



Aligned for
Ascent

Your Guide to the Report

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About the Snapshot

This Sustainability Snapshot provides a comprehensive overview of the nonfinancial performance and sustainability metrics of Amara Raja Energy & Mobility Limited (ARE&M) on a standalone basis for the fiscal year April 01, 2025 to March 31, 2026.

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).



Download this report
or read online at
www.amararajaeandm.com

Our Business



Automotive Battery Division

As a leading force in the battery industry, we are renowned for our Amaron brand—the country's top-selling aftermarket automotive battery—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 the pioneer of VRLA batteries in India, we engineer our products to deliver superior performance, reliability, and consistent performance throughout their service life.

Applications

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

Sustainability Maturity Model

Foundation

Building a strong foundation through robust compliance, effective policies, and proactive risk identification.

- ✓ Sustainability Governance Framework & HSE Council
- ✓ Commitment to UNGC Principles & WASH
- ✓ ESG data and analytics
- ✓ Policies, SOPs & Capability Building
- ✓ Sustainability Framework encompassing standards addressing critical risks, including work at height, confined space entry, crane and lifting operations, forklift truck safety, permit-to-work system, incident management, sustainability governance, and other key areas.

Impact

- ✓ Structured governance foundation
- ✓ Awareness & training
- ✓ Compliance with legal & sustainability requirement

Progressive

Embedding sustainability across operations, driving greater efficiency, and strengthening systems for long-term resilience.

- ✓ GRI aligned Sustainability Report with 3rd Party Assurance
- ✓ Net Zero Plan, CDP, TCFD
- ✓ Product Life Cycle Assessments (LCAs)
- ✓ Value chain engagement, Sustainability MIS & Target setting
- ✓ Employee Volunteering in CSR initiatives
- ✓ DEIB roadmap Implementation
- ✓ Amara Raja Sustainability Framework assessments & continual improvement

Impact

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

Leadership

Driving long-term impact, advancing global leadership, and creating enduring value for all stakeholders.

- ✓ Science-based Net Zero Plan aligned with SBTi
- ✓ Integrated Annual Report & sustainability Snapshot
- ✓ Global Recognition: CSA score of 76, Climate B & Water A-, 5-Star Rating in the British Safety Council Safety Audit
- ✓ Zero waste to landfill, 11.94x Water Positive
- ✓ Behaviours-Based Safety systems
- ✓ Advanced LCAs – 50% existing + all new SKUs (planned)
- ✓ Employee vitality & thriving index (physical & mental wellness), Leadership Gemba walks

Impact

- ✓ Recognised ESG leadership
- ✓ Strategic integration into business & Board KPIs
- ✓ Strong sustainability culture covering well ness, safety, inclusion, circular economy & global benchmarking

Delivering Sustainable Value

Innovation-Excellence-Entrepreneurship- Experiences-Responsibility

Governance



₹8,160.75 Cr

Net Worth



12.49%

Return on Net worth



9.2%

Increase in Revenue



16.67%

Female Board of Directors



83.40%

Products & Services (% of Turnover) Batteries for Automotive & Industrial applications



Ratings

CDP: Climate B & Water A-
CSA: 76
CRISIL ESG: 63

Environment*



67 MW

Captive Renewable Energy Capacity



1.88%

Reduction in Absolute Carbon Emission



37.01%

Reduction in Emission intensity



33.23%

Reduction in Waste Intensity



55%

Green Cover in the operational area



99%

of Manufacturing Waste Recycled



56.80%

Reduction in Water Intensity



88.27%

Recycled Input Materials (lead and lead alloys)

Social



14.84%

Gender Diversity



87%

Value chain partners assessed



INR 22.70 Cr

CSR spent



ZERO

fatality organisation



100%

Employees & Workers trained on human rights and 3rd party Human rights assessment



7.10

Sourcing from MSME suppliers & small producers

*All % reductions have been calculated considering FY 2022 as baseline.

SDG Impacted



Awards and Recognitions

Our commitment to sustainability has been recognised through numerous awards and accolades from reputed agencies and customers. These recognitions reflect the impact of our sustainability initiatives and reinforce our commitment to embedding sustainability at the core of our business while continuously raising the bar for performance.



 BW India's Top 60 Most Sustainable Companies (IMSC) 2024–25 by BW Businessworld



 ICC Environmental Excellence Platinum Award 2025



 Honda Motorcycle & Scooter India — Excellence in Sustainability Initiatives



 Global CSR & ESG Summit Awards 2026 — Best Rural Development Initiative of the Year (Education & Skill Development)



 ESG Pathfinder Award from Indus Tower Ltd.



 Hero MotoCorp — Hero Sustainable Leader



 TMEIC — Best Supplier – Delivery



 TVS Motors — Outstanding Sustainability Performance

Message from the Chairman & MD



FY 2025-26 was a year of resilience, transformation and strategic progress for Amara Raja Energy & Mobility Ltd. Amid global geopolitical, economic and supply-chain uncertainties, the Company remained focused on sustainable growth, innovation and long-term value creation.

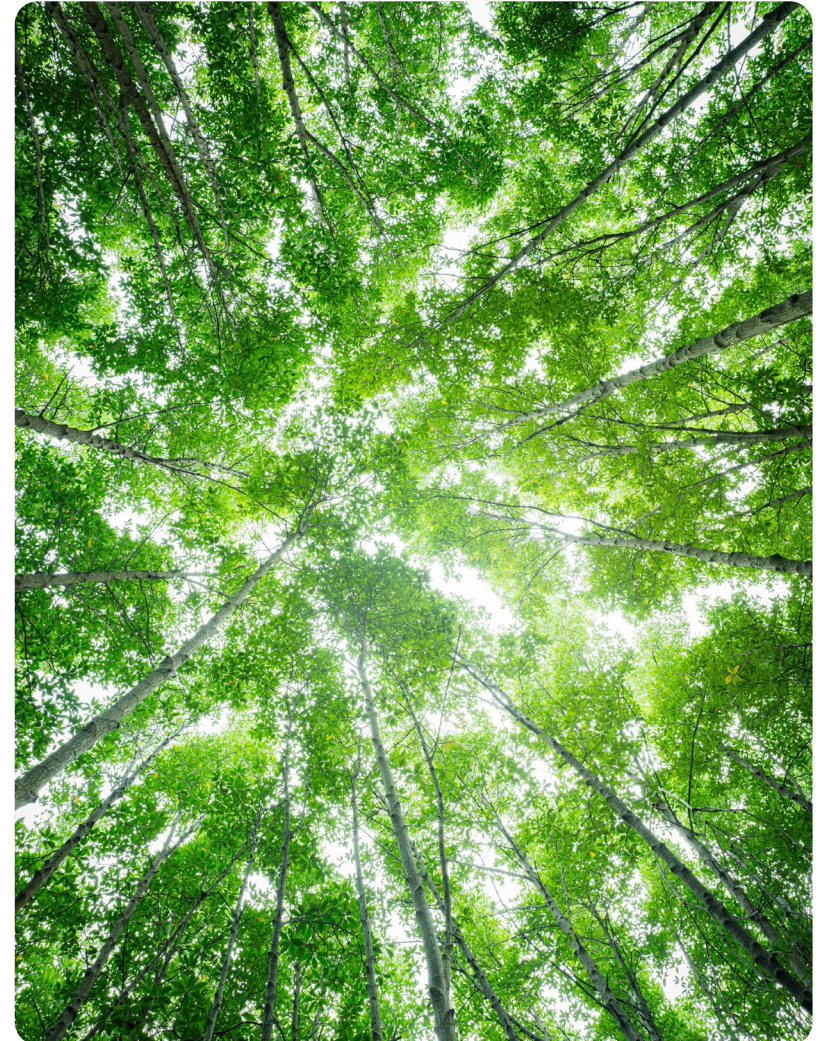
Amara Raja strengthened its core lead-acid battery business while accelerating its transition towards new energy solutions. Progress on the Giga Corridor, lithium-ion cell manufacturing and Battery Energy Storage Systems (BESS) reflects the Company's commitment to supporting India's energy security, renewable energy integration, electric mobility and reduced import dependence.

The Company also continued to strengthen its sustainability performance, improving its S&P Global Corporate Sustainability Assessment ranking and achieving a maiden CDP water rating of A-. Its commitment to responsible growth was further reinforced through signing the WASH initiative and launching the Vitality Index, promoting water stewardship and employee well-being.

