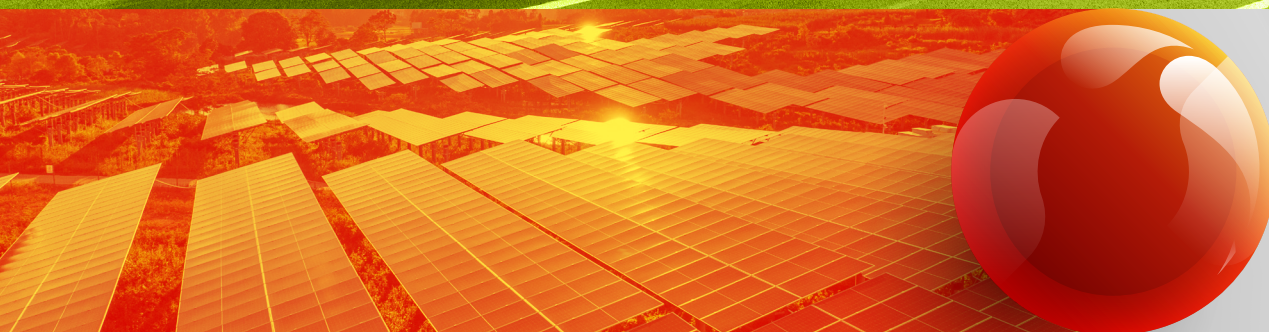




Keeping the World in
Motion

Amara Raja Energy & Mobility Limited

Sustainability Snapshot FY 2024

ABOUT THE REPORT

This Sustainability Snapshot offers a comprehensive overview of the non-financial performance and sustainability metrics for Amara Raja Energy & Mobility Limited (ARE&M) for the fiscal year spanning April 1, 2023 to March 31, 2024. This report focuses solely on ARE&M's standalone performance.

It excludes sustainability data from subsidiaries and the recently acquired plastic component division from Mangal Industries Limited. 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 report has been prepared specifically in alignment to the data requirements for the Dow Jones Sustainability Index (DJSI), Global Reporting Initiative (GRI), Business Responsibility and Sustainability Reporting (BRSR) and the UN's Sustainable Development Goals (UN SDGs).



MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

In a year defined by unprecedented global challenges, we not only navigated through the storm but emerged stronger and more resilient. This past year has been transformative for us, characterized by significant growth, strategic diversification and bold new ventures.

A defining moment of the fiscal year was our rebranding to 'Amara Raja Energy & Mobility Limited.' This change represents more than just a name, it reflects our expanded vision and commitment. Our new identity embodies our ambition to lead India's energy transition, particularly in energy storage & mobility and signals our evolution into a comprehensive solutions provider, driven by innovation and sustainability.

Despite ongoing global geopolitical challenges, India's economy has remained one of the fastest growing in the world. The country's manufacturing sector has shown remarkable strength and adaptability, supported by government initiatives promoting domestic production and improving the business environment. At Amara Raja, we look toward the future of the manufacturing sector with great optimism, confident that its growth will have a positive and lasting impact on our business.

Sustainability is a core principle for Amara Raja, integrated throughout our value chain from design to manufacturing and logistics. This year, we reaffirmed our ambitious commitment to achieving net-zero emissions by 2050. We are also working towards creating a brighter future for our communities. While research shows that a culture of integrity and inclusion fosters innovation, We remain focused on both internal and external initiatives to make a social impact, improving access to education, employability and healthcare and working toward a more equitable and innovative future.

Looking ahead, our strategic priorities will continue to revolve around innovation, sustainable growth and operational excellence. We are committed to investing in R&D, expanding our manufacturing capabilities, and strengthening our market position, while maintaining a strong focus on delivering best-in-class products, enhancing customer-centricity and upholding the highest standards of corporate governance.

Thank you for your continued support and trust in Amara Raja Energy & Mobility Limited.

Jayadev Galla
Chairman and Managing Director





MESSAGE FROM EXECUTIVE DIRECTOR - AUTOMOTIVE AND INDUSTRIAL BUSINESS

At Amara Raja Energy & Mobility, sustainability is at the heart of everything we do. Over the past year, we have made significant strides in environmental, social and governance dimensions, aligning our actions with our long-term vision for a sustainable future. I am pleased to share this Sustainability Snapshot, reflecting a year of remarkable growth and commitment to responsible practices at ARE&M. This report reflects our significant strides in energy efficiency, carbon footprint reduction and waste minimization.

Our sustainability initiatives are integral to our strategy. We are striving for net-zero emissions by 2050 and have implemented a comprehensive approach aligned with the Science Based Target Initiative. In FY24, we expanded our renewable energy capacity to 62 MW, which now contributes over 23% of our total energy consumption. This transition has significantly reduced our reliance on non-renewable sources, helping us move closer to our sustainability goals. As a result of these efforts, we have achieved a 19% reduction in our total greenhouse gas emissions and 38% reduction in emission intensity, a testament to our commitment to cleaner energy.

