



Amara Raja Energy & Mobility Limited
Sustainability Snapshot **2024-25**

Planet.
Equity.
Integrity.

The **Amara Raja Way**®

Your Guide to the Report

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About the Snapshot

This Sustainability Snapshot provides a comprehensive overview of the non-financial performance and sustainability metrics of Amara Raja Energy & Mobility Limited (ARE&M) on a standalone basis for the fiscal year April 01, 2024 to March 31, 2025.

The disclosures cover all activities and operations included in our financial reports, representing over 90% of the revenue

reflected in our non-financial reporting.

The snapshot has been prepared specifically in alignment to the data requirements for the Global Reporting Initiative (GRI), Business Responsibility and Sustainability Reporting (BRSR) and the UN's Sustainable Development Goals (UN SDGs).



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or read online at
www.amararajaeandm.com







Our Business



Automotive Battery Division

A leading force in the battery industry, we are renowned for our Amaron brand, the top-selling aftermarket automotive battery in the country, and for pioneering zero maintenance battery technology in India.

Applications

-  Passenger Vehicles
-  Commercial Vehicles
-  Farm Vehicles
-  Home UPS/ Inverter
-  E-Rickshaw
-  2 & 3 wheeler vehicles



Industrial Batteries Division

As pioneer of VRLA batteries in India we are engineered to provide the best performance, reliability and consistency over the life of the product.

Applications

-  UPS
-  Telecom
-  Railways
-  Motive
-  Power and Industry
-  Solar

Sustainability Maturity Model – Amara Raja

Foundation

Building the base through compliance, policies and risk identification

- Establish Sustainability Organisation & HSE Council
- Commitment to UNGC Principles
- ESG data and analytics
- Policies, SOPs & Capability Building
- Critical Risk Identification: Work at Height, Fork Lift Trucks (FLT), LOTO/Isolation, Confined Space, Lifting & Material Handling, Road Safety

Impact

- Structured governance foundation
- Initial awareness & training
- Compliance with legal & safety requirements

Progressive

Embedding sustainability in operations, improving efficiency and strengthening systems

- GRI Sustainability Report with 3rd Party Assurance
- Initial Net Zero Plan, CDP, TCFD
- Product Life Cycle Assessments (LCAs) – priority products
- Supply Chain Engagement, ESG MIS & Target Setting
- Employee Volunteering in CSR initiatives
- Launch of DEIB programmes
- Auditing of all critical safety standards

Impact

- Transparent & assured reporting
- Systematic ESG data & target setting
- Employee & supplier engagement
- Broader risk management culture

Leadership

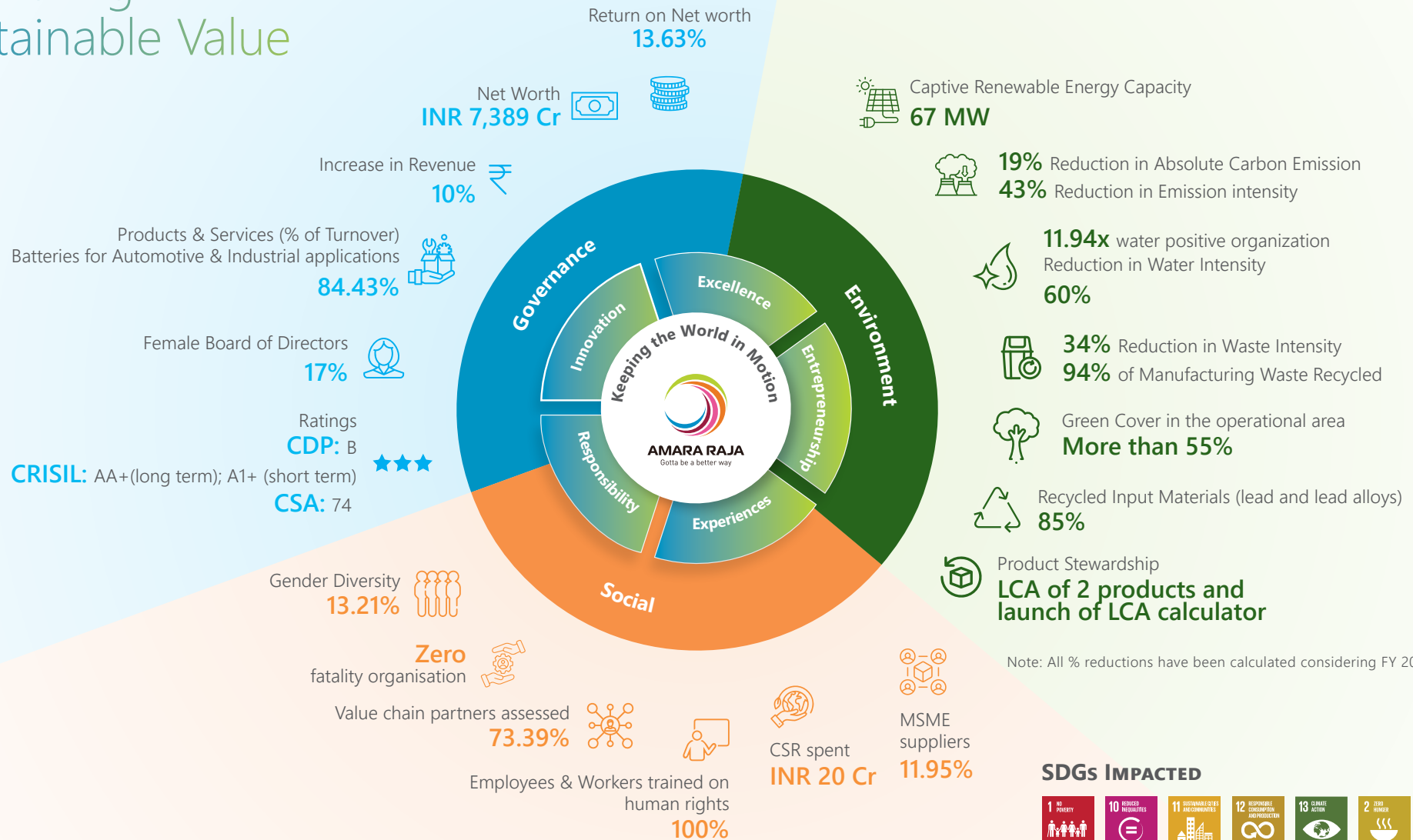
Driving long-term impact, global leadership and stakeholder value

- Science-based Net Zero Plan aligned with SBTi
- Integrated Annual Report & ESG Snapshot
- Global Recognition: CSA score of 74, CDP B Rating, ICAI, ASRA, FE Green Sarathi
- Supplier Summit & Awards (shared value)
- Zero Landfill Plan, 11.94x Water Positive
- Amara Raja Sustainability Framework rollout (planned)
- Behaviours-Based Safety systems (planned)
- Advanced LCAs – 50% existing + all new SKUs (planned)
- Employee Vitality & Thriving Index (Physical & mental wellness) (planned)

Impact

- Recognised ESG leadership
- Strategic integration into business & Board KPIs
- Strong culture of wellness, inclusion & safety
- Circular economy & global benchmarking

Delivering Sustainable Value



SDGs IMPACTED



Recognitions and Awards

Our commitment to sustainability has resulted in significant progress and this dedication has been recognised through a series of prestigious awards. These accolades highlight the positive impact of our efforts and inspire us to continue pushing forward, ensuring that sustainability remains at the core of our business.



ICAI Sustainability Reporting Award 2024 under Mid-Cap Manufacturing Sector category



Financial Express Green Sarathi Award 2024 for Climate Action Leadership



Confederation of Indian Industries Resilient category CAP 2.0° Awards 2024 in the Energy, Mining & Heavy Manufacturing sector



Confederation of Indian Industries EHS Excellence Award 2023



FICCI RECEIC 2024 Award on Resource Efficiency and Circular Economy



The Arogya World Healthy Workplace Award 2024



Best-in-Class Logistics Safety Initiative Award and Outstanding Supply Chain Team Award at the 16th Express Logistics & Supply Chain Conclave 2025

Message from Chairman & MD

Amara Raja Energy & Mobility delivered a strong performance in FY 2024-25, driven by a diversified portfolio and innovation-led growth. The automotive lead-acid battery business continued to expand across global markets, while the new energy business made significant strides with investments in Advanced Chemistry Cell technology, R&D facilities, and giga-scale projects to support India's clean energy ambitions.

At Amara Raja, we are committed to building a business that delivers long-term value while addressing the environmental and social challenges of our time. Our Net Zero commitment by 2050, aligned with the Science Based Targets initiative (SBTi), reflects our ambition to lead with responsibility and impact. We demonstrated strong sustainability performance, with impressive ratings in NSE ESG, S&P Corporate Sustainability Assessment, and CDP Climate Action. We became 12x water positive during the year and are working towards becoming a zero landfill organization by 2027.

We have strengthened governance through dedicated sustainability committees at AR-Advanced Cell Technologies (ARACT) and AR Circular Solutions (ARCSPL) to embed ESG across our strategic businesses. Our subsidiary ARACT has received certifications for ISO 14001:2015 & ISO 45001:2018 during the year with a dedicated Sustainability Council and ESG Roadmap. Our CSR programmes continue to create inclusive and lasting impact in the areas of education, skill development, healthcare, rural infrastructure, and environmental stewardship. Looking ahead, we are well-positioned to capitalize on the growing electric mobility market and energy transition in India. With strong foundations in trusted energy solutions, ongoing stakeholder engagement, and a forward-looking innovation agenda. We remain committed to driving responsible growth and delivering value to all our stakeholders through a sustainable and future-ready approach.