Amara Raja remains committed to anticipating the future, investing in innovative energy technologies and contributing to India's transition towards a more resilient, self-reliant and sustainable energy ecosystem

Jayadev Galla

Chairman and Managing Director



Message from the Executive Director - Automotive and Industrial Business



Guided by our core values, we are building a resilient and future-ready enterprise that contributes meaningfully to India's net-zero ambitions while delivering sustainable value to our customers, partners, employees, communities, and shareholders.

At Amara Raja Energy & Mobility Limited (ARE&M), our purpose is to provide better access to better opportunities to more people. Sustainability remains central to our strategy for responsible growth and long-term value creation.

During FY 2025-26, we continued advancing our commitments on Net Zero emissions by 2050, water positivity, circular economy, zero waste to landfill, and safer workplaces. We maintained Zero Liquid Discharge across all manufacturing facilities, sustained 12X Water Positivity and signed the WASH pledge, recycled over 99% of waste generated, and increased recycled lead and lead alloy usage to 88.27% of total input materials. Our 67 MW captive renewable energy capacity helped avoid approximately 73,831 tonnes of CO₂ emissions, supporting our long-term decarbonization roadmap.

The year was marked by market volatility, supply chain disruptions, changing geopolitics, evolving regulations, and new business requirements, impacting certain sustainability targets. In response, we are recalibrating our Net Zero pathway to align with emerging business realities, future energy needs, and regulatory developments, while remaining committed to our near- and medium-term absolute carbon reduction goals and supporting India's energy and mobility transition.

Safety and employee well-being remained non-negotiable priorities. We maintained zero fatalities across operations and continued strengthening our safety culture through focused governance, leadership commitment, capability building, and sustained focus on critical risks. Road safety also remained a key priority beyond the workplace, with over 8,500 employees trained in defensive driving and mandatory helmet usage implemented to strengthen work-to-home safety practices.

We engaged and assessed 87% of our supplier base by purchase value on sustainability parameters and continued working collaboratively to strengthen alignment with the Sustainable Development Goals (SDGs). We also partnered with downstream franchisees to build awareness, measure environmental footprints, define a 10-point sustainability agenda, and develop model sustainability franchisees aligned with our long-term vision.

Our employees remain our greatest strength. During the year, we launched the Vitality Index (VI) Program, covering annual medical examinations for 98.8% of employees — a record improvement over previous years. The initiative focused on preventive healthcare and lifestyle awareness, encouraging improvements in key health indicators such as BMI, blood pressure, sugar, and cholesterol.

Our sustainability performance continued to receive strong global and customer recognition. During the year, we improved our S&P Global Corporate Sustainability Assessment score from 74 to 76, ranking #1 in India, #2 in Asia-Pacific, and #5 globally in our sector. We also maintained a CDP Climate rating of 'B', achieved an 'A-' rating in our maiden Water Disclosure, received a 5-Star Rating from the British Safety Council, and attained Zero Waste to Landfill Platinum Certification.

As we look ahead, we remain committed to integrating sustainability deeper into every aspect of our business through greater renewable energy adoption, expanded value chain decarbonization, Life Cycle Assessments (LCA) across our product portfolio, implementation of a Biodiversity Management Plan, and increased digitalization to strengthen occupational health and safety performance.

We thank our employees, customers, suppliers, investors, communities, and all stakeholders for their continued trust and partnership as we work together to create long-term sustainable value for society and the environment.

Harshavardhana Gourineni

Executive Director – Automotive and Industrial



Message from the Executive Director - New Energy Business



Amara Raja continued its transformation into a diversified Energy & Mobility enterprise, with the New Energy business progressing from capability building towards production and commercialization.

We strengthened our battery pack capabilities, with cumulative lithium battery installations exceeding 1 GWh in the telecom sector, while advancing domestic lithium ion cell manufacturing through ePos Energy Labs and the Customer Qualification Plant.

The Amara Raja Giga Corridor is taking shape as an integrated ecosystem spanning advanced research, cell manufacturing, battery packs, battery management systems and energy storage. We are also accelerating the development of our 10 GWh Battery Energy Storage System (BESS) integration facility, supporting renewable energy integration, grid reliability and energy security.

Through investments across the battery value chain including cell development, manufacturing, system integration and recycling Amara Raja is building technology agnostic and application led capabilities to support electric mobility, renewable energy and diverse energy storage applications. These initiatives reinforce our commitment to energy transition, localization, supply chain resilience, and a more energy secure and self-reliant India.

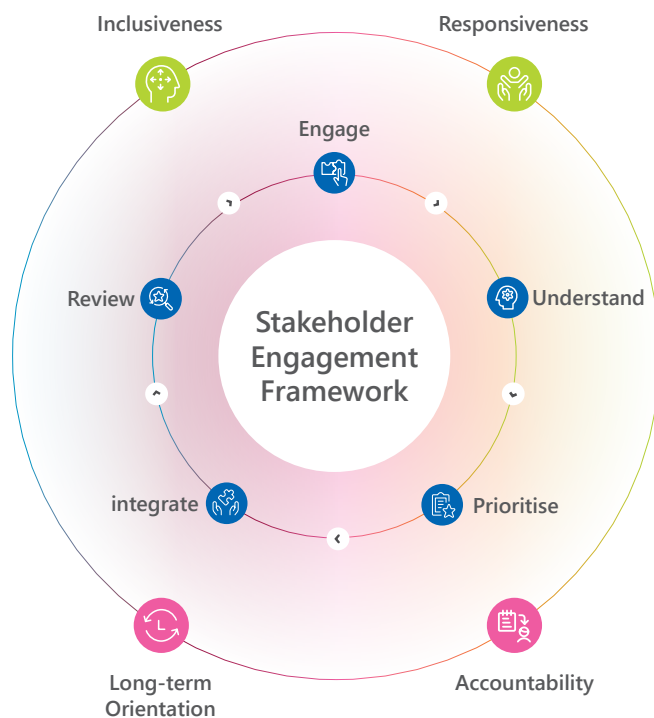
Vikramadithya Gourineni

Executive Director – Automotive and Industrial



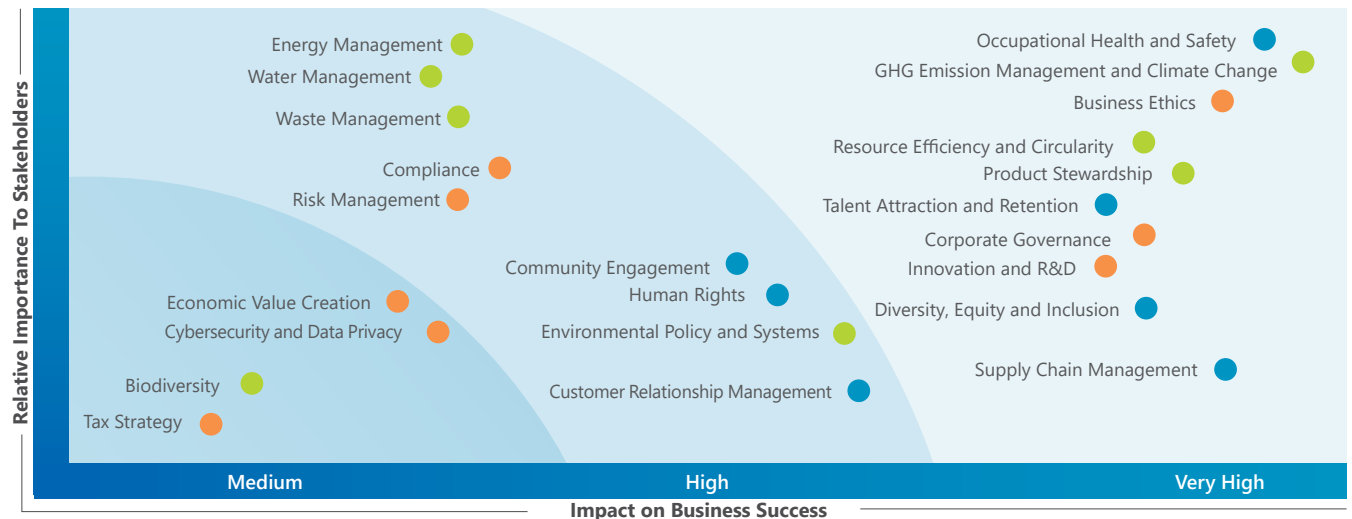
Stakeholder Engagement and Materiality Assessment

Our stakeholder engagement process fosters continuous dialogue with customers, employees, suppliers, investors, communities, regulators, and industry associations. These engagements help us understand evolving expectations, emerging priorities, and industry developments across the economic, environmental, social, and governance dimensions of our business. The insights gained are evaluated alongside business priorities, industry trends, and enterprise risks to identify and address the issues that are most material to our stakeholders and critical to our long-term success.