Water conservation remains a priority for us. This year, we successfully reduced our absolute water consumption by 20% and water intensity by 51%. Our advanced Zero Liquid Discharge (ZLD) systems and rainwater harvesting infrastructure have played a critical role in achieving these reductions, ensuring that our operations minimize their impact on water resources.

In line with our commitment to circular economy and product stewardship, we continue to lead the way in sustainable product design. A significant 83% of the lead & lead alloys used in our battery production are sourced from recycled materials, highlighting our dedication to resource

efficiency. Our closed-loop lead recycling process reflects our emphasis on reducing waste and fostering a more sustainable production cycle.

In our pursuit of sustainability, we have gained important insights, particularly in safety. We understand that building a strong safety culture requires ongoing effort, constant vigilance, a focus on encouraging positive behavioral changes. Our commitment to building an inclusive workplace and ensuring the safety of our employees remains steadfast.

On the social front, with ongoing community development initiatives, we have continued to positively impact numerous lives. The launch of the Amara Raja Sustainability Academy, an online training Programme is designed to equip our workforce with the requisite knowledge and skills for driving responsible progress.

The sustainability committee consistently evaluates our sustainability performance to ensure we are making continuous progress towards our objectives. In addition, we perform life cycle assessments of our products to gain deeper insights into their environmental impact and take measures to reduce their ecological footprint.

As we look ahead, we remain focused on scaling our efforts in renewable energy, enhancing employee welfare and deepening our community engagements. Together, we are driving meaningful progress towards a sustainable and inclusive future. Thank you for your continued trust and support as we drive sustainability and innovation in the energy and mobility sectors.

Harshavardhana Gourineni
Executive Director
Automotive and Industrial Business

OUR BUSINESS

Amara Raja Energy & Mobility Limited (ARE&M), the flagship company of Amara Raja Group, is the technology leader and one of the largest manufacturers of lead acid batteries for industrial and automotive applications in India's storage battery industry. We are the preferred supplier for major telecom service providers, telecom equipment manufacturers, the UPS sector (OEM & Replacement), Indian Railways, as well as Power, Oil and Gas industries. Our industrial battery brands include PowerStack®, AmaronVolt®, and Quanta®. In the automotive sector, we produce leading brands such as Amaron® and Powerzone, distributed through an extensive pan-India sales and service network. Our automotive batteries are supplied under original equipment (OE) partnerships with prominent companies including Ashok Leyland, Ford India, Honda, Hyundai, Mahindra & Mahindra, Maruti Suzuki and Tata Motors. Our industrial and automotive batteries are exported to over 50 countries worldwide.

DELIVERING ENERGY AND MOBILITY THROUGH INNOVATION AND EXCELLENCE

Over the years, we have grown from a single business to a diverse corporate with presence in several sectors. As a leading player in the sector of energy and mobility solutions, we have fostered enduring partnerships and endearing relationships nationally and internationally.



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.

Focussed Industries



Passenger Vehicles



Commercial Vehicles



Farm Vehicles



Home UPS/ Inverter



E-Rickshaw



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.

Focussed Industries



UPS



Telecom



Railways



Motive



Power and Industry



Solar

JOURNEY OF ARE&M



1985

Amara Raja Batteries Limited incorporated



1990

Introduction of VRLA technology in India



1991

Launched VRLA batteries for telecom application



1997

Diversified into automotive batteries and signed JV with Johnson Controls Inc
ISO 9001 certification



1999

QS 9000 certification



2010

Unveiled the new AMARON logo
OHSAS 18001 Certification



2007

Inaugurated 2-wheeler battery plant



2004

TS 16949 Certification



2002

First Export shipment of AMARON batteries to Singapore
ISO 14001 certification



2000

Launched AMARON automotive batteries
Adjuded Automotive product of the year by OneDrive



2011

Featured in Forbes Asia's "Best Under a Billion"



2014

Inaugurated world's largest integrated VRLA plant at ARGC



2016

Inaugurated tubular battery plant



2017

Joined as official member of World Economic Forum



2018

Incorporated owned subsidiary in SAIF Zone



2024

Merger of battery component division of Mangal Industries Limited



2023

Rebranding to ARE&M
CDP Rating B
Release of Net Zero Plan



2022

Diversified into the new energy business



2021

ISO 45001 Certification



2019

ISO 50001 Certification

SUSTAINABILITY LINKED MATERIAL ISSUES

ESG focus areas for ARE&M



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

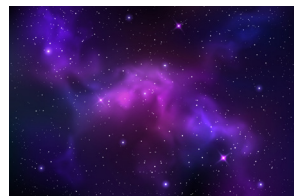


VISION

Through the Amara Raja Way and through enduring progressive partnerships we will be a Global Leader in Energy and Mobility Solutions.



VALUES



INNOVATION

Innovation to us is proactively rebelling for better ways of doing things leading to newer possibilities



EXCELLENCE

Excellence to us is continually enhancing our performance to consistently produce outstanding results with lasting impact.



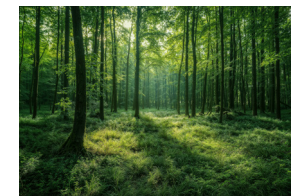
ENTREPRENEURSHIP

Entrepreneurship to us is leading with courage and conviction to convert gaps into opportunities, create wealth and contribute to growth.



