, market, and stakeholder expectations.





78
Years of manufacturing — founded 1948

44
Countries served

545
People employed

~5M
Bearings & bushings per year

50–1000
mm dimensional capability

Vision:

An engineering partner, committed to perform exceptional technical excellence.

Mission:

To create lasting value through advanced manufacturing, innovative processes, and responsible business practices for customers, employees, society and environment.

Core Values:

People First
- Respect
- Safety
- Development
- Teamwork

Sustainable Growth
- Responsible Growth
- Continuous Innovation
- Long Term Value

Environmental Responsibility
- Resource Conservation
- Waste Reduction
- Green Manufacturing

Seventy-Eight Years of Removing Friction

PBW's development has followed the industrialisation of India itself, and each stage of that development has been a response to a technical demand that could not previously be met domestically.

> *Late Shri R. C. Patel, the founder of Patel Brass Works (PBW) was one of the first entrepreneurs to establish industrial facilities at Rajkot, Gujarat.*

THE PBW JOURNEY

1948 — Founded as a small casting foundry producing brass components.

1958 — Relocated to India's first small-scale industrial estate, established in 1955.

1965 — Commenced manufacture of bimetallic bearings for slow-speed diesel engines.

1973 — Achieved local OEM approvals through documented process control and consistent quality.

1980 — Established centrifugal casting for precision plain shaft bearings serving high-speed engines, compressors and earthmovers.

1990 — First to indigenise railroad-segment bearings for India — substituting imports in a safety-critical application.

1990-2000 — Introduced thin-wall bearings by sintering, cladding and continuous casting. Achieved ISO accreditation; received the Fair Business Practices award.

2001-2010 — Secured global OEM approvals incl. Large-bore. Certified to ISO 14001 and OHSAS 18001; AAR certified; awarded Most Responsive Supplier by a major US OEM.

2011-2020 — Consolidated all operations under one 22,247 m² roof. Introduced lead-free lining and lead-free overlay plating. Expanded in-house alloy-powder capacity.

Present — Robotic automation; large-bore to 1,000 mm; in-house SPM; NABL laboratory, six certified management systems; EcoVadis Bronze, targeting Gold.

Business Model & Manufacturing Technology

GRI 2-6

The company operates an integrated business model that combines specialised engineering, advanced manufacturing technologies, rigorous quality assurance, and long-term customer partnerships to deliver precision plain bearing solutions for critical industrial applications. Rather than manufacturing standardised products, PBW develops application-specific bearing solutions that are engineered to perform reliably under demanding operating conditions, where durability, precision, and operational reliability are essential.

The Company's business model extends beyond manufacturing components. It integrates product engineering, tooling development, precision manufacturing, accredited testing, customer collaboration, and after-sales technical support into a single value chain. This integrated approach enables PBW to maintain consistent product quality, shorten development cycles, respond efficiently to customer requirements, and build long-term relationships with Original Equipment Manufacturers (OEMs) and industrial customers across global markets.

Today, PBW supplies precision bearing solutions to customers in 44 countries, supporting industries including railways, heavy and light engines, pumps, compressors, turbochargers, earthmoving equipment, wind power generation, steel mills, industrial machinery, and other rotating and reciprocating equipment where bearing reliability directly influences machine performance, efficiency, and service life.

Engineering Products for Critical Applications

Hydrodynamic plain bearings are precision-engineered composite components designed to support rotating shafts while minimising friction, wear, vibration, and energy loss. Unlike rolling-element bearings, hydrodynamic bearings operate by maintaining a thin lubricating oil film between the shaft and the bearing surface. During normal operation, the rotating shaft remains separated from the bearing by this oil film, significantly reducing mechanical contact, extending equipment life, and improving overall system efficiency.

To achieve these performance characteristics, PBW manufactures multilayer bearing systems in which each material performs a specialised engineering function.

- *Steel Backing provides structural strength and dimensional stability while securely retaining the bearing within its housing.*
- *Bearing Alloy Layer consisting of bronze or aluminium-based alloys provides load carrying capability, fatigue resistance, and thermal conductivity.*
- *Lead-free Overlay Layer (for trimetal bearings) enhances conformability, seizure resistance, embeddability, and protection during start-up and boundary lubrication conditions.*

The combination of these engineered materials enables PBW bearings to operate reliably under high loads, elevated temperatures, and demanding industrial environments where consistent performance is critical.



Advanced Manufacturing Technologies

Manufacturing precision bearings requires multiple specialised production technologies, each contributing unique engineering capabilities while also influencing the Company's environmental and operational performance.

Manufacturing Technology	Engineering Purpose	Sustainability Considerations
Centrifugal Casting	Produces dense, defect-free bearing alloys for heavy-duty applications	High-temperature process with significant energy demand
Continuous Casting & Cladding	Produces thin-wall bearings with consistent metallurgical bonding	Improves material efficiency and manufacturing yield
Precision CNC Machining	Achieves micron-level dimensional accuracy and surface finish	Electricity-intensive process generating recyclable metallic scrap
Electroplating	Applies functional overlay coatings for enhanced bearing performance	Requires careful management of chemicals, water, and treatment
Robotic Automation & Special Purpose Machines	Improves consistency, productivity, and repeatability while reducing manual intervention	Reduces defects, minimises rework, improves worker safety and operational efficiency
In-house Tool Room & Product Engineering	Develops customised tooling, fixtures, and manufacturing solutions	Accelerates innovation while reducing development lead times

The PBW Efficiency Spine — Where Our Products Do Their Work

GRI 2-6

PBW's products are rarely visible to the end user, yet they perform one of the most critical functions within industrial machinery. Every bearing manufactured by PBW is engineered to reduce friction, support heavy loads, maintain precise shaft alignment, and ensure smooth, reliable operation under demanding conditions. Though compact in size, these precision-engineered components play a fundamental role in improving equipment reliability, extending service life, reducing maintenance requirements, and enhancing the overall efficiency of machines operating across diverse industrial sectors. The applications in which PBW bearings create this value can be understood through the "PBW Efficiency Spine"—a representation of the major industries and equipment where our engineering expertise contributes to reliable motion, operational performance, and long-term industrial productivity.

MOVE

Locomotives, marine & stationary engines, turbochargers — lower frictional losses reduce fuel burn per tonne-kilometre in the most efficient surface freight mode.

GENERATE

Wind power, turbo machinery, power generation — bearing reliability directly determines availability factor and lifetime energy yield.

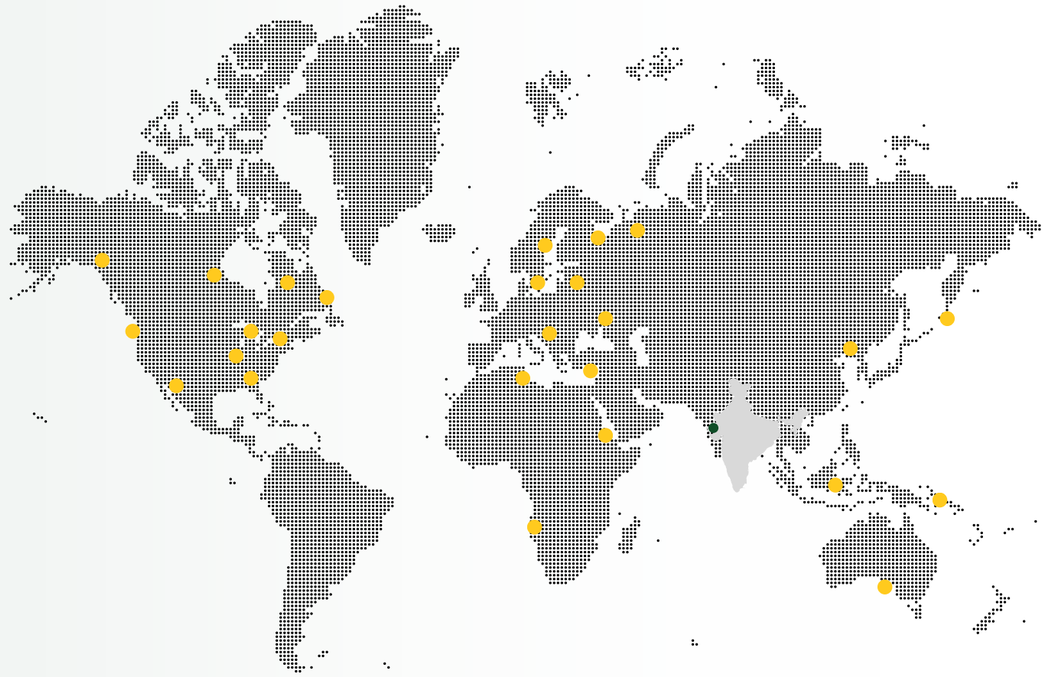
PUMP & COMPRESS

Pumps, compressors, homogenizers — continuous rotation means small friction reductions compound into large annual electricity savings.

BUILD & PROCESS

Earthmovers, steel mills, milling & forging — durability determines maintenance frequency, downtime and lifetime material consumption.

At present, PBW does not quantify these downstream operational benefits, as doing so requires application-specific information such as equipment design, operating loads, duty cycles, lubrication conditions, and customer performance data that are not presently available. The Company considers the development of a robust methodology for evaluating product-in-use sustainability benefits as an important area for future enhancement of its sustainability reporting.



Customer → PBW, Rajkot

OUR GLOBAL CLIENTELE, OUR PARTNERS

Argentina, Australia, Austria, Bangladesh, Belgium, Brazil, Canada, China, Cyprus, Czech Republic, Denmark, Egypt, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iran, Israel, Italy, Japan, Latvia, Lithuania, Mexico, Morocco, Netherlands, Oman, Panama, Peru, Poland, Romania, Russian Federation, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, USA, Vietnam

Product Portfolio



Certifications, Associations & Recognition

GRI 2-28

PBW's management systems are independently certified and subject to periodic surveillance audit. For a supplier of safety-critical components across 44 jurisdictions, third-party certification is the mechanism by which internal practice becomes externally verifiable.

Certifications

ISO 9001:2015

ISO 45001

ISO 14001:2015

AAR M-1003 CERTIFIED

ISO 37001:2016

ISO 27001

ISO 17025

Associations

Regd. No. F-797 GLIA

RAJKOT ENGINEERING ASSOCIATION

RAJKOT CHAMBER OF COMMERCE & INDUSTRY

ESG Rating

ecovadis

BRONZE | Top 35%

ecovadis Sustainability Rating

SEP 2025

Stakeholder Engagement

GRI 2-29

Meaningful stakeholder engagement is fundamental to responsible business and forms an important foundation of PBW's sustainability approach. As a manufacturer supplying customers across global markets, the Company's decisions influence and are influenced by a diverse group of stakeholders including customers, employees, suppliers, regulators, industry bodies, local communities, and certification agencies. Understanding their expectations enables PBW to strengthen its business performance, improve operational resilience, manage sustainability risks, and create long-term value for all stakeholders.

Stakeholder engagement at PBW is an ongoing process rather than a one-time exercise. Through regular communication, technical collaboration, audits, training programmes, statutory interactions, supplier engagement, employee participation, and community initiatives, the Company gathers valuable insights that guide decision-making across environmental, social, and governance matters. The outcomes of these engagements have directly influenced the material topics presented in this report, including product quality, occupational health and safety, responsible procurement, climate action, environmental compliance, employee development, and ethical business conduct.

PBW identified its key stakeholder groups based on three guiding considerations: (i) their influence on the Company's ability to operate and grow, (ii) the extent to which they are affected by PBW's activities, products, and services, and (iii) their ability to provide meaningful perspectives on PBW's sustainability impacts, risks, and opportunities.

Stakeholder Engagement Matrix

Stakeholder Group	Primary Engagement Methods	Key Expectations & Interests	PBW's Response
Customers & OEMs	Technical collaboration, quality audits, customer visits, ESG & EcoVadis assessments, feedback mechanisms	Product quality, reliable delivery, product compliance, sustainability performance, responsible manufacturing	Continuous quality improvement, certified management systems, ESG reporting, carbon footprint assessment, responsible procurement
Employees & Contract Workers	Safety committees, training programmes, grievance mechanisms, welfare initiatives, regular communication	Safe workplace, fair employment, career development, welfare, respectful workplace	ISO 45001 management system, skill development, employee welfare, grievance redressal, health & safety
Suppliers & Business Partners	Supplier assessments, audits, Supplier Code of Conduct, contractual ESG requirements	Fair business practices, long-term relationships, ethical procurement, responsible sourcing	Sustainable Procurement Policy, Supplier Code of Conduct, supplier ESG assessments, human rights due diligence
Regulators & Government Authorities	Statutory reporting, inspections, compliance monitoring, regulatory communication	Legal compliance, environmental protection, worker safety, responsible operations	Full regulatory compliance, certified management systems, continuous monitoring, timely statutory submissions
Local Communities	Community outreach programmes, charitable trust initiatives, medical camps, local employment	Environmental protection, employment opportunities, education, healthcare, community development	Community welfare initiatives, environmental stewardship, tree plantation, education and healthcare support
Certification, Rating & Assurance Bodies	External audits, surveillance assessments, EcoVadis assessment, assurance reviews	Transparent disclosures, management system effectiveness, continual improvement	ISO certifications, NABL accreditation, ESG reporting, third-party assurance, continual improvement initiatives

Materiality Assessment

GRI 3-1 · 3-2

Sustainability is most effective when it focuses on the issues that matter most. For PBW, materiality assessment provides a structured process to identify the environmental, social, governance, and business topics that have the greatest significance to the Company and its stakeholders. The assessment ensures that this report concentrates on the issues that have the most meaningful influence on PBW's operations, long-term business success, stakeholder expectations, and broader impacts on society and the environment.

The material topics presented in this report were identified through a structured assessment considering stakeholder expectations, operational activities, industry developments, regulatory requirements, customer sustainability expectations, and internationally recognised reporting frameworks. These topics form the foundation of PBW's sustainability strategy, reporting priorities, management actions, and future improvement programmes.

Materiality Assessment Approach

PBW has adopted a Double Materiality approach to evaluate sustainability topics from two complementary perspectives. Impact Materiality (Inside-Out) considers how PBW's activities, products and operations affect the environment, people and society. Topics are assessed based on the scale and significance of the impact, the stakeholders affected, the likelihood of occurrence, and PBW's ability to prevent, mitigate or remediate the impact. Financial Materiality (Outside-In) considers how sustainability-related matters may influence PBW's business performance and long-term resilience. The assessment considers factors such as operational costs, regulatory requirements, customer expectations, supply-chain resilience, climate-related risks, market access and changing business conditions. By considering both perspectives together, PBW identifies material topics that are significant either because of their impact on stakeholders and the environment, their potential influence on business performance, or both.



PBW's Material Topics

Material Issue / Topic	Risk or Opportunity	Rationale for Identification of Risk	Rationale for Identification of Opportunity	Approach to Adapt or Mitigate	Potential Financial Implications (Positive / Negative)
Occupational Health & Safety	Risk and Opportunity	Manufacturing operations involve molten metal, heat treatment, machining, electroplating, heavy lifting and moving machinery, increasing the risk of workplace injuries, operational interruptions and regulatory liabilities.	A strong safety culture improves employee well-being, productivity, operational continuity and customer confidence while strengthening employer reputation.	ISO 45001 certified OHS Management System, HIRA, safety training, PPE enforcement, emergency preparedness, contractor safety management, incident investigation and corrective actions.	**Negative:** injuries, compensation costs, production downtime, insurance costs and regulatory actions. **Positive:** higher productivity, lower incident costs, improved workforce morale and customer confidence.
Energy & GHG Emissions	Risk and Opportunity	Increasing energy prices, evolving climate regulations and customer decarbonisation expectations can significantly influence manufacturing competitiveness and operational costs.	Renewable energy adoption, energy efficiency and carbon reduction improve long-term resilience, reduce operating costs and strengthen customer preference in export markets.	Captive wind power generation, GHG accounting, energy performance monitoring, renewable energy transition and decarbonisation roadmap.	**Negative:** higher electricity costs, carbon pricing and loss of business competitiveness. **Positive:** lower operating costs, improved ESG ratings, enhanced export competitiveness and stronger customer relationships.
Product Quality, Safety & Innovation	Risk and Opportunity	Failure of bearings used in critical industrial applications may affect customer operations, increase warranty claims and impact brand reputation.	High-quality, reliable products strengthen customer retention, support premium positioning and open export opportunities in demanding international markets.	ISO 9001 Quality Management System, NABL accredited laboratory, AAR certification, process controls, inspection systems, continual product improvement and customer feedback mechanisms.	**Negative:** product recalls, warranty costs, loss of customers and reputational damage. **Positive:** customer loyalty, repeat business, export growth and premium market positioning.
Waste Management & Circular Resource Use	Risk and Opportunity	Improper waste handling, hazardous waste generation or inefficient material utilisation may increase disposal costs and environmental liabilities.	Material recovery, internal recycling and circular resource management reduce raw material consumption and waste disposal costs while improving resource efficiency.	Waste segregation, hazardous waste authorisation, TSDF membership, internal reuse of non-ferrous scrap, authorised recyclers and waste performance monitoring.	**Negative:** higher disposal costs, regulatory penalties and inefficient resource use. **Positive:** material cost savings, circular economy benefits and reduced environmental footprint.

Material Issue / Topic	Risk or Opportunity	Rationale for Identification of Risk	Rationale for Identification of Opportunity	Approach to Adapt or Mitigate	Potential Financial Implications (Positive / Negative)
ESG Regulations & Global Market Compliance	Risk and Opportunity	Rapidly evolving sustainability regulations, including the EU Carbon Border Adjustment Mechanism (CBAM), Extended Producer Responsibility (EPR), packaging regulations, customer ESG requirements and other emerging international compliance obligations, may affect export competitiveness, market access and future business continuity if organisations are not adequately prepared.	Proactive compliance with evolving ESG regulations enhances customer confidence, strengthens export readiness, supports access to international markets and positions PBW as a responsible and future-ready manufacturing partner.	Carbon footprint assessment, CBAM preparedness, sustainability reporting, GHG inventory development, regulatory monitoring, Sustainable Procurement Policy, supplier engagement, environmental compliance management and continuous review of emerging ESG regulations.	**Negative:** Increased compliance costs, evolving regulatory obligations, potential trade barriers, customer qualification risks and restricted market access. **Positive:** Improved export competitiveness, stronger customer confidence, enhanced ESG ratings, preferred supplier status and long-term business resilience.
Human Rights Management	Risk and Opportunity	Human rights violations, discrimination or inadequate labour practices could create legal, reputational and customer-related risks.	An inclusive, respectful workplace enhances employee engagement, attracts talent and strengthens ESG performance.	Human Rights Policy, Equal Opportunity Policy, POSH Policy, supplier human rights assessments, employee awareness programmes and grievance mechanisms.	**Negative:** legal liabilities, employee dissatisfaction and reputational damage. **Positive:** stronger workforce engagement, improved ESG ratings and enhanced employer brand.
Information Security & Data Privacy	Risk	Increasing digitalisation creates risks related to cyber threats, data loss and unauthorised access to customer information.	–	ISO 27001 Information Security Management System, access controls, cybersecurity awareness, information security policies and periodic reviews.	**Negative:** cyber incidents, business interruption, legal liabilities and customer trust erosion.
Employee Development & Well-being	Opportunity	–	Continuous learning develops technical capability, improves employee retention and strengthens organisational resilience.	Technical training, leadership development, ESG awareness programmes, safety training, performance reviews and employee welfare initiatives.	**Positive:** improved operational performance, employee engagement and long-term organisational capability.
Water Stewardship & Effluent Management	Risk and Opportunity	Water availability, wastewater management and tightening environmental regulations may influence future operational sustainability.	Efficient water management reduces resource consumption, supports regulatory compliance and strengthens environmental performance.	Water monitoring, recycling and reuse, ETP operation, periodic water quality monitoring and conservation initiatives.	**Negative:** increased water costs, operational interruptions and environmental non-compliance. **Positive:** reduced water consumption, lower operating costs and improved sustainability performance.
Business Ethics	Risk and Opportunity	Unethical conduct, corruption or regulatory non-compliance may expose the Company to legal, financial and reputational consequences.	Strong ethical governance strengthens customer trust, supports responsible business conduct and enhances organisational credibility.	ISO 37001 Anti-Bribery Management System, Code of Conduct, Whistleblower Mechanism, ethics training, conflict of interest declarations and compliance monitoring.	**Negative:** financial penalties, legal actions, reputational damage and business loss. **Positive:** stronger stakeholder confidence, improved governance and enhanced business reputation.
Community Engagement & Social Impact	Opportunity	–	Positive community relationships strengthen the Company's social licence to operate and contribute to long-term regional development.	Community investment through PBW Charitable Trust, education initiatives, health camps, blood donation drives, local employment and social welfare programmes.	**Positive:** enhanced corporate reputation, stronger community relationships and improved social impact.