Jayadev Galla

Chairman and Managing Director



Message from Executive Director - Automotive and Industrial Business

In FY 2024-25, Amara Raja Energy & Mobility strengthened its competitive position through strategic digital transformation, operational excellence, and sustainability initiatives. Despite global trade headwinds, India's resilient economy and rising EV adoption provided strong growth opportunities. The company expanded its digital ecosystem, enhanced capacity without additional capital expenditure, and announced a new tubular battery facility to further reduce reliance on trading.

The automotive and industrial battery businesses maintained leadership, supported by a robust aftermarket network, CRM-led customer engagement, and innovation in product offerings. Industrial applications continued to demonstrate resilience, while the renewable energy transition and growing demand for reliable storage solutions created new avenues for growth.

At Amara Raja, we believe that true progress lies in balancing the 3Ps – People, Planet, and Profits. Sustainability is deeply embedded in our business strategy, and I take complete ownership for driving our performance across the group.

In FY2025, we made strong progress across key pillars of our sustainability roadmap:

- We remain committed to our Net Zero Plan, targeting a 30% absolute reduction in Scope 1 & 2 emissions by FY 2026-27 (baseline: FY 2021-22). So far, we've achieved a 19% reduction in absolute emissions and a 43% reduction in emission intensity. Our renewable energy capacity stands at 67 MW, accounting for over 25% of our energy use. While process changes and the upcoming TBD plant may temporarily impact emissions, we continue to drive energy efficiency and expand RE sourcing to stay on track.

Harshavardhana Gourineni

Executive Director - Automotive and Industrial



- / On water, we achieved 12x water positivity during the year through a combination of Zero Liquid Discharge (ZLD) systems, rainwater harvesting reservoirs, and community water restoration efforts such as check dams and ponds. We also achieved a 28% reduction in absolute water consumption and a 60% reduction in water intensity, compared to the FY22 baseline.

- / Our commitment to circularity is reflected in Amara Raja Circular Solutions, which now operates India's largest greenfield lead-acid battery recycling plant (1.5 LTPA). We currently recycle 94% of our manufacturing waste, and over 85% of our key raw materials (lead and alloys) come from recycled sources. We've reduced waste intensity by 34% over FY 2021-22, and by FY 2026-27, we aim to become a zero landfill organization, enabled by paddle dryers for ETP sludge and MEE salts, and co-processing of other residual waste.

- / We are integrating Life Cycle Assessment (LCA) into both new and existing products, with a goal to cover 50% of all SKUs during the year.

- / Our supplier engagement programme included on-site sustainability assessments at 18 critical supplier locations, capability-building sessions, and a Supplier Summit to share best practices and recognise top performers.

- / We've repositioned Occupational Health as a strategic pillar, with the launch of the Personal Vitality Programme—
 - / a data-driven approach to monitor employee health and proactively promote active lifestyles and preventive interventions so our people can live healthier and get more from life.

- / We continue to maintain zero fatalities and have achieved a 49% reduction in LTIFR over FY 2021-22. Over 3,900 employees across the group have been trained in Defensive Driving Techniques (DDT). Safety performance is now reviewed quarterly and integrated into the Sustainability Index, which feeds into our Balanced Scorecard.

- / On governance, we are aligning with ISO 27001 for information security and are rolling out the Amara Raja Group Sustainability Framework to harmonize ESG implementation across all group companies.

- / Our efforts have earned external recognition:
 - / CDP 'B' Rating for Climate Action
 - / S&P CSA score improved from 28 to 74 – ranked #1 in India, #2 in Asia Pacific, #6 globally in our sector
 - / NSE ESG rating of 69, ahead of several peers and customers
 - / Awards include the ICAI Sustainability Reporting Award, FE Green Sarathi for Climate Action Leadership, CII CAP 2.0° Resilient Category Award, and the Arogya World Platinum Healthy Workplace Award

As we look ahead, our focus is on decoupling growth from emissions, strengthening safety performance, especially in off-work and road safety, advancing Diversity, Equity & Inclusion (DEI), embedding best sustainability practices across subsidiaries, and expanding sustainability integration into our supplier ecosystem and franchisee networks.

We remain committed to accelerating impact, building resilience, and creating long-term value for our business, people, and the planet.



Message from Executive Director – New Energy Business

We inaugurated Phase 1 of our battery pack plant in Telangana with 1.5 GWh of capacity out of an eventually planned outlay of 5 GWh. We have started commercial supplies of both 2 and 3-wheeler packs out of this facility. Our CQP and R&D facilities are nearing completion and set to come online in FY 2025–26. These developments will significantly widen our capabilities, substantially enhance our product development and accelerate our supply of lithium cells to our customers that are made in India.

The strategic shift toward electric mobility marks a defining moment in our journey of innovation and sustainability. At AR-Advanced Cell Technologies, we are not just keeping pace with the global energy transition—we are helping lead it.

Our work contributes meaningfully to national goals like Atmanirbhar Bharat and supports global climate action commitments. As a flagship initiative of the Amara Raja Group, we are committed to building a clean, self-reliant energy ecosystem anchored in world-class technology and sustainable operations.

During FY 2024-25, we made tangible progress on multiple fronts:

- Integrated Management System (IMS) implementation and successful certification to ISO 9001, 14001, and 45001 standards, ensuring quality, environmental, and occupational safety systems are fully embedded.
- Formation of a dedicated Sustainability Committee at ARACT to oversee environmental and social KPIs and align with the Amara Raja Sustainability Framework.

Vikram Gourineni

Executive Director - Automotive and Industrial



- Emphasis on construction safety at our E+Labs and Giga Corridor project sites, driven through capability building and periodic safety assessments.
- Implementation of Group Critical Safety Standards, including structured safety assessments and governance reviews.

We are also focused on building a skilled, diverse, and future-ready workforce. Our priorities include enhancing capabilities, increasing female employment at the new site, and fostering a culture of inclusion and ownership across the organisation.

Looking ahead, FY 2025-26 will be a landmark year. We will release our first standalone BRSR for AR ACT and work toward refining short-term sustainability targets on material issues such as energy, emissions, circularity, people development, and responsible sourcing.

As we scale up, we remain deeply committed to embedding sustainability into our products, operations, and value chain—ensuring our growth is not just fast, but also clean, safe, and inclusive.



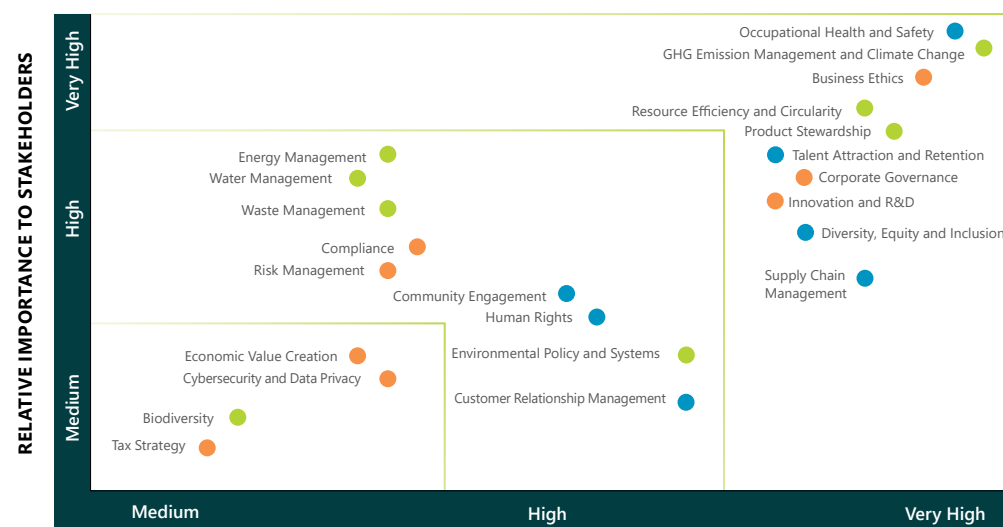
Stakeholder Engagement and Materiality Assessment

In our materiality assessment we have considered both external and internal stakeholders. We conduct materiality assessment every three years or earlier, to ensure relevance and responsiveness to evolving stakeholder concerns. By adopting the double materiality approach, we consider both the financial impact of sustainability issues on our organisation and our business's impact on the economy, environment and society. This assessment is seamlessly integrated into our Enterprise Risk Management (ERM) process, allowing for a holistic view of risks and opportunities.

To bolster the credibility of our materiality assessment process, we engage a third-party assurance provider for verification, ensuring transparency and objectivity. Furthermore, the outcomes of our materiality assessment are subject to review and endorsed by our Senior Management, signifying our leadership's commitment to sustainability and accountability in our operations.

The compensation of our executive team is aligned with sustainability objectives, reflecting our commitment to addressing materiality issues. These issues are identified through a rigorous materiality assessment process, ensuring that executive remuneration is directly tied to the Company's sustainability performance and strategic priorities.