EXPERIENCES

Experiences to us are what we create for our stakeholders which make them feel part of something special, leading to endearing relationships.



RESPONSIBILITY

Responsibility to us is the total ownership of our thoughts and actions in every situation to achieve maximum common good.



CORE PURPOSE

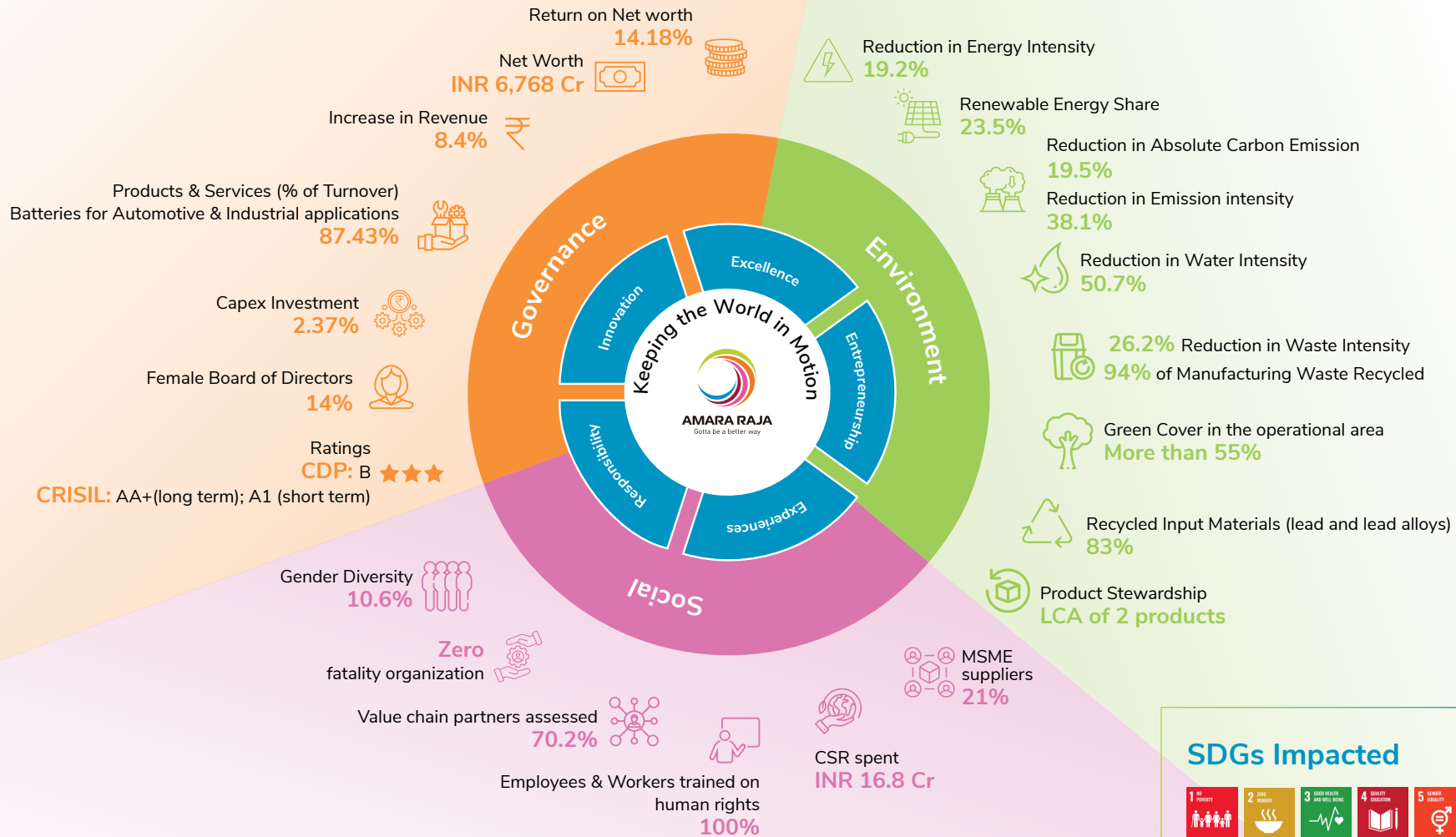
To transform our increasing spheres of influence and to improve the quality of life by building institutions that provide better access and better opportunities to more people all the time.

DEEPLY ANCHORED

in vision, values and
core purpose



DELIVERING SUSTAINABLE VALUE



SDGs Impacted



Note: All % reductions have been calculated considering FY 2022.