Our materiality assessment incorporates perspectives from both internal and external stakeholders and is conducted every three years, or earlier where required, to remain responsive to evolving stakeholder expectations and emerging priorities. We adopt a double materiality approach, evaluating both the financial implications of sustainability-related issues for our organisation and the impact of our business on the economy, environment, and society. The outcomes of the assessment are integrated into our Enterprise Risk Management (ERM) process, enabling a comprehensive view of material risks and opportunities.

To strengthen the credibility, robustness, and transparency of the process, our materiality assessment is independently verified by a third-party assurance provider, with the findings reviewed and endorsed by Senior Management. The identified material issues also guide executive compensation, ensuring alignment between remuneration, sustainability performance and the Company's strategic priorities.



Planet

67 MW

Captive Renewable Energy Capacity

73,831 tCO₂e

Carbon Emissions Avoided

1,56,300+

Saplings Planted

11.94 times

Water Positivity Ratio

99%

Waste Recycled

Our commitment to the planet is integral to building a resilient and future-ready business. We are focused on reducing our environmental footprint through greater resource efficiency, renewable energy adoption, circularity, responsible water and waste management, and biodiversity conservation. By embedding environmental considerations across our operations and value chain, we aim to decouple growth from environmental impact and create lasting value for both our business and the planet.



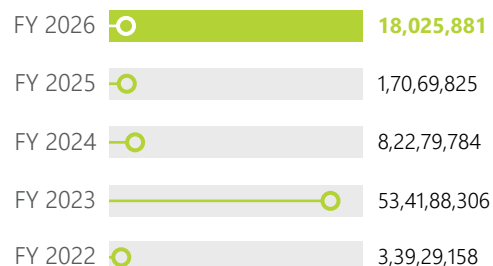
Environmental Policy and Management

At ARE&M, our Environmental Sustainability Policy provides a structured framework for ensuring regulatory compliance, driving continual improvement, and setting clear objectives to reduce our environmental impact. It also promotes environmental awareness among stakeholders, with a strong focus on biodiversity conservation and responsible land-use practices that contribute to the protection and enhancement of local ecosystems.

We maintain ISO 14001:2015 certification for our Environmental Management Systems, reinforcing our commitment to sound environmental management. Regular EMS audits enable us to identify improvement opportunities, strengthen environmental performance, maintain compliance with applicable regulations, and continuously advance our sustainability practices.

Capital Investments

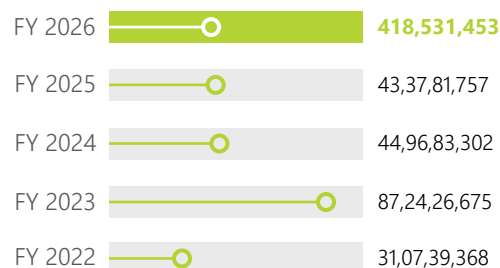
(in ₹ Crore/Lakh)



Total Expenses

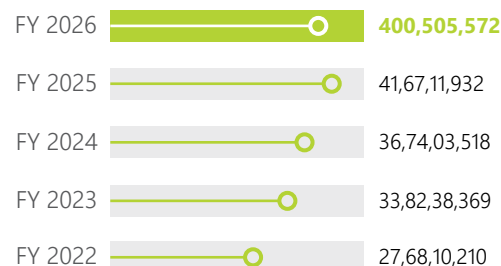
(in ₹ Crore/Lakh)

Capital Investment + Operating Expenses

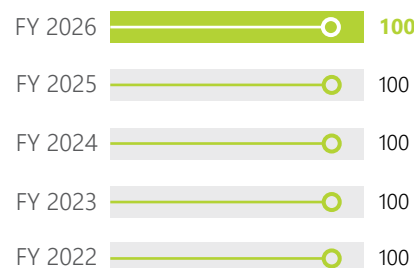


Operating Expenses

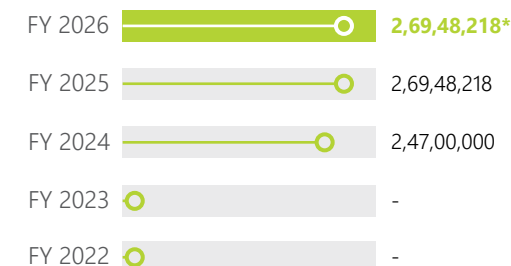
(in ₹ Crore/Lakh)



% of Operations Covered



Savings, Cost Avoidance, Income, Tax Incentives and others



*Savings from initiatives of FY2025 continued in FY 2026.

Environmental Fines or Penalties

Over the past five fiscal years, ARE&M has maintained a strong record of environmental compliance, with no fines or penalties arising from environmental or ecological matters. We remain committed to upholding robust compliance practices, proactively managing environmental risks, and continuously strengthening our sustainability performance.

Our Net Zero Plan

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

Medium-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

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

FY 2040-50

Long-term goal 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

Energy and Emissions

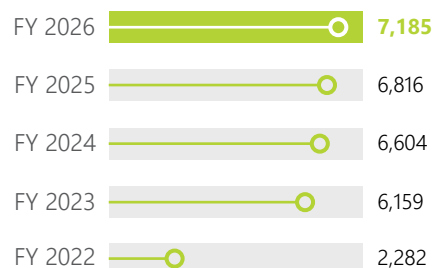
We maintain a robust and systematic approach to managing carbon emissions, aligned with the Greenhouse Gas (GHG) Protocol and ISO 14064 standards. Our decarbonization strategy focuses on targeted emission-reduction initiatives, improved energy efficiency, and the progressive transition towards cleaner energy sources.

Sustainability remains embedded in our growth strategy, with renewable energy—particularly solar—playing an increasingly important role across our operations. With ISO 50001:2018 certification across all facilities, we have established a structured approach to energy management and continual performance improvement. Our 67 MW captive renewable energy capacity contributes 21.82% of our overall energy mix, helping us avoid 73,831 tCO₂e of carbon emissions during the year.

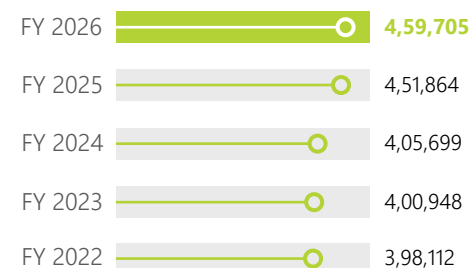
We continue to leverage innovation, technology and R&D to identify opportunities for reducing energy consumption and improving efficiency. At the same time, our employee awareness and training programmes encourage energy-conscious practices, reinforcing the collective role of our people in advancing our energy conservation and decarbonization goals.

Emissions (MTCO₂e)

Scope 1

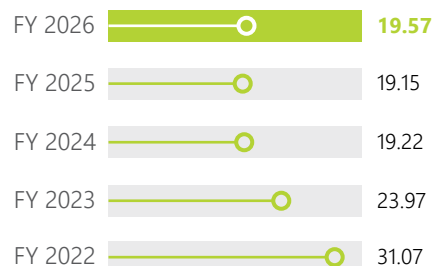


Scope 3

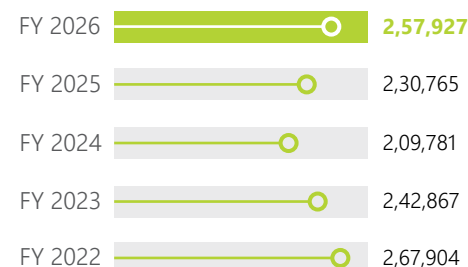


Total Scope 1 and Scope 2 emission intensity per rupee of turnover

(Metric tonnes of CO₂ equivalent / INR Crore revenue)



Scope 2



Scope 3 Emissions (Metric Tonnes CO₂e)***381,595**

Purchased goods and services

5,731

Upstream transportation and distribution

2,696

Employee commuting

29,126

Downstream transportation and distribution

32,640

End-of-life treatment of sold products

1,019

upstream leased assets

2,175

waste generated in operations

1,066

Business travel

677

Franchisees

2,979

Use of sold products

*For the current year we have reported two additional scope 3 categories - Use of Sold Products & Franchises contributing to 1.57% of total revenue. Reported emissions under Use of Sold Products currently cover two automotive battery models assessed through product-level LCA methodology for FY26 and do not represent the full product portfolio. The assessment scope will be progressively expanded in subsequent reporting cycles. The total reported categories as per GHG Protocol are 10.