ESG Focus Areas for ARE&M



IMPACT ON BUSINESS SUCCESS			
	VERY HIGH	HIGH	MEDIUM
ENVIRONMENT	GHG Emission Management and Climate Change	Energy Management	Biodiversity
	Resource Efficiency and Circularity	Water Management	
	Product Stewardship	Waste Management	
		Environmental Policy and Systems	
SOCIAL	Occupational Health and Safety	Community Engagement	
	Talent Attraction and Retention	Human Rights	
	Diversity, Equity and Inclusion	Customer Relationship Management	
	Supply Chain Management		
GOVERNANCE	Business Ethics	Compliance	Economic Value Creation
	Corporate Governance	Risk Management	Cyber Security and Data Privacy
	Innovation and R&D		

We are deeply conscious of the environmental responsibility that comes with growth. Our approach to environmental stewardship is centred around efficient resource use, responsible management and a strong drive towards circularity. We continue to invest in clean energy, sustainable water and waste management, as well as biodiversity enhancement, ensuring that our operations are both future-ready, environmentally sound and aligned with our commitment to the Planet.


67 MW

Captive Renewable Energy Capacity


11.94 times

Water Positivity Ratio


80,240 tCO₂e

Carbon Emissions Avoided


94%

Waste Recycled


1,53,600+

Saplings Planted



Planet

Environmental Policy and Management

At ARE&M, our Environmental Sustainability Policy ensures compliance with legal requirements, drives continual improvement and sets clear targets for impact reduction. It promotes stakeholder awareness and places emphasis on deforestation and biodiversity conservation by integrating practices that support and enhance local ecosystems.

We continue to be certified under the ISO 14001:2015 standard for our Environmental Management Systems. Regular audits of our EMS help us identify and implement strategies to enhance environmental performance, ensure regulatory compliance and drive continuous improvement in our sustainability practices.

Return on Environmental Investments

Capital Investments (in ₹ Crore/Lakh)

2024-25	1,70,69,825
2023-24	8,22,79,784
2022-23	53,41,88,306
2021-22	3,39,29,158
2020-21	3,08,01,711

Operating Expenses (in ₹ Crore/Lakh)

2024-25	41,67,11,932
2023-24	36,74,03,518
2022-23	33,82,38,369
2021-22	27,68,10,210
2020-21	17,26,19,212

Total Expenses

(in ₹ Crore/Lakh) Capital Investment + Operating Expenses)

2024-25	43,37,81,757
2023-24	44,96,83,302
2022-23	87,24,26,675
2021-22	31,07,39,368
2020-21	20,34,20,923

Savings, Cost Avoidance, Income, Tax Incentives and others

2024-25	2,69,48,218
2023-24	2,47,00,000
2022-23	-
2021-22	-
2020-21	-

% of Operations Covered

2024-25	100
2023-24	100
2022-23	100
2021-22	100
2020-21	100

Environmental Fines or Penalties

Over the past five fiscal years, ARE&M has not incurred any fines or penalties related to environmental or ecological issues. We remain committed to maintaining rigorous environmental compliance and continually enhancing our sustainability practices to prevent any such occurrences.

FY 2022-27**Near Term Plan Transition to cleaner energy****Scope 1 & 2
(Reduce 30%)**

- 187 MW of installed/ Equivalent RE
- 8 MW power through IEX
- 10 MW Green power purchase
- Refrigerant change to low GWP
- Fuel switchover HSD to Gas
- Energy efficiency projects (-1.5 YoY)
- 50% EV (Internal logistics)

Scope 3

- Vendor engagement and target setting
- Switching to LNG by secondary lead suppliers
- 2.5% YoY GHG reduction by the suppliers
- Battery Recycling Plant, Cheyyar to use LNG as fuel aiding significant reduction in GHG emissions

FY 2027-32**Intermediate Term in line with NDC****Scope 1 & 2
(Reduce 60%)**

- Addition of 161 MW RE equivalent
- 100% EV for employee and internal logistics
- Energy efficiency projects delivering 1.5% YOY reduction

**Scope 3
(Reduce 30%)**

- Part procurement from Net Zero committed supplier
- Logistics decarbonisation (ship/ train)
- RE for secondary lead smelters

Our Net Zero Plan

ARE&M executed merger of Mangal Industries Ltd.'s Battery Component division and updated its Net Zero plan to align with the merger and expansion.

FY 2040-50**Long Term Goal '0' Net Zero****Scope 1 & 2
(0 emissions)**

- 100% RE and 100% EV
- Carbon Sequestration and offsetting for residual emissions
- Hydrogen and biomass for 100% fuel application

**Scope 3
(Reduce 90%)**

- Engage with supply chain partners with Net Zero Commitments and demonstrable progress

FY 2032-40**Scaling Up in Medium Term****Scope 1 & 2
(Reduce 90%)**

- 100% from 24x7 renewable electricity with energy storage
- 100% shift towards Electric or hydrogen driven vehicles
- 100% recycled RM

**Scope 3
(Reduce 50%)**

- Decarbonisation of secondary lead smelters
- Prefer supply chain partners with Net Zero Commitments

Energy and Emissions

Our commitment to environmental stewardship is reflected in our strict adherence to the Greenhouse Gas Protocol and ISO 14064 standards for carbon emissions management. Our efforts focus on minimising our carbon footprint through targeted reduction projects and improved energy efficiency. We have achieved ISO 50001:2018 certification for exceptional energy management and through diligent energy audits, we have identified and acted upon opportunities to enhance energy performance. Management review meetings under ISO 50001:2018 provide a structured platform to rigorously track progress in energy reduction, ensuring continual improvement, and alignment with sustainability goals.

These efforts have resulted in a measurable decrease in energy consumption. We integrate renewable energy sources, notably solar power, into our energy strategy. We now have 25.33% of our energy from renewables, with a significant 67 MW installed solar capacity. Our investment in innovation and R&D aims to further reduce energy use, while our employee training programmes on energy efficiency underscore the collective impact of individual actions towards our company-wide energy conservation goals.



Emissions (MTCO₂e)

Scope 1

FY24-25	6,816
FY23-24	6,604
FY22-23	6,159
FY21-22	2,282

Scope 2

FY24-25	2,30,765
FY23-24	2,09,781
FY22-23	2,42,867
FY21-22	2,67,904

Scope 3

FY24-25	4,51,864
FY23-24	4,05,699
FY22-23	4,00,948
FY21-22	3,98,112

Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Metric tonnes of CO₂ equivalent / INR Crore revenue)

FY24-25	18.60
FY23-24	19.22
FY22-23	23.97
FY21-22	31.07

Disclaimer: Since February FY 2024, the Battery Components Division (BC) of Mangal Industries Ltd has been integrated into ARE&M. FY 2025 data is including BC.

Energy and Emissions (Contd...)

Scope 3 Emissions

3,88,559

Purchased goods and services

6,061

Upstream transportation and distribution

2,497

Employee commuting

20,502

Downstream transportation and distribution

2,007

Waste generated in operations

1,352

Business travel

30,265

End-of-life treatment of sold products

619

Downstream leased assets

— Emissions in the reporting year (Metric Tonnes CO2e)



Energy Conservation Initiatives at ARE&M

Our energy conservation initiatives included replacing centrifugal blowers with energy efficient BLDC fans and optimising air compressor settings. We implemented an air compressor heat recovery system and installed occupancy sensors to minimise unnecessary energy use. Upgrading to high-efficiency IE3 and IE4 motors and replacing pneumatic vibrators with electrically operated alternatives further enhanced efficiency. Additionally, old chargers were upgraded to IGBT technology.

67 MW

Renewable Energy

3,97,338 GJ

Energy Consumption through Renewables

Water Management

We have integrated water recycling processes into our operations as part of our commitment to environmental sustainability and resource efficiency. We prioritise water management through the implementation of effluent treatment plants across all production units, ensuring effective and compliant wastewater management. These efforts significantly reduce our water footprint and support the conservation of this vital resource.

To reinforce the importance of water efficiency, we have also introduced comprehensive training programmes that build awareness and equip employees with the principles of responsible water use. Together, these initiatives form a core part of our strategy to minimise environmental impact and promote sustainable water management.

Zero Liquid Discharge (ZLD) Initiative

We have established a Zero Liquid Discharge (ZLD) system, ensuring that 100% of treated effluents are recycled back into the production process. The system has capacities of 280 KLD and 500 KLD. Additionally, we have set up a stormwater collection pond with a capacity of 14,500 KL to capture runoff water during the initial 30 to 45 minutes of rainfall.

780 KLD

ZLD Capacities

During the year, we digitised our water and wastewater network by integrating electromagnetic flow meters with IoT devices. We have reinforced our commitment to sustainable water stewardship through the construction of check dams across various locations in the Chittoor and Tirupati districts, with a combined storage capacity of 1,433,260 kiloliters (kL), enabling the harvesting of 8,600,025 kL of rainwater.

To ensure credibility and transparency, Bureau Veritas India Private Ltd, a reputed third-party assurance agency, conducted physical verification of all check dams and ponds and issued an assurance statement confirming a total recharge volume of 10,844,861 kL. Based on their desktop reviews, site visits and stakeholder interactions, we achieved an impressive Water Positivity Ratio of 11.94, indicating that we replenished nearly 12 times the volume of water consumed during the year.



Water Consumption (in KL)

FY24-25	9,41,500
FY23-24	9,07,618
FY22-23	13,39,332

Water Intensity (KL/₹ Cr)

FY24-25	76
FY23-24	81
FY22-23	129

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Air Emissions

As part of our commitment to environmental sustainability, we have installed advanced air pollution control systems that effectively remove fumes and dust from the process. These systems are equipped with sufficient capacities to effectively treat emissions to meet discharge standards, ensuring compliance and efficiency. We also continuously monitor workplace air quality and pollution control devices to ensure that lead levels remain well below statutory limits. Additionally, Continuous Ambient Air Quality Monitoring Stations (CAAQMS) track PM10, PM2.5, SOx and NOx in real time.