ENVIRONMENT DIMENSION

ENVIRONMENT HIGHLIGHTS FOR FY 2024

Aspects	Performance	Impact*
 GHG Emissions	- Total absolute carbon emissions (Scope 1 & 2): 2,16,385 tCO₂e - Carbon emission intensity (Scope 1 & 2): 19.22 tCO₂e/Cr	- Reduction in absolute carbon emissions by 19.5% - Reduction in emission intensity by 38.1%
 Energy	- Total energy consumed: 14,37,834 GJ - Total energy consumed through Captive Renewable Energy, Indian Energy Exchange and Green power purchase: 3,37,397 GJ - Energy intensity: 127.69 GJ/Cr	62MW of installed Solar RE 23.5% energy sourced from renewable sources 19.2% reduction in energy intensity
 Waste	- Total waste generated: 26,994.77 Mt - Waste intensity: 2.39 Mt/Cr - Total waste recycled: 25,405 Mt	- Waste intensity reduced by 26.2% - Achieved 94% recycling rate
 Water	- Total water consumption: 9,07,618 kL - Water intensity: 80.60 kL	- Achieved 100% recycling of treated effluents into production - Freshwater consumption has decreased by 20.4% - Water intensity has decreased by 50.7%
 Circular Economy	Life cycle assessment (cradle to grave) conducted for Automotive Battery (40B20) and Industrial Battery (2v, 600 Ah)	83% recycled input materials (lead and lead alloys) 13.7% recycling rate for wooden pallets 10.76% recycled plastics as input material
 Biodiversity	82,611 saplings planted on-site 71,000 saplings in surrounding areas	More than 55% green cover across our operational areas

*Note: For reduction calculation, FY 2021-22 is our baseline.

BEYOND HIGHLIGHTS: Key Attributes for Environmental Diversions



Environmental Policy and Management

- At ARE&M, our Environmental Sustainability Policy ensures compliance with legal requirements, drives continual improvement and sets targets for impact reduction. It promotes stakeholder awareness, focus on deforestation, biodiversity conservation by integrating practices that support and enhance local ecosystems.
- The company continues to be certified under ISO 14001: 2015 standard for its Environmental Management Systems. Regular audits of our Environmental Management Systems (EMS) help us identify and implement strategies to enhance environmental performance, ensure compliance with regulations and continuously improve our sustainability practices.
- Return on Environmental Investments:

Category	FY 2021	FY 2022	FY 2023	FY 2024
Capital Investments	3,08,01,711	3,39,29,158	53,41,88,306	8,22,79,784
Operating Expenses	17,26,19,212	27,68,10,210	33,82,38,369	36,74,03,518
Total Expenses	20,34,20,923	31,07,39,368	87,24,26,675	44,96,83,302
% of Operations Covered	100	100	100	100

Note: All figures are in INR. In FY 2024 savings were INR 2,47,00,000. The figures stated above excludes Captive Renewable Energy.

- Environmental Fines or Penalties:** Over the past four 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.



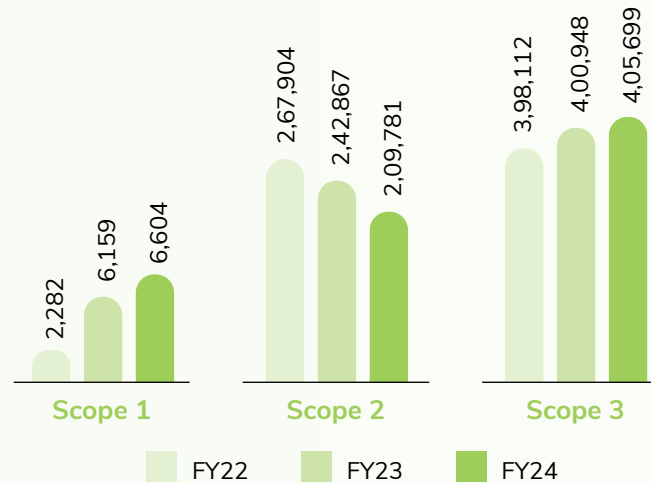


Energy and Emissions

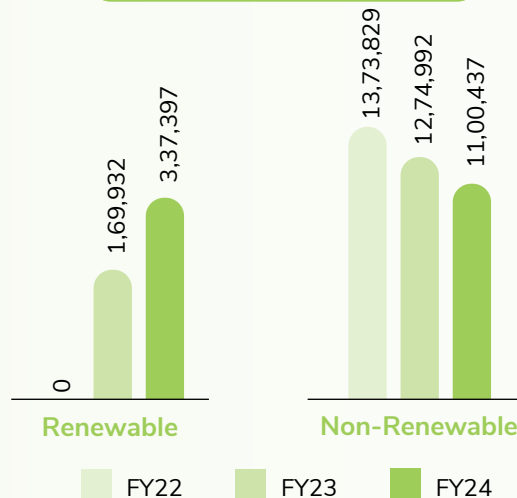
Our commitment to environmental stewardship is reflected in our strict adherence to the Greenhouse Gas Protocol and ISO 14064 standards for carbon emissions management. Our efforts focus on minimizing our carbon footprint through targeted reduction projects and improved energy efficiency. We've achieved ISO 50001:2018 certification for exceptional energy management, and through diligent energy audits, we've identified and acted upon opportunities to enhance energy performance. These efforts have resulted in a measurable decrease in energy consumption. Embracing renewable energy, we now source 23.5% of our energy from renewables, with a significant 62 MW installed solar capacity. Our investment in innovation and R&D aims to further reduce energy use, while our employee training programs on energy efficiency underscore the collective impact of individual actions towards our company-wide energy conservation goals.