Alignment with the UN Sustainable Development Goals

GRI 2-22

Sustainable development is not achieved through a single initiative but through responsible decisions made across every stage of business operations. At PBW Bearings, environmental stewardship, responsible manufacturing, employee well-being, ethical governance, and community development are integrated into day-to-day business practices. While the Company does not pursue the United Nations Sustainable Development Goals (UN SDGs) as standalone programmes, many of its operational practices and long-term sustainability initiatives directly contribute towards the achievement of several SDG targets.

PBW has adopted a target-based approach to SDG alignment rather than claiming broad alignment with entire goals. This approach focuses on identifying measurable business activities that contribute to specific SDG targets and ensures that every reported contribution is supported by operational evidence, policies, or performance indicators presented throughout this report. Such an approach provides greater transparency, credibility and consistency with internationally recognised sustainability reporting practices.

PBW's Contribution to the United Nations Sustainable Development Goals

UN SDG	PBW's Contribution	Key Business Initiatives
3 GOOD HEALTH AND WELL-BEING	Promoting safe workplaces, employee well-being and community healthcare through responsible occupational health and safety practices.	ISO 45001 Occupational Health & Safety Management System, medical camps, first-aid facilities, blood donation drives, employee health programmes and PBW Charitable Trust initiatives.
4 QUALITY EDUCATION	Building technical capability and supporting lifelong learning for employees while contributing to educational development within the community.	Technical and behavioural training programmes, ESG awareness sessions, safety training, human rights training, POSH awareness programmes and the *Every Child in School* initiative through the PBW Charitable Trust.
5 GENDER EQUALITY	Fostering an inclusive and respectful workplace through equal opportunity, non-discrimination and workplace dignity.	Equal Opportunity Policy, POSH Policy, anti-discrimination practices, fair recruitment, employee awareness programmes and initiatives to improve female workforce participation.
6 CLEAN WATER AND SANITATION	Improving water efficiency and responsible wastewater management across manufacturing operations.	Effluent Treatment Plant (ETP), treated water recycling and reuse, water conservation measures, periodic monitoring and compliance with environmental regulations.
7 AFFORDABLE AND CLEAN ENERGY	Accelerating the transition towards renewable energy while improving energy efficiency across manufacturing operations.	2.1 MW captive wind power plant, ISO 50001 Energy Management System, renewable electricity utilisation, energy performance monitoring and energy efficiency improvement initiatives.
8 DECENT WORK AND ECONOMIC GROWTH	Providing safe, ethical and inclusive employment while strengthening workforce capability and responsible labour practices.	Occupational health & safety programmes, statutory employee benefits, skill development, human rights protection, zero child and forced labour, employee welfare initiatives and supplier human rights assessments.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Advancing sustainable industrial manufacturing through engineering excellence, technological innovation and high-quality production systems.	Precision bearing manufacturing, robotic automation, advanced machining technologies, NABL accredited laboratory, AAR certification, process innovation and continuous improvement initiatives.
UN SDG	**PBW's Contribution**	**Key Business Initiatives**
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Enhancing resource efficiency through circular material management, responsible sourcing and environmentally sound waste management practices.	Internal reuse of non-ferrous scrap, metal recycling, hazardous waste management, Sustainable Procurement Policy, Supplier Code of Conduct, lead-free bearing technology and sustainability reporting.
13 CLIMATE ACTION	Reducing greenhouse gas emissions and strengthening climate resilience through renewable energy adoption and carbon management.	Carbon footprint assessment, Scope 1 & Scope 2 GHG accounting, renewable energy generation, CBAM preparedness, climate targets and long-term decarbonisation strategy.
15 LIFE ON LAND	Conserving natural resources and enhancing local biodiversity through responsible environmental stewardship.	Green belt development, tree plantation programmes, pollution prevention measures and sustainable environmental management practices.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promoting ethical governance, business integrity, transparency and responsible corporate conduct.	ISO 37001 Anti-Bribery Management System, Code of Conduct, Whistleblower Mechanism, Information Security Management System (ISO 27001), Human Rights Policy and robust governance practices.

Sustainability Performance Dashboard FY 2025-26



Environment Snapshot

Indicator	FY 2024-25	FY 2025-26	Change
Renewable share of electricity	0.77%	0.82%	▲ +4.54 pp
Water recycled & reused	2,699 KL	3,921 KL	▲ +45.3%
Treated-water reuse rate	25%	30%	▲ +5 pp
Hazardous waste generated	6,769 kg	4,871 kg	▼ −28.0%
Waste recovered	1,176 MT	1,206 MT	▲ +2.8%

Social Snapshot

Indicator	FY 2024-25	FY 2025-26	Change
Total workforce	517	545	▲ +5.4%
Fatalities / LTI / lost days	0 / 0 / 0	0 / 0 / 0	Maintained
First-aid cases	196	153	▼ −21.9%
OHS, ESG, HR, POSH training coverage	100%	100%	Maintained
Internal training hours	382.5	450	▲ +17.6%
Statutory benefits coverage	100%	100%	Maintained
Suppliers assessed for human rights	60%	100%	▲ +40 pp





Governance Snapshot

Indicator	FY 2024-25	FY 2025-26	Change
Corruption, fraud, anti-competitive incidents	0	0	Maintained
Information-security & privacy incidents	0	0	Maintained
Regulatory fines, penalties, notices	None	None	Maintained
Workforce trained on business ethics	5%	40%	▲ +35 pp
Suppliers signed to Supplier Code of Conduct	0	100%	▲ +100 pp
Certified management systems	6	6	Maintained
Corruption, fraud, anti-competitive incidents	0	0	Maintained





CHAPTER 02

RESPONSIBLE GOVERNANCE

Integrity without friction.

Less Friction. More Future.

#RunCleaner

In a bearing, the smallest impurity in the alloy becomes the largest failure in the field. Governance works the same way. PBW's approach to ethics, compliance and oversight is built on the principle that governs our metallurgy: control the inputs, remove the contaminants, and the whole system runs quieter, longer and more predictably.

2.1 Our Approach to Governance

GRI 2-9 · 2-23 · 2-24 · 3-3

PBW Bearings Private Limited is a privately held, promoter-led company, family-stewarded since its founding in 1948. For a manufacturer of this size, governance is not an abstraction layered over the business — it is the practical discipline that allows a single-site operation in Metoda, Rajkot to supply safety-critical components to original equipment manufacturers across 44 countries, each carrying its own regulatory expectations, customer codes and audit regimes.

Where PBW's bearings run — locomotives, marine and stationary engines, compressors, turbochargers, earthmovers and power-generation equipment — a component failure is not a commercial inconvenience but a potential safety event. That reality has produced a governance philosophy in which quality assurance, ethical conduct and regulatory compliance are treated as one continuous system rather than three separate departments. The same instinct that keeps a contaminant out of the alloy keeps a conflict out of a procurement decision and a vulnerability out of a customer's data.

Materiality Assessment Approach

Why these topics are material. Business ethics, regulatory compliance, information security and responsible procurement are material on both the impact and the financial dimension. On impact, bribery, data compromise or supply-chain misconduct would cause real harm to customers, employees and markets. On financial materiality, OEM customers and ESG assessors increasingly make ethical governance a condition of doing business — a failure here directly threatens PBW's access to its export markets.

Our policies. Code of Conduct; Anti-Bribery & Anti-Corruption Policy; Whistleblower Policy; Gifts & Hospitality Policy; Conflict-of-Interest declarations; Information Security Policy; Supplier Code of Conduct; Sustainable Procurement Policy.

Our actions in FY 2025-26. Expanded business-ethics training from 5% to 40% of the workforce; introduced a formal Sustainable Procurement Policy; rolled out the Supplier Code of Conduct to 100% of targeted suppliers; commenced cybersecurity and data-privacy training, reaching 100% of relevant personnel.

How we track effectiveness. Zero-tolerance indicators (corruption, fraud, anti-competitive conduct, information-security incidents) are monitored continuously and reported at zero for both years; coverage indicators (training, declarations, supplier reach) are tracked against the targets.



2.2 Governance Structure & Oversight

GRI 2-9 · 2-10 · 2-11 · 2-12 · 2-13

Three reinforcing layers turn ownership intent into shop-floor behaviour.

A Three-Layer Governance Model

PBW's governance structure operates through three interconnected levels that collectively guide business performance and organisational decision-making. This integrated framework ensures that strategic direction established by leadership is effectively translated into operational practices across the organisation.

1. Leadership Oversight

Strategic direction, capital allocation, policy approval and sustainability commitments rest with the promoter-directors and senior leadership, who review EHS, quality and statutory-compliance status on a periodic basis.

2. Management System

PBW does not rely on informal practice. Governance is codified in independently certified systems, each subject to external surveillance audit — the mechanism by which policy becomes daily behaviour.

3. Operational Execution

Cross-functional departments are responsible for implementing management system requirements, maintaining regulatory compliance, monitoring operational performance, managing risks, and driving continuous improvement within their respective functions.

The connective tissue

Because the same leadership reviews all three ESG pillars together, quality, ethics and compliance are governed as one system rather than competing for attention in silos.

Leadership Oversight & Governance Responsibilities

Governance at PBW is led by the Company's Promoter Directors and senior leadership team, who provide strategic oversight across business operations, financial performance, quality, environmental management, occupational health and safety, ethics, risk management, and long-term organisational development. As a privately held organisation, PBW's governance model differs from that of publicly listed companies. Strategic decision-making remains closely aligned with ownership, enabling leadership to maintain direct oversight of business operations while taking a long-term approach to value creation, responsible business practices, and organisational continuity. The leadership team regularly reviews business performance, operational risks, management system effectiveness, regulatory compliance, customer requirements, and sustainability initiatives to ensure that governance remains integrated into everyday business decision-making.



2.3 ESG Governance & Sustainability Oversight

GRI 2-12 · 2-13 · 2-14 · 2-17 · 2-18

PBW integrates sustainability into its existing business management framework rather than managing it as a separate function. ESG activities are currently coordinated by the Quality Management System (QMS) Department, which serves as the central function responsible for driving environmental, social, governance, and compliance-related initiatives across the organisation. The QMS Department works in close coordination with the Promoter Directors, senior leadership team, and functional heads to ensure that sustainability considerations are incorporated into operational planning, performance monitoring, and continual improvement activities.

Responsibility for ESG implementation is shared across the organisation. While the QMS Department provides overall coordination and reporting oversight, individual departments remain accountable for the operational data, performance indicators, and initiatives relevant to their respective functions. This cross-functional approach promotes ownership at every level and ensures that sustainability reporting reflects contributions from across the business rather than a single department.



2.4 Policies, Codes & Due Diligence

GRI 2-23 · 2-24

PBW's governance framework is supported by a comprehensive set of policies and codes that establish the Company's commitments towards ethical business conduct, responsible environmental management, employee well-being, product quality, and sustainable business practices. These policies provide a consistent framework for decision-making, guide employee behaviour, and promote compliance with applicable legal, regulatory, and stakeholder requirements.

At PBW, policies are not treated as standalone documents. They are integrated into the Company's certified management systems, operational procedures, employee awareness programmes, supplier engagement processes, and internal monitoring mechanisms. This structured approach ensures that policy commitments are consistently implemented throughout day-to-day business operations and across the value chain.

Environmental

- Environmental Policy
- Quality Policy
- Sustainable Procurement Policy

Governance

- Code of Conduct & Business Ethics Policy
- Anti-Bribery & Anti-Corruption Policy
- Whistle-blower Mechanism
- Information Security Policy
- Data Privacy Policy
- Supplier Code of Conduct

Social

- Occupational Health & Safety Policy
- Human Rights Policy
- Anti-Discrimination Policy
- Prevention of Sexual Harassment (POSH) Policy
- Freedom of Association Policy
- Career Development Policy
- Living Wage Policy

The Company's policy framework is periodically reviewed to ensure continued alignment with evolving regulatory requirements, business priorities, customer expectations, and internationally recognised sustainability principles. Employees are made aware of relevant policies through induction programmes, periodic training, internal communication, and functional awareness sessions, while suppliers are expected to comply with the requirements established through the Supplier Code of Conduct and responsible procurement practices.

Embedding Policies into Business Operations

PBW's due diligence processes are integrated within its existing management systems and operational controls rather than being managed as standalone activities. This enables the Company to proactively identify, assess, and manage environmental, social, ethical, and operational risks across its business activities.

Key due diligence mechanisms include:

- Environmental and Safety Due Diligence through ISO 14001 and ISO 45001 management systems, including aspect-impact assessments, hazard identification, legal compliance evaluations, and operational monitoring.
- Business Ethics Due Diligence through ISO 37001, including anti-bribery risk assessments, conflict-of-interest controls, whistle-blower mechanisms, and ethical business practices.
- Information Security Due Diligence through ISO 27001, including information security risk assessments, data protection controls, and cybersecurity management.
- Human Rights Due Diligence through employee onboarding, age verification, equal opportunity practices, grievance mechanisms, POSH implementation, and workplace awareness programmes.
- Responsible Supply Chain Due Diligence through supplier screening, Supplier Code of Conduct implementation, sustainable procurement practices, and periodic supplier ESG and human rights assessments.



By integrating these due diligence processes into everyday business operations, PBW strengthens organisational resilience, promotes responsible business conduct, and supports continual improvement across its environmental, social, and governance performance.

2.5 Business Ethics & Anti-Corruption

GRI 205-1 · 205-2 · 205-3 · 206-1

Integrity, transparency, and ethical conduct are fundamental to the way PBW conducts its business. The Company is committed to maintaining the highest standards of professional ethics across all business relationships and operates with a zero-tolerance approach towards bribery, corruption, fraud, conflicts of interest, and anti-competitive behaviour. These principles apply equally to employees, contractors, suppliers, business partners, and other stakeholders associated with the Company.

PBW's ethical governance framework is supported by its ISO 37001 Anti-Bribery Management System, which provides a structured approach for identifying bribery risks, implementing preventive controls, promoting ethical decision-making, and ensuring continual monitoring and improvement of anti-corruption practices throughout the organisation.

2.5.1 Promoting an Ethical Business Culture

PBW believes that preventing unethical conduct requires more than written policies. Ethical behaviour is reinforced through leadership commitment, clearly defined policies, employee awareness programmes, risk assessments, internal controls, and confidential reporting mechanisms. Every employee is expected to understand and comply with the Company's Code of Conduct & Business Ethics Policy, while relevant personnel periodically submit conflict-of-interest declarations to promote transparency and accountability in business decisions.

The Company's anti-corruption framework covers key areas including bribery prevention, gifts and hospitality, facilitation payments, conflicts of interest, ethical procurement, third-party interactions, and compliance with applicable laws and regulations. Employees are regularly made aware of these expectations through training and internal communication programmes, helping to strengthen an organisational culture founded on honesty, fairness, and responsible business conduct.

2.5.2 Risk-Based Anti-Corruption Controls

PBW adopts a risk-based approach to managing bribery and corruption risks across its business activities. Preventive controls are integrated into key business processes where ethical risks may arise, including procurement, supplier engagement, customer interactions, commercial negotiations, contracting, and third-party relationships.

Key anti-corruption controls include:

- Periodic bribery and corruption risk assessments under the ISO 37001 Anti-Bribery Management System.
- Gifts, hospitality, and conflict-of-interest controls supported by documented procedures and employee declarations.
- Due diligence for suppliers, contractors, agents, and other business partners where appropriate.
- Confidential whistle-blower mechanisms enabling employees and stakeholders to report concerns without fear of retaliation.
- Internal monitoring, management review, and continual improvement of ethical business practices.

These preventive measures help strengthen transparency, minimise business risks, and reinforce a culture of integrity throughout the organisation.

Indicator	Unit	FY 2024-25	FY 2025-26
Confirmed incidents of corruption	Nos.	0	0
Confirmed material fraud incidents	Nos.	0	0
Legal actions for anti-competitive behaviour	Nos.	0	0
Workforce trained on business ethics	%	5	40
Code of Conduct acknowledgement	%	100	100
Conflict-of-interest declarations obtained	%	100	100
Anti-corruption, whistleblower & gifts policies in force	Yes / No	Yes	Yes



2.6 Whistleblowing, Grievance & Remediation

GRI 2-16 · 2-25 · 2-26

PBW believes that a responsible organisation encourages employees and stakeholders to raise concerns without fear of retaliation. The Company has established formal whistleblowing and grievance mechanisms that provide employees, contractual workers, suppliers, business partners, and other stakeholders with confidential channels to report concerns relating to unethical conduct, bribery and corruption, discrimination, harassment, human rights, workplace safety, regulatory non-compliance, or violations of the Company's policies and Code of Conduct.

The Company's Whistle-blower Mechanism is founded on the principles of confidentiality, impartiality, fairness, and protection against retaliation. All concerns reported in good faith are handled through an appropriate review process, with due consideration given to confidentiality, objectivity, and timely resolution. Where required, corrective and preventive actions are implemented to address the root causes of reported concerns and strengthen organisational controls.

PBW also maintains formal grievance mechanisms for employees, including human rights and workplace-related grievances, ensuring that concerns can be raised, investigated, and resolved through transparent and accessible processes. These mechanisms support the Company's commitment to maintaining an ethical, respectful, and accountable workplace culture.

During both reporting years, PBW did not receive any whistleblower complaints or human rights grievances through its formal reporting mechanisms. While this reflects a positive reporting outcome, the Company recognises that an effective grievance mechanism is measured not by the absence of complaints alone, but by the confidence employees and stakeholders have in using it whenever required.

Accordingly, PBW continues to strengthen awareness of its whistleblowing and grievance procedures through employee induction, ethics and compliance training, internal communication, and leadership engagement. The Company's objective is to ensure that every employee and stakeholder understands how concerns can be reported confidentially and feels confident that all genuine concerns will be addressed fairly, objectively, and without retaliation.

Indicator	Unit	FY 2024-25	FY 2025-26
Reports received under whistleblower procedure	Nos.	0	0
Human-rights grievances raised	Nos.	0	0
Grievances resolved	Nos.	Not applicable	Not applicable
Retaliation protection provided	Yes / No	Yes	Yes



2.7 Risk Management & Internal Controls

GRI 2-25 · 201-2

Effective risk management is essential to maintaining operational continuity, protecting stakeholder interests, and supporting long-term business resilience. At PBW, risk management is integrated into everyday business operations through certified management systems, established operational controls, and regular leadership oversight. Rather than treating risk management as a standalone function, the Company embeds risk identification, evaluation, mitigation, and continual improvement across all key business processes.

PBW's risk management approach enables the Company to anticipate potential business challenges, strengthen operational resilience, maintain regulatory compliance, and respond proactively to changing customer, market, and sustainability expectations.

2.7.1 Integrated Risk Management Approach

PBW manages business risks through a structured and risk-based management framework supported by its internationally recognised management systems. Each management system addresses specific operational and strategic risks while collectively contributing to an integrated governance framework across the organisation.

The Company's approach includes:

- Systematic identification and assessment of business and operational risks.
- Implementation of preventive controls and documented operating procedures.
- Periodic internal audits and management reviews.
- Corrective and preventive actions for identified risks and non-conformities.
- Continuous monitoring and improvement of risk management practices.

As sustainability-related risks continue to evolve, PBW is also strengthening its enterprise-wide approach to integrate emerging ESG risks—including climate change, regulatory developments, supply chain resilience, and information security—into its broader business risk management processes.