Energy Conservation Initiatives at ARE&M

During FY 2025–26, we continued to strengthen energy efficiency, process optimisation, and environmental performance across our operations through targeted technology upgrades and automation. Key initiatives included formation conveyor modifications, upgrades to grid casting wet scrubber control systems, replacement of melt pot heaters with higher-efficiency three-phase heaters, automation of oxide plant material handling, and replacement of conventional contactors with drives.

We also optimised compressed air systems by reducing operating pressure, modifying machine-wise pipelines, and lowering compressor set points. Further improvements included VFD deployment for dust collection systems and capacity utilisation enhancements across pasting, oven, assembly, and formation operations. Collectively, these initiatives and other energy conservation measures delivered energy savings of 53.52 lakh units, resulting in cost savings of ₹3.48 crore and avoidance of approximately 3,800 tCO₂e of carbon emissions during the year.

67 MW

Renewable Energy Capacity

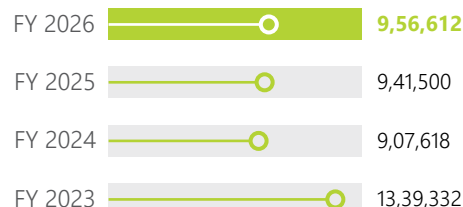
3,74,354 GJ

Energy Consumption through Renewables

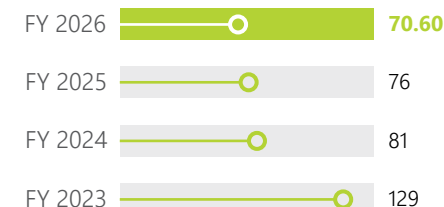
Water Management

During the year, we further strengthened our wastewater management and water conservation practices across our operations. ETPs are installed across all units to effectively treat wastewater generated from production processes, while Zero Liquid Discharge (ZLD) systems with capacities of 280 KLD and 500 KLD enable complete reuse of treated wastewater. We also enhanced digital monitoring through multi-parameter online wastewater analysers at STP and ETP facilities, enabling 24×7 monitoring of critical effluent quality parameters. Integrated with a centralised dashboard and connected to the Pollution Control Board (PCB) server, the system supports effective process control, regulatory compliance, and timely corrective action. Our ZLD systems incorporate pre-treatment, Reverse Osmosis (RO), Multiple Effect Evaporator (MEE), and Agitated Thin Film Dryer (ATFD) technologies to maximise water recovery and minimise freshwater dependence.

Water Consumption (in KL)



Water Intensity (KL/₹ Cr)



Air Emissions

During the year, we continued to strengthen air pollution and emission management through advanced control systems, digital monitoring, and proactive process controls. Dust extraction systems with bag filters in pasting and assembly areas, along with fume extraction systems and scrubbers in grid casting and formation sections, help control process emissions and maintain compliance with applicable standards. These systems are routinely validated, supported by periodic stack monitoring to ensure effective performance.

We further enhanced real-time monitoring by installing ultrasonic flowmeters in Assembly Line Dust Extraction systems, enabling continuous measurement of temperature, velocity, and volumetric flow, with data integrated into a centralised digital dashboard for timely corrective action. Continuous Emission Monitoring Systems (CEMS) installed at Pasting Area stacks enable real-time monitoring of particulate emissions, with data transmitted directly to the Pollution Control Board (PCB) server.

Ambient air quality monitoring was also strengthened through the digitalisation of two CAAQMS at ARGC, enabling real-time monitoring of PM₁₀, PM_{2.5}, CO, NO_x, and SO₂. In addition, online pH monitoring systems across plant scrubbers provide continuous visibility of scrubbing efficiency, supporting effective neutralisation of acid gaseous emissions, regulatory compliance, and improved environmental performance.

2

CAAQMS stations digitized for real-time monitoring of PM₁₀, PM_{2.5}, CO, NO_x, and SO₂

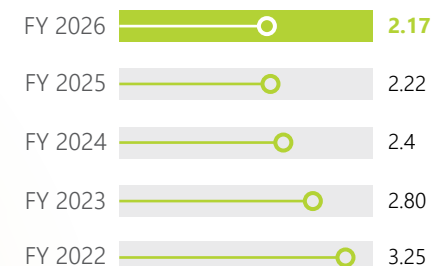
Waste Management

ARE&M continues to advance circular economy principles by strengthening resource recovery, responsible waste management, and Extended Producer Responsibility (EPR) across its operations.

We implement robust EPR programmes for used batteries, plastic waste, and e-waste in partnership with authorised recyclers and collection agencies.

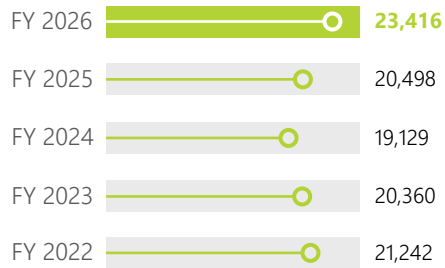
During FY2026, we also achieved Zero Waste to Landfill (ZWTL) certification at Platinum level from Bureau Veritas, covering ETP sludge and ZLD MEE/ATFD salts. More than 95% of these wastes were diverted from landfill, primarily through conversion for co-processing. The achievement was independently verified through a robust, traceable, and auditable certification process, reinforcing our commitment to responsible waste management and a circular economy.

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

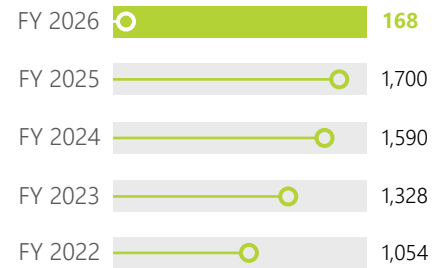


Hazardous Waste

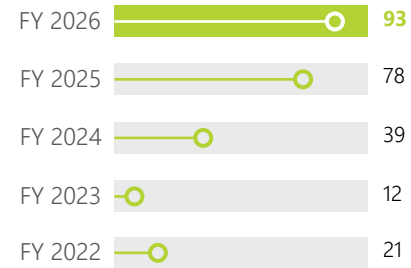
Total hazardous waste recycled/reused (Unit in MT)



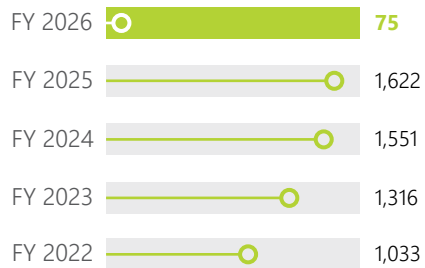
Total hazardous disposed (Unit in MT)



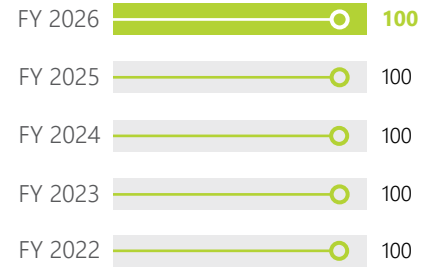
Hazardous waste incinerated without energy recovery (Unit in MT)



Hazardous waste landfilled (Unit in MT)

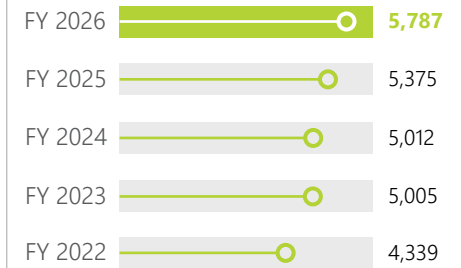


Data Coverage % of operations

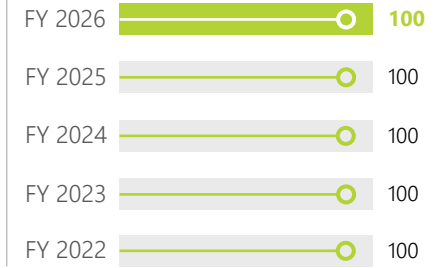


Non-Hazardous Waste

Total waste recycled/reused (Unit in MT)



Data Coverage % of operations





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 continue to invest in R&D to enhance product life, performance, and resource efficiency. During FY 2025–26, 88.27% of our lead and lead alloy inputs were sourced from recycled materials, surpassing our target of 86% and reinforcing our commitment to circularity. Recognizing the strategic role of innovation, we have established e+ Energy Labs, a state-of-the-art R&D and innovation facility in Hyderabad, Telangana, to accelerate the development of next-generation energy storage solutions.