Waste Management

Our commitment to environmental stewardship is reflected in our rigorous waste audits, which have led to strategic investments in innovation and R&D aimed at cutting waste generation.

We have set quantifiable targets to track our progress and have implemented waste reduction training for employees to promote a culture of sustainability. Additionally, we implement robust recycling initiatives to decrease landfill waste, aligning with our targets on circular economy and responsible resource use. Notably, our products are free from Volatile Organic Compounds (VOCs).



We are targeting a zero landfill organisation status by FY 2026-27.

Waste Intensity per Crore of turnover (MT/₹ Cr)

2024-25	2.22
2023-24	2.4
2022-23	2.80
2021-22	3.25



Hazardous Waste

Total hazardous waste recycled/reused

(Unit in MT)

2024-25	20,498
2023-24	19,129
2022-23	20,360
2021-22	21,242

Total hazardous waste disposed

(Unit in MT)

2024-25	1,700
2023-24	1,590
2022-23	1,328
2021-22	1,054

Data Coverage

% of operations

2024-25	100
2023-24	100
2022-23	100
2021-22	100

Hazardous waste landfilled

(Unit in MT)

2024-25	1,622
2023-24	1,551
2022-23	1,316
2021-22	1,033

Hazardous waste incinerated without energy recovery

(Unit in MT)

2024-25	78
2023-24	39
2022-23	12
2021-22	21

Non-Hazardous Waste

Total waste recycled/reused

(Unit in MT)

2024-25	5,375
2023-24	5,012
2022-23	5,005
2021-22	4,339

Data Coverage

% of operations

2024-25	100
2023-24	100
2022-23	100
2021-22	100

Disclaimer: Since February FY 2024, the Battery Components Division (BC) of Mangal Industries Ltd has been integrated into ARE&M. FY 2025 data is including BC.



Climate Strategy

Driven by our commitment to reach Net Zero emissions by 2050, we have released a TCFD Report that offers a thorough analysis of climate-related risks, opportunities, and strategies. It reflects our dedication to global best practices and transparent reporting on climate governance and metrics.



Low Carbon Products

We have invested in R&D to make our products last longer. In FY 2024-25, we achieved 85.32% usage of recycled input materials (lead and lead alloys), exceeding the 84.31% target. Recognising the critical role of R&D, we are establishing the E-positive Energy Labs, a state-of-the-art innovation and research facility in Hyderabad, Telangana.



Biodiversity Risk Assessment

We have conducted a comprehensive biodiversity risk assessment using the Integrated Biodiversity Assessment Tool (IBAT) methodology, which adopts a location-specific approach to evaluating ecological impacts. Our assessment utilised visual data maps to highlight Protected Areas, Key Biodiversity Areas, IUCN Red List Species, the STAR Layer with a 50 km resolution and rarity-weighted species richness.

This site-centric analysis ensures that our evaluations are tailored to the unique ecological characteristics and conservation priorities of each region. Referencing authoritative methodologies and frameworks such as the IUCN Red List and Key Biodiversity Areas, our assessment is grounded in globally recognised standards and aligned with international best practices.

Currently, 55% of our operational areas are under green cover, supported by the plantation of over 82,600 saplings on-site and an additional 71,000 in surrounding communities. These efforts reflect our proactive commitment to habitat enhancement and ecosystem restoration. As a result of this thorough assessment and ongoing ecological initiatives, we have successfully identified and managed potential biodiversity risks, with no significant risks found within our operations.



Resource Efficiency

At Amara Raja, we adopt an economically efficient approach across all operations, supported by substantial investments in Research and Development aimed at optimising lead utilisation in battery production. Our commitment to sustainability is evident through the maximisation of recycled lead in these processes. We prioritise resource conservation through efficiency measures that minimise raw material inputs. Moreover, a substantial portion of our procurement is sourced from local suppliers, a strategic initiative aimed at reducing potential supply chain disruptions.

Currently, recycled sources account for 85% of the lead and lead alloys used in our manufacturing. We are working to increase this proportion by expanding our used battery collection mechanisms. Additionally, a lead recycling facility with a capacity of 1.5 Lacs MTPA has been established in Cheyyar, Tamil Nadu, through ARE&M's wholly owned subsidiary, Amara Raja Circular Solutions (ARCS). We also have a sustainable sourcing policy in place.

Raw Material Programmes

We have undertaken a rigorous assessment to prioritise the sourcing of raw materials, emphasising traceability to their origins to ensure responsible procurement. This initiative is pivotal in reducing negative environmental and social impacts associated with raw material production. We have set clear targets for increasing the share of sustainable and recycled raw materials.

Progress towards these targets is regularly monitored, demonstrating transparency and accountability in our sourcing practices. Additionally, we have implemented targeted training for our internal stakeholders, ensuring that everyone within the Company understands their role in achieving our objectives for sustainable raw material use. These concerted efforts are crucial steps in our journey towards a more sustainable and ethical supply chain.



Plastic Raw Materials

Plastic materials in products

Resource Used (Unit in MT)

2024-25	29,392
2023-24	26,288

Recycled materials (in %)

2024-25	11.35
2023-24	10.76

Metal Raw Materials

Copper

Resource Used (Unit in MT)

2024-25	367
2023-24	471

Recycled material from recycled sources (in %)

2024-25	0
2023-24	0

Lead

Resource Used (Unit in MT)

2024-25	3,06,638
2023-24	2,83,925

Recycled material from recycled sources (in %)

2024-25	85.32
2023-24	83.2

We believe that enduring relationships form the foundation of sustainable growth. Guided by our core value of responsibility, we embrace total ownership of our actions to create maximum common good for all stakeholders—environment, society, customers, suppliers, employees and shareholders alike. Our commitment to equity is reflected in promoting inclusive engagement, promoting equal opportunities and ensuring fair treatment across every level of our organisation. Through transparent communication and partnerships built on trust, we strive to create lasting value that uplifts communities and supports a diverse and equitable workplace.

Equity

2.22 Lakhs

Training hours

84%

Employee Engagement Score

~₹20 crores

Investment in Community Initiatives

2,17,394

Patients Treated Since Inception

50,361

Children Benefited by getting a Quality Education

38

Distribution Points



Our People

Workforce Composition

Nationality	Representation in Total Workforce (as % of Total Workforce)	Representation in Management Positions (as % of Total Management Workforce)
India	100%	100%

Workforce breakdown by gender is presented in the graph illustrating the share of women in various management levels including overall management, top management, junior management, revenue-generating roles and STEM-related positions.

% Share of women position wise

Women in the total workforce

(%)

2024-25	13.21
2023-24	10.6

Junior Management

(%)

2024-25	8.92
2023-24	8.69

Management positions in revenue-generating functions

(%)

2024-25	9.37
2023-24	8.09

All Management

(%)

2024-25	9.37
2023-24	8.09

Top Management

(%)

2024-25	6.5
2023-24	4.44

Women in STEM related

(%)

2024-25	13.29
2023-24	11.11

Amara Raja Sustainability Academy

We have established a Sustainability Academy for our employees which aims to empower our workforce with the knowledge and skills needed to drive sustainable practices, foster a culture of environmental responsibility and contribute to our long-term commitment to ecological stewardship and social impact. More than 250 managers participated and completed AR Sustainability Academy courses. Additionally, we conducted 20 different sustainability related training programmes throughout the year for our employees across all plants and offices.



Training and Development

- Average hours per FTE of Training and Development (in hours): 18.16
- Average amount spent per FTE on Training and Development (in INR): 5,742

Hours of Training and Development by Age, Gender and Management, FY 2024-25

Category	Age Group <30		Age Group 30-50		Age Group >50	
	Male	Female	Male	Female	Male	Female
Top Management	0	0	0	0	0	0
Senior Management	0	0	366	569	372	70
Middle Management	200	94	1,294	9,172	1,226	672
Junior Management	6,702	525	13,138	1,447	836	22
Associates / non-management	8,178	414	11,823	888	944	54
Others	54,724	8,611	52,750	9,279	1,604	7
Total	69,803	9,644	79,372	21,356	4,982	825

Gender Pay

The table below provides the monthly gender pay across all employee and management level for the fiscal year 2024-25.

Employee Level	FY2024		FY 2025	
	Average Women Salary	Average Men Salary	Average Women Salary	Average Men Salary
Executive Level (basic salary only)	26,346	27,611	25,245	24,166
Executive Level (basic salary & other cash benefits)	57,042	60,146	59,922	57,586
Management Level (basic salary only)	30,306	88,216	60,715	65,368
Management Level (basic salary & other cash benefits)	65,315	1,81,220	1,39,639	1,48,457
Non-Management Level (basic salary only)	4,148	6,341	3,906	6,175

Note: All figures in INR.

Employee Development Programmes

At Amara Raja Group, we've introduced the Upskilling, Reskilling and Learning Policy, marking a major advancement in our dedication to nurturing an environment of ongoing learning and growth. This policy underscores our commitment to ensuring that our workforce's skills and competencies are in sync with our organizational goals and strategic direction. Our goal is to promote a dynamic culture of learning where the importance of continuous skill enhancement is recognized and actively supported across all levels of the organization.

We provide training on whistleblowing mechanism during the induction of all new employees, ensuring they understand how to file a Protected Disclosure in line with the Whistle Blower Policy. The training covers timelines, submission formats (sealed envelope or email) and contact details of the Ombudsperson and Chairman of the Audit Committee, enabling employees to confidently report concerns.