Principal Business Risks & Key Controls

Risk Category	Potential Business Impact	Primary Risk Management Controls
Operational Health & Safety	Workplace injuries, operational disruptions	ISO 45001, Hazard Identification & Risk Assessment (HIRA), Permit-to-Work System
Product Quality & Reliability	Product failures, customer claims, business reputation	ISO 9001, NABL Calibrated Laboratory, AAR M-1003 Certification
Supply Chain & Procurement	Material availability, supplier performance, responsible sourcing	Supplier Code of Conduct, Sustainable Procurement Practices, Supplier Assessments
Information Security	Loss of confidential information, cyber risks	ISO 27001 Information Security Management System
Business Ethics & Compliance	Bribery, corruption, unethical business conduct	ISO 37001 Anti-Bribery Management System, Due Diligence, Conflict of Interest Controls
Regulatory Compliance	Environmental, labour, and statutory non-compliance	Compliance Monitoring, Certified Management Systems, Periodic Legal Reviews
Climate & Sustainability	Climate transition, customer ESG expectations, CBAM requirements	Renewable Energy Investments, Carbon Footprint Study, Sustainability Strategy
Business Continuity	Operational interruptions and production disruptions	Emergency Preparedness, Preventive Maintenance, Business Continuity Planning (under development)

Internal Controls & Management Oversight

GRI 2-16 · 2-25 · 2-26

Risk management at PBW is supported by a robust system of internal controls that promote accountability, operational consistency, and regulatory compliance. Documented procedures, defined roles and responsibilities, approval authorities, operational monitoring, internal audits, and periodic management reviews collectively strengthen the Company's governance framework and enable timely identification and resolution of potential risks.

Internal audit findings, corrective actions, customer feedback, operational performance indicators, and management review outcomes are regularly evaluated to identify improvement opportunities and strengthen organisational resilience. This continual review process ensures that risks are proactively managed and appropriate controls remain effective as business operations evolve.

Recognising the increasing complexity of today's business environment, PBW is further strengthening its enterprise risk management practices by developing a more integrated risk management framework that will provide consolidated oversight of strategic, operational, financial, ESG, regulatory, and business continuity risks. This initiative will further enhance informed decision-making and support the Company's long-term sustainable growth.





2.8 Information Security & Data Privacy

GRI 418-1

PBW's customers share commercially sensitive technical information — drawings, tolerances, material specifications and application data that represent their own intellectual property. Protecting that information is a direct contractual and ethical obligation, and a failure to do so would damage customer trust as surely as a defective bearing. PBW's Information Security Management System is certified to ISO 27001, covering access control, data classification, network security, incident response and business continuity. Across both reporting years, PBW recorded zero confirmed information-security incidents and zero data-privacy breaches.

PBW's principal area for improvement is the human layer, where most security failures originate. Cybersecurity and data-privacy training stood at 0% in FY 2024-25; a structured programme was initiated in FY 2025-26, reaching 100% of applicable workforce. Certified technical controls protect the system; trained people protect it in daily use, and closing that gap is the priority.

Indicator	Unit	FY 2024-25	FY 2025-26
Confirmed information-security incidents	Nos.	0	0
Confirmed data-privacy breaches	Nos.	0	0
Substantiated customer-privacy complaints	Nos.	0	0
Cybersecurity / data-privacy training coverage	%	0	100



2.9 Regulatory Compliance

GRI 2-27

PBW is committed to conducting its operations in full compliance with applicable laws, regulations, and statutory requirements governing its business. The Company maintains a structured compliance framework covering environmental regulations, occupational health and safety, labour laws, factory operations, hazardous waste management, and other applicable legal obligations. Compliance requirements are monitored through certified management systems, periodic internal reviews, regulatory inspections, and management oversight to ensure continued adherence to legal and operational requirements.

Indicator	Unit	FY 2024-25	FY 2025-26
Significant instances of non-compliance	Nos.	0	0
Fines / monetary penalties	INR	0	0
Regulatory notices / show-cause received	Nos.	0	0
Material legal cases (pending or concluded)	Nos.	0	0
Environmental & statutory consents valid	Yes / No	Yes	Yes

During both reporting years, PBW recorded no significant instances of regulatory non-compliance, no fines or monetary penalties, no regulatory notices or show-cause notices, and no material legal proceedings relating to its operations. All applicable statutory approvals, including environmental and operational licences, remained valid throughout the reporting period, reflecting the Company's commitment to maintaining high standards of legal and regulatory compliance.



2.10 Responsible & Sustainable Procurement

GRI 204-1 · 308-1 · 414-1 · 2-6

PBW believes that responsible procurement extends beyond purchasing quality materials at competitive prices. As a manufacturer of precision bearings, the Company recognises that the environmental, social, and ethical performance of its suppliers contributes directly to the sustainability of its products and operations. Through responsible sourcing practices, supplier engagement, and sustainability assessments, PBW seeks to build a resilient and responsible supply chain that creates long-term value for all stakeholders.

2.10.1 Responsible Procurement Approach

During FY 2025–26, PBW strengthened its procurement governance through the implementation of a Sustainable Procurement Policy and the full deployment of its Supplier Code of Conduct. These documents establish the Company's expectations relating to environmental management, labour and human rights, occupational health and safety, ethical business practices, regulatory compliance, and responsible sourcing.

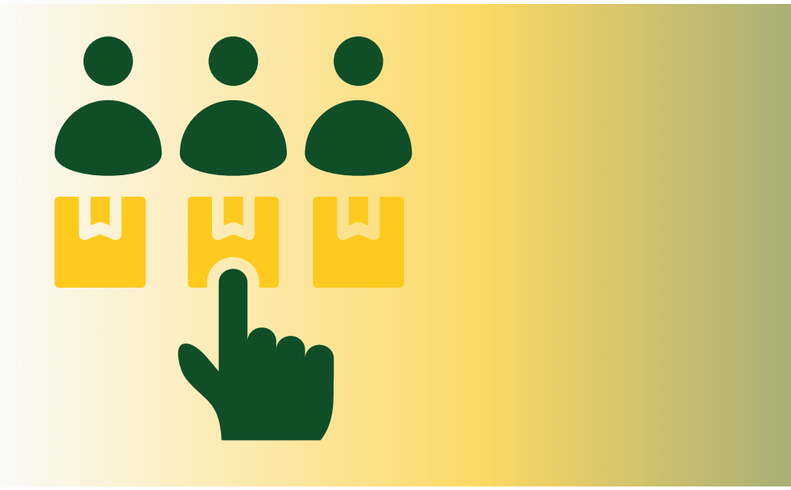
The Supplier Code of Conduct forms an integral part of supplier engagement and encourages suppliers to adopt responsible business practices that are consistent with PBW's own sustainability commitments.



2.10.2 Responsible Supplier Selection & Engagement

PBW follows a transparent and objective supplier evaluation process based on quality, technical capability, delivery performance, statutory compliance, sustainability practices, commercial competitiveness, and long-term reliability. Procurement decisions are made using objective business criteria, ensuring equal opportunity for qualified suppliers while promoting fair and responsible sourcing practices.

The Company also encourages suppliers to maintain safe workplaces, uphold human rights, prevent discrimination and harassment, prohibit child and forced labour, and comply with applicable legal and ethical requirements. These expectations are communicated through supplier onboarding, contractual requirements, and the Supplier Code of Conduct.



2.10.3 Supplier ESG Assessment & Monitoring

PBW has integrated sustainability into its supplier evaluation process through structured ESG assessments coordinated by the QMS Department. Supplier evaluations include environmental management, occupational health and safety, labour practices, human rights, business ethics, and regulatory compliance alongside traditional quality and delivery parameters.

The Company also conducts supplier audits using structured audit checklists covering quality systems, environmental performance, workplace health and safety, labour practices, housekeeping, legal compliance, and ethical business conduct. These assessments help verify supplier performance, identify improvement opportunities, and strengthen long-term supplier relationships through continual engagement and corrective action wherever required.



100%	100%	100%	100%
Targeted suppliers signed to the Supplier Code (from 0%)	Targeted suppliers covered by a sustainability assessment (from 0%)	Suppliers assessed for human rights (from 60%)	Procurement spend that is local (within India)

2.10.4 Procurement & Supply Chain Development

PBW continues to source its procurement requirements from suppliers within India as well as international suppliers, supporting supply chain resilience and ensuring access to required materials and capabilities. The Company believes that responsible procurement is built on long-term partnerships, continuous supplier engagement, and shared commitment towards quality, sustainability, and ethical business conduct.

As its sustainability programme continues to evolve, PBW will further strengthen supplier collaboration through regular ESG assessments, supplier capacity-building initiatives, and continual improvement of responsible sourcing practices across its value chain.



Indicator	Unit	FY 2024-25	FY 2025-26
Sustainable Procurement Policy in force	Yes / No	No	Yes
Suppliers signed to the Supplier Code of Conduct	%	0	100
Suppliers with ESG / labour / HR clauses in contracts	%	100	100
Suppliers covered by a sustainability assessment (On-line)	%	0	100
Suppliers covered by an on-site sustainability audit	%	0	0
Suppliers assessed for human rights	%	60	100

2.11 Governance Transparency

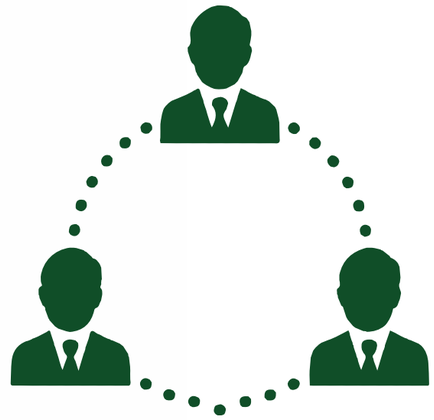
GRI 2-15 · 2-19 · 2-20 · 2-28 · 2-21

PBW is a privately owned, promoter-managed family business where governance decisions are guided by transparency, accountability, and long-term business stewardship. Due to the Company's ownership structure and close involvement of the leadership team in day-to-day operations, conflicts of interest are uncommon. In the event that any actual or potential conflict arises, it is reviewed and resolved promptly by the Promoter Directors and senior management in accordance with the Company's Code of Conduct and Business Ethics Policy, ensuring that business decisions remain fair, objective, and in the best interest of the organisation.

Information relating to remuneration governance, remuneration determination processes, and executive compensation disclosures (GRI 2-19, 2-20 and 2-21) is maintained as part of PBW's internal governance documentation. As a privately held company, these details are shared with customers, auditors, certification bodies, and sustainability rating agencies whenever required or requested, while maintaining appropriate business confidentiality.

PBW actively participates in recognised industry associations to remain engaged with industry developments, technical advancements, and responsible manufacturing practices.

The Company is a member of organisations including the Lodhika GIDC Industries Association, among other relevant industry and professional bodies that support continual improvement and industry collaboration.





2.12 Governance Targets & Commitments

GRI 3-3

PBW has established the following governance commitments to further strengthen ethical business conduct, regulatory compliance, information security, responsible procurement, and organisational transparency. These targets support the Company's long-term objective of continuously enhancing its governance framework and embedding responsible business practices across its operations and value chain.

PBW will periodically review these commitments as its governance framework continues to mature and stakeholder expectations evolve, ensuring that governance practices remain aligned with applicable regulations, international standards, and responsible business principles.

Commitment	Baseline (FY 24-25)	FY 2025-26	Target	By
Workforce trained on business ethics	5%	40%	100	FY 2027-28
Cybersecurity & data-privacy training coverage for applicable employees	0	100%	Maintain	FY 2027-28
Confirmed corruption / fraud / anti-competitive incidents	0	0	Maintain zero	Ongoing
Confirmed information-security & data-privacy incidents	0	0	Maintain zero	Ongoing
Suppliers signing the Supplier Code of Conduct	0	100%	Maintain 100%	Ongoing
Suppliers covered by on-site sustainability audit	0	0	Commence programme	FY 2026-27
Significant non-compliances, fines or penalties	None	None	Maintain nil	Ongoing



CHAPTER 03

ENVIRONMENTAL RESPONSIBILITY

Every Bearing Saves Energy. So Does Every Plant.

Engineered to Endure · **Less Friction. More Future.**

#RunCleaner

A bearing exists for one reason: to reduce friction. Every gram of friction removed from a locomotive axle, a compressor shaft or a turbocharger rotor is energy that is never burned and carbon that is never emitted. PBW's environmental responsibility therefore runs in two directions at once — the footprint we create inside our own plant, and the far larger footprint we help our customers avoid in theirs.

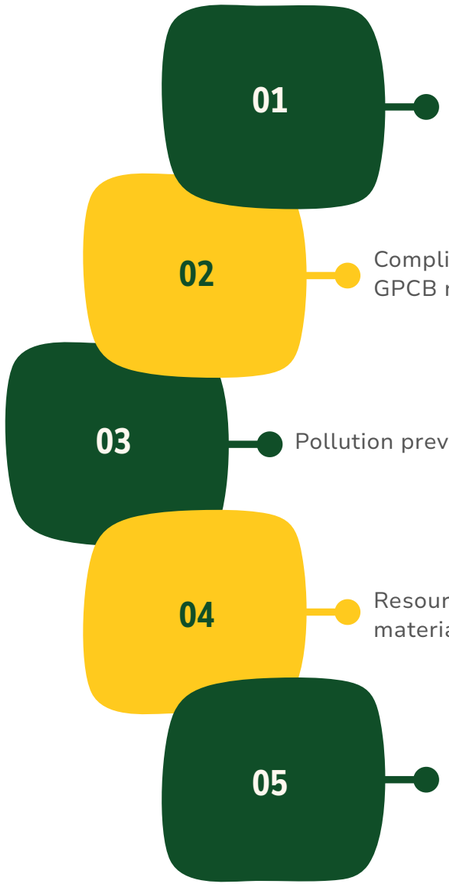
3.1 Environmental Management Approach, Governance & Certifications

GRI 3-3, 2-23, 2-24

Environmental responsibility at PBW Bearings extends beyond regulatory compliance and operational control—it is embedded within the Company's long-term business philosophy, engineering excellence, and commitment to responsible manufacturing. As a manufacturer of precision bimetal and trimetal bearings, bushings, thrust washers, thrust and tilting pads, and journal bearings supplied to customers across 44 countries, PBW recognizes that manufacturing operations carry environmental responsibilities that must be systematically managed while supporting the performance, reliability, and sustainability expectations of global industries.

Operating from its integrated 22,247 m² manufacturing facility at Metoda, Rajkot, PBW manufactures approximately five million precision-engineered components annually through advanced manufacturing processes including centrifugal casting, sintering, cladding, continuous casting, precision machining, electroplating, grinding, and automated finishing operations. These processes require the responsible management of energy, water, raw materials, chemicals, emissions, and waste streams. Rather than viewing these environmental aspects as isolated compliance obligations, PBW manages them through structured management systems that integrate environmental considerations into planning, production, maintenance, infrastructure development, and continuous improvement activities.

ENVIRONMENTAL MANAGEMENT AT A GLANCE



Our approach is guided by the belief that operational excellence and environmental stewardship are mutually reinforcing. Improvements in energy efficiency, process optimisation, material utilisation, waste minimisation, and pollution prevention not only reduce our environmental footprint but also enhance manufacturing efficiency, product quality, operational resilience, and long-term business competitiveness. This philosophy reflects our longstanding corporate mission *"To become leader for bearing need for rotating and reciprocating machinery keeping healthy environment"* demonstrating that environmental responsibility has always been an integral part of PBW's strategic direction rather than a recently adopted sustainability initiative.

Environmental governance at PBW is supported through internationally recognised management systems that establish structured processes for identifying environmental aspects, evaluating risks and opportunities, ensuring legal compliance, monitoring operational performance, assigning responsibilities, and driving continual improvement across manufacturing operations. These management systems provide the foundation for consistent environmental decision-making while enabling the Company to respond proactively to evolving stakeholder expectations, customer requirements, and environmental regulations.

The Company's environmental management framework is supported by the internationally recognised certifications:

ISO 14001 – Environmental Management System

Environmental Management System, providing a structured framework for identifying environmental aspects, preventing pollution, ensuring compliance with applicable legal requirements, monitoring environmental performance, and driving continual improvement.

These management system enable PBW to integrate environmental considerations into day-to-day operations while strengthening accountability, operational discipline, and resource efficiency across all functional areas. Environmental objectives are periodically reviewed by management, supported through employee awareness, operational controls, internal monitoring, performance evaluation, and continual improvement initiatives to ensure that environmental performance evolves alongside business growth.

PBW's environmental management approach is further strengthened through transparent environmental monitoring and performance measurement. Key environmental indicators including electricity consumption, captive renewable energy utilisation, fuel consumption, greenhouse gas emissions, water withdrawal, wastewater generation, waste management, and regulatory compliance are monitored throughout the year to evaluate performance, identify improvement opportunities, and support informed decision-making. Environmental Performance data presented throughout this report has been compiled through structured internal monitoring systems and reflects PBW's commitment to transparency, accountability, and continuous environmental improvement.



For PBW, environmental responsibility is not an activity separate from manufacturing—it is integrated into how we design, produce, improve and deliver every precision bearing.

MATERIAL ENVIRONMENTAL TOPICS

Management of Material Topic

GRI 3-3

PBW's environmental priorities have been identified through its materiality assessment, considering both the significance of environmental impacts arising from manufacturing operations and the increasing expectations of customers, regulators, financial institutions, employees, and other stakeholders. The assessment identified energy management, greenhouse gas emissions, water stewardship, waste and circular resource management, materials stewardship, and environmental compliance as the Company's principal environmental material topics.

These topics are particularly relevant considering the nature of PBW's manufacturing processes, where casting, machining, heat treatment, electroplating, and other precision engineering operations require significant energy inputs, utilise water and process chemicals, and generate metallic scrap and regulated waste streams. In addition, operating within Gujarat—a region that periodically experiences water stress, reinforces the importance of efficient water management and responsible resource utilisation. From a business perspective, growing sustainability expectations from global OEM customers, export markets, and ESG rating agencies further strengthen the importance of robust environmental governance and transparent environmental reporting.

To manage these material topics effectively, PBW has established an integrated environmental management framework supported by its Environmental Policy, Energy Policy, applicable hazardous waste management procedures, regulatory consents issued by the Gujarat Pollution Control Board (GPCB), and certified management systems. During FY 2025–26, the Company continued implementing initiatives focused on increasing renewable energy utilisation through its captive wind power generation, reducing dependence on conventional electricity, improving energy efficiency, optimising natural gas consumption, strengthening water recycling practices, reducing hazardous waste generation, maintaining its 5,763 m² green belt, and promoting tree plantation activities.

The effectiveness of these initiatives is assessed through periodic monitoring of key environmental performance indicators, including electricity and fuel consumption, renewable energy generation, greenhouse gas emissions, water withdrawal and recycling, waste generation and disposal, and compliance monitoring against applicable regulatory requirements. The environmental performance presented throughout this chapter reflects PBW's commitment to continual improvement, responsible manufacturing, and the creation of long-term environmental value alongside sustainable business growth.



Environmental stewardship at PBW is achieved not through isolated initiatives, but through disciplined systems, responsible engineering and a commitment to continual improvement across every stage of manufacturing.