Biodiversity Risk Assessment



ARE&M continues to advance nature-based solutions through tree plantation, biodiversity conservation, and ecosystem restoration across and around its operations. Currently, 55% of our operational areas are under green cover, supported by more than 83,576 saplings planted onsite and 72,750 in surrounding communities. During the year, independent certified ecologists conducted structured biodiversity assessments, including baseline surveys of flora, fauna, and nearby water bodies within and around our facilities. The findings have led to detailed Biodiversity Management Plans aimed at mitigating operational impacts and progressing towards our objective of No Net Loss (NNL) of biodiversity.

Product Stewardship

ARE&M continues to strengthen circularity and product sustainability through Extended Producer Responsibility (EPR) programmes for used batteries, plastic waste, and e-waste, implemented in partnership with authorised recyclers and collection agencies.

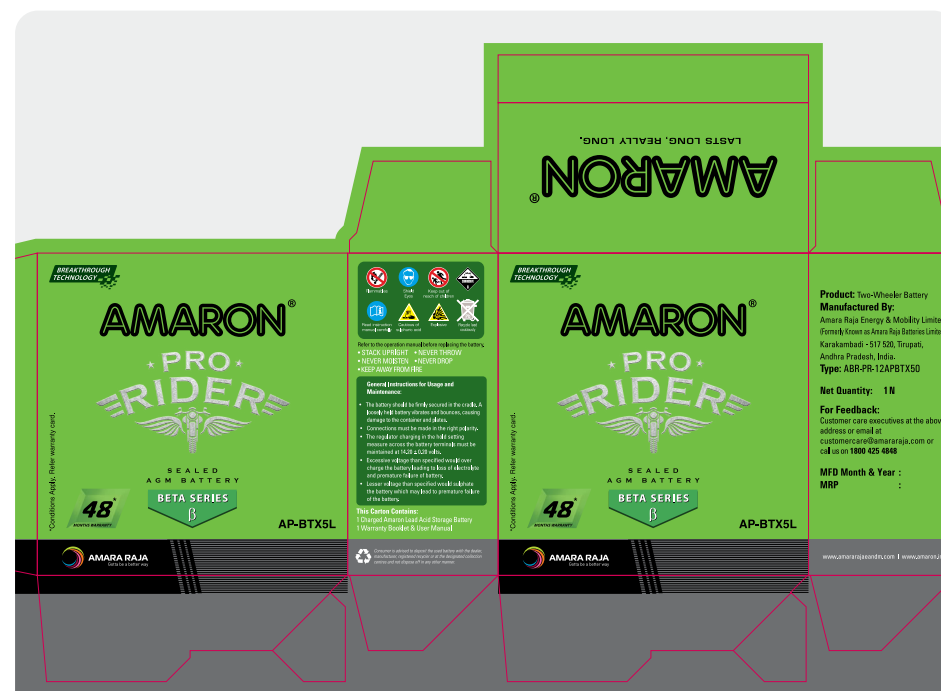
During the year, Life Cycle Assessments (LCA) were completed for 50% of our automotive and industrial SKUs, providing insights to enhance product sustainability and resource efficiency. We also initiated trials to replace virgin plastic packaging for industrial batteries with compostable alternatives, with the potential to significantly reduce conventional plastic consumption and advance more sustainable packaging solutions.

All raw materials used in our lead-acid battery manufacturing processes undergo rigorous assessment for hazardous substances through defined material specifications and incoming inspection protocols. Each batch is verified against established internal standards and applicable requirements before being approved for use, ensuring consistent quality, safety, and regulatory compliance.

With more than 90% of our revenue derived from lead-acid batteries, we recognise the importance of responsible lead management. We maintain stringent controls across our operations to minimise environmental and health risks, while advancing circularity and resource recovery through the responsible use, handling, recycling, and recovery of lead.

Environmental Labels and Declaration

ARE&M provides clear and relevant product information to support safe use, responsible handling, maintenance, and end-of-life management across the markets where its products are sold. Product labels include operating and maintenance instructions, safety and precautionary information, and guidance on recycling and appropriate disposal. These measures promote responsible product stewardship, support regulatory compliance, and help customers minimise potential environmental and safety impacts throughout the product life cycle.



²DS6034 Amara Raja AMR (BETA 5AH PRI) Carton Box SET2 MAC28/SDP 20/12/19

Resource Efficiency

At Amara Raja, we focus on resource efficiency, circularity, and responsible sourcing through R&D-led optimization of material use and increased adoption of recycled inputs. During FY 2025–26, 88.27% of the lead and lead alloys used in our manufacturing were sourced from recycled materials, supported by efforts to strengthen used-battery collection and recycling. Through our wholly owned subsidiary, Amara Raja Circular Solutions (ARCS), we are developing a battery recycling facility at Cheyyar, Tamil Nadu, with a planned capacity of 150,000 MTPA. Our Sustainable Sourcing Policy continues guiding responsible and resilient procurement practices.

Almost 100% of lead-acid batteries sold by ARE&M can be recycled.

The Company's take-back programs generate costs. These programs are implemented to ensure regulatory compliance, resource circularity, and environmental stewardship, rather than direct financial gains.

Raw Material Programmes

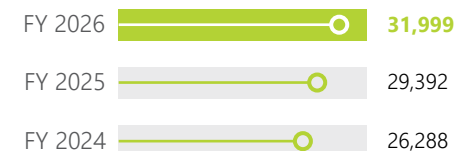
We have undertaken a structured assessment to prioritize responsible sourcing of raw materials, with a strong focus on traceability to source and minimizing associated environmental and social impacts. Clear targets have been established to increase the use of sustainable and recycled raw materials, with progress regularly monitored to strengthen transparency and accountability. We also conduct targeted training for relevant internal stakeholders to build awareness and ownership of responsible sourcing practices, supporting our journey towards a more sustainable, resilient, and ethical supply chain.

Plastic Raw Materials

Plastic materials in products

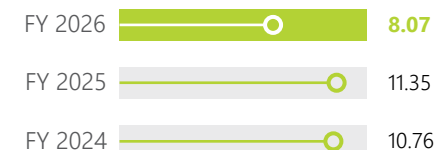
Resource Used

(Unit in MT)



Recycled material from recycled sources

(in %)

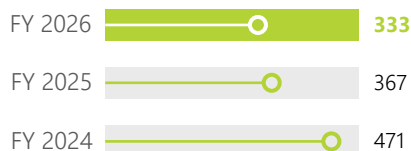


Metal Raw Material

Copper

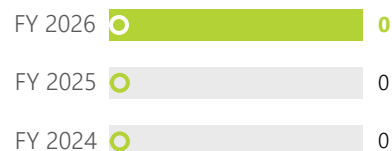
Resource Used

(Unit in MT)



Recycled material from recycled sources

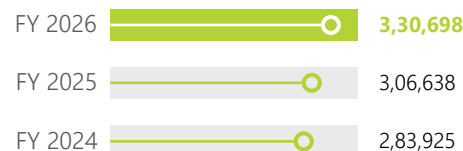
(in %)



Lead

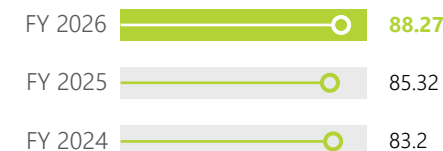
Resource Used

(Unit in MT)



Recycled material from recycled sources

(in %)



Equity

2,43,049

Training hours

84%

Employee Engagement Score

2,34,635

Patients Treated Since Inception

₹22.70 Crores

Investment in Community Initiatives

~55,400

Children Benefited by getting a Quality Education

36

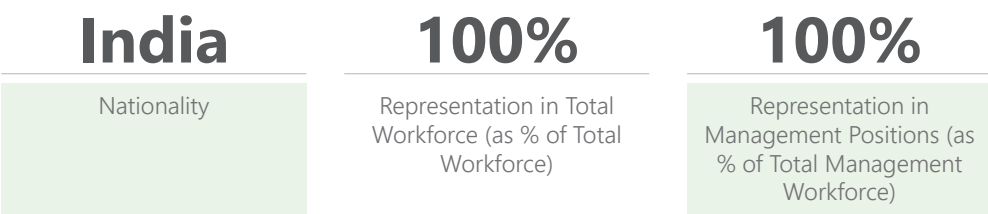
Distribution Points

We believe that strong, enduring relationships are fundamental to sustainable growth. Guided by our core value of responsibility, we take ownership of our actions and strive to create shared value for all our stakeholders—including the environment, communities, customers, suppliers, employees, and shareholders. Our commitment to equity and inclusion is reflected in fostering meaningful engagement, providing equal opportunities, and promoting fair and respectful treatment across our organisation. Through transparent communication, trusted partnerships, and responsible business practices, we aim to create lasting value, contribute positively to communities, and build a diverse, inclusive, and equitable workplace.