Emissions (tCO₂e)



Energy Consumption (in GJ)



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.



96 lakh units
Energy Savings



62 MW
Renewable Energy



Water

We have integrated water recycling processes into our operations as part of our commitment to environmental sustainability and resource efficiency. Prioritize water management through the implementation of effluent treatment plants in each production unit, ensuring effective wastewater management. This significantly reduces our water footprint and contribute to the conservation of this vital resource. To reinforce the importance of water efficiency, we have also implemented comprehensive awareness training for our employees. These programs are designed to train our workforce on the principles of water management. Together, these initiatives form a key component of our strategy to minimize environmental impact and promote sustainable water use.



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 constructed a stormwater collection pond to capture runoff during the first 30 to 45 minutes of rainfall, with a capacity of 6,500 KL.

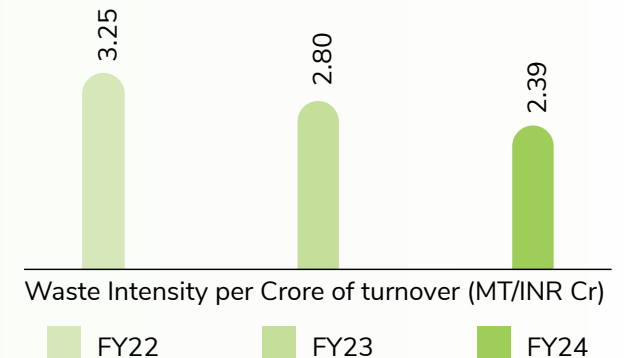


780 KLD
ZLD Capacities



Waste

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've set quantifiable targets to track our progress and have implemented waste reduction training for employees to foster 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), further exemplifying our dedication to environmental excellence.



Category	Unit	FY 2022	FY 2023	FY 2024
Total hazardous waste recycled/reused	Mt	21,242	20,360	19,129
Total hazardous waste disposed	Mt	1,054	1,328	1,590
Hazardous waste landfilled	Mt	1,033	1,316	1,551
Hazardous waste incinerated without energy recovery	Mt	21	12	39
Data Coverage	% of operations	100	100	100

Note: Mt denotes Metric tonnes



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

The company has invested in R&D to make our products last longer. In FY 2024, we achieved 83% usage of recycled input materials (lead and lead alloys), exceeding the 80% 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 based on the IBAT (Integrated Biodiversity Assessment Tool) methodology, which employs a location-specific approach. Our assessment utilized visual data maps to display Protected Areas, Key Biodiversity Areas, IUCN Red List Species, the STAR Layer with 50km resolution and rarity-weighted species richness. This detailed site-centric analysis ensures that our assessments are customized to the unique ecological characteristics and conservation needs of each region. Referencing authoritative methodologies and frameworks, such as the IUCN Red List and Key Biodiversity Areas, our assessment is grounded in globally recognized standards. We have effectively identified and managed biodiversity risks, resulting in the finding of no significant biodiversity risks within our operations.



Product Stewardship

We have conducted a Life Cycle Assessment (LCA) for our Automotive and Industrial batteries to evaluate their environmental impacts and develop strategies to mitigate any negative effects. In our LCA we cover various impacts, including abiotic depletion (fossil fuels, minerals), water depletion, acidification, ecotoxicity, eutrophication, global warming, ozone depletion, photochemical ozone formation and human toxicity. We have conducted simplified LCAs for 11.61% of our total product range.

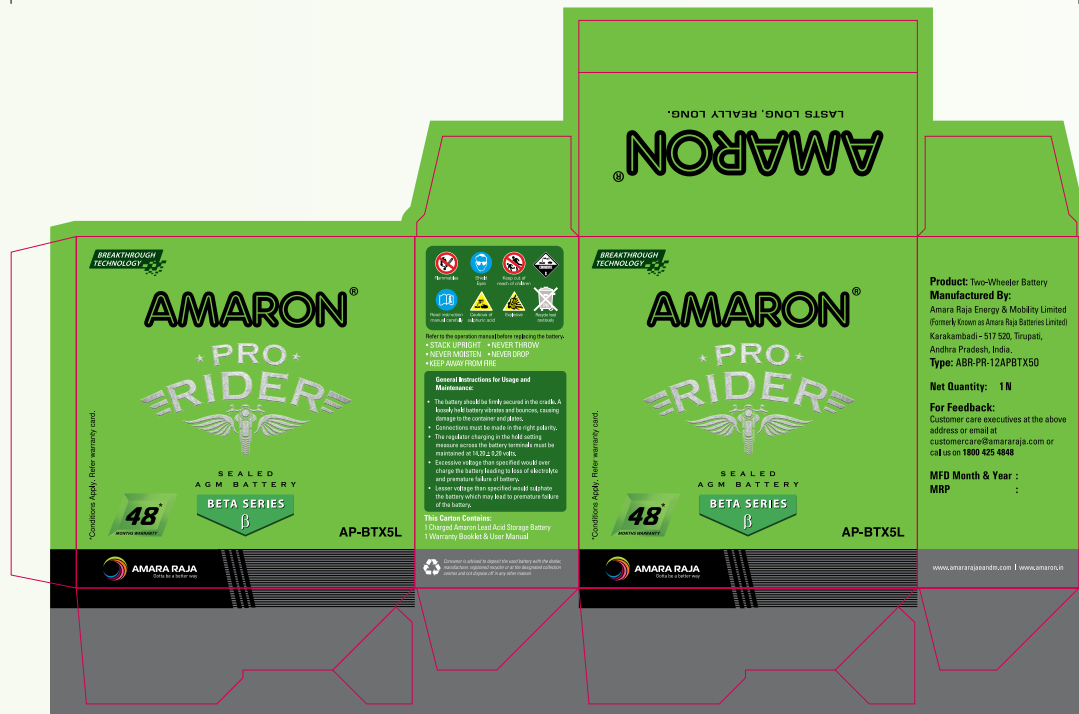
The study is a comprehensive cradle to grave analysis of two lead acid batteries in which the hotspots are identified at the various life cycle. The LCI data consists of the total inputs and outputs of the product system (e.g., carbon dioxide emissions); while the Life Cycle Impact Assessment (LCIA) uses the LCA data to assess impacts such as Global Warming Potential (GWP). Consistent methodology and modeling have been used for this study and are specific to the lead acid batteries manufactured at ARE&M's plant in Tirupati, India.