PBW Advantage

01 Bearings designed for long operational life

02 Reduced friction improves equipment efficiency

03 Longer component life reduces replacement frequency

04 High manufacturing precision reduces process losses

05 Continuous engineering innovation supports resource efficiency

3.2 Integrated Energy Management & Decarbonisation Strategy

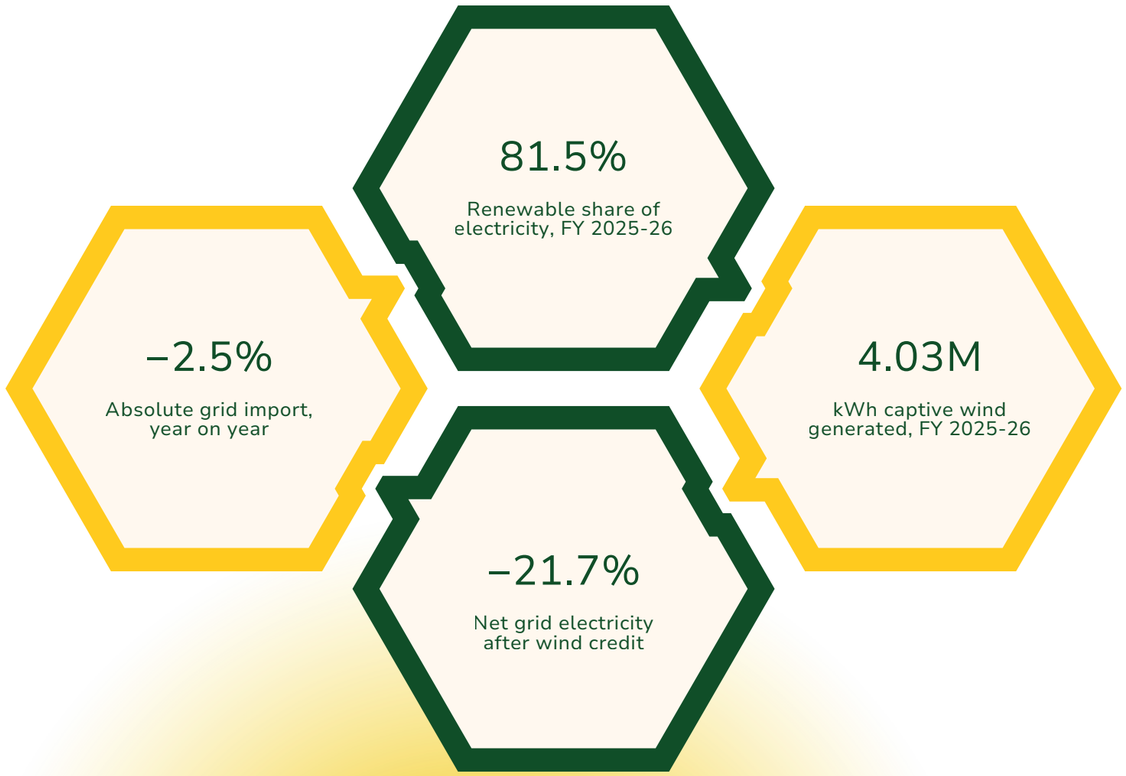
GRI 302-1 · 302-3 · 302-4

Energy sits at the centre of PBW’s environmental performance for two connected reasons. It is the largest input our manufacturing consumes, and it is the truest reflection of what our product is engineered to do. A bearing exists to remove friction so that a customer’s machine wastes less energy; a well-run plant applies the same discipline to itself, removing the friction, heat and idle load that waste energy on our own shop floor. We therefore treat energy not as an overhead to be tolerated but as an efficiency problem to be solved — measured precisely, generated cleanly wherever we can, and reduced at source year on year.

3.2.1 Energy Management Philosophy

PBW's approach to energy is governed by a simple sequence: measure it, source it responsibly, use less of it, and verify the result honestly. Consumption at our Metoda, Rajkot facility is metered across each major carrier — grid electricity, captive wind generation, piped natural gas and diesel; and reviewed by the works and EHS functions rather than left to a single utility bill at year end. This granularity is what allows us to separate a genuine efficiency gain from a simple change in production volume, and to report electricity on both a location-based and a market-based basis as the GHG Protocol requires.

This philosophy is built on a strategic decision made long before the concept of "Scope 2" emissions became widely recognised in the Indian MSME manufacturing sector—the installation of a 2.1 MW captive wind turbine, whose renewable electricity is directly credited against the electricity consumed by our operations. This single investment has had a greater influence on PBW's energy and carbon profile than any individual operational improvement, establishing the guiding principle that shapes our energy strategy: decarbonise the source of energy first, and then continuously improve energy efficiency by reducing demand.





Our Energy Sources

PBW's operations are powered by a deliberately narrow mix of four energy carriers, each with a defined role. The intent is not variety for its own sake but a clean base load carried by renewable generation, with conventional supply retained only where a clean alternative is not yet practical.

CAPTIVE WIND - THE PRIMARY SOURCE
A 2.1 MW turbine at Khiri, Jamnagar supplies the majority of our electricity through Gujarat's captive-generation mechanism. It is the foundation of our low market-based carbon position.

GRID ELECTRICITY (PGVCL) - THE BALANCING SUPPLY
Utility power from Paschim Gujarat Vij Company covers the residual demand that captive wind does not, and remains the variable we work hardest to shrink.

PIPED NATURAL GAS (PNG) - PROCESS & CANTEEN HEAT
A cleaner-burning fuel than liquid alternatives, PNG serves limited thermal duties in production and the staff canteen, with consumption falling year on year.

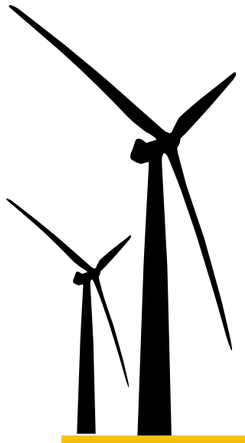
DIESEL - STANDBY ONLY
DG sets run solely to protect production during grid outages, and a small owned-vehicle fleet uses diesel for logistics. Together they are a marginal share of total energy.

OUR ENERGY HIERARCHY IS APPLIED IN THIS ORDER:

- **Renewable first** - maximise the share of demand met by captive wind before any other source is dispatched.
- **Efficient grid use next** - draw the unavoidable balance from the grid while continuously reducing that balance.
- **Clean fuels for heat** - prefer piped natural gas over liquid fuels for the limited thermal load that remains.
- **Diesel as insurance, not routine** - restrict combustion to genuine backup and essential transport.



Renewable Energy Journey – The 2.1 MW Decision



PBW's renewable story is unusual for a manufacturer of our size, and it did not begin as a sustainability programme. In 2019, the company committed capital to a 2.1 MW wind turbine on a windy stretch of the Saurashtra coast. The reasoning at the time was engineering and commercial: secure a stable, self-generated electricity supply and insulate the business from grid tariffs and volatility. Measured properly today, that same decision turns out to have been one of the most consequential climate actions the company has ever taken.

The wind mill is located at Khiri, Jamnagar, approximately 90 kilometres from the plant, and its generation is credited against our plant's consumption through the state's captive-power framework. In FY 2025-26 it produced 4,030,155 kWh — a 3.2% increase on the previous year, covering the substantial majority of the electricity our manufacturing requires. It is the single reason that 81.5% of our electricity is renewable, and the reason our market-based carbon footprint is close to one-fifth of our location-based footprint.

2.1 MW



#RunCleaner | Why the wind decision matters

Most companies bolt renewable energy onto an existing footprint. PBW built its footprint around clean generation from the outset. The consequence is quiet but decisive: while our location-based emissions describe the carbon a national grid would attribute to us, our market-based emissions — the figure that reflects the wind power we actually own and consume — tell the real story of what leaves our operations. A capital choice made for commercial reasons has become the backbone of our decarbonisation, and the reason our climate claims rest on assets in the ground rather than intentions on paper.

Benefits realised

- ***Clean base load:*** captive wind meets the majority of plant electricity demand, displacing fossil-heavy grid power.
- ***A structural carbon advantage:*** market-based Scope 2 stands at roughly one-fifth of the location-based figure, a gap created entirely by owned renewable generation.
- ***Avoided emissions at scale:*** 2,861 tonnes of CO_2e Emissions avoided in FY 2025-26.
- ***Cost and tariff resilience:*** self-generated power reduces exposure to grid tariff movements and fuel-price volatility.

Relatable Equivalence

The 4,030,155 kWh of wind power PBW generated in FY 2025-26 is roughly the annual household electricity of more than 3,300 average Indian homes — produced with no fuel, no combustion and no emissions.

The next step: Rooftop Solar Installation at PBW's Metoda Plant

Wind generation is strong but variable, and by its nature it is dispatched off-site. Solar offers a complementary profile, generated on our own rooftops, peaking through daylight manufacturing hours when the plant's load is highest. PBW is therefore evaluating an on-site rooftop solar installation in FY 2026-27 to sit alongside the existing wind asset, closing the residual grid gap and pushing the renewable share to >90%.





Energy Performance

The tables below consolidate PBW's energy consumption for both reporting years. Two movements matter most. Absolute grid import fell 2.5% even as production and headcount grew, which is an efficiency gain rather than a volume effect. More significantly, net grid electricity after the wind credit fell 21.7%, because renewable generation rose while grid demand declined — and it is this net position that drives our market-based carbon result.

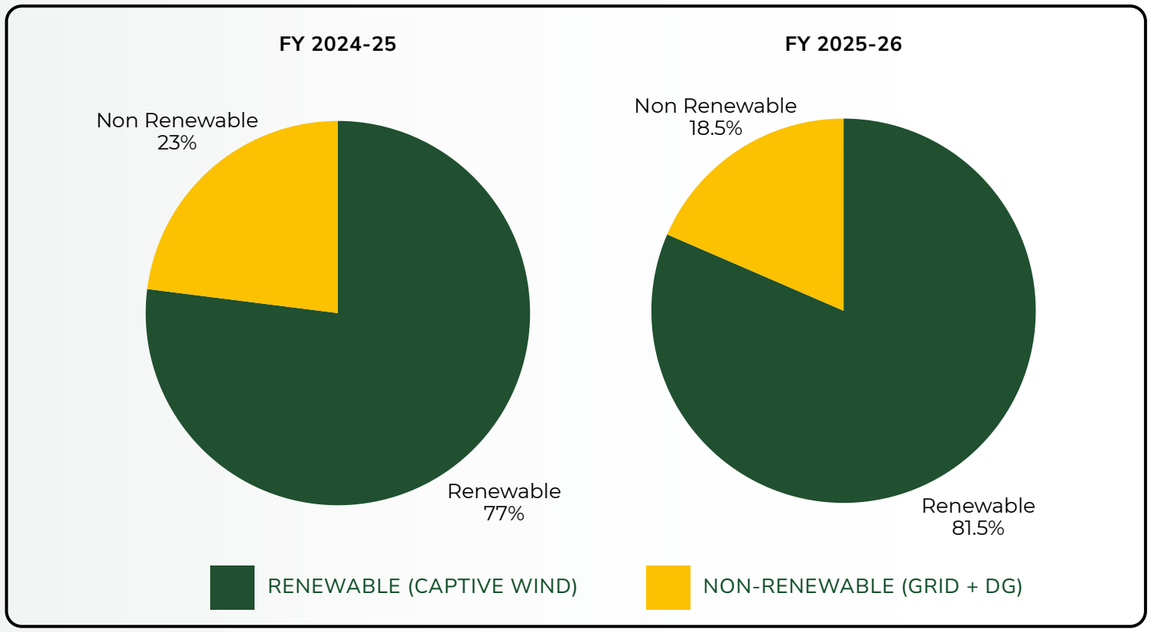
Electricity Portfolio

Indicator	Unit	FY 2024-25	FY 2025-26
Renewable energy share	%	77	81.54
Purchased renewable / RECs	MWh	0	0



Fuels Portfolio

Natural-gas consumption fell 16.2% across both industrial and canteen use, reflecting tighter thermal management. Diesel in DG sets rose as grid-outage backup ran more often, but at 1,933 litres it remains an immaterial share of total energy. Vehicle diesel declined on more efficient logistics scheduling.



Energy intensity

Indicator	Unit	FY 2024-25	FY 2025-26
Energy intensity (Total Energy Consumption / Total Weight of Production)	GJ / MT of production	42.85	45.04
Energy intensity (Energy Consumption after wind credit / Total Weight of Production)	GJ / MT of production	10.73	9.15

Energy Efficiency Initiatives

Clean generation reduces the carbon content of each kilowatt-hour; efficiency reduces how many kilowatt-hours the plant needs in the first place. PBW pursues the second lever through a portfolio of shop-floor measures, each targeting a specific source of avoidable consumption. The initiatives below are grouped by where the energy is spent — motion, heat, compressed air, lighting and standby load.

ROBOTIC AUTOMATION & SPM LINES
Automated and special-purpose machining runs tighter, repeatable cycles with fewer rejections and less rework — cutting the energy consumed per good part rather than per machine hour.

PREVENTIVE & PREDICTIVE MAINTENANCE
Well-maintained motors, drives and compressors run at rated efficiency. Condition monitoring catches drift before it becomes wasted load — a discipline our own product exists to serve.

LED & SMART LIGHTING
Progressive replacement of legacy fixtures with LED lighting, supported by daylight harvesting and zoning, lowers a continuous fixed load across shop and office areas.

IDLE & STANDBY CONTROL
Machines and auxiliaries are set to power down during non-productive intervals, eliminating the silent standby load that accumulates across a full shift pattern.



PROCESS OPTIMISATION
Casting, sintering and machining parameters are tuned for right-first-time output, reducing scrap re-melts and the reprocessing energy that failed parts would otherwise demand.

COMPRESSED-AIR MANAGEMENT
Compressed air is among the costliest energy streams in any machining plant. Leak surveys, pressure right-sizing and demand control target losses that are invisible on a utility bill.

HIGH-EFFICIENCY MOTORS & VFDS
Replacement of IE2 motors with IE3 high-efficiency motors and VFDs to reduce electricity consumption and optimise motor performance.

SUB-METERING & MONITORING
Carrier-level metering turns energy from a single annual number into a live signal, exposing where consumption concentrates and where the next saving lies.

Future Energy Roadmap

PBW's forward energy agenda moves along two tracks in parallel: formalise the management system that governs energy, and continue pushing the renewable share upward while trimming absolute demand. The roadmap below states where each commitment stands and the direction of travel.

Our energy roadmap focuses on:

- ***Formalising an ISO 50001 Energy Management System*** to embed metering, review and continual-improvement discipline into a certified framework.
- ***Raising the renewable share to 100%*** by combining sustained captive wind generation with new on-site rooftop solar.
- ***Commissioning rooftop solar*** to add a daytime, on-site clean source that complements off-site wind.
- *Reducing absolute grid import year on year* through the efficiency portfolio, independent of production growth.



3.3 Climate Action, Greenhouse Gas Emissions & Decarbonisation Roadmap

GRI 305-1 · 305-2 · 305-4 · 305-5

"Less friction inside the machine. Less carbon outside it."

Climate Strategy

PBW's climate position rests on a distinction few component manufacturers can draw as cleanly. Every bearing we ship reduces friction and therefore fuel and emissions; inside a customer's engine, pump, compressor or turbine, wherever those machines run across our 44 export markets. That is our handprint: the emissions our product helps others avoid. Alongside it sits our footprint: the emissions our own operations create. Our strategy is to shrink the footprint aggressively while making the handprint the centre of how we describe the company's contribution to a lower-carbon economy.

The footprint work already carries a structural head-start. Because our captive wind generation is contractually credited to our consumption, PBW reports Scope 2 on both a location-based and a market-based basis, and the market-based figure; the one that reflects the clean power we actually own is a fraction of the grid-average number. Emissions are quantified under the GHG Protocol Corporate Standard and ISO 14064, using an operational-control boundary, so that our disclosures are comparable, verifiable and ready for the external assurance PBW intends to pursue.



GHG Inventory — Methodology

A credible carbon figure depends entirely on how it was built. PBW's inventory follows internationally recognised accounting rules rather than internal convention, so that each tonne reported can be traced to a source, a factor and a method.

Our GHG inventory is built on:

- *Recognised standards* — the GHG Protocol Corporate Standard and ISO 14064 for quantification and reporting.
- *An operational-control boundary* — all emissions from sources PBW operates at its Metoda, Rajkot facility.
- *Dual Scope 2 accounting* — both location-based (grid-average) and market-based (reflecting captive wind), as the Protocol requires.
- *A defined base year* — FY 2024-25, against which reductions are measured and restated if methodology changes.
- *Traceable emission factors* — 2006 IPCC, DEFRA, and CEA - GOI published latest emission factor are used for the *emission calculations.*



SCOPE 2 — INDIRECT EMISSIONS FROM PURCHASED ELECTRICITY

Scope 2 emissions arise from the electricity purchased to support PBW's manufacturing operations and represent the largest component of the Company's operational greenhouse gas emissions. On a location-based basis, using the applicable grid emission factor, Scope 2 emissions declined by 4.8%, reflecting reduced grid electricity consumption during the reporting year. On a market-based basis, which incorporates the renewable electricity generated through PBW's captive wind power project, Scope 2 emissions decreased further to 23.6% reduction compared to FY 2024–25.



SCOPE 3 — VALUE-CHAIN EMISSIONS

Scope 3 emissions represent indirect greenhouse gas emissions occurring across PBW's upstream and downstream value chain. PBW has initiated Scope 3 measurement by quantifying emissions associated with employee commuting and business travel. As the Company's data collection and reporting systems mature, PBW will progressively expand the inventory to cover additional relevant upstream and downstream Scope 3 categories in future reporting cycles.FY 2024–25.





Avoided Emissions

Beyond the emissions PBW reports, the captive wind asset avoids emissions that would otherwise have been generated had the same electricity been drawn from the grid. In FY 2025-26 these avoided emissions were reported to be 2,861 tCO_2e, due to offsite renewable energy generation.



Captive renewable generation avoided 2,861 tCO2e in FY2025-26





Climate Risk

As an export-oriented manufacturer, PBW is exposed to climate-related risk on two fronts. Transition risk is the more immediate: carbon-border measures such as the EU's CBAM place a growing cost on the embedded emissions of metals-intensive components entering key markets, while a rising share of customers now make supplier decarbonisation and emissions transparency a condition of doing business. Physical risk is more gradual but real — the Rajkot region's water stress, summer heat and monsoon variability can affect operational continuity. PBW's low market-based footprint and captive renewable base position it well against the first category; the second is managed through the resource-stewardship and business-continuity measures set out elsewhere in this report.



Climate Opportunities

The same transition that creates risk also creates advantage for a company whose product is, at root, an efficiency technology. As customers work to lower the energy and emissions of their own machinery, a bearing that reduces friction becomes a decarbonisation input rather than a commodity — the essence of PBW's handprint story. A market-based footprint already among the lowest in the sector is itself a commercial asset as global supply chains screen suppliers on carbon emissions. And self-generated wind power insulates the business from the very energy-cost volatility that pressures competitors.



Net Zero & Future Commitments

As PBW approaches its centenary in 2048, its long-term ambition is to achieve Net Zero emissions across 100% of operational sites. The pathway is sequenced deliberately rather than declared all at once: first, drive the renewable share of electricity to 100% by combining sustained wind generation with new rooftop solar; second, compress the residual grid demand through the ISO 50001 efficiency programme; third, address the small Scope 1 combustion load through fuel-switching and reduced backup-generator dependence; and finally, extend measurement and engagement into the value chain as the Scope 3 inventory matures.

The decarbonisation sequence

1. **Decarbonise supply -** renewable electricity to 100% (wind + solar).
2. **Reduce demand -** ISO 50001 EnMS and the shop-floor efficiency portfolio.
3. **Address direct combustion -** fuel-switching and lower DG dependence for Scope 1.
4. **Extend to the value chain -** build and act on the Scope 3 inventory.

Commitment	Target	Timeline (by end of)
Reduce Scope 1 emission	Reduce absolute Scope 1 emissions by 20% from 2024 baseline by 2030	FY 2029-30
100% Renewable Electrcity	Achieve 100% renewable electricity consumptions across all facilities	FY 2028-29
Neutral Scope 2 emission	Become Scope 2 GHG neutral through 100% renewable electricity	FY 2028-29
Reduce Scope 3 emission	Reduce absolute Scope 3 emissions by 10% from 2024 baseline by 2030	FY 2029-30
Reduce Emission Intensity	Reduce emission intensity by 15% from 2024 baseline by 2030	FY 2029-30
Net Zero Target	Achieve net zero emissions across full value chain	FY 2048-49



Looking Ahead

PBW approaches the climate transition from an unusually solid footing: a renewable base that most SMEs are only beginning to build, and a product whose entire purpose is to remove waste from the machines of others. The work ahead is less about reversing direction than about completing the measurement — fixing the intensity denominator, closing the Scope 3 gap, and formalising energy governance under ISO 50001 — and then converting a strong position into verified, externally assured performance. Less friction inside every bearing, and less carbon behind every plant: the same engineering instinct, applied at two scales, is what will carry PBW toward carbon-neutral operations.