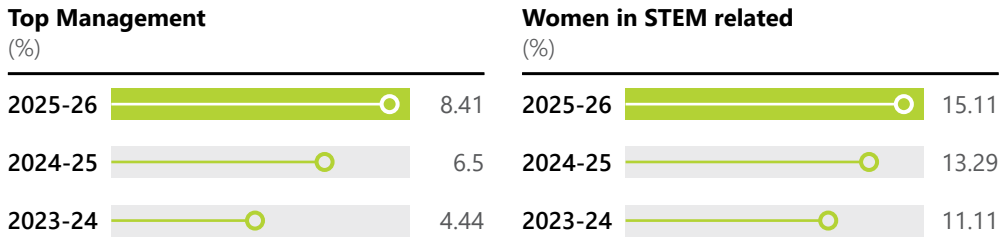
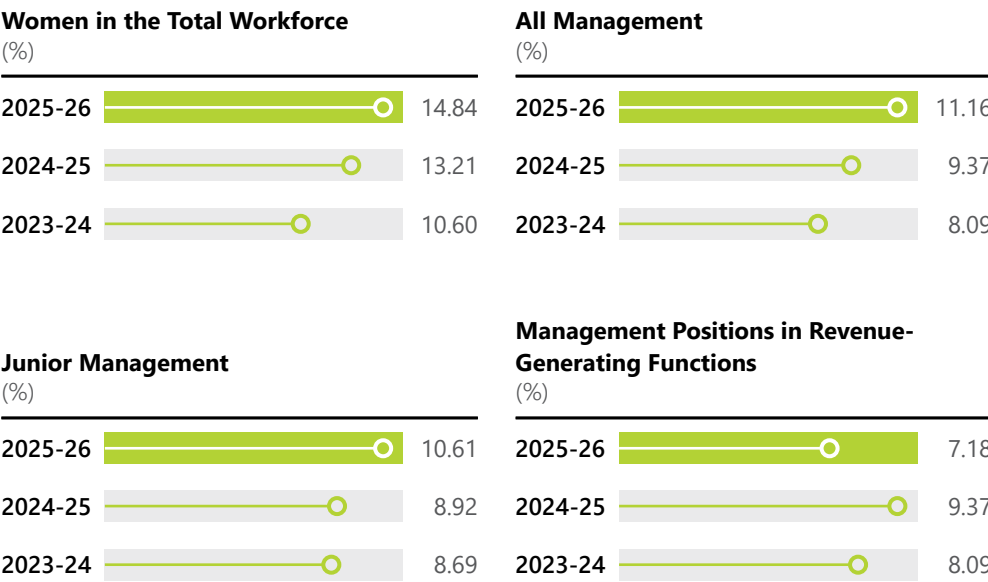
Our People

Workforce Composition



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



Amara Raja Sustainability Academy

Our sustainability learning and capability-building efforts are strengthened through Sustainability Academy, which has equipped employees with the knowledge and skills to integrate sustainability into their roles and drive responsible business practices. So far more than 250 managers completed Sustainability Academy courses, while 22 sustainability-focused training programmes were conducted across our plants and offices, strengthening awareness, ownership, and collective action towards our long-term sustainability goals.



Training and Development

7.61

Average hours per FTE of Training and Development (in hours)

4,754

Average amount spent per FTE on Training and Development (in INR)

Hours of Training and Development by Age, Gender and Management, FY 2026-25

Category	Age Group <30		Age Group 30-50		Age Group >50	
	Male	Female	Male	Female	Male	Female
Top Management	0	0	14	0	35	0
Senior Management	0	0	826	84	315	0
Middle Management	350	28	9,667	1,120	1,995	343
Junior Management	9,093	3,745	20,146	2,044	1,365	42
Associates / non-management	16,373	2,093	15,421	1,449	1,666	35
Others	2,03,553	35,910	1,95,776	49,091	5,243	0
Total	2,29,369	41,776	2,41,850	53,788	10,619	420

Gender Pay

Employee Level	FY 2025		FY 2026	
	Average Women Salary	Average Men Salary	Average Women Salary	Average Men Salary
Executive Level (basic salary only)	25,245	24,166	25,096	25,390
Executive Level (basic salary & other cash benefits)	59,922	57,586	74,547	74,655
Management Level (basic salary only)	60,715	65,368	1,05,525	95,552
Management Level (basic salary & other cash benefits)	1,39,639	1,48,457	2,92,908	2,73,506
Non-Management Level (basic salary only)	3,906	6,175	3,698	5,812

Note: All figures in INR.

Employee Development Programmes

At Amara Raja Group level, we have a Upskilling, Reskilling and Learning Policy to strengthen our culture of continuous learning and professional development. The policy supports the ongoing enhancement of employee skills and competencies in line with our organizational objectives and evolving business needs. It reinforces our commitment to building a future-ready workforce by encouraging continuous learning, capability development, and skill enhancement across all levels of the organisation.

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

	First Time Managers	Future Leaders Program
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 nonmonetary)	Supervisors were trained, mentored and successfully completed the SEED programme.	Internal Promotion, Succession Planning and Reduced Turnover.
% FTEs participating in the program	0.28%	0.38%



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 2021-22 to FY 2025-26.

Key Performance Indicators (KPI)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total number of new employee hires	323	375	342	351	219
Total number of new employee hires through external manpower agency	18	36	26	57	40
Percentage of open positions filled by internal candidates	29.30%	51.30%	48.64%	25.35%	10%
Average hiring cost/FTE	7,835	7,985	6,866	9,419	10,393

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	7	3	0	0
Junior Management	47	6	60	6	0	0
Associates / non-management	64	4	18	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 2021-22 to FY 2025-26.

Key Performance Indicators (KPI)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total employee turnover rate	13.64	10.85	11.4	7.1	10.8
Voluntary employee turnover rate	11.7	9.39	9.37	6	5.3

Total Employee Turnover Rate Based on Age Group, Gender, and Management Level, FY 2025-26

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	3	1	10	0	-	-
Middle Management	9	1	5	0	-	-
Junior Management	67	5	75	9	4	0
Associates / non-management	202	46	622	62	9	1

Performance Appraisal System

We have strengthened performance and career development through an advanced digital Performance Management System (PMS) based on Management by Objectives (MBO). The system provides a holistic, team-oriented assessment of key result areas, objectives, deliverables, attitudes, and leadership behaviours, supported by agile conversations and continuous feedback. Annual performance and career development reviews, along with biannual promotion assessments, help align performance, career progression, and compensation while fostering a culture of accountability, continuous improvement, and sustainable talent 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 provision

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.

Key Performance Indicators (KPI)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employee Satisfaction score	88%	87%	83%	84%	84%
Data Coverage (% of employees who responded to the survey)	100%	98.86%	99.47%	99.65%	99.65%

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 strengthened our occupational health and safety management systems across the organisation, with all manufacturing facilities certified to ISO 45001:2018. Our safety approach focused on preventing fatalities, reducing LTIFR, and proactively managing workplace risks through stringent safety protocols, regular training, audits, and Hazard Identification and Risk Assessment (HIRA). The Central HSE Council provided strategic oversight through monthly reviews of accident learnings, near-miss reporting, and controls for critical risks. During the year,

we further reinforced the Amara Raja Sustainability Framework (ARSF) by establishing critical safety standards, strengthening governance through regular assessments, and promoting continual improvement across sites.

Emergency preparedness was enhanced through advanced firefighting and response infrastructure, including two fire tenders and two Emergency Response Vehicles (ERVs). Our Tirupati and Chittoor LLB testing laboratories also achieved ISO 15189:2022 certification from QAI under the ILAC MRA framework, with our OHC testing facility becoming the first in the South Asia Pacific region to receive this certification. We also implemented a comprehensive Heat Stress Mitigation Plan, combining risk assessments, preventive measures, employee awareness, and continuous monitoring. Workplace safety was further strengthened through the deployment of nine Arc Flash suits, eight Allegro blowers for confined-space ventilation, and Horizontal Lifeline (HLL) systems at loading and unloading areas to mitigate electrical, confined-space, and fall-from-height risks.

The Company strengthened preventive healthcare through comprehensive Annual Medical Examinations (AMEs) and enhanced screening for metabolic and cardiovascular risks. The Vitality Index, tracking the 4Bs—Blood Pressure, Blood Sugar, BMI, and Bad Cholesterol—enabled early risk identification and targeted health interventions, supported by dedicated health monitoring facilities and employee wellness awareness initiatives.