Environmental Labels and Declaration

The labels on ARE&M's products are comprehensive, providing information on safe and responsible usage along with recycling and disposal attributes. This practice is consistent across all jurisdictions where ARE&M's products are sold. Every product label from the company carries essential information for safe and responsible usage. This includes operating and maintenance guidelines, cautionary details and instructions for end-of-life disposal.



PDS6034_Amara Raja_AMR (BETA 5AH PRI) Carton Box_SET2_MAC28/SDP_20/12/19



Resource Efficiency



At ARE&M, we implement an economically efficient approach throughout our operations, underpinned by significant investments in Research and Development to optimize lead utilization in battery production. Our dedication to sustainability is reflected in the extensive use of recycled lead in our processes. We focus on resource conservation by adopting measures that inputs and prioritize local procurement to mitigate supply chain risks.

Currently, recycled sources account for 83% of the lead & 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 is being 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 Programs

The company has undertaken a rigorous assessment to prioritize the sourcing of raw materials, emphasizing traceability to their origins to ensure responsible procurement. This initiative is pivotal in reducing both the environmental and social impacts associated with raw material production. We have set clear targets for increasing the share of sustainable and recycled raw materials, reflecting our commitment to sustainability. 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:

Year	Resource Used (Mt)		% of recycled materials	
	FY 2024	FY 2023	FY 2024	FY 2023
Plastic materials in products	26,288	25,007	10.76%	6.70%

Metal Raw Materials:

Metal used	Resource Used (Mt)		% of recycled material from recycled sources	
	FY 2024	FY 2023	FY 2024	FY 2023
Copper	471	425	0	0

Note: We used 174,756 MT of lead and lead alloys in the production process during FY 2023-2024.



SOCIAL DIMENSION

KEY SOCIAL HIGHLIGHTS FOR FY 2023-24

Aspects	Performance	Impact*
 Human Capital	- Total Board of Directors: 7 - Total number of employees: 2,361 - Total number of workers: 5,968 - Total female employees and workers: 884 - Total employees trained on skill upgradation: 8,329 - Designed comprehensive Business Continuity Plan (BCP) for human resources, physical facilities, and critical IT infrastructure	- Gender diversity in Board of Directors: 14% - Workforce gender diversity: 10.6% 100% employees and workers paid more than minimum wages 82% employee engagement score 100% employees trained on skill upgradation & HSE
 Occupational Health and Safety	- Lost Time Frequency Rate (LTIFR): 0.93 - Total recordable work-related injuries: 15 - Employees trained on health and safety measures: 8,329 - Initiated Behavior Based Safety (BBS) programme and assessment of critical risks	- Zero fatality organization 100% employees trained on health and safety measures 100% annual medical examination for all employees 100% permanent employees and workers covered for health & accident insurance, Day care facility, Maternity and Paternity benefits
 Sustainable Supply Chain	- Supplier code of conduct in place - Conducted 4 supplier engagement programs - Implemented sustainable procurement policy - Digitization of supplier onboarding and evaluation process (through SAP Ariba) - Engagement with critical suppliers on their sustainability performance and targets	21% of input materials directly procured from MSMEs / small producers 51% of input materials sourced from supplier within India 70% of value chain partners assessed on sustainability (by value)
 Human Rights	- Human rights policy in place - Conducted human rights assessments at our manufacturing sites	100% employees and worker training on human rights - Zero human rights related cases
 Local community	- Continued contribution of 2% profit for CSR activities - CSR policy in place with focus on education, environment and rural development 17,163 outpatients treated and 14,190 lab tests conducted, reducing health disparities 23 check dams maintained, benefiting farmers in 60 villages - Amara Raja Skill Development Centre (ARSDC) 250-hectare plot of land adopted to create green cover under social forestry	- Access to quality education in 3 schools - Completed village infrastructure, underground drainage and solid waste management projects

*Note: Baseline for the above performance is FY 2022.