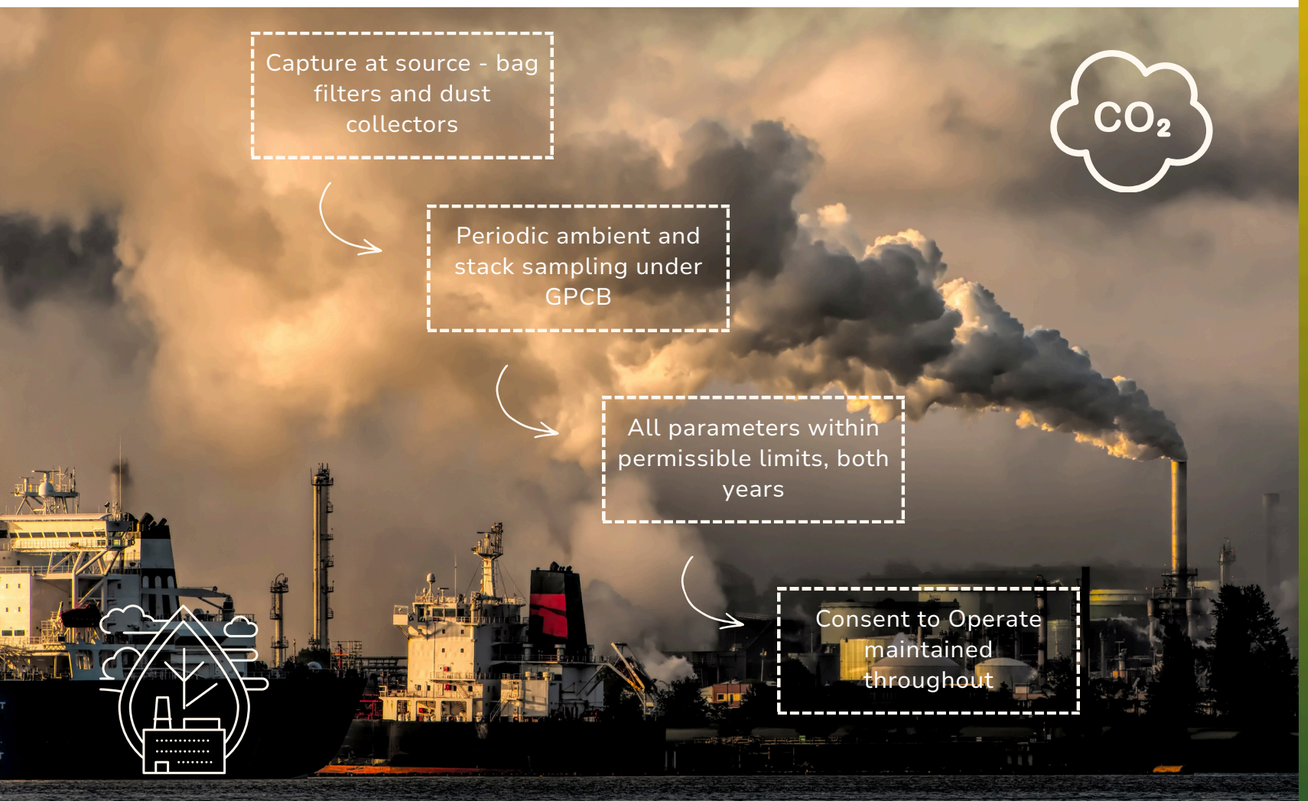
"We did not wait for regulation to tell us that wasted energy is wasted value — reducing it is what our product has always done. The task now is to measure that instinct honestly and let the numbers speak."

3.4 Air Emissions & Ambient Air Quality

GRI 305-7

PBW's foundry, machining and finishing operations release two kinds of air emission: particulate matter lifted from casting and grinding, and combustion products from the limited gas- and diesel-fired equipment on site. Both are captured close to their source. Bag filters and dust collectors draw particulate out of the working environment before it reaches the stack, and the residual discharge is verified against consent limits through periodic ambient and stack sampling carried out under Gujarat Pollution Control Board (GPCB) conditions.

Across both reporting years, every measured ambient and stack parameter stayed within the permissible thresholds set by the GPCB, and the facility's Consent to Operate remained valid without interruption. Air quality at PBW is therefore managed not as an annual reporting exercise but as a continuous condition of the license to run the plant.



3.5 Water Stewardship

GRI 303-1 · 303-2 · 303-3 · 303-5

3.5.1 Water Context & Philosophy

PBW's plant sits in Rajkot, in the Saurashtra belt of Gujarat — a region where groundwater is not simply a factory input but a resource shared with farmers, households and neighboring industry, and one that recharges slowly. That context shapes how PBW treats water. The company's duty is not only to use water lawfully and efficiently within its own boundary, but to draw as little fresh water as the process honestly allows, so that operational demand does not compete with the surrounding community during the dry months. Water performance is therefore reported here with the same candour as carbon: where consumption rose, we say so, and we explain what is being done to bend the curve.



3.5.2 Water Sources & Uses

Water at PBW serves four distinct duties, each with a different quality requirement and a different route back to the environment. Understanding where water goes is the first step to using less of it.

Process cooling
Recirculated water removes heat from casting and machining operations; losses are limited to evaporation and blowdown rather than continuous fresh draw.

Electroplating & finishing
Surface-treatment lines use water in controlled baths and rinses; the resulting effluent is the stream most dependent on treatment before it can be reused or discharged.

General utility
Floor washing, equipment cleaning and plant housekeeping account for a diffuse but manageable share of demand.

Domestic & canteen
Drinking, sanitation and canteen use serve the workforce; this stream is routed through the sewage-treatment system for reuse in non-contact applications.

3.5.3 Water Performance

Water consumption at PBW increased during FY 2025–26, reflecting higher production activity and increased operational demand across the manufacturing facility. The Company transparently reports this increase while recognizing that, as a precision engineering manufacturer operating in a water-stressed region, responsible water management extends beyond reducing absolute consumption. Equally important is improving water-use efficiency through recycling, reuse, and process optimization.

Industrial process water consumption increased by 37.8%, primarily in line with higher manufacturing activity during the reporting year, while domestic water consumption increased by 8.3%. Consequently, total water consumption increased by 22.2% compared to the previous financial year

Water Profile

Indicator	Unit	FY 2024-25	FY 2025-26
Treated-water reuse rate	%	25	30
Water Intensity	KL/MT of production	11.72	17.47



Efflunet Treatment Plant (ETP)

While total water consumption increased during the reporting year, PBW achieved a proportionately greater improvement in water recycling and reuse. A total of 3,921 KL of treated water was recovered and reused during FY 2025–26, representing a 45.3% increase over the previous year. As a result, the treated water reuse rate improved from 25% to 30%, demonstrating continued progress in enhancing circular water management practices within the facility.

The improvement in water reuse indicates that a larger proportion of water withdrawn is being recovered and utilised within operations, thereby reducing dependence on fresh water for equivalent production activities. This reflects PBW's continued efforts to strengthen water stewardship by improving resource efficiency alongside business growth. However, water intensity increased by 49.1%, from 11.72 KL/MT of production in FY 2024–25 to 17.47 KL/MT of production in FY 2025–26, indicating higher water consumption per unit of production.

Recognising the increasing importance of water conservation, particularly in the water-stressed region of Gujarat, PBW remains committed to further improving water-use efficiency through enhanced recycling practices, process optimisation, and responsible resource management. Going forward, the Company will continue monitoring both absolute water consumption and water intensity, enabling stakeholders to distinguish production-driven increases in water demand from genuine improvements in operational efficiency.

3.5.4 Wastewater Treatment & Reuse

No process wastewater leaves PBW untreated. Wastewater from manufacturing and finishing operations is treated through the on-site Effluent Treatment Plant (ETP) to meet applicable consent requirements before reuse or permitted discharge. Domestic wastewater is managed separately through the Sewage Treatment Plant (STP), with treated water reused for gardening and green-belt maintenance, supporting water conservation and reducing freshwater demand for landscaping.

- Biochemical Oxygen Demand (BOD)
- Chemical Oxygen Demand (COD)
- Total Suspended Solids (TSS)
- Total Dissolved Solids (TDS)
- Oil & Grease

Treated water is put back to work in:

- Gardening and green-belt irrigation within the plant boundary.
- Floor washing, equipment cleaning and general housekeeping.
- Sanitation and flushing, displacing fresh water for the same purpose.

3.5.5 Water Efficiency & Resilience

Reducing dependence on groundwater is both an environmental and operational resilience priority for PBW. The Company has established a groundwater recharge system within the plant premises, through which rainwater and site drainage are collected and directed to recharge wells and borewell sources. This system supports the replenishment of groundwater during the monsoon and helps improve the long-term sustainability of the Company's water resources.

PBW will continue to strengthen water conservation and recharge practices alongside its existing treated-water recycling and reuse measures, with a focus on improving water-use efficiency and reducing pressure on groundwater resources.



Relatable Equivalence

- The ***3,921 KL*** of water PBW recycled in FY 2025-26 is roughly ***1.6 Olympic swimming pools*** returned to productive use rather than drawn fresh — in a district where every litre left in the ground matters to the community that shares it.

3.5.6 Water Targets

Commitment	Target	By
Reduce Water Intensity Target	Reduce water intensity by at least 20%	FY 2029-30
Treated-water reuse rate	Achieve a reuse rate of at more than 50%	FY 2029-30
Untreated effluent discharge	Maintain zero untreated effluent discharge	Ongoing



3.6 Waste Management & Circular Economy

GRI 306-1 · 306-2 · 306-3 · 306-4 · 301-2

For a bearing maker, the strongest circular story is written in metal.

3.6.1 Circular Resource Management Approach

GRI 306-1 | GRI 306-2 | GRI 306-3

At PBW Bearings, waste is not viewed merely as an inevitable by-product of manufacturing but as a valuable resource that should be recovered, reused, or responsibly recycled wherever technically and economically feasible. As a manufacturer of precision bimetal and trimetal bearings, a significant proportion of the Company's material flows comprise high-value ferrous and non-ferrous metals, creating a strong foundation for circular resource management.

Manufacturing processes such as centrifugal casting, machining, grinding, finishing, electroplating, and assembly generate different waste streams, including metallic scrap, packaging materials, process residues, wastewater treatment sludge, used oils, plastics, and general municipal waste. Recognising the environmental and economic value of these materials, PBW adopts a systematic waste management approach that prioritises waste prevention, resource recovery, internal reuse, and authorised recycling before considering final disposal.

The Company's waste management philosophy follows the internationally recognised waste hierarchy, with primary emphasis on preventing waste generation at source through efficient manufacturing practices, optimised material utilisation, process control, and continuous improvement initiatives. Where waste generation cannot be avoided, materials are recovered for reuse within operations wherever technically feasible or channelled to authorised recyclers and treatment facilities to maximise resource recovery and minimise environmental impact.



Metallic waste represents the most significant waste stream generated by PBW's operations. Unlike many manufacturing industries where waste primarily requires disposal, a substantial proportion of PBW's metal scrap retains considerable material value and can be effectively reintegrated into the production cycle or recycled through approved resource recovery channels. This enables the Company to reduce virgin material consumption, conserve natural resources, improve material efficiency, and support the principles of a circular economy.

Hazardous waste streams, including chemical sludge, used oils, contaminated consumables, and other regulated wastes, are managed through dedicated handling, storage, transportation, and disposal procedures in accordance with applicable statutory requirements and the conditions prescribed by the Gujarat Pollution Control Board (GPCB). All hazardous wastes are transferred only to authorised Treatment, Storage and Disposal Facilities (TSDFs), ensuring environmentally sound management throughout the waste lifecycle.

By integrating circular resource management into its manufacturing philosophy, PBW aims not only to minimise waste generation but also to maximise the productive value of every material entering its operations. This approach strengthens operational efficiency, supports responsible resource utilisation, reduces environmental impacts, and reinforces the Company's commitment to sustainable manufacturing.

PBW WASTE MANAGEMENT HIERARCHY



3.6.2 Waste Performance

GRI 306-3 | GRI 306-4

PBW continued strengthening its waste management performance during FY 2025–26 through improved material recovery practices, enhanced waste segregation, and responsible disposal of regulated waste streams. While manufacturing activity increased during the reporting period, the Company remained focused on improving resource recovery and reducing the environmental impact associated with waste generation.

A notable achievement during the year was the 28.0% reduction in hazardous waste generation, demonstrating improved process control and more efficient management of waste streams requiring specialised handling and disposal. The reduction reflects PBW's continued efforts to minimise hazardous residues through operational improvements, better material utilisation, and responsible manufacturing practices.

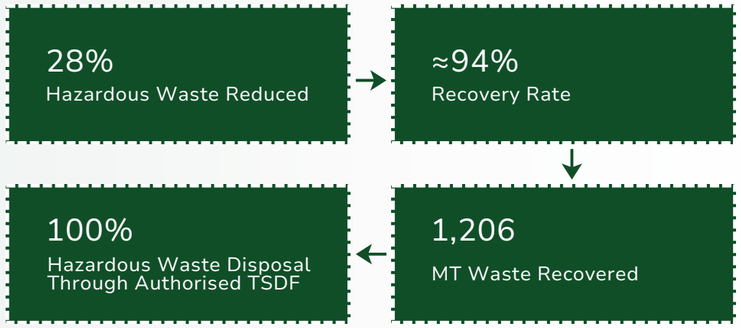
Non-hazardous waste generation increased by 8.2%, primarily reflecting higher production volumes during the reporting year. However, the majority of these materials continued to be recovered through internal reuse or authorised recycling channels, supporting the Company's commitment to circular resource management.

Overall, 1,206 MT of non-hazardous waste was recovered or diverted from disposal during FY 2025–26. Although the waste recovery rate declined marginally due to changes in the composition of waste generated, recovery remained the dominant waste management pathway across the facility. PBW also continued its membership with an authorised Treatment, Storage and Disposal Facility (TSDF), ensuring environmentally sound management of hazardous waste in compliance with applicable environmental regulations.

Waste Profile

Indicator	Unit	FY 2024-25	FY 2025-26
Total hazardous waste generated	MT	6.769	4.871
Total non-hazardous waste generated	MT	1184	1281
Total waste recovered / diverted	MT	1176	1206
Waste recovery rate	%	98.76	93.79
TSDF membership	Yes / No	Yes	Yes

Waste Performance Highlights FY 2025-26





3.6.3 Waste Streams & Material Recovery

GRI 306-3 | GRI 306-4

Understanding the composition of waste generated across manufacturing operations enables PBW to identify opportunities for improving material efficiency, strengthening circular resource management, and minimising environmental impacts. The Company's waste profile comprises both hazardous and non-hazardous waste streams generated from various manufacturing activities, including casting, machining, electroplating, finishing, maintenance, packaging, and general facility operations. Each waste stream is managed through dedicated segregation, handling, recovery, recycling, or authorised disposal practices based on its nature and applicable regulatory requirements.



Hazardous waste generated during manufacturing primarily includes ETP sludge, used cutting oil, discarded oil drums, and electronic waste, all of which require specialised handling due to their environmental characteristics. These waste streams are collected, stored, and disposed of through authorised Treatment, Storage and Disposal Facilities (TSDFs) and certified recyclers in accordance with applicable hazardous waste management regulations, ensuring environmentally sound disposal and full regulatory compliance.

Non-hazardous waste is predominantly composed of ferrous and non-ferrous metal scrap, which together constitute the largest share of the Company's recoverable waste by volume. Owing to their high residual material value, these metals are systematically segregated at source to maximise opportunities for internal reuse and external recycling. Other non-hazardous waste streams—including packaging materials, plastic waste, polythene bags, food waste, and general municipal waste—are similarly segregated and channelled through appropriate recycling or disposal pathways based on their recyclability and end-use potential.

The detailed waste profile presented below demonstrates that PBW's circular resource management approach is primarily driven by the recovery of valuable metallic materials while ensuring the safe management of regulated hazardous waste streams. By maintaining effective waste segregation practices and prioritising material recovery wherever feasible, the Company continues to strengthen resource efficiency and reduce the quantity of waste requiring final disposal.

The significant increase reported under general garbage during FY 2025–26 primarily reflects improvements in waste measurement and record-keeping practices rather than a proportional increase in waste generation. Enhanced segregation, weighing, and documentation procedures introduced during the reporting year resulted in more comprehensive capture of housekeeping and municipal waste that had previously been under-recorded. PBW will continue reviewing its baseline data and, where appropriate, will restate comparative information in accordance with GRI 2-4 to improve year-on-year comparability and reporting consistency.



Streamwise Waste Generation

Stream	Classification	Unit	FY 2024-25	FY 2025-26
ETP Sludge	Hazardous	kg	800	1235
Oil Drum	Hazardous	kg	650	180
Cutting Oil	Hazardous	kg	5184	3456
E-Waste	Hazardous	kg	135	0
Ferrous scrap generated & sold	Non-hazardous	kg	845119	870249
Non-ferrous scrap (reused internally)	Non-hazardous	kg	313670	319368
Packing material waste (cartons)	Non-hazardous	kg	7754	9602
General plastic waste	Non-hazardous	kg	1192	1755
HM polythene bags	Non-hazardous	kg	2013	1589
Canteen food waste	Non-hazardous	kg	636	700
General garbage	Non-hazardous	kg	13,613*	77975

Note: *Systematic monitoring and recording of general garbage waste commenced in January 2025. Accordingly, the FY 2024–25 reported quantity is significantly lower than FY 2025–26 due to the limited monitoring period and should not be interpreted as a like-for-like year-on-year comparison.*

3.6.4 Closed-Loop Metal Recovery

GRI 301-2 | GRI 306-4

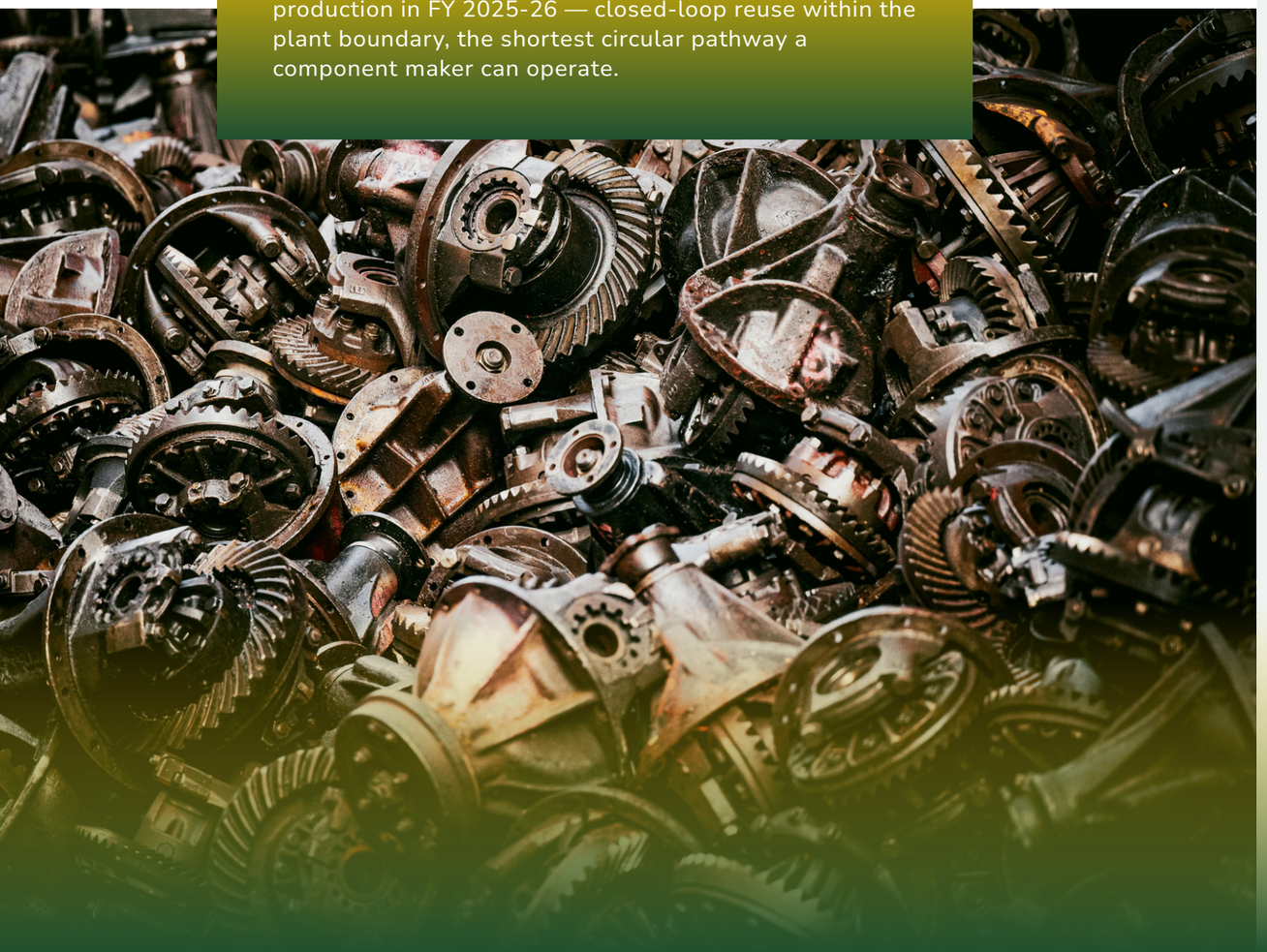
The most significant example of circular resource management at PBW takes place within its own manufacturing operations through the closed-loop recovery of non-ferrous metals. During the production of bimetal and trimetal bearings, valuable bronze- and aluminium-based alloy scrap is generated as an unavoidable consequence of precision machining and manufacturing processes. Rather than treating these materials as waste, PBW systematically recovers suitable non-ferrous scrap and reintroduces it into the manufacturing cycle wherever metallurgical specifications permit.