Employee Development Programmes cover our employees, workers, as well as fixed-term employees

	AR Seed	AR Propel
Name and description of the programme	Amara Raja Supervisors Empowerment and Expertise Development (SEED) programme: A specialized programme designed to empower supervisors with essential skills for enhanced role effectiveness and future challenges.	Amara Raja Programme for Powering Emerging Leaders: A comprehensive general management and leadership development initiative developed in partnership with the Indian School of Business, Hyderabad.
Business benefits of the programme	Enhanced managerial skills, improved succession planning and maximized potential of supervisors.	Development of General Managerial Capability of Next Generational Leaders in Senior Management.
Quantitative impact of business benefits (monetary or non-monetary)	Supervisors were trained, mentored and successfully completed the SEED programme.	Internal Promotion, Succession Planning and Reduced Turnover.
% FTEs participating in the program	1%	0.21%



Hiring

The following table presents a snapshot of our organization's robust hiring activities, showcasing our strategic commitment to nurturing talent and reinforcing our workforce from FY 2020-21 to FY 2024-25.

Key Performance Indicators (KPI)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total number of new employee hires	97	323	375	342	351
Total number of new employee hires through external manpower agency	3	18	36	26	57
Percentage of open positions filled by internal candidates	23%	29.3%	51.3%	49%	25.35%
Average hiring cost/FTE	15,526	7,835	7,985	6,866	9,419

New Employee Hires by Age Group, Gender, and Management Level

Category	Age Group <30		Age Group 30-50		Age Group >50	
	Male	Female	Male	Female	Male	Female
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Middle Management	0	1	9	1	1	0
Junior Management	60	8	94	6	0	0
Associates / non-management	136	9	23	3	0	0

Employee Turnover

The table below offers a clear view of our organization's employee turnover rates, highlighting our focus on workforce stability and retention strategies from FY 2020-21 to FY 2024-25.

Key Performance Indicators (KPI)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total employee turnover rate	10.25	13.64	10.85	11.4	7.1
Voluntary employee turnover rate	8.52	11.7	9.39	9.37	6

Total Employee Turnover Rate Based on Age Group, Gender, and Management Level, FY 2024-25

Category	Age Group <30		Age Group 30-50		Age Group >50	
	Male	Female	Male	Female	Male	Female
Top Management	0	0	0	0	0	0
Senior Management	0	0	2	0	0	0
Middle Management	1	0	9	1	2	0
Junior Management	56	8	58	0	3	0
Associates / Non-management	408	58	153	28	6	0

Performance Appraisal System

In our pursuit of excellence, we have implemented an advanced digital Performance Management System (PMS) that is rooted in the principles of Management by Objectives (MBO). This multi-dimensional and team-based system is designed to evaluate a wide spectrum of performance metrics, including key result areas, objectives, tasks, attitudes and leadership behaviours. It supports Agile conversations and ensures frequent, constructive feedback, which has been instrumental in enhancing individual and team performance. The PMS has been well-received for its role in fostering a culture of continuous improvement and accountability. Our annual performance and career development reviews, held every April, along with biannual promotion assessments, are integral to this process, aligning performance counselling with revisions to grade, compensation & benefits and reinforcing our commitment to sustainable workforce development.

Employee Support Programmes

In accordance with the Maternity Benefit Act of 2017, we provide our female employees with up to 26 weeks of paid maternity leave. Additionally, our male employees are entitled to 1 week of paternity leave. We support new mothers with lactation facilities and offer access to creche facilities, ensuring they have the necessary resources for childcare and breastfeeding at the workplace.

Employees are entitled to paid annual leave as per statutory provisions.

Trend of Employee Wellbeing

We conduct organization-wide online surveys, including the annual AR Speak to gather employee feedback and recommendations. This data helps us enhance engagement, address areas needing improvement, and sustain strengths.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Employee Satisfaction score	86%	88%	87%	83%	84%
Data Coverage (% of employees who responded to the survey)	100%	100%	99%	99%	100%

We have been recognised and certified as a ‘Great Place to Work’ for the third consecutive year, following the survey conducted by the esteemed Great Place to Work Institute. This helped us maintain our position among the Best Companies to Work for in 2025.

Employee Survey

Our employee survey focusses on these key aspects:



Job Satisfaction

We continuously refine our organisational structure to stay agile and responsive to internal and external dynamics, ensuring our design supports both strategic goals and operational efficiency.



Purpose

We evaluate the internal motivations that drive our workforce, ensuring that their work aligns with a clear sense of purpose.



Happiness

We gauge the overall happiness of our employees at work, striving to create a positive and supportive atmosphere



Stress

We address the stress levels within our workforce, aiming to provide a balanced and healthy work environment.

Long-term Incentives for Employees

ARE&M provides long-term incentives for all employees. These incentives include long service awards that recognize and celebrate employee dedication and performance. This helps to motivate and engage employees, aligning their efforts with the Company's long-term goals. This also includes cash bonus for achieving objectives & targets defined in the five years strategic plan of the organization.

Occupational Health and Safety

We have established robust occupational health and safety management systems across our organization. All manufacturing facilities are ISO 45001:2018 certified. To maintain zero fatalities and reduce Lost Time Injury Frequency Rate (LTIFR), we enforce strict safety protocols and provide ongoing training focused on prevention and response. Regular safety audits and risk assessments help us identify and address potential hazards. Work-related hazards are assessed through the Hazard Identification and Risk Assessment (HIRA) process by a dedicated team. High-risk processes and tasks are prioritized based on their hazard level and likelihood of incidents. Action plans are developed to systematically address these risks, focusing on high-impact areas such as chemical safety (lead, sulfuric acid), mechanical hazards, road safety, and electrical safety. Each site has an updated emergency response plan, including regular drills and a trained Emergency Response Team (ERT) skilled in firefighting and rescue. We thoroughly investigate work-related injuries and incidents to prevent recurrence and enhance safety. Our commitment to integrating Occupational Health and Safety (OHS) standards into our procurement strategy ensures that OHS criteria are prioritized in supplier evaluations and contractual agreements.

Zero

Fatality

49%

Reduction in LTIFR
from baseline year

ZERO

Non-Conformities in Customer
Safety Audits

41

internal assessors trained
on critical safety standards

Other Safety Initiatives

- Protection against exposure to dust: Closed loop fume and dust extraction systems with scrubbers / bag filters at all plants. Robotic floor cleaners prevent workers' exposure to process dust.
- Prevention of accidents with moving parts: Machine safety interlocks across all assembly lines to prevent interaction with moving parts.
- Behavior based safety (BBS) trainings: Promoting a safer work environment through employee awareness and behavior modification. Video analytics to enforce PPE compliance and enhance workplace safety.
- Implementation of Gemba Walk: Observing operations, gaining insights, and fostering continuous improvement through workplace visits.



Road Safety

At ARE&M, road safety is a fundamental pillar of our commitment to employee well-being and responsible operations. Guided by a comprehensive Road Safety Policy, we are fostering a culture of awareness and accountability at every level of the organisation. Our dedicated Road Safety Champions lead the charge by conducting Defensive Driving Training (DDT) and carrying out surprise checks within and beyond our premises to ensure the use of helmets and seatbelts. Strategic oversight is provided by the Road Safety Subcommittee, chaired by Chief Sustainability Officer, which meets quarterly to review progress and steer new initiatives. In FY 2024-25, 3,962 employees have been trained in defensive driving and we are steadily advancing towards our target of achieving 100% defensive driving training coverage for all vehicle owners.

Sustainability Events

By organising sustainability events, we aim to enhance safety awareness and promote environmental stewardship, reinforcing our commitment to promoting safety, preserving biodiversity, and fostering environmental awareness. During the year we observed World Environment Day, International Day for Biological Diversity, World Water Day, National Safety Week, Road Safety Month, World Heart Day, National Cancer Day & World Diabetes Day.



ARG – Critical Safety Standards

Purpose

- /// Prevent workplace accidents & injuries
- /// Ensure compliance with regulations
- /// Promote a safety-first culture
- /// Standardize safety procedures
- /// Protect company assets & reputation
- /// Enhance productivity & efficiency

Standard Contents

- /// Responsible people
- /// People related Requirements -Competency /Trainings / Medical fitness
- /// Process related requirements - Job Planning / Job Execution / Infrastructure / Audits, Inspection & testing
- /// Annexures - Audit /Inspection checklists

ARG Critical Safety Standards

- /// Work at Height Safety
- /// Confined Space Entry Safety
- /// Forklift Truck Safety
- /// Isolation Safety (Lock Out Tag Out)
- /// Crane and lifting safety

Assessments

- /// Annual score improvement part of Business Sustainability Index
- /// Quarterly self assessments by Businesses to identify existing gaps and address them through CAPA.
- /// Annual assessment by cross functional team of internal auditors.
- /// Assessment scores on a scale of 0 to 100.

The table below shows information of fatalities and LTIFR (per one-million-person hours worked) indicators for the past four years for employees (including contractor manpower).

Indicator	Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Fatalities	Employees	0	0	0	0	0
	Workers	0	0	0	0	0
LTIFR	Employees	0.88	0.00	0.00	0.22	0.20
	Workers	0.94	1.11	0.67	1.21	0.55

Discrimination and Harassment

At ARE&M, we prohibit any form of harassment and maintain a zero-tolerance policy towards discrimination, including both sexual and nonsexual harassment. We ensure a safe and equitable workplace through comprehensive training for all employees on identifying and preventing discriminatory and harassing behaviors.

A defined and confidential escalation process is in place for reporting such incidents, guaranteeing that every report is treated with the utmost seriousness. In instances of policy violations, we take decisive corrective or disciplinary actions to maintain our high standards. This explicit stance is a cornerstone of our sustainability efforts, reinforcing a culture of inclusivity and respect that is vital to our success.