BEYOND HIGHLIGHTS: Key Attributes for Social Diversions



QUALITY MANAGEMENT

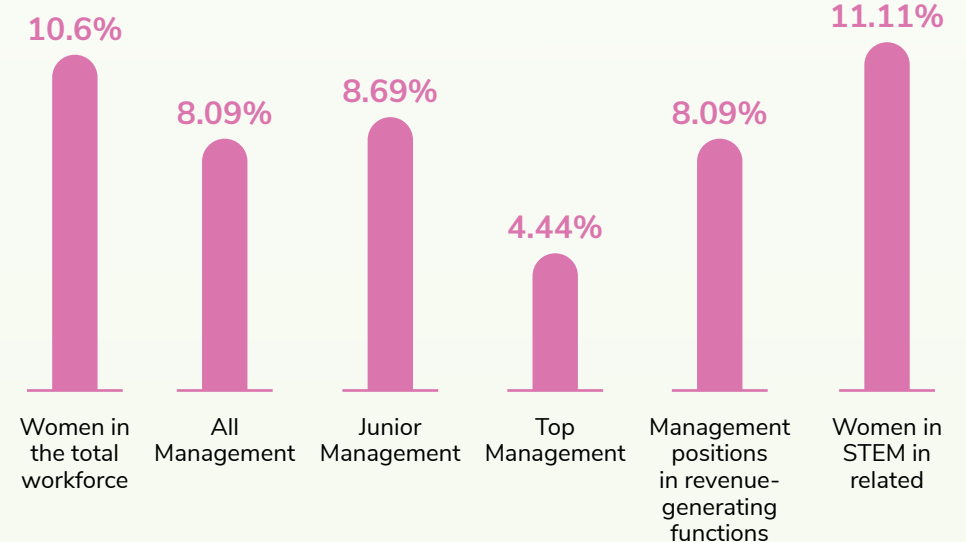
At ARE&M, our “Gotta be a Better Way” culture drives continuous improvement in quality. We emphasize employee training and certification, utilizing Six Sigma and Lean tools. We have a Quality Management System specifically designed for our external distribution network.



Employees and Employee Benefits

- Our entire workforce consists of Indian nationals and all management positions are held by Indian individuals.
- 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 in FY 2024





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. This online training program tailored to specific job roles has already seen participation from 300 leaders. The Academy enables vertical leaders to engage in customized e-learning on sustainability topics relevant to their roles, reinforcing our long-term commitment to ecological stewardship and social impact.



Training & Development

- Average hours per FTE of Training and Development (in hours): 21
- Average amount spent per FTE on Training and Development (in INR): 5,364

Category	Age Group <30		Age Group 30-50		Age Group >50	
	Male	Female	Male	Female	Male	Female
Top Management	0	0	59	0	120	0
Senior Management	347	0	0	31	770	18
Middle Management	12	166	6,398	639	1,395	123
Junior Management	3,480	502	8,091	697	885	216
Associates / Non-management	7,982	316	10,994	886	799	94
Others	47,490	4,888	63,696	7,624	1,989	58
Total	59,311	5,872	89,238	9,877	5,958	508

Gender Pay

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

Employee Level	Average Women Salary	Average Men Salary
Executive Level (basic salary only)	26,346	27,611
Executive Level (basic salary & other cash benefits)	57,042	60,146
Management Level (basic salary only)	30,306	88,216
Management Level (basic salary & other cash benefits)	65,315	1,81,220
Non-Management Level (basic salary only)	4,148	6,341

Note: All figures in INR.



Employee Development Programs

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.

	AR Seed	AR Propel
Name and description of the program	Amara Raja Supervisors Empowerment and Expertise Development (SEED) programme: A specialized program 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 program	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	1.33%	0.54%



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 to FY 2024.

KPI	FY 2021	FY 2022	FY 2023	FY 2024
Total number of new employee hires	97	323	375	342
Total number of new employee hires through external manpower agency	3	18	36	26
Percentage of open positions filled by internal candidates	23%	29.3%	51.3%	49%
Average hiring cost/FTE	15,526	7,835	7,985	6,866

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	0	7	1	0	0
Junior Management	33	4	52	7	0	0
Associates/ Non-management	74	5	42	2	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 to FY 2024

KPI	FY 2021	FY 2022	FY 2023	FY 2024
Total employee turnover rate	10.25	13.64	10.85	11.4
Voluntary employee turnover rate	8.52	11.7	9.39	9.37

Category	Age Group <30		Age Group 30-50		Age Group >50	
	Male	Female	Male	Female	Male	Female
Top Management	0	0	17	0	9	0
Senior Management	0	0	31	1	32	3
Middle Management	3	3	57	10	330	20
Junior Management	240	27	48	8	559	48
Associates/ Non-management	321	16	46	3	548	52



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. Launched in the previous year, 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 Programs

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.