This closed-loop approach significantly reduces the requirement for virgin raw materials, conserves natural resources, lowers waste generation, and improves overall material utilisation. At the same time, it strengthens manufacturing efficiency by retaining valuable alloy resources within the production system, creating both environmental and economic value.

During FY 2025–26, 319,368 kg of non-ferrous scrap was successfully recovered and reused within PBW's own manufacturing operations. By maintaining this material within the factory boundary rather than sending it for external reprocessing, PBW achieves one of the shortest and most effective circular material loops possible in precision engineering manufacturing.

The Company's continued focus on internal material recovery demonstrates that circularity is not limited to waste management—it is integrated into product manufacturing, resource stewardship, and long-term operational excellence.

319,368 kg of non-ferrous scrap returned to PBW’s own production in FY 2025-26 — closed-loop reuse within the plant boundary, the shortest circular pathway a component maker can operate.



3.6.5 Hazardous Waste Management

GRI 306-2 | GRI 306-3

Although hazardous waste represents only a small proportion of PBW's overall waste generation, it receives the highest level of operational control due to its potential environmental and regulatory implications. Hazardous waste generated from manufacturing activities primarily includes effluent treatment plant (ETP) sludge, used cutting oil, discarded oil drums, used batteries, electronic waste, contaminated consumables, and other regulated waste streams arising from maintenance, utility operations, and process activities.

PBW follows a structured hazardous waste management system that emphasises safe handling, segregation, temporary storage, transportation, and environmentally sound disposal in accordance with the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, applicable Gujarat Pollution Control Board (GPCB) requirements, and other relevant statutory regulations.

Hazardous waste is segregated at the point of generation and stored in designated areas with appropriate identification, containment, and handling controls to prevent cross-contamination with recyclable materials or general waste. All hazardous waste movements are documented and tracked to ensure complete regulatory compliance and traceability throughout the waste management lifecycle.

Hazardous waste is handled through:

- **Ecocare Infrastructure TSDF -** treatment, storage and disposal of sludge and non-recyclable hazardous streams.
- **GPCB-authorised recyclers -** for spent oil, drums and other recoverable hazardous material.
- **Authorised e-waste recyclers -** electronic waste consigned exclusively to licensed handlers.
- **Segregation at source -** hazardous fractions kept separate from recoverable metal and general waste.

Through systematic segregation, regulatory compliance, and responsible disposal practices, PBW continues to minimise environmental risks associated with hazardous waste while supporting safe and sustainable manufacturing operations.



3.6.6 Waste Reduction Targets & Circularity Commitments

GRI 3-3 | GRI 306-4

PBW recognises that effective waste management extends beyond regulatory compliance and requires continuous improvements in material efficiency, waste recovery, and circular resource utilisation. The Company has therefore established progressive waste management commitments focused on reducing hazardous waste generation, improving resource recovery, strengthening internal circularity, and minimising waste requiring final disposal.

The targets outlined below represent PBW's current strategic direction and will continue to evolve as environmental performance monitoring, material flow analysis, and circular economy initiatives mature across the organisation. Progress against these commitments will be periodically reviewed by management and incorporated into future sustainability reporting.

PBW remains committed to strengthening circular manufacturing practices by continuously improving waste segregation, expanding opportunities for material recovery, enhancing internal reuse of valuable resources, and collaborating with authorised recycling partners. As the Company's sustainability programme continues to evolve, future initiatives will focus on increasing recycled material utilisation, reducing landfill dependency, and embedding circular economy principles across manufacturing operations.



#RunCleaner | Engineered to Endure

- PBW’s largest circular contribution never appears on a waste sheet — it appears in a customer’s maintenance schedule. A bearing that lasts longer is replaced less often, which means less metal cast, less energy spent machining, less packaging and less transport for every additional year of service it delivers. The investment in lead-free lining, precision tooling, robotic process control and NABL-accredited testing exists to extend that working life. Durability, in other words, is a circular-economy strategy: “Engineered to Endure” is the design intent of the product.

Commitment	Baseline (FY 24-25)	FY 2025-26	Target	By
Hazardous waste generated	6,769 kg	4,871 kg	≥ 10% reduction vs baseline	FY 2029-30
Non-hazardous recovery rate	0.988	0.939	≥ 98% sustained	FY 2027-28
Non-ferrous scrap reused internally	Practiced	Practiced	Maintain closed-loop reuse	Ongoing

3.7 Materials & Product Stewardship

GRI 301-1 · 301-2

“Responsibility begins in the alloy, not at the end of the line.”

3.7.1 Material Inputs

PBW’s products are metals-intensive by nature: copper, tin, aluminium, steel backing strip and engineered alloy powders form the substance of every bimetal and trimetal bearing. Because these inputs carry both an environmental cost upstream and a recovery value downstream, disciplined tracking of what enters the plant is the foundation of both circularity and future Scope 3 accounting..

3.7.2 The Lead-Free Transition

The most consequential product-stewardship advance PBW has made is the shift to lead-free bearing materials. Historically, bearing linings and overlay platings relied on lead for its bearing-friendly properties; PBW’s materials-development programme has moved production to lead-free lining and lead-free overlay systems that deliver the same tribological performance without the toxic metal.



Tech Spotlight |Lead-free by design

- *Removing lead from the lining and overlay does two things at once. It cuts the release of a hazardous heavy metal across the product’s entire life — in manufacture, in service and at end-of-life — and it protects the people who make and handle the bearings from occupational lead exposure. For customers, a lead-free bearing is increasingly a condition of market access as global chemical-restriction regimes tighten. What began as a materials-engineering project has become a compliance advantage and a health safeguard in the same stroke.*



3.7.3 Design for Durability & Recyclability

Product stewardship at PBW is deliberately front-loaded to the design stage, where the largest lifetime impacts are decided. Two design instincts carry the most weight. The first is durability: precision tooling, robotic process control and NABL-accredited testing exist to extend service life, and a longer-lived bearing displaces the material and energy of the replacements it makes unnecessary. The second is recyclability: because PBW builds from bronze, aluminium and steel rather than composite or bonded materials, its products remain cleanly separable and recoverable at end-of-life instead of becoming mixed waste.



3.7.4 Chemical & Regulatory Stewardship

PBW manages the substances in its products against the direction of global regulation rather than the minimum of local rule. The lead-free transition already aligns the portfolio with the restricted-substance expectations embodied in international regimes such as RoHS and REACH, and PBW is building the material-declaration discipline needed to respond to customer substance-of-concern requests across its 44 export markets. Formal substance-data management and declaration coverage are being extended, with progress to be reported as the system matures.



- Lead-free lining & overlay across production
- Alignment with international restricted-substance regimes
- Material-declaration capability for export customers
- Separable metals — recoverable at end-of-life

3.8 Product-in-Use Impact — The Handprint

GRI 305-5

> ***"Our footprint is what we emit. Our handprint is what we help the world avoid.***

A sustainability journey extends beyond the environmental impacts generated within a manufacturing facility. For engineering companies such as PBW Bearings, the performance of the products delivered to customers also plays an important role in supporting resource efficiency throughout the product's operational life.

While this report primarily presents PBW's environmental performance within its own operations, the Company also recognises the broader value created through the application of its precision-engineered bearings across diverse industrial sectors. Designed to minimise friction, withstand demanding operating conditions, and deliver consistent performance over extended service life, PBW's products contribute to improving the operational efficiency and reliability of the equipment in which they are installed.

Unlike direct operational emissions, these downstream environmental benefits are influenced by several external factors, including equipment design, operating conditions, maintenance practices, loading patterns, lubrication quality, and customer-specific applications. Nevertheless, PBW recognises that precision engineering has an important role in enabling more efficient industrial operations. Bearings are fundamental mechanical components whose primary purpose is to minimise friction between moving surfaces. By reducing frictional losses and supporting smooth rotational movement, well-designed bearings help equipment operate more efficiently, improve reliability, reduce wear, and extend service life. These characteristics support more efficient utilisation of energy and materials throughout the operational life of the equipment.

Today, PBW's products serve customers across 44 countries in applications including engines, locomotives, pumps, compressors, turbo machinery, wind energy systems, earthmoving equipment, steel mills, and other rotating and reciprocating machinery. Across these diverse applications, product quality, dimensional accuracy, material selection, and manufacturing precision remain critical factors influencing long-term equipment performance and operational reliability.

Rather than viewing sustainability solely through the lens of emissions generated during manufacturing, PBW believes that engineering excellence and product durability also represent important contributions towards sustainable industrial development. Products that deliver reliable performance over longer operating lives can help reduce premature replacement, minimise maintenance requirements, optimise material utilisation, and support more efficient use of industrial resources.

As part of its long-term sustainability journey, PBW intends to further strengthen its understanding of product lifecycle performance and evaluate internationally recognised approaches for assessing product-use impacts. Subject to the availability of reliable engineering data, customer collaboration, and scientifically robust methodologies, the Company will explore future opportunities to assess and transparently communicate the broader environmental value created through its products.



Where the handprint is created — the PBW Efficiency Spine

PBW's bearings do their work along a spine of machinery types, each with its own efficiency logic. The stronger the bearing, the less energy the host machine wastes and the smaller the emissions behind the same useful output.



MOVE
Engines & locomotives — lower friction means less fuel burned per kilometre travelled.

PUMP & COMPRESS
Pumps & compressors — reduced drag cuts the energy drawn to move fluids and gas.

GENERATE
Windmills & turbo machinery — efficient bearings raise useful output per unit of primary energy.

MOVE
Engines & locomotives — lower friction means less fuel burned per kilometre travelled.

- Precision Engineering
- Reduced Friction
- Reliable Machine Operation
- Longer Service Life
- Improved Resource Efficiency

Supporting Sustainable Industrial Operations

3.9 Biodiversity & Green Cover

GRI 304-1 304-3

PBW's facility lies within the Lodhika GIDC industrial estate at Metoda and does not border, contain or affect any protected area, notified biodiversity zone or area of high conservation value. Its biodiversity responsibility is therefore focused where it can act directly: on the green cover and habitat quality within its own boundary, and on the daily practices that keep the surrounding industrial environment liveable.

Within its perimeter, PBW maintains a developed green belt of 5,763 m² and runs a continuing plantation programme that has grown its cumulative planted stock to 220 trees. The green belt is not ornamental — it buffers dust, moderates local temperature, supports pollinators and small fauna, and contributes modest carbon uptake at the plant edge.

Indicator	Unit	FY 2024-25	FY 2025-26
Green-belt area maintained	m²	5763	5763
Trees planted (cumulative)	Nos.	200	220
Operations in / adjacent to protected areas	Nos.	Nil	Nil

Plantation progression: *100 trees (FY 2022-23) → 125 (FY 2023-24) → 200 (FY 2024-25) → 220 (FY 2025-26).*

Our biodiversity-conscious practices focus on:

- Planting native and drought-tolerant species suited to Saurashtra's climate and needing little irrigation.
- Irrigating the green belt with treated, recycled water rather than fresh draw.
- Minimising chemical-intensive landscape maintenance wherever practical.
- Involving employees in plantation activity, building shared ownership of the site's green cover.

3.10 Environmental Compliance & Management Systems

GRI 2-27 | GRI 307-1

Environmental performance at PBW is supported through structured management systems that integrate regulatory compliance, operational monitoring, and continual improvement into everyday manufacturing activities. The Company operates under an ISO 14001:2015 Environmental Management System, providing a systematic framework for identifying environmental aspects, ensuring legal compliance, monitoring performance, and driving continuous improvement.

Environmental compliance is monitored through regular inspections, statutory monitoring, maintenance of regulatory approvals, and periodic management reviews. PBW continues to maintain all applicable environmental permits and authorisations required for its manufacturing operations, including valid GPCB Consent to Operate and Hazardous Waste Authorisation.

During both reporting years, PBW recorded no significant environmental non-compliances, environmental fines, penalties, or regulatory show-cause notices, reflecting the effectiveness of its environmental management systems and proactive compliance approach. The Company remains committed to strengthening its environmental governance through continual monitoring, periodic reviews, and ongoing improvement of its environmental management practices.

Compliance with applicable environmental laws and consent conditions

Identification and control of significant environmental aspects

Operational controls and monitoring across each aspect

Periodic internal audit and management review

Continuous improvement in environmental performance

Indicator	Unit	FY 2024-25	FY 2025-26
Significant environmental non-compliances	Nos.	None	None
Environmental fines or penalties	INR	None	None
Environmental show-cause notices received	Nos.	None	None
GPCB Consent to Operate valid	Yes / No	Yes	Yes
Hazardous-waste authorisation valid	Yes / No	Yes	Yes

Zero Significant Environmental Non-Compliances

Zero Environmental Penalties

Zero Regulatory Show-Cause Notices

100% Valid Statutory Environmental

CHAPTER 04

SOCIAL RESPONSIBILITY

Reducing friction in people's lives

Less Friction. More Future.

#RunCleaner

Friction, in a machine, is wasted energy. Friction, in a working life, is wasted potential — the delay before a skill is learned, the anxiety of an unaffordable medical bill, the child who leaves school early. PBW has spent seventy-eight years removing friction from machinery. This chapter is about removing it from the lives of the people who make that machinery possible.

4.1 Our Approach to People

GRI 3-3 · 2-7 · 2-23

PBW's human-resources philosophy is stated in the company's own words: "our employees are important assets of our organisation, and it is our prime responsibility to nurture, cultivate and develop them." The company describes its duty to its people — their education, their work-life balance, their social and financial needs — as a responsibility it carries as a family.

For a manufacturer founded in 1948 and still led by its promoters, this is not language adopted for a report. It is the operating culture of a single-site factory where a large share of the workforce has long tenure, where the founders' values remain visible in daily decisions, and where a charitable trust established in 1999 extends that same care beyond the factory gate into the surrounding community. People, in this business, are not a cost line to be optimised; they are the precision behind every precision component PBW ships.

At the close of FY 2025-26, PBW's total workforce stood at 545 people — 182 permanent employees and 363 contractual workers — an increase of 5.4% over the baseline year. Social performance is managed through certified systems and a clear policy architecture, and it is reported here with the same candour applied to the environmental chapter: where a metric is strong, it is shown; where it is weak or unmeasured, it is disclosed rather than dressed.



Our social management is anchored in

- ISO 45001:2018 — a certified Occupational Health & Safety Management System governing the highest-risk activities on site.
- Statutory compliance under the Factories Act and all applicable labour legislation.
- A policy framework covering the Code of Conduct, human rights, prevention of sexual harassment (POSH) and non-discrimination.
- The PBW charitable trust, active in healthcare access and children's education since 1999.



How we track effectiveness. Monthly EHS incident recording (fatalities, disabling injuries, first-aid cases, near-misses, reportable events, fire and electrical incidents); monthly headcount and diversity tracking; training-session and participant logging; grievance and POSH registers.

GRI 3-3 |Management of Material Topics — Social

- ***Why these topics are material.*** Occupational health and safety is PBW's single highest-materiality social topic: centrifugal casting of molten metal, high-temperature sintering, heat treatment and electroplating are physically hazardous processes. Training and skills development, employment quality, human rights and community engagement follow. On financial materiality, OEM customers and ESG assessors treat labour and human-rights performance as a condition of supply across PBW's 44 export markets.

- ***Our policies.*** Occupational Health & Safety Policy (ISO 45001); Human Resources Policy; Code of Conduct; POSH Policy; human-rights commitments prohibiting child and forced labour; Supplier Code of Conduct extending these expectations upstream.

- ***Our actions in FY 2025-26.*** Maintained 100% OHS training coverage; raised internal training hours by 17.6%; sustained 100% coverage of ESG, human-rights and POSH training; achieved 100% human-rights assessment of suppliers; maintained 100% statutory-benefits coverage; continued the employment of differently-abled colleagues.



4.2 Workforce Profile & Employment

GRI 2-7 · 2-8 · 401-1 · 401-2

People-powered precision — a stable, skilled workforce is the foundation of product integrity.

Workforce Composition

Indicator	Unit	FY 2024-25	FY 2025-26
Permanent employees	Nos.	165	182
Contractual workers	Nos.	352	363
Total workforce	Nos.	517	545
Male	Nos.	515	542
Female	Nos.	2	3
Employees covered by statutory benefits (PF & insurance)	%	100	100
Total working days	Days	302	308
Total hours worked	Hours	1125204	1272424
New hires during the year	Nos.	172	135
Employee turnover / attrition rate	%	3.18	2.87

Headcount figures are as at 31 March of the respective reporting year.

PBW's workforce is defined less by scale than by continuity. A single-roof operation with long-serving permanent staff builds the tacit, hard-won knowledge that dimensional and metallurgical work depends on — the kind of judgement that cannot be hired quickly or written into a work instruction. Every eligible employee, across both reporting years, receives full statutory benefits: Provident Fund and health insurance cover, at 100% coverage. Employment is structured to keep this core stable while contractual capacity flexes with production demand.



4.3 Employee Engagement & Well-being

GRI 401-2 · 401-3

PBW believes that a strong organisation is built on a motivated, healthy, and engaged workforce. Beyond providing employment, the Company strives to create a workplace where employees feel respected, supported, and empowered to contribute to the organisation's long-term success. Guided by the values established by its founders, PBW promotes an inclusive work environment that encourages open communication, mutual trust, continuous learning, and employee well-being.

Employee well-being extends beyond statutory compliance and encompasses initiatives that support employees' professional development, physical health, financial security, and work-life balance. Through a combination of employee welfare programmes, accessible leadership, healthcare support, and community engagement initiatives, PBW continues to foster a workplace that values people as its most important asset.



Employee Well-being at PBW

Accessible Leadership

- PBW maintains a promoter-led management approach where leadership remains closely connected with day-to-day manufacturing operations.
- This encourages open communication, enables employees to raise concerns directly, and supports timely decision-making across the organisation.

Health & Medical Support

- Employees have access to on-site first-aid facilities and trained first responders to address workplace medical needs.
- In addition, medical camps and healthcare initiatives organised through the Company's charitable trust extend healthcare support to employees, their families, and the surrounding community.