Human Rights

We uphold high human rights standards across all operations. Our thorough due diligence covers all operational areas to assess and alleviate potential human rights risks and impacts. Our risk assessments following UNGC principles, found no human rights risks. We continually review and extend assessments to ensure comprehensive protection and ethical conduct.

We follow a comprehensive due diligence process aimed at identifying, assessing, and managing potential human rights risks. We identified the groups at risk of human rights issues, i.e., our employees, third-party employees, local communities, women, and children. We ensure compliance with international standards, including ILO conventions and the UN Universal Declaration of Human Rights. Additionally, we integrate human rights principles into our Supplier Code of Conduct. We ensure that our operations are not complicit with the issues related to forced labor, human trafficking, Child labor, Freedom of association, collective bargaining, harassment and Discrimination. We have implemented human rights mitigation plans across all operational sites. This includes our factories, offices, and the sites of our suppliers and business partners, ensuring compliance with human rights standards in every location.

Our remediation actions include a strong grievance mechanism for internal and external stakeholders, regular monitoring of human rights practices and the implementation of preventive measures to safeguard against harassment and discrimination. We also conduct periodic reviews to continuously improve our human rights performance and maintain a safe, equitable workplace.

In addition, we provide targeted human rights training to all employees and have a clearly articulated human rights policy in place. Through periodic reviews, we strive to continuously enhance our human rights performance. Our diligent efforts have resulted in the identification of no sites at risk for human rights violations, affirming our dedication to maintaining a safe and equitable environment for everyone associated with ARE&M.

Labor Practices Programmes

Amara Raja Energy & Mobility Limited has robust programmes in place to manage its labor practices, ensuring compliance with statutory requirements and alignment with global best practices. The company ensures adequate wages at or above cost-of-living benchmarks and monitors working hours, including overtime, to safeguard employee well-being. Employees are paid for overtime work as per applicable laws, and the Company regularly engages with workers' representatives to address workplace conditions.

The organisation routinely monitors the gender pay gap to ensure equal remuneration for men and women and extends social protection measures beyond statutory provisions. Programmes are also in place to ensure employees avail their paid annual leave entitlements. In addition, the Company provides training and reskilling opportunities to help employees adapt to changes arising from industrial transformation and climate transition impacts, thereby promoting a fair, safe, and equitable work environment.



Supply Chain Management

Significant suppliers for ARE&M include those that provide essential materials and components critical to our operations. These suppliers play a vital role in maintaining our production efficiency and ensuring the quality of our products. Our partnerships with these suppliers are built on reliability, quality assurance and alignment with our sustainability goals.

Supplier Programme and Screening

In our commitment to sustainable and ethical business practices, we have established a rigorous supplier onboarding process that is guided by our comprehensive Supplier Code of Conduct and a robust supplier sourcing policy. This process is underpinned by a detailed Ariba checklist, which includes key sustainability performance indicators and a requirement for suppliers to provide evidence of necessary permissions, consents, licenses and approvals from environmental and labor regulatory bodies such as SPCB, MoEF, CPCB and the Factories Department. These measures are part of our efforts to ensure that our suppliers' operations align with Environmental, Social and Governance (ESG) criteria.

Environmental, social, governance, and business relevance aspects, along with commodity-specific, country-specific, and sector-specific risks are considered in the screening process for significant suppliers. Suppliers that fail to meet the

minimum ESG requirements within a predetermined timeframe are excluded from consideration. Conversely, those demonstrating superior ESG performance are given preference, with a minimum weight assigned to ESG criteria during the selection and contract awarding stages.

We also recognize the importance of equipping our buyers and internal stakeholders with the knowledge and tools necessary to effectively implement our supplier ESG programmes. To this end, we provide targeted training that emphasizes their roles and responsibilities within these programmes. The oversight of these initiatives is a top priority, with senior management taking an active role in defining and monitoring the implementation of our supplier ESG programmes. Additionally, purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Supplier Code of Conduct and to avoid potential conflicts with ESG requirements.



Supplier Assessment and Development

We have conducted thorough supplier evaluations, including desk assessments with methodical verification of evidence and on-site reviews by our internal Supply Chain Management (SCM) team. Recognizing the importance of continuous improvement, we offer both remote and on-site support to assist suppliers in implementing corrective actions and improvements. Additionally, we facilitate supplier access to ESG benchmarks, enabling them to compare their performance against industry peers using monthly collected sustainability data. This benchmarking process not only fosters a competitive spirit but also highlights areas for potential enhancement. To further support our suppliers in building capacity and improving ESG performance, we have implemented technical support programmes that are tailored to address specific needs and challenges faced by our suppliers. These initiatives are part of our broader strategy to ensure that our entire supply chain operates in accordance with our sustainability objectives and ethical standards, as outlined in our Supplier Code of Conduct and Sustainable Sourcing Policy.

KPIs for Supplier Screening

Supplier Screening	FY 2023-24	FY 2024-25
Total number of Tier-1 suppliers	145	149
Total number of significant suppliers in Tier-1	71	74
% of total spend on significant suppliers in Tier-1	99%	99.7%
Total number of significant suppliers in non-Tier-1	18	10
Total number of significant suppliers (Tier-1 and non-Tier-1)	89	84

KPIs for Supplier Assessment and Development

Supplier Assessment	FY 2023-24	FY 2024-25
Total number of suppliers assessed via desk assessments/on-site assessments	17	17
Number of suppliers assessed with substantial actual/potential negative impacts	0	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0	0
Number of suppliers with substantial actual/potential negative impacts that were terminated	0	0
Total number of suppliers supported in corrective action plan implementation	17	17
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0%	0%
Total number of suppliers in capacity building programmes	17	17


Supplier Sustainability Summit

During the year, we successfully hosted ARE&M's 1st Supplier Sustainability Summit on February 20, 2025. This milestone event marks the culmination of two years of supplier capability building and engagement, covering ESG MIS implementation, target setting, site audits, and observations closure for critical suppliers. The summit honored vendor partners who have significantly contributed to Amara Raja's sustainability goals while setting a strong foundation for future collaboration.




Logistics Optimisation


Following initiatives were implemented:




Use of Multi
Model Logistics
(Road-Train- Sea)




Training drivers on
safety and fuel saving
efficient driving



Deployment of
higher tonnage
vehicles



Engagement with
fleet owners for better
service and delivery



Route optimisation
Installation of GPS

Conflict Mineral

Our company has established a formalized process to meticulously track minerals through our supply chain, with a particular focus on identifying and assessing risks associated with minerals sourced from conflict affected and high risk areas. While our products, such as lead acid batteries, do not include conflict minerals, we recognize the importance of due diligence in this area. To this end, we have implemented a comprehensive supplier survey that queries our vendors on the origin and procurement of the minerals they supply. This survey is part of our commitment to responsible sourcing and is followed by a rigorous response verification procedure to ensure the accuracy and integrity of the information provided. Additionally, we conduct a country-of-origin determination to trace the minerals back to their source, thereby ensuring that our supply chain remains free of conflict minerals and adhere to the highest ethical standards. This proactive approach reflects our dedication to corporate responsibility and the safeguarding of human rights within our sphere of influence.

From FY 2021 to FY 2025, there were no revenues from products containing minerals sourced from conflict-affected and high-risk areas. We confirm that none of our suppliers are based in or source materials from conflict-affected or high-risk regions, in alignment with our commitment to responsible and ethical sourcing practices.



Corporate Social Responsibility (CSR) Initiatives

ARE&M Corporate Social Responsibility (CSR) initiatives are designed with the objective of enhancing the lives and livelihoods of underprivileged, marginalized and vulnerable communities in proximity to its operational facilities. Regular on-site discussions are conducted by CSR personnel for feedback and suggestions on community-related issues, which are promptly addressed. These initiatives are spearheaded by the Rajanna Foundation and encompass the following areas:

Primary Health

ARE&M's CSR programmes are committed to providing access to healthcare for vulnerable sections of society who lack the resources for quality healthcare. It extended primary healthcare services to 17,920 individuals, including children, women, senior citizens and marginalized communities in FY 2024-25.



Education

The Amara Raja Educational Society (ARES) operates three schools located at Karakambadi, Petamitta, and Diguvamagham in the Tirupati & Chittoor districts, affiliated to CBSE. These institutions provided quality education to 4,900 children, 80% of whom belong to marginalized or vulnerable sections.



Skill Development

The Amara Raja Skill Development Centre (ARSDC), established in 2014, has a dedicated team that works with the youth, particularly in rural areas, to enhance their skills and provide them with non-migratory employment opportunities. Currently, a total of 1,724 students are receiving on-the-job training through this skill development programme.



Environment and Social Forestry

We are committed to a sustainable future and has taken tangible steps towards this goal, including soil conservation and vegetation regeneration through social forestry schemes. Social forestry encourages forest expansion, which can be utilized by tribal and forest-dependent people for harvesting forest produce, a daily necessity for these vulnerable sections.



ARE&M's governance practices are governed by Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule V. This is built on strong internal controls, clear policies and timely disclosures. We place equal importance on compliance and culture, ensuring that our people understand the value of integrity and responsible decision-making. Any amendment to the Articles of Association or corporate bylaws requires approval from shareholders at the Annual General Meeting (AGM), ensuring transparency and accountability.