Zero

Fatality

46.15%

Reduction in LTFIR from
FY 2022 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.

Visible Felt Leadership

Leadership safety workshops are conducted focused on Visible Felt Leadership in Safety.

30

Leaders trained on
leadership safety

Road Safety

Road safety remained a key priority at ARE&M, supported by a comprehensive Road Safety Policy, Road Safety Champions, and dedicated governance through the Road Safety Subcommittee. During the year, more than 8,500 employees completed Defensive Driving Training (DDT), advancing our journey towards 100% coverage. Awareness campaigns, vehicle and bus safety audits, road infrastructure assessments, helmet and reflective sticker initiatives, and community engagement programmes further strengthened safe mobility and road safety awareness across the organisation.



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, National Energy Conservation day, World Heart Day, National Cancer Day & World Diabetes Day.

ARG – Amara Raja Sustainability Framework

Purpose

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

Amara Raja Sustainability Framework standards

- ✓ Work at Height Safety
- ✓ Confined Space Entry Safety
- ✓ Forklift Truck Safety
- ✓ Isolation Safety (Lock Out Tag Out)
- ✓ Crane and lifting safety
- ✓ Permit to Work System
- ✓ Incident Management
- ✓ Sustainability Governance

Standard Contents

- ✓ Roles & Responsibilities
- ✓ People related Requirements
-Competency /Trainings / Medical fitness
- ✓ System related requirements - Job Planning / Job Execution / Infrastructure / Audits, Inspection & testing
- ✓ Annexures - Audit /Inspection checklists

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

Indicator	Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Fatalities	Employee	0	0	0	0	0
	Workers	0	0	0	0	0
LTIFR	Employees	0.00	0.00	0.22	0.20	0.19
	Workers	1.11	0.67	1.21	0.55	0.50

Discrimination and Harassment

At ARE&M, we maintain a zero-tolerance approach to harassment and discrimination, including sexual and non-sexual harassment, and are committed to fostering a safe, respectful, and inclusive workplace.

Employees are provided with appropriate awareness and training to recognise and prevent such behaviours, supported by a confidential and well-defined reporting and escalation mechanism. All reported concerns are addressed promptly and sensitively, with appropriate corrective or disciplinary action taken in cases of policy violations, reinforcing our culture of dignity, fairness, and respect.



Human Rights

At ARE&M, we uphold strong human rights standards across our operations and value chain through a structured due diligence process aligned with the UN Guiding Principles, UN Global Compact, ILO conventions, and the Universal Declaration of Human Rights.

Our assessments cover employees, third-party workers, local communities, women, and children, with human rights principles embedded in our Supplier Code of Conduct. We maintain zero tolerance for forced labour, human trafficking, child labour, harassment, discrimination, and violations of freedom of association and collective bargaining. Robust grievance mechanisms, mitigation measures, periodic assessments, and employee training support continuous monitoring and improvement. During the year, no sites were identified as being at risk of human rights violations.

During the year, we conducted an independent Human Rights Assessment through Bureau Veritas across manufacturing facilities covering employees, contractors, suppliers and community interfaces. Aligned with globally recognised frameworks including the UN Global Compact, the review evaluated practices across labour standards, workplace systems, occupational health and safety, grievance mechanisms and broader human rights governance areas.

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

We have strengthened responsible sourcing through a robust supplier onboarding and ESG screening process, guided by our Supplier Code of Conduct and Sourcing Policy. The Ariba-based assessment evaluates environmental, social, governance, and business risks, including commodity, country, and sector-specific considerations, while requiring suppliers to demonstrate relevant regulatory permissions, licences, and approvals. Suppliers that do not meet defined ESG requirements are excluded, while stronger ESG performance is considered in supplier selection and contracting. We also provide targeted training to buyers and internal stakeholders, with senior management oversight and periodic reviews of purchasing practices to ensure alignment with our ESG expectations and Supplier Code of Conduct.

Supplier Assessment and Development

We have conducted thorough supplier evaluations, including desk assessments with methodical verification of evidence and onsite 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.



KPI for Supplier Screening

Supplier Screening	FY 2024-25	FY 2025-26
Total number of Tier-1 suppliers	149	203
Total number of significant suppliers in Tier-1	74	103
% of total spend on significant suppliers in Tier-1	99.7%	99.03
Total number of significant suppliers in non-Tier-1	10	6
Total number of significant suppliers (Tier-1 and non-Tier-1)	84	109

KPIs for Supplier Assessment and Development

Supplier Screening	FY 2024-25	FY 2025-26
Total number of suppliers assessed via desk assessments/on-site assessments	17	31
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	31
% 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	31

Supplier Sustainability Summit

During the year, we successfully hosted ARE&M's second Supplier Sustainability Summit in March 2026, continuing progress in our supplier engagement journey. The summit represented the culmination of three years of focused capability building initiatives, including ESG MIS implementation, sustainability target setting, site audits and closure of key observations for critical suppliers.



Logistics Optimisation

Following initiatives were implemented:



Use of Multi
Modal 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



Introduction of EV &
CNG vehicles, reverse
logistics

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 2022 to FY 2026, 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's Corporate Social Responsibility (CSR) initiatives focus on improving the lives, livelihoods, and well-being of underserved, marginalized, and vulnerable communities around its operational locations. Regular engagement with local communities through on-site interactions helps us understand their needs, gather feedback, and address community concerns in a timely and meaningful manner.

Education

Through Rajanna Foundation, we provide access to quality education for students from rural communities while creating pathways for higher education and future employment opportunities. Our schools serve students drawn primarily from neighbouring villages, many of whom are first-generation learners. Impact assessment findings indicate improvements in attendance, classroom engagement and conceptual understanding, supported by access to digital learning tools, transport facilities and a structured academic environment. These institutions continue to expand access to education for students who may otherwise have limited access to quality schooling.

5,035

Students enrolled

55,398+

Children benefited since inception



Health

Our healthcare initiatives seek to improve access to primary healthcare, preventive care and specialist consultations for underserved populations. Healthcare services are delivered through Primary Health Service Centres and outreach programmes serving neighbouring villages. The assessment indicates that these interventions have improved access to healthcare services, reduced travel requirements and facilitated timely medical attention for beneficiaries. Outreach programmes continue to extend healthcare access beyond healthcare centres and into surrounding communities.

17,241

Outpatients received treatment

81

Villages covered



Skill Development

Through the Amara Raja Skill Development Centres, vocational and apprenticeship-based programmes provide practical exposure and technical training aligned with industry requirements. Training programmes cover multi-skilled technician courses, electronics and construction disciplines, combining classroom instruction with hands-on learning. Impact assessment findings indicate strong learner satisfaction, improved technical competency and enhanced workplace readiness. Industry exposure and on-the-job training continue to play an important role in improving employability outcomes among participants. During the year, 542 women candidates secured placements, while 100% of students received industrial exposure as part of their training experience.

542

Women candidates placed

100%

Students received industrial exposure



Environment Stewardship

Our environmental stewardship initiatives focus on ecological restoration and habitat improvement in partnership with local communities. Activities are undertaken through afforestation programmes and restoration of degraded land, creating opportunities for community participation alongside environmental improvement. The initiative combines ecological restoration with livelihood participation, involving students, employees, local communities and tribal families in plantation and maintenance activities. The programme contributes to landscape restoration while encouraging community participation in environmental conservation.

250

Hectares Area under restoration

100%

Community-led plantation maintenance



Water Security

Water availability remains an important consideration for rural communities, agriculture and livestock. Through the Rajanna Jalasayam programme, interventions are undertaken to improve water conservation and strengthen local water resources. The programme includes maintenance of check dams and desilting of major tanks to improve water availability and manage seasonal variations in water supply. These interventions benefit neighbouring villages while contributing to the long-term effectiveness of water conservation infrastructure.

23

Check dams maintained

60

Villages benefited



Integrity

3

Independent Directors

3

Executive Directors

1

Women Director

Zero

Corruption and Anti-bribery case in the five years

Zero

Data breaches

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.



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 aims to maintain independent directors comprising at least 50% of the Board, reinforcing strong governance, independence, and objective oversight.



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 re-elected 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 2026, the Board convened five times, with an average attendance of 88%. 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, 2026



We have established a Sustainability Committee to define our sustainability roadmap and oversee its effective implementation. Chaired by the Executive Director, the Committee comprises senior leadership, including the Chief Sustainability Officer and other key functional heads. It provides strategic direction; reviews progress against defined sustainability goals and ensures alignment with regulatory requirements and global best practices. The Committee also facilitates cross-functional collaboration, enabling the integration of sustainability considerations into business decisions and driving accountability across the organisation.