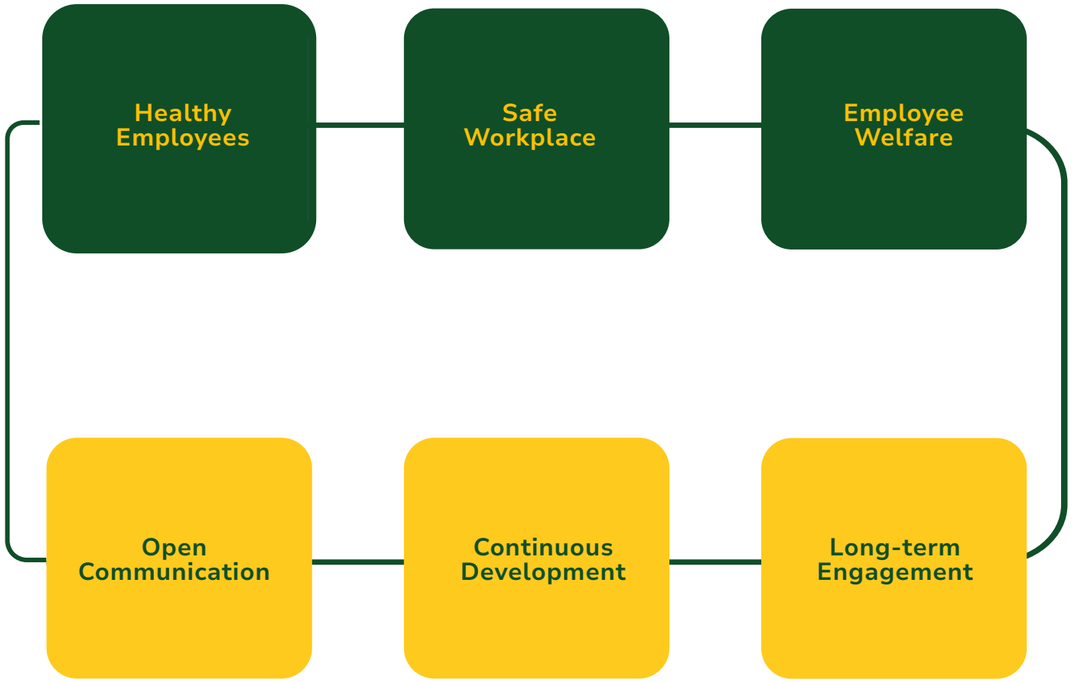
Employee Welfare & Social Security

- PBW provides statutory employee benefits, including Provident Fund (PF) and applicable insurance coverage for eligible employees.
- These are complemented by employee welfare initiatives like food grain distribution and family health support that promote financial security, personal well-being, and a supportive work environment.

Employee Engagement & Workplace Culture

- The Company encourages a positive workplace culture through employee interactions, festival celebrations, awareness programmes, and welfare activities that strengthen collaboration, belonging, and long-term employee engagement across the organisation.

PBW Employee Well-being Framework



4.4 Occupational Health & Safety

GRI 403-1 · 403-2 · 403-3 · 403-4 · 403-5 · 403-6 · 403-7 · 403-8 · 403-9

Occupational health and safety is one of PBW's highest operational priorities. Manufacturing precision bearings involves processes such as centrifugal casting, high-temperature sintering, machining, grinding, electroplating, material handling, and assembly, each of which presents specific occupational health and safety risks. Managing these risks effectively is fundamental to protecting employees, ensuring operational continuity, and sustaining manufacturing excellence.

PBW believes that every employee has the right to return home safely at the end of each working day. Safety is therefore integrated into every stage of manufacturing—from equipment design and process planning to production, maintenance, and workplace supervision. Rather than being treated as a standalone compliance function, occupational health and safety forms an integral part of daily operational decision-making across the organisation.



4.4.1 Safety Management System & Risk Management

PBW's occupational health and safety management system is certified to ISO 45001:2018, providing a structured framework for identifying workplace hazards, assessing occupational risks, implementing preventive controls, monitoring safety performance, and driving continual improvement. The management system applies to both permanent and contractual employees working across the manufacturing facility.

The Company adopts a proactive risk management approach based on the Plan–Do–Check–Act (PDCA) methodology, ensuring that occupational health and safety considerations remain integrated into everyday operations.

Potential workplace hazards—including thermal, mechanical, chemical, electrical, ergonomic, and material-handling risks—are systematically identified through structured Hazard Identification and Risk Assessment (HIRA) exercises. Appropriate engineering controls, machine guarding, permit-to-work systems, preventive maintenance, safe operating procedures, and mandatory use of personal protective equipment (PPE) are implemented to minimise workplace risks before work begins. Good housekeeping practices, spill prevention measures, and regular workplace inspections further support a safe and well-organised manufacturing environment.



PLAN
Hazard identification & risk assessment (HIRA), safety policy, objectives.

DO
Operational controls, PPE, safety training, drills, guarding.

CHECK
Incident recording, safety indicators, internal audits, compliance review.

ACT
Root-cause corrective actions, safety improvements, system updates.

IMPROVE
Stronger safety performance and operational resilience.



4.4.2 Worker Participation, Safety Culture & Training

PBW believes that an effective safety management system depends on active participation from every individual working at the facility. Safety responsibilities are therefore shared across all levels of the organisation, encouraging employees and contractors to contribute towards identifying hazards, reporting unsafe conditions, and supporting continuous workplace improvements.

Employee participation is encouraged through regular safety committee meetings, workplace safety interactions, and open communication between employees, supervisors, and management. The Company promotes a reporting culture where identifying hazards and reporting unsafe conditions are viewed as positive contributions towards preventing future incidents.

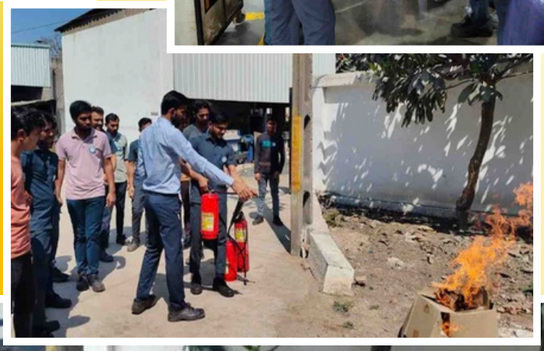
Building employee competency is equally important in maintaining a safe workplace. Safety training is provided to all employees and contractors before deployment, followed by periodic refresher programmes and task-specific training based on operational requirements.

Emergency preparedness forms another important component of PBW's safety framework. Regular fire and emergency evacuation drills, supported by maintained firefighting systems, emergency response procedures, and trained first responders, help ensure preparedness for foreseeable emergency situations. Occupational health is supported through on-site first-aid facilities, trained first-aid personnel, and appropriate health monitoring measures for employees working in manufacturing operations.











4.4.3 Safety Performance

PBW continued to maintain a strong occupational health and safety performance during FY 2025–26, recording zero fatalities, zero permanent disabilities, zero lost-time injuries, and zero lost workdays across both reporting years. These results demonstrate the effectiveness of the Company's preventive safety measures, workforce awareness, and operational safety controls.

While maintaining these key outcomes, PBW also recognises the importance of continuously learning from all workplace incidents, irrespective of their severity. First-aid cases reduced by 21.9%, indicating continued improvements in managing minor workplace injuries through enhanced awareness, supervision, and preventive measures.

During the reporting year, the number of reportable work-related incidents increased from three to eight. Although none of these incidents resulted in lost-time injuries or permanent disabilities, PBW considers every reportable incident an opportunity for improvement. Each event was investigated through structured root-cause analysis, with corrective and preventive actions implemented and monitored under the ISO 45001 management system.

Indicator	Unit	FY 2024-25	FY 2025-26
Fatalities (employees & contractors)	Nos.	0	0
Permanent / total disability cases	Nos.	0	0
Lost-Time Injuries (LTI)	Nos.	0	0
Days lost to work-related injury / ill-health	Days	0	0
First-aid cases	Nos.	196	153
Near-miss incidents reported	Nos.	1	0
Reportable work-related incidents	Nos.	3	8
Fire incidents	Nos.	2	2
Electric-shock incidents	Nos.	0	0
OHS / safety training coverage	%	100	100
Workers covered by OHS management system	%	100	100
Lost Time Injury Frequency Rate (LTIFR)	Rate	0	0
Total Recordable Incident Rate (TRIR)	Rate	0.533237	1.257442

#RunCleaner| Zero is a system, not an accident

- Zero fatalities and zero lost-time injuries across two consecutive years — in a plant that pours molten bronze, runs sintering furnaces and operates electroplating lines — is not luck. It is 100% of the workforce trained in safety. It is guarding and PPE enforced as a condition of entry. It is 196 first-aid cases in a single year being recorded rather than ignored, because a minor injury logged today is the hazard corrected before it becomes a serious injury tomorrow. The measure PBW holds itself to is not the absence of paperwork — it is every one of 545 people going home in the condition they arrived.

In-house Occupational Health Centre

PBW maintains an in-house Occupational Health Centre (OHC) to support employee health and workplace well-being. A qualified doctor visits the OHC twice a week, providing employees with regular access to medical consultation and occupational health support. The facility complements PBW's workplace safety and employee welfare initiatives by enabling timely medical attention and health monitoring within the workplace.

4.4.4 Looking Ahead – Safety Commitments

PBW is committed to continuously strengthening its occupational health and safety performance by enhancing hazard identification, improving employee engagement, expanding preventive safety initiatives, and fostering a proactive reporting culture across the organisation. Future priorities include reducing reportable incidents, encouraging greater near-miss reporting, maintaining zero fatalities and lost-time injuries, and ensuring that every employee and contractor continues to work in a safe, healthy, and supportive environment.

Commitment	Baseline (FY 24-25)	FY 2025-26	Target	Timeline
Fatalities & permanent disabilities	0	0	Maintain zero	Ongoing
Lost-time injuries & lost days	0	0	Maintain zero	Ongoing
Reportable work-related incidents	3	8	≤ 2 per year	FY 2027-28
First-aid cases	196	153	≥ 50% reduction vs baseline	FY 2029-30
Near-miss reports raised	1	0	≥ 50 per year (proactive culture)	FY 2027-28
OHS training coverage	100%	100%	Maintain 100%	Ongoing

4.5 Learning, Training & Skill Development

GRI 404-1 · 404-2 · 404-3

In a business where a tolerance determines whether a bearing holds in a locomotive, capability is product integrity.

The quality and reliability of PBW's products are fundamentally dependent on the knowledge, technical competence, and commitment of its workforce. As a manufacturer of precision-engineered bearings serving critical industrial applications, the Company recognises that manufacturing excellence begins with skilled people. Continuous learning and capability development therefore remain essential for maintaining product quality, operational efficiency, workplace safety, and long-term business growth.

PBW is committed to creating a learning-oriented workplace where employees continuously enhance their technical knowledge, professional competencies, and personal capabilities. Through structured training programmes, practical on-the-job learning, knowledge sharing, and continuous skill development initiatives, the Company seeks to build a competent workforce that can adapt to evolving technologies, customer expectations, and manufacturing practices.



4.5.1 Building Technical Excellence

Technical competency forms the foundation of PBW's manufacturing operations. Employees receive training across key manufacturing processes including centrifugal casting, sintering, precision machining, grinding, tooling, inspection, quality assurance, maintenance, and process control. These programmes help employees develop the practical skills required to consistently manufacture products that meet demanding customer specifications and international quality standards.

Learning extends beyond formal classroom sessions. Practical on-the-job guidance provided by experienced supervisors and senior employees enables the transfer of technical knowledge, operational best practices, and process expertise developed over decades of manufacturing experience. This combination of structured training and workplace mentoring supports continuous improvement while preserving critical manufacturing know-how across the organisation.



4.5.2 Building a Responsible Workforce

In addition to technical capability, PBW places equal emphasis on developing employee awareness of workplace safety, environmental responsibility, ethical conduct, and human rights. These topics form an integral part of employee development and help strengthen a responsible workplace culture across the organisation.

During FY 2025–26, the Company maintained 100% training coverage for occupational health and safety, ESG and sustainability awareness, human rights, and Prevention of Sexual Harassment (POSH). By ensuring that every employee receives training on these important subjects, PBW reinforces a shared understanding of responsible workplace behaviour, legal compliance, and organisational values.

The Company's learning approach reflects the belief that technical excellence and responsible conduct are complementary elements of sustainable business performance.

Indicator	Unit	FY 2024-25	FY 2025-26
Internal training sessions conducted	Nos.	25	27
Internal training participants	Nos.	316	288
Internal training hours delivered	Hours	382.5	450
External training sessions	Nos.	9	2
Average training hours per employee	Hours	2.33	2.47
OHS / safety training coverage	%	100	100
ESG / sustainability training coverage	%	100	100
Human-rights training coverage	%	100	100
POSH training coverage	%	100	100
Employees receiving performance & career reviews	%	100	100
Total training hours (all types)	Hours	1552	1670



Training activity continued to strengthen during FY 2025–26, with internal training hours increasing by ***17.6%*** and average training hours per employee rising from ***2.33 hours to 2.47 hours.*** The Company also maintained full training coverage for key workplace topics including occupational health and safety, ESG, human rights, and POSH.

PBW recognises that building workforce capability is an ongoing journey. While current training levels provide an important foundation, the Company aims to progressively expand both the depth and frequency of learning opportunities, particularly in specialised technical, leadership, quality, and manufacturing excellence programmes. Future initiatives will also focus on increasing external learning opportunities and strengthening competency development across all functional areas.

4.5.3 Performance & Career Development

PBW believes that employee development extends beyond training and includes creating opportunities for continuous growth, performance improvement, and career progression. The Company is strengthening its performance management framework to support structured performance discussions, identify competency gaps, recognise employee achievements, and align individual development with organisational objectives.

As these systems continue to mature, PBW intends to progressively expand formal performance and career development reviews across the workforce, providing employees with greater clarity regarding learning priorities, career pathways, and professional growth opportunities. Performance review coverage will be disclosed in future reporting periods once the process has been fully implemented and consistently applied across the organisation.



4.5.4 Learning & Development Commitments

PBW remains committed to strengthening employee capability through continuous learning, technical excellence, leadership development, and responsible workplace practices. Future initiatives will focus on increasing training intensity, expanding specialised learning programmes, and establishing structured performance development processes that support long-term employee growth.

Commitment	Baseline (FY 24-25)	FY 2025-26	Target	By
Average training hours per employee	2.33	2.47	≥ 8 hours	FY 2029-30
Safety, ESG, human-rights & POSH coverage	100%	100%	Maintain 100%	Ongoing
External / specialist training sessions	9	2	≥ 12 per year	FY 2027-28
Employees receiving formal performance reviews	100%	100%	Maintain 100%	FY 2027-28



4.6 Diversity, Equity & Inclusion

GRI 405-1 · 405-2 · 406-1

PBW believes that a diverse and inclusive workplace strengthens organisational capability, encourages innovation, and supports sustainable business growth. The Company is committed to providing equal employment opportunities and fostering a work environment where every individual is treated with dignity, fairness, and respect, irrespective of gender, age, disability, religion, caste, ethnicity, or any other characteristic protected under applicable laws.

Equal opportunity principles are integrated across recruitment, training, performance evaluation, career development, compensation, and workplace practices. PBW maintains a zero-tolerance approach towards discrimination, harassment, and any behaviour that compromises an individual's dignity or equal opportunity at work.



4.6.1 Building a More Inclusive Workplace

PBW recognises that diversity is a journey of continuous improvement. As a manufacturer operating within the heavy engineering and precision bearing industry, the Company acknowledges that female representation in the manufacturing workforce remains limited. During FY 2025–26, women represented 0.55% of PBW's total workforce, increasing from 0.39% in the previous year.

The Company presents this information transparently, recognising that while industry characteristics and local labour market dynamics influence workforce composition, they should not limit future progress. PBW is committed to gradually improving gender diversity by strengthening inclusive recruitment practices, expanding outreach to technical institutions, reviewing suitable manufacturing and non-manufacturing roles, and providing a workplace environment that supports greater participation of women across the organisation.

Beyond gender diversity, PBW also continues to support workplace inclusion by providing employment opportunities for differently-abled individuals and promoting equal participation based on skills, competence, and merit.



4.6.2 Workplace Equality & Respect

PBW is committed to maintaining a workplace where every employee feels respected, valued, and safe. The Company prohibits all forms of discrimination, workplace harassment, and inappropriate behaviour through established policies, employee awareness programmes, and grievance mechanisms designed to ensure fair and confidential resolution of concerns.

During both reporting years, PBW recorded no incidents of workplace discrimination or harassment and no complaints under the Prevention of Sexual Harassment (POSH) framework, reflecting the Company's continued commitment to maintaining a respectful and inclusive workplace culture.

The Company also continued to provide employment to four permanently employed differently-abled colleagues, demonstrating its commitment to creating opportunities based on capability while supporting workplace accessibility and inclusion.

Indicator	Unit	FY 2024-25	FY 2025-26
Women in the workforce	Nos.	2	3
Women as a share of total workforce	%	0.39	0.55
Permanent differently-abled employees	Nos.	4	4
Incidents of discrimination or harassment	Nos.	0	0
POSH complaints filed	Nos.	0	0
POSH complaints resolved	Nos.	Not applicable	Not applicable
Women at top-management level	%	20	20
Women within the governing body	%	20	20
Workers from minority / vulnerable groups	%	1.08	1.06
Average unadjusted gender pay gap	%	12.87	11.64



4.6.3 Diversity & Inclusion Commitments

PBW remains committed to creating a workplace where diversity, equal opportunity, and mutual respect continue to strengthen organisational performance. Future initiatives will focus on increasing workforce diversity, enhancing inclusive recruitment practices, expanding employment opportunities for underrepresented groups, and improving diversity-related performance monitoring and disclosure.

Commitment	Baseline (FY 24-25)	FY 2025-26	Target	By
Women as a share of total workforce	0.39%	0.55%	≥ 5%	FY 2029-30
Differently-abled in permanent employment	4	4	≥ 8	FY 2029-30
Discrimination, harassment or POSH complaints	0	0	Maintain zero	Ongoing
Gender pay-gap measurement	12.87	11.64	<5	FY 2026-27



4.7 Human Rights & Labour

GRI 407-1 · 408-1 · 409-1 · 412-1 · 412-2 · 414-1 · 2-25 · 2-30

Respect for human rights is a fundamental principle of PBW's approach to responsible business. The Company is committed to providing a workplace where every individual is treated with dignity, fairness, and respect, while ensuring that internationally recognised labour rights are upheld throughout its operations and progressively across its supply chain.

PBW's Human Rights & Labour Policy prohibits child labour, forced or compulsory labour, discrimination, harassment, and all forms of exploitative employment practices. The policy also supports freedom of association, equal opportunity, ethical employment practices, and safe working conditions. These commitments apply to all employees, contractual workers, and business partners engaged with the Company.



4.7.1 Protecting Fundamental Labour Rights

PBW maintains robust employment practices to ensure compliance with applicable labour laws and internationally recognised human rights principles. Employee onboarding procedures include verification of age and employment documentation to prevent child labour and forced or compulsory labour. Similar expectations are extended to contractors working within the Company's operations to ensure that responsible labour practices are consistently applied across the workforce.

The Company also recognises employees' right to freedom of association and maintains mechanisms that enable employees to raise concerns, provide feedback, and participate in workplace dialogue without fear of discrimination or retaliation. Grievance redressal procedures and the Prevention of Sexual Harassment (POSH) framework provide formal channels for reporting workplace concerns while ensuring confidentiality, fairness, and timely resolution.

Indicator	Unit	FY 2024-25	FY 2025-26
Incidents of child labour	Nos.	0	0
Incidents of forced or compulsory labour	Nos.	0	0
Freedom of association upheld	Yes / No	Yes	Yes
Human-rights training coverage	%	100	100
Human-rights grievances raised	Nos.	Nil	Nil



4.7.2 Human Rights Across the Supply Chain

PBW believes that responsible business practices extend beyond its own manufacturing operations. The Company therefore promotes human rights expectations throughout its supply chain by communicating clear labour and ethical standards through its Supplier Code of Conduct and supplier engagement initiatives.

A significant milestone during FY 2025–26 was the expansion of supplier human rights assessments from 60% to 100%, strengthening oversight across suppliers providing critical raw materials and services. Through these assessments, PBW encourages suppliers to uphold responsible labour practices, prohibit child and forced labour, provide safe working conditions, and operate in compliance with applicable legal and ethical requirements.