Integrity

3

Independent Directors*

1

Women Directors*

Zero

Data breaches

3

Executive Directors*

Zero

Corruption and Anti-bribery case in the five years

*Includes Ms. Radhika Shapoorjee who was appointed as an Independent Director w.e.f May 22, 2025



Corporate Governance



Board Independence

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies are required to have at least one-third of the board comprised of independent directors if the Chairperson is non-executive, and at least half if the Chairperson is executive. In accordance with these requirements, the Board of ARE&M currently consists of 3 independent directors out of a total of 6. The Company target share for independent directors to constitute at least 50% of its Board.



Mandates on Directorships and Board Election Process

In adherence to Regulation 17(1A) of the SEBI LODR Regulations, it is mandated for our directors to not hold directorships in more than seven listed entities. This practice reflecting our commitment to transparency and compliance with regulatory standards, while ensuring that our directors can effectively contribute to the sustainable success of the organisations they serve. In compliance with the Companies Act, one-third of the directors (excluding Independent Directors) are reelected at each Annual General Meeting.



Board Meeting Attendance

In accordance with Indian regulations, the Board of Directors is required to meet at least four times a year, with a maximum gap of 120 days between any two consecutive meetings. During the financial year 2025, the Board convened six times, with an average attendance of 92.83%. As per governance norms, Directors are expected to attend at least 20% of the meetings held during the financial year.



Executive Performance Metrics

The Balanced Scorecard (BSC) framework for executives includes a dedicated line-item titled Sustainability Index, derived from performance against key materiality-driven sustainability projects and targets. The Sustainability Index carries a weightage of 6% in the balanced scorecard, and achieving the final scorecard is critical for determining variable payouts to senior executives and employees. Executive remuneration is directly tied to the Company's sustainability performance and strategic priorities.

Board Committees as on March 31, 2025:

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

Risk Management Committee

Corporate Social Responsibility Committee

The Sustainability Committee regularly reviews our sustainability performance to ascertain steady progress towards our goals. This Committee comprises of the key officials including Chief Sustainability Officer and is chaired by the Executive Director.

Materiality

Material Issues for Enterprise Value Creation

Aspects	Occupational Health and Safety (OHS)	GHG Emission Management and Climate Change	Resource Efficiency and Circularity
Business Case	Impacts the fundamental right to life and welfare of individuals and may lead to legal consequences under statutory regulations, including the Factories Act and related legislation.	The changing landscape of regulations concerning carbon emissions pricing, carbon border taxes, and the repercussions of negative stakeholder feedback might have significant business implications. Additionally, we are exploring the potential market for lithium-ion batteries.	As they directly impact cost-effectiveness, regulatory compliance, and sustainability. By optimizing the use of materials and embracing a circular economy, businesses can reduce waste, lower production costs, and meet increasing consumer and legislative demands for environmentally responsible products.
Business Impact	Risk	Cost/Revenue	Cost
Strategy	Our company is committed to upholding the occupational health and safety of our workforce through a comprehensive approach that includes regular training, reviews, audits, and consistent communication. This ensures compliance with our established OHS policies and procedures. Our occupational health & safety management system, certified under ISO 45001, extends to all sites, where dedicated health & safety teams are in place. Occupational health services are available at every location, with special arrangements for managing severe injuries and subsequent rehabilitation efforts. Furthermore, all employees are covered by medical insurance.	Accounting of carbon emissions following the Greenhouse Gas Protocol (GHGP) and ISO 14064 standards. We are actively pursuing carbon emissions reduction and energy efficiency initiatives to reduce carbon footprint. adoption of renewable energy sources, with a focus on solar power is a key component of our approach. Furthermore, our facilities have achieved ISO 50001:2018 certification, underscoring our commitment to effective energy management systems.	We are adopting a circular economy approach across all our processes, investing in R&D to optimize lead utilization in our batteries, and prioritizing the use of recycled lead to the fullest extent possible. Our fully owned subsidiary ARCSPL is establishing a lead recycling facility with a capacity of 1.5 Lakh MTPA in Cheyyar, Tamil Nadu.
Target	By FY 2025-26 <ul style="list-style-type: none"> Continue to be a Zero-fatality organization Reduce LTIFR by 6% Complete Defensive Driving Training for 80% Employee Exit the year with an overall 60% score in Critical Safety standards Initiate leadership safety audits – one per leader every quarter 	Net zero emissions by 2050	By FY 2025-26 <ul style="list-style-type: none"> Meet EPR target for Lead Acid Battery as defined in BWMR, 2022 Reduce water consumption intensity to 69.82 kL per INR Crore.
Progress	<ul style="list-style-type: none"> Zero Fatality LTIFR - 0.46 	<ul style="list-style-type: none"> 66.97 MW* installed renewable energy (RE); 25.33% RE share Reduced absolute Scope 1&2 emissions by 19% over FY22 Reduced intensity of Scope 1&2 emissions by 43% over FY22 	<ul style="list-style-type: none"> Water Consumption Intensity: 75.89 KL/INR Cr Battery recycling rate for Automotive and Industrial are 78% and 47% respectively

Materiality

Material Issues for External Stakeholders

Aspects	Product Stewardship	Customer Relationship Management
Cause of the Impact	The external impact attributed to product stewardship is primarily the responsibility of our operations, products, and supply chain. Our assessment encompasses the full scope of business activities, ensuring that every stage, from the sourcing of raw materials to the manufacturing processes, and from the distribution of our products to their ultimate use and disposal, is managed with a commitment to environmental sustainability and social responsibility.	Effective CRM in battery manufacturing streamlines operations with real-time insights, drives product innovation by capturing customer preferences, and optimizes the supply chain to match demand, enhancing efficiency and customer satisfaction in a competitive market.
External stakeholder(s)/ impact area(s) evaluated	Often focus on environmental impact and consumer safety. Key stakeholders include regulatory bodies concerned with environmental protection, customers who prioritize sustainability and product safety, and local communities affected by manufacturing practices.	Involve evaluating the environmental impact of sourcing and disposal of batteries, as well as the health and safety concerns related to the use of hazardous materials. Key stakeholders typically include local communities, regulatory bodies, customers, and environmental organizations.
Topic relevance on external stakeholders	Address the growing consumer preference for sustainable products by developing and offering goods that have a reduced environmental impact throughout their lifecycle.	Directly relates to environmental sustainability and ethical sourcing, which are critical concerns for consumers, investors, and regulatory bodies. The impact assessed is material to external societal stakeholders and the environment due to the potential ecological footprint of battery production, including resource depletion and pollution.
Output Metric	Zero voluntary and forced recalls on the safety issues.	Customer satisfaction score :88%
Impact Valuation	<ul style="list-style-type: none"> ● We conducted Life Cycle Assessment (LCA) for two of our flagship products, one each in the automotive battery and industrial battery segments. ● Going forward target is to Complete Internal LCAs for 50% SKU designs. 	<ul style="list-style-type: none"> ● We established structured process to conduct customer satisfaction survey. ● We plan to cover our franchise network for sustainability implementation.
Impact Metric	<ul style="list-style-type: none"> ● 85.32% of recycled lead and 11.35% of recycled plastics as input to the total material used in production. ● 100% of products (as a percentage of turnover) carry information about environmental and social parameters relevant to the product. 	<ul style="list-style-type: none"> ● 11 complaints have been received 4 Pending resolution at end of year. ● We have conducted various campaigns to raise awareness about the hazards of lead, featuring guidance on warranty cards for proper disposal of products at their end-of-life at specific collection points.

Risk Management

The Risk Management Committee (RMC) of our company is composed of board members (including independent directors) which oversees the Risk Management function. Supporting the RMC is the Risk Management Steering Committee, which provides strategic direction and oversees compliance with them and beneath them are the Risk Owners, responsible for managing specific risks within their areas of expertise. In addition to the above, we have an Independent Audit committee, which serves as our internal audit function. This committee operates independently to provide assurance of compliance with these systems.

A clearly defined risk appetite document and risk rating criteria with detailed assessment criteria for impact and likelihood is in place. We conduct a biannual review of our company's risk exposure to ensure proactive management and mitigation of potential threats.

There is a comprehensive Risk Management framework, consisting of a Risk Policy with clearly defined roles and responsibilities, defined Risk Appetite and Risk scoring criteria. Training sessions are being conducted across the organization on the risk management principles and practices, improving their decision making and proactive response to potential threats. A process of continuous monitoring and improvement is in place with the introduction of Key Risk Indicators. Risk owners have been identified for the risks and responsible for continuous monitoring and mitigation. By aligning their KRAs with the organization's risk management framework

and with the continuous process of identifying, analysing, and addressing potential risks and evaluating mitigation plans, risk owners contribute to the reduction of vulnerabilities and enhancement of overall business resilience with informed decision making. ARE&M is integrating risk criteria into the development of lubricants and home UPS systems.

Within the past two years, we have conducted both internal and external audits of our risk management process. These audits were carried out in alignment with recognized management systems audit guidelines, ensuring a structured, independent, and comprehensive evaluation of our practices.

The audits assessed the effectiveness of our risk management framework, adherence to policies, and the robustness of controls in place. The findings provide valuable insights for continuous improvement and strengthen our risk culture across the organization.



Business Risk Identified

Business Division	Risk	Description	Magnitude	Likelihood	Mitigation Measures
Automotive Battery Business	Market risk	A decrease in demand could adversely impact business prospects, requiring proactive strategies to mitigate potential losses.	3	2	Our robust presence in the domestic automotive sector diversifies risk by buffering against declines in any single segment. Additionally, our ongoing global expansion endeavours enhance resilience by reducing exposure to sectoral downturns in specific geographic markets.
Industrial Battery Business	Demand Risk	A potential slowdown in battery demand from key user segments poses a risk to business stability and growth trajectory.	3	2	India's economic growth, fuelled by digitisation and technological advancements, is anticipated to generate substantial demand for energy backup solutions. Furthermore, as global connectivity expands, the demand for storage batteries is expected to increase exponentially.