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. We focus on both tangible and intangible aspects of employee well-being, striving for job satisfaction through a positive work environment and meaningful work. We also provide resources to manage stress and foster a culture of joy and positivity.

	FY 2021	FY 2022	FY 2023	FY 2024
Employee Satisfaction score	86%	88%	87%	83%
Data Coverage (% of employees who responded to the survey)	100%	100%	99%	99%





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. 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.

35% Capacity enhancement of Emergency Response Team members (1,094 to 1,475)

ZERO OFIs in Customer Safety Audits (Autozone, Fiat, Toyota, Hyundai Motors, Hitech Automation)

₹ 2.6 CRORE apex for strengthening of fire protection system

6,000+ Employees trained in safety programmes



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.



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 2021	FY 2022	FY 2023	FY 2024
Fatalities	Employees	0	0	0	0
	Workers	0	0	0	0
LTIFR	Employees	0.88	0.00	0	0.22
	Workers	0.94	1.11	0.67	1.21



Discrimination and Harassment

At ARE&M, we prohibit any form of harassment and maintain a zero-tolerance policy towards discrimination, including both sexual and non-sexual 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 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 and maintain a zero-tolerance policy toward forced, compulsory, and child labour, human trafficking, freedom of association, right to collective bargaining, equal remuneration, discrimination and harassment in the workplace. 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 AREML.



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 Program & 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.

To maintain the integrity of our supply chain, we conduct a thorough screening process that evaluates suppliers based on ESG factors, business relevance, and commodity-related risks. 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 programs. To this end, we provide targeted training that emphasizes their roles and responsibilities within these programs. 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 programs, ensuring that our purchasing practices are not only compliant but also contribute positively to our ESG objectives.



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 programs 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
Total number of Tier-1 suppliers	145
Total number of significant suppliers in Tier-1	71
% of total spend on significant suppliers in Tier-1	99%
Total number of significant suppliers in non-Tier-1	18
Total number of significant suppliers (Tier-1 and non-Tier-1)	89

KPIs for Supplier Assessment & Development

Supplier Assessment	FY 2024
Total number of suppliers assessed via desk assessments/on-site assessments	17
% of unique significant suppliers assessed	100%
Number of suppliers assessed with substantial actual/potential negative impacts	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
Number of suppliers with substantial actual/potential negative impacts that were terminated	0
Total number of suppliers supported in corrective action plan implementation	17
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0%
Total number of suppliers in capacity building programs	17
% of unique significant suppliers in capacity building programs	100%





Logistics Optimization

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 & delivery



Route optimization 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.

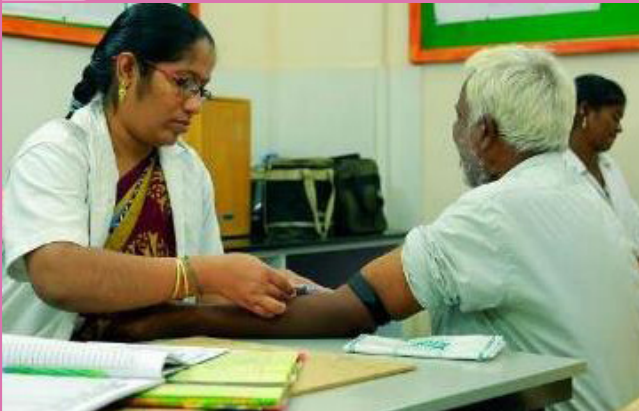
From FY 2021 to FY 2024, there were no revenues from products containing minerals sourced from conflict-affected and high-risk areas. We confirm that none of our suppliers are based in or source materials from conflict-affected or high-risk regions, in alignment with our commitment to responsible and 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 to 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 is committed to providing access to healthcare for vulnerable sections of society who lack the resources for quality healthcare. It extends primary healthcare services to nearly 20,000 individuals, including children, women, senior citizens and marginalized communities.



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 4,700+ 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 1533 students are receiving on-the-job training through this skill development program.



Environment and Social Forestry



The company is 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.

GOVERNANCE DIMENSION

KEY GOVERNANCE HIGHLIGHTS FOR FY 2023-24

Board Diversity and Composition

- 43% Executive Directors
- 57% Independent Directors
- 86% Male and 14% female

Finance

- 14.18% Return on net worth
- 2.14 times current ratio
- 15.03% EBITDA Margin
- 0.01 Debt Equity ratio

Transparency and Disclosure Compliance

- Zero Corruption and Anti bribery case in the last four years
- 100% of ARE&M's operations covered under sustainability disclosure
- No political contributions have been made by ARE&M in the last four years

IT Security Practices

- Third party vulnerability scan
- Zero data breaches



BEYOND HIGHLIGHTS:

Key Attributes for Governance Diversions



Corporate Governance



Board Independence

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is a mandate that a minimum of one-third of the board shall comprise of independent directors if the company has a non-executive Chairperson. In cases where the Chairperson is an executive, at least half of the board must be independent directors. As on date, ARE&M board is composed of 50% independent directors, as per requirement. Company target share for independent directors to constitute at least 50% of its Board.



Board Meeting Attendance

According to Indian regulations, it is mandatory for the Board of Directors to