The Company will continue strengthening supplier engagement by integrating human rights considerations into supplier evaluations and promoting continuous improvement across its value chain

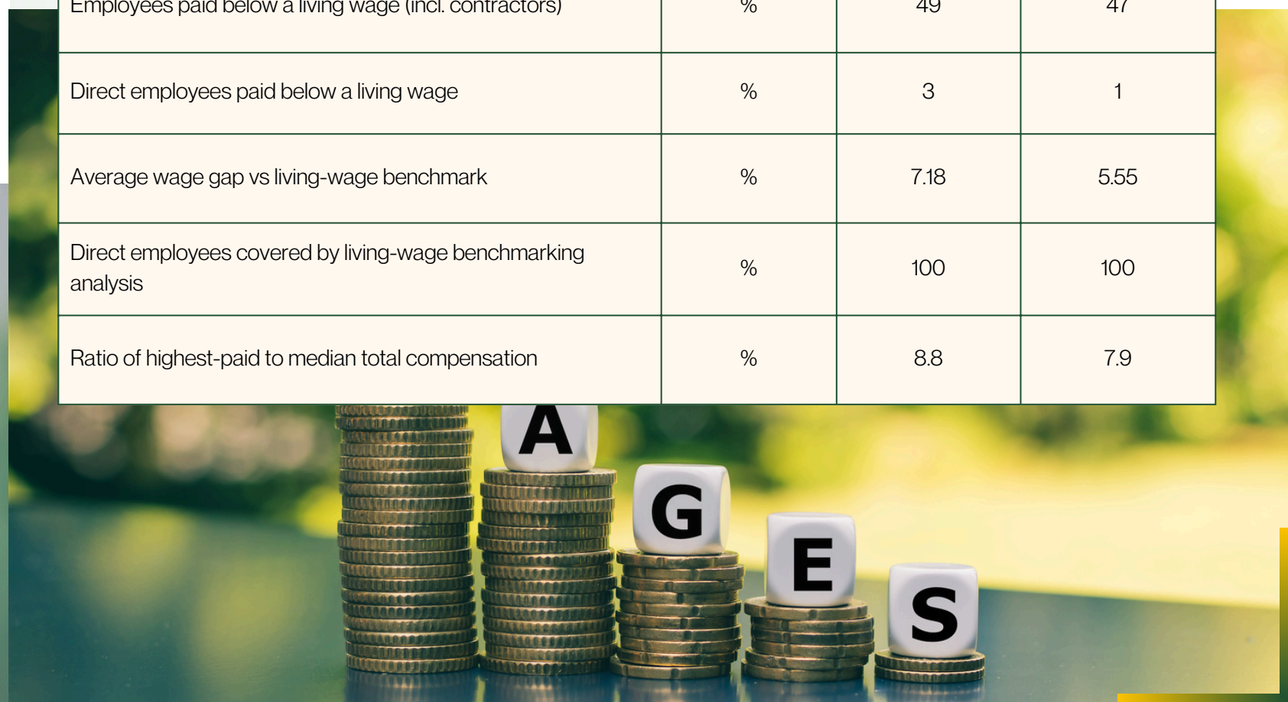
Indicator	Unit	FY 2024-25	FY 2025-26
Suppliers assessed for human rights	%	60	100

4.8 Wages & Working Conditions

GRI 202-1 · 405-2

PBW complies fully with statutory minimum-wage requirements in both reporting years and provides 100% statutory-benefits coverage. Minimum-wage compliance, however, is a floor — and PBW distinguishes it clearly from the higher standard of a living wage, which international customers and rating bodies increasingly expect suppliers to evidence.

Indicator	Unit	FY 2024-25	FY 2025-26
Statutory minimum-wage compliance	Yes / No	Yes	Yes
Employees covered by statutory benefits	%	100	100
Employees paid below a living wage (incl. contractors)	%	49	47
Direct employees paid below a living wage	%	3	1
Average wage gap vs living-wage benchmark	%	7.18	5.55
Direct employees covered by living-wage benchmarking analysis	%	100	100
Ratio of highest-paid to median total compensation	%	8.8	7.9



4.9 Product Quality & Customer Value

GRI 416-1 · 416-2

A bearing that fails is not a quality issue. In a locomotive, it is a safety issue.

At PBW, product quality is more than a measure of manufacturing performance—it is a responsibility towards customers, end users, and the industries that depend on reliable engineering. Bearings manufactured by the Company operate in critical applications including locomotives, heavy engines, pumps, compressors, turbo machinery, wind energy systems, and industrial equipment, where consistent performance and reliability are essential for safe and efficient operation.

Every product supplied by PBW is expected to perform under demanding operating conditions throughout its intended service life. Delivering products that consistently meet customer specifications not only strengthens customer confidence but also contributes to operational reliability, equipment safety, and reduced maintenance requirements across the industries served by the Company.

4.9.1 Building Quality into Every Process

PBW's quality philosophy is guided by its vision of "Customer Delight." Beyond meeting technical specifications, the Company strives to build long-term customer relationships by consistently delivering reliable products, responsive technical support, and dependable manufacturing performance. Today, PBW's products are supplied to customers across 44 countries, reflecting the trust placed in the Company's engineering capability and commitment to quality.

PBW follows a preventive approach to quality, where product excellence is achieved through controlled manufacturing processes rather than relying solely on final inspection. Quality assurance is integrated throughout the manufacturing cycle—from raw material verification and process monitoring to precision machining, dimensional inspection, laboratory testing, and final product validation.

The Company's Quality Management System promotes standardised manufacturing practices, continuous process improvement, defect prevention, and consistent compliance with customer and regulatory requirements. This systematic approach enables PBW to manufacture precision bearings that meet demanding performance expectations across diverse industrial applications.



4.9.2 Quality Testing & Product Reliability

PBW's quality assurance programme is supported by advanced testing and internationally recognised certifications that verify product performance, dimensional accuracy, and material integrity.

The Company's NABL-accredited laboratory (ISO/IEC 17025) provides independent calibration capabilities, ensuring that products comply with applicable technical specifications before reaching customers. PBW is also certified under the Association of American Railroads (AAR M-1003) Quality Assurance Programme, demonstrating its capability to manufacture bearings for safety-critical railway applications where product reliability and quality are of paramount importance.

Through continuous investment in manufacturing technology, precision engineering, laboratory capabilities, and quality systems, PBW seeks to consistently deliver products that meet the evolving requirements of global OEMs and industrial customers.

QUALITY MANAGEMENT SYSTEM
A structured QMS governs process control, inspection and defect reduction across casting, machining and finishing — the discipline behind consistent, safe product.

LABORATORY TESTING (NABL / ISO 17025)
Independent, calibration laboratory testing verifies dimensional and metallurgical conformance before product reaches the customer.

RAIL RELIABILITY (AAR M-1003)
Compliance with the Association of American Railroads' M-1003 standard evidences reliability for safety-critical rail applications.

CUSTOMER TRUST AS THE METRIC
"Customer Delight" and recognitions such as responsive-supplier awards translate quality into durable OEM relationships.

Looking Ahead

As customer expectations and industry standards continue to evolve, PBW remains committed to strengthening its quality management systems, enhancing testing capabilities, investing in advanced manufacturing technologies, and promoting a culture of continuous improvement. The Company believes that consistent product quality not only creates long-term customer value but also supports safer, more reliable, and more sustainable industrial operations.



4.10 Community Engagement & Social Initiatives

GRI 413-1 · 203-1

A charitable trust founded in 1999 predates ESG reporting in India by two decades.

PBW's community commitment is institutional, not incidental. In 1999 — long before sustainability reporting reached Indian manufacturing, the company established a charitable trust with a defined purpose: to give people of limited means access to critical medical care, and to ensure that circumstance does not decide whether a child attends school. What follows is not a programme designed for this report; it is a twenty-seven-year-old commitment now being measured for the first time.





4.10.1 Healthcare Access

Working with nearby blood banks, the trust organises medical camps and blood-donation camps on a regular basis — raising public awareness, encouraging voluntary donation, and connecting people in the surrounding community to basic medical support they might otherwise go without.

4.10.2 Education - "Every Child in School"

The trust's education mission rests on a single conviction: that every child has a fundamental right to education, and that no child should be denied it for want of access or means. The trust raises awareness and facilitates the schooling of children in the community, treating a child's circumstances as something to overcome rather than a limit on their future.





4.10.3 Welfare Beyond the Workplace

Education, medication and other welfare activities are carried out for employees and, in the company's own description, "over and above the society" — extending support past the immediate workforce into the wider community. Environmental stewardship forms part of the same civic instinct: PBW maintains a 5,763 m² green belt and a cumulative planted stock of 220 trees, and supports others in planting too (see Chapter 3).

#RunCleaner| Every Child in School

- PBW's trust was founded on a simple premise: that a family's inability to pay should not decide whether a person receives critical medical care, and that a child's circumstances should not decide whether they go to school. Blood-donation camps run with local blood banks; awareness raised; children's schooling facilitated. What the trust has always lacked is measurement. For this report, PBW is quantifying that work for the first time — camps held, people reached, children supported. ***The commitment is twenty-seven years old. The disclosure is new.***

4.11 Social Responsibility Across the Supply Chain

GRI 414-1 · 204-1

PBW believes that responsible business practices extend beyond its own manufacturing operations and into the wider value chain. As a manufacturer of precision bearings, the Company relies on suppliers of copper, tin, aluminium, steel, alloy powders, packaging materials, and other critical inputs. Accordingly, PBW seeks to work with suppliers who share its commitment to ethical business practices, responsible labour standards, and sustainable operations.

The Company's Supplier Code of Conduct establishes the minimum expectations for suppliers regarding human rights, labour practices, workplace health and safety, ethical business conduct, environmental responsibility, and regulatory compliance. Through supplier engagement and periodic assessments, PBW encourages suppliers to uphold internationally recognised labour principles, including the prohibition of child labour, forced labour, discrimination, and other unethical employment practices.

During FY 2025–26, PBW strengthened its responsible sourcing programme by achieving 100% human rights and social assessment coverage across its supplier base, reinforcing its commitment to integrating responsible procurement practices throughout the supply chain. The Company also continues to prioritise sourcing from local and regional suppliers where commercially and technically feasible, supporting regional economic development while strengthening supply chain responsiveness and long-term supplier relationships.

Indicator	Unit	FY 2024-25	FY 2025-26
Suppliers assessed for social / human-rights criteria	%	60	100
Supplier Code of Conduct in force	Yes / No	Yes	Yes

ANNEXURES



GRI INDEX

Statement of use

PBW Bearings Private Limited has reported the information cited in this GRI index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Reported in — Section
GRI 2: General Disclosures 2021		
2-1	Organizational details	1.1 About This Report · 1.4 About PBW Bearings
2-2	Entities included in the organization's sustainability reporting	1.1 About This Report
2-3	Reporting period, frequency and contact point	1.1 About This Report
2-4	Restatements of information	1.1 About This Report
2-5	External assurance	1.1 About This Report · Third Party Verification Statement (Annexure)
2-6	Activities, value chain and other business relationships	1.4 About PBW Bearings · 1.6 Business Model & Manufacturing Technology · 1.7 The PBW Efficiency Spine · 2.10 Responsible & Sustainable Procurement
2-7	Employees	4.1 Our Approach to People · 4.2 Workforce Profile & Employment
2-8	Workers who are not employees	4.2 Workforce Profile & Employment
2-9	Governance structure and composition	2.1 Our Approach to Governance · 2.2 Governance Structure & Oversight
2-10	Nomination and selection of the highest governance body	2.2 Governance Structure & Oversight
2-11	Chair of the highest governance body	2.2 Governance Structure & Oversight
2-12	Role of the highest governance body in overseeing the management of impacts	2.2 Governance Structure & Oversight · 2.3 ESG Governance & Sustainability Oversight
2-13	Delegation of responsibility for managing impacts	2.2 Governance Structure & Oversight · 2.3 ESG Governance & Sustainability Oversight
2-14	Role of the highest governance body in sustainability reporting	2.3 ESG Governance & Sustainability Oversight
2-15	Conflicts of interest	2.11 Governance Transparency
2-16	Communication of critical concerns	2.6 Whistleblowing, Grievance & Remediation · 2.7 Risk Management & Internal Controls
2-17	Collective knowledge of the highest governance body	2.3 ESG Governance & Sustainability Oversight
2-18	Evaluation of the performance of the highest governance body	2.3 ESG Governance & Sustainability Oversight
2-19	Remuneration policies	2.11 Governance Transparency
2-20	Process to determine remuneration	2.11 Governance Transparency

GRI INDEX

GRI Standard	Disclosure	Reported in — Section
2-21	Annual total compensation ratio	2.11 Governance Transparency · 4.8 Wages & Working Conditions
2-22	Statement on sustainable development strategy	1.2 Message from the Chairman & Managing Director · 1.3 Message from the Director · 1.12 Alignment with the UN SDGs
2-23	Policy commitments	2.1 Our Approach to Governance · 2.4 Policies, Codes & Due Diligence · 3.1 Environmental Management Approach · 4.1 Our Approach to People
2-24	Embedding policy commitments	2.1 Our Approach to Governance · 2.4 Policies, Codes & Due Diligence · 3.1 Environmental Management Approach
2-25	Processes to remediate negative impacts	2.6 Whistleblowing, Grievance & Remediation · 2.7 Risk Management & Internal Controls · 4.7 Human Rights & Labour
2-26	Mechanisms for seeking advice and raising concerns	2.6 Whistleblowing, Grievance & Remediation
2-27	Compliance with laws and regulations	2.9 Regulatory Compliance · 3.10 Environmental Compliance & Management Systems
2-28	Membership associations	1.8 Certifications, Associations & Recognition · 2.11 Governance Transparency
2-29	Approach to stakeholder engagement	1.9 Stakeholder Engagement
2-30	Collective bargaining agreements	4.7 Human Rights & Labour
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	1.10 Materiality Assessment
3-2	List of material topics	1.10 Materiality Assessment
3-3	Management of material topics	1.10 Materiality Assessment · 3.1 Environmental Management
Topic Standards — Economic (GRI 200)		
201-2	Financial implications and other risks and opportunities due to climate change	2.7 Risk Management & Internal Controls · 3.3 Climate Action (Climate Risk)
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.8 Wages & Working Conditions
203-1	Infrastructure investments and services supported	4.10 Community Engagement & Social Initiatives
204-1	Proportion of spending on local suppliers	2.10 Responsible & Sustainable Procurement · 4.11 Social Responsibility Across the Supply Chain
205-1	Operations assessed for risks related to corruption	2.5 Business Ethics & Anti-Corruption
205-2	Communication and training about anti-corruption policies and procedures	2.5 Business Ethics & Anti-Corruption
205-3	Confirmed incidents of corruption and actions taken	2.5 Business Ethics & Anti-Corruption
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.5 Business Ethics & Anti-Corruption

GRI INDEX

GRI Standard	Disclosure	Reported in — Section
Topic Standards — Environmental (GRI 300)		
301-1	Materials used by weight or volume	3.7 Materials & Product Stewardship (3.7.1 Material Inputs)
301-2	Recycled input materials used	3.6 Waste Management & Circular Economy · 3.7 Materials & Product Stewardship
302-1	Energy consumption within the organization	3.2 Integrated Energy Management & Decarbonisation Strategy
302-3	Energy intensity	3.2 Integrated Energy Management & Decarbonisation Strategy
302-4	Interactions with water as a shared resource	3.2 Integrated Energy Management & Decarbonisation Strategy
303-1	Management of water discharge-related impacts	3.5 Water Stewardship
303-2	Water withdrawal	3.5 Water Stewardship
303-3	Water consumption	3.5 Water Stewardship
303-5	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.5 Water Stewardship
304-1	Habitats protected or restored	3.9 Biodiversity & Green Cover
304-3	Direct (Scope 1) GHG emissions	3.9 Biodiversity & Green Cover
305-1	Energy indirect (Scope 2) GHG emissions	3.3 Climate Action, Greenhouse Gas Emissions & Decarbonisation Roadmap
305-2	GHG emissions intensity	3.3 Climate Action, Greenhouse Gas Emissions & Decarbonisation Roadmap
305-4	Reduction of GHG emissions	3.3 Climate Action, Greenhouse Gas Emissions & Decarbonisation Roadmap
305-5	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3 Climate Action, Greenhouse Gas Emissions & Decarbonisation Roadmap · 3.8 Product-in-Use Impact — The Handprint
305-7	Waste generation and significant waste-related impacts	3.4 Air Emissions & Ambient Air Quality
306-1	Management of significant waste-related impacts	3.6 Waste Management & Circular Economy
306-2	Waste generated	3.6 Waste Management & Circular Economy
306-3	Waste diverted from disposal	3.6 Waste Management & Circular Economy (3.6.2 Waste Performance / 3.6.3 Waste Streams)
306-4	Non-compliance with environmental laws and regulations	3.6 Waste Management & Circular Economy (3.6.2 / 3.6.4 Closed-Loop Metal Recovery)
307-1	New suppliers that were screened using environmental criteria	3.10 Environmental Compliance & Management Systems
308-1	Interactions with water as a shared resource	2.10 Responsible & Sustainable Procurement

GRI INDEX

GRI Standard	Disclosure	Reported in — Section
Topic Standards — Social (GRI 400)		
401-1	New employee hires and employee turnover	4.2 Workforce Profile & Employment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Workforce Profile & Employment · 4.3 Employee Engagement & Well-being
401-3	Parental leave	4.3 Employee Engagement & Well-being
403-1	Occupational health and safety management system	4.4 Occupational Health & Safety
403-2	Hazard identification, risk assessment, and incident investigation	4.4 Occupational Health & Safety
403-3	Occupational health services	4.4 Occupational Health & Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational Health & Safety
403-5	Worker training on occupational health and safety	4.4 Occupational Health & Safety
403-6	Promotion of worker health	4.3 Employee Engagement & Well-being · 4.4 Occupational Health & Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Occupational Health & Safety
403-8	Workers covered by an occupational health and safety management system	4.4 Occupational Health & Safety
403-9	Work-related injuries	4.4 Occupational Health & Safety
404-1	Average hours of training per year per employee	4.5 Learning, Training & Skill Development
404-2	Programs for upgrading employee skills and transition assistance programs	4.5 Learning, Training & Skill Development
404-3	Percentage of employees receiving regular performance and career development reviews	4.5 Learning, Training & Skill Development
405-1	Diversity of governance bodies and employees	4.6 Diversity, Equity & Inclusion
405-2	Ratio of basic salary and remuneration of women to men	4.6 Diversity, Equity & Inclusion · 4.8 Wages & Working Conditions
406-1	Incidents of discrimination and corrective actions taken	4.6 Diversity, Equity & Inclusion
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.7 Human Rights & Labour
408-1	Operations and suppliers at significant risk for incidents of child labor	4.7 Human Rights & Labour
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.7 Human Rights & Labour
412-1	Operations that have been subject to human rights reviews or impact assessments	4.7 Human Rights & Labour
412-2	Employee training on human rights policies or procedures	4.5 Learning, Training & Skill Development · 4.7 Human Rights & Labour

GRI INDEX

GRI Standard	Disclosure	Reported in — Section
413-1	Operations with local community engagement, impact assessments, and development programs	4.10 Community Engagement & Social Initiatives
414-1	New suppliers that were screened using social criteria	2.10 Responsible & Sustainable Procurement · 4.7 Human Rights & Labour · 4.11 Social Responsibility Across the Supply Chain
416-1	Assessment of the health and safety impacts of product and service categories	4.9 Product Quality & Customer Value
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.9 Product Quality & Customer Value
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.8 Information Security & Data Privacy



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THE ESG INSTITUTE ESG-R CERTIFICATE

Certified ESG Risk Analyst

For and on behalf of GreenMinds India

Mr. Dhruvin Sojitra
(MTech Environmental Engineering,
EMBA Environment Management & Sustainability,
Certified ESG Risk Analyst)
Sustainability Consultant, GreenMinds India

Mr. Jay Dhorawala
(MTech Environmental Engineering,
Certified Lead Verifier ISO-14064)
Sustainability Consultant, GreenMinds India

About GreenMinds India

GreenMinds India is a professionally dedicated sustainability consulting firm providing comprehensive ESG, Carbon Accounting, EHS, and Climate Action services to industries across India. Our team comprises qualified ESG specialists and sustainability professionals with strong academic backgrounds in environmental engineering, climate change, and sustainable development, along with certified experts in GHG accounting, LCA, and global ESG reporting frameworks. We support organizations in ESG reporting and assessment (GRI, BRSR, EcoVadis), carbon footprint assessment (ISO 14064, GHG Protocol), decarbonization and net-zero planning, sustainability policy development, supply chain ESG assessments, and environmental compliance. Through capacity building and sustainability audits, we help companies strengthen their governance, enhance transparency, and integrate responsible practices into their operations. GreenMinds India remains committed to empowering businesses to grow sustainably while meeting global expectations for accountability and climate action.

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Annual
Sustainability
Report **FY 2025-26**

LESS FRICTION. **MORE FUTURE.**



PBW