Business Risk Identified

Emerging Risk	Supply chain disruptions due to geopolitics	Technology Risk : Electric Mobility
Description	The current geopolitical tensions in Europe and West Asia present a significant risk of supply chain disruptions, which could have a sustained impact on global trade flows. Given the critical role these regions play in the supply of essential commodities, such as oil, any instability can lead to increased energy and transportation costs. This situation is compounded by the uncertain global economic outlook, with inflationary pressures adding to the complexity of supply chain management.	As the global market shifts toward electric vehicles (EVs) and sustainable energy solutions, the importance of lithium-ion batteries and other cell chemistries is growing, leading to longterm technological risks. This change makes it challenging to stay relevant and competitive in an industry that prefers advanced energy storage technologies.
Impact	Lead pricing is always dynamic and fluctuates based on geopolitical situations.	The growing preference for lithium-ion batteries could significantly influence market dynamics, leading to a gradual reduction in demand for lead-acid batteries. This change has the potential to affect the long-term sustainability and growth prospects of companies not diversifying their product offerings to include lithium-ion technology.
Mitigating Measures	To mitigate this, we rigorously implement inventory forecasting and planning to proactively manage potential assignment delays, ensuring on-time delivery despite logistical challenges.	To mitigate this risk, companies can proactively invest in research and development to explore the feasibility of incorporating lithium-ion battery technology into their product portfolio. Strategic partnerships with industry leaders and investment in upskilling the workforce can also be pivotal in navigating the transition. By aligning with the technological advancements and market trends, companies can ensure they remain competitive and are well-positioned to capitalize on new opportunities within the energy storage and EV sectors.

Code Of Conduct: Systems & Procedures

Our organization recognizes the importance of aligning employee remuneration with Code of Conduct compliance standards to foster a culture of integrity and ethical conduct.

We ensure that our performance appraisal system reflects our commitment to compliance and ethical standards, with mandatory training and adherence to the code of conduct as key components of employee evaluations.

In line with our commitment to ethical conduct, our performance appraisal criteria include stringent checks for any breaches related to the code of conduct, such as instances of corruption, discrimination and so on. This approach underscores the importance we place on integrating ethical considerations into the assessment of employee performance, which is a testament to our broader commitment to sustainability and responsible business practices. We are proud to report that in the current reporting period, we have had zero incidents of corruption, bribery, discrimination, harassment, customer privacy data breaches, conflicts of interest and insider trading.

Customer Relations

ARE&M prioritises customer satisfaction by promptly addressing issues related to products, quality, service and warranties through a structured complaint resolution process. We actively engage with customers for feedback to improve our offerings. Key initiatives include:

- ✓ **AMCARE:** 24/7 customer support for battery services, including replacements, installations, tollfree complaint registration and complimentary inspections.
- ✓ **AMARON KONNEKT:** An app for channel partners and customers offering digital product information, query resolution and additional support features.



The details of customer satisfaction survey for last five years as follows

Aspects	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Target for FY 2024-25
Customer Satisfaction Score	62%	84%	87%	88%	88%	90%
Data Coverage (% of customers who responded to the survey)	62%	84%	87%	88%	88%	90%
% of total customers using your online services solutions	0	0	0	0	0	0
% of revenues generated online (e.g. through direct sales, advertising and others)	0	0	0	0	0	0

Membership Fees for Trade and Industry Chambers/Associations

Name of the Trade and Industry Chambers/Associations	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Confederation of Indian Industry (CII)	1,77,000	3,54,000	3,89,400	4,54,300	3,89,400
Federation of Indian Export Organisation (FIEO)	-	-	84,075	-	66,080
Employers' Federation of Southern India (EFSI)	19,121	19,121	19,121	19,121	19,121
IESA - Indian Energy Storage Alliance	43,89,600	42,48,000	42,48,000	47,20,000	-
Indian Battery Manufacturers Association (IBMA)	-	11,91,800	11,80,000	11,80,000	11,80,000
United Nations Global Compact	-	-	1,261,485	7,27,515	14,71,578
World Economic Forum (WEF)	1,60,95,780	1,73,44,530	1,75,47,120	1,73,87,758	1,58,47,144
Engineering Export Promotion Council (EEPC)	45,000	-	-	-	1,04,430
Total (in ₹)	2,07,26,501	2,31,57,451	2,34,67,716	2,44,88,694	1,90,77,753

Vendors with no transactions include the Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), the Recycling and Environment Industry Association of India, and the Auto Component Manufacturers Association (ACMA).

No political contributions have been made by ARE&M in the last five years.

ARE&M has not engaged in any lobbying or interest representation activities in the last five years.

ARE&M has not incurred any expenditure related to ballot measures or referendums in the last five years.

Quality Management

At ARE&M, our “Gotta be a Better Way” culture drives continuous improvement in quality. We emphasize employee training and certification, utilizing Six Sigma and Lean tools. We have a Quality Management System specifically designed for our external distribution network.

Product Quality Programmes

We have robust product quality programmes in place to ensure the highest standards of performance and customer satisfaction. The company follows well-defined processes to prevent and address defective products before delivery, thereby minimizing the risk of product recalls.

Internal audits of the quality management system are conducted regularly to ensure compliance with established procedures, while independent external verification is obtained through ISO 9001 certification, affirming adherence to global quality standards. Comprehensive training is provided to internal stakeholders to strengthen their understanding of roles and responsibilities related to the quality management system. Additionally, mechanisms are in place for external stakeholders to submit complaints regarding defective products, ensuring timely resolution and continuous improvement.

Product Recalls	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of recalls issued	0	0	0	0
Quantity of products recalled	0	0	0	0

Cyber Security

We have implemented a robust Information Security Policy, accessible to all employees, which outlines our approach to cybersecurity. The Chief Information Officer (CIO) is entrusted with the oversight of all cybersecurity-related matters. In the event of any breaches, we enforce strict disciplinary measures.

ARE&M undertakes annual Vulnerability Assessment and Penetration Testing (VAPT) through third party reputed agencies as part of its robust cybersecurity strategy to ensure the safety and integrity of its IT infrastructure. This process is aimed at identifying potential vulnerabilities within the system and assessing the strength of its defences against cyber threats.

Our company is committed to maintaining the highest standards of information security and cybersecurity. To this end, we provide comprehensive awareness training to all employees, encompassing a range of proactive measures such as simulated phishing email exercises and targeted awareness programmes designed to educate and test the vigilance of our workforce. These initiatives are complemented by a robust cybersecurity policy based on ISO 27001 guidelines, which is readily accessible to all employees, ensuring that they are well-informed about the protocols and best practices required to safeguard our digital infrastructure and sensitive data from potential threats. Through these efforts, we aim to foster a culture of cybersecurity mindfulness across the organization, empowering every member of our team to contribute to our collective digital defense.

Our company has implemented a clear and structured escalation process for employees to follow in the event they notice anything suspicious that could potentially compromise our information security. This process is designed to ensure that any concerns are promptly and effectively addressed. Employees are encouraged to report suspicious activities or security incidents immediately through designated channels, which may include direct communication with their supervisors, contacting the IT security team, or utilizing a dedicated incident reporting platform. The escalation protocol outlines specific steps and the hierarchy of reporting, allowing for a swift response and the involvement of the appropriate personnel to assess and mitigate any risks.

Information security business continuity plan is in place, aimed at proactively preventing threats, limiting potential damages through contingency measures, and ensuring rapid system recovery in case of disruptions. Periodic internal audits of information systems are conducted in line with ISO 27001 requirements, assessing controls, identifying vulnerabilities, and ensuring compliance with the Information Security Management System (ISMS), thereby enhancing overall cyber resilience.

We have been recommended for ISO 27001:2022 certification by NQA, accredited by UKAS. This achievement underscores our commitment to strengthening information security, protecting stakeholder data, and enhancing trust in our digital systems.

Sustainability Goals for 2025-26

	Parameter	Target FY 2025-26
Environment	Energy Intensity	1.5% Reduction
	Emission Intensity	8.13% Increase [#]
	Water Consumption Intensity	8% Reduction
	Waste Intensity	7% Reduction
	Waste to Landfill	60% Reduction
	Recycled Input Material (Lead & Lead Alloys)	86%
	Recycled Polypropylene Copolymer in Production	15%
	BWMR & EPR Compliance	Meet EPR target for Lead Acid Battery as defined in BWMR, 2022
	Life Cycle Assessments (LCA)	Complete Internal LCAs for 50% SKU designs
Social	Fatalities	0
	Lost Time Incident Frequency Rate (LTIFR)	6% Reduction
	Defensive Driving Training (DDT)*	Complete DDT for 80% relevant Employees
	Critical Safety Standards Assessment Score*	60% score
	Leadership Safety Audits*	One per leader every quarter
	Diversity	13.75%
	Community Projects	6
Governance	IT Security*	ISO 27001 ISMS Certification

* New Targets for FY 2025-26

[#] Under a 'do nothing' scenario, our carbon intensity is projected to increase by 12%–13% due to capacity expansion of the energy-intensive Tubular Battery plant. However, with planned energy efficiency initiatives, enhanced metering and greater use of renewable energy, we aim to restrict the increase to 8.13%.



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