Materiality

Material Issues for Enterprise Value Creation

Aspects	Occupational Health and Safety (OHS)	GHG Emission Management and Climate Change	Resource Efficiency & 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 has established a lead recycling facility with a capacity of 1.5 Lakh MTPA in Cheyyar, Tamil Nadu.
Target	By FY 2026-27 - Continue to be a Zero-fatality organization - Reduce LTIFR by 6% - Complete Defensive Driving Training for 90% Employee % increase in ARSF assessment scores from Q1 score as per sustainability index - Leadership safety audits – one per Leader per month 3% reduction in Vitality Index	- Net zero emissions by 2050 3% increase over FY26 Intensity	By FY 2026-27 - Meet EPR target for Lead Acid Battery as defined in BWMR, 2022 - Reduce water consumption intensity by 5% (to 67.07 kL per INR Crore)
Progress	- Zero Fatality - LTIFR - 0.42 - Completed defensive driving training for 80.05% employees 72 leadership safety audits completed - Vitality Index launched	67 MW installed renewable energy (RE); - Reduced emission intensity by 37.01% over FY 2022 21.82% RE share	- Water Consumption Intensity: 70.60 KL/INR Cr - Reclaimed used batteries accounted for 74% of automotive batteries and 33% of industrial batteries.

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: 70%
Impact Valuation	✓ We conducted Life Cycle Assessment (LCA) for 50% of our existing SKUs ✓ Going forward target is to Complete internal Life Cycle Assessments (LCAs) for 100% of existing & new SKUs.	✓ We established structured process to conduct customer satisfaction survey. ✓ We plan to cover our franchise network for sustainability implementation.
Impact Metric	✓ 88.27% of recycled lead and 8.07% 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.	✓ 23 complaints have been received 27* 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.

* includes cumulative No. of complaints pending resolution at the close of the year

Risk Management

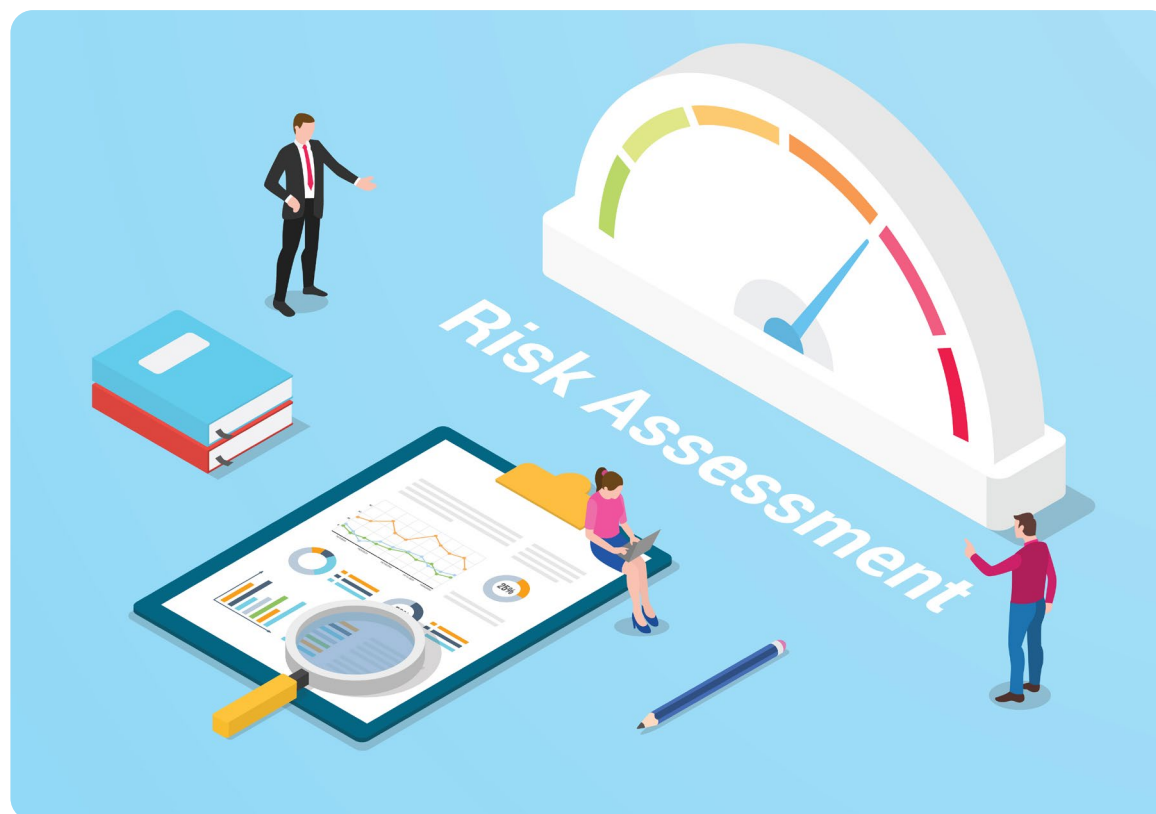
The Risk Management Committee (RMC) of our company is composed of board members (including independent directors) which oversees the Risk Management function. Supporting the RMC is the Risk Management Steering Committee, which provides strategic direction and oversees compliance with them and beneath 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.

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 long-term 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 2021	FY 2022	FY 2023	FY 2024	Target for FY 2024	FY 2025	Target for FY 2025	FY 2026	Target for FY 2026
Customer Satisfaction Score	62%	84%	87%	88%	90%	88%	90%	69%	70%
Data Coverage (% of customers who responded to the survey)	62%	84%	87%	88%	90%	88%	90%	52%	60%
% of total customers using your online services solutions	0	0	0	0	0	0	0	0	0
% of revenues generated online (e.g. through direct sales, advertising, etc.)	0	0	0	0	0	0	0	0	0

Membership Fees for Trade and Industry Chambers/Associations

Name of the Trade and Industry Chambers/Associations	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Confederation of Indian Industry (CII)	3,54,000	3,89,400	4,54,300	3,89,400	3,91,000
Federation of Indian Export Organisation (FIEO)	-	84,075	-	66,080	56,000
Employers' Federation of Southern India (EFSI)	19,121	19,121	19,121	19,121	16,204
India Lead Zinc Development	-	-	-	-	13,000
International Lead Association (ILA)	-	-	-	-	65,34,381
IESA - Indian Energy Storage Alliance	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	9,74,359
United Nations Global Compact	-	1,261,485	7,27,515	14,71,578	13,06,500
World Economic Forum (WEF)	1,73,44,530	1,75,47,120	1,73,87,758	1,58,47,144	1,54,25,184
Engineering Export Promotion Council (EEPC)	-	-	-	1,04,430	75,000
Total (₹)	2,31,57,451	2,34,67,716	2,44,88,694	1,90,77,753	2,47,91,628

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 2022	FY 2023	FY 2024	FY 2025	FY 2026
Number of recalls issued	0	0	0	0	0
Quantity of products recalled	0	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 Défense.

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 certified 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 2026-27

Parameter	Target FY 2026-27
Energy Intensity	0.54% Increase*
Emission Intensity	3.0% Increase*
Water Consumption Intensity	5% Reduction
Waste Intensity	2% Reduction
Recycled Input Material (Lead & Lead Alloys)	85.00%
Recycled Polypropylene Copolymer in production	9.00%
BWMR & EPR Compliance	Meet EPR target for Lead Acid Battery as defined in BWMR, 2022
Life Cycle Assessments (LCA)	Complete Internal Life Cycle Assessments (LCAs) for 100% of existing & new SKUs
Improvement in Vitality Index	3.00% Reduction
Fatalities	0
Lost Time Incident Frequency Rate (LTIFR) per Million Manhours worked	6% Reduction
Defensive Driving Training (DDT)	90%
Critical Safety standards assessment score	% Increase from Q1 Score as per Sust. Index
Leadership safety audits	One per Leader per month
Diversity	16%
Community Projects	5

*Under a 'do nothing' scenario, our Energy & carbon intensity is projected to increase due to capacity expansion, energy intensive new product plant & process changes. However, with planned energy efficiency initiatives and greater use of renewable energy, we aim to restrict the increase of energy intensity to 0.54% & Carbon intensity to 3.0%.



Amara Raja Energy & Mobility Limited

(Formerly known as Amara Raja Batteries Limited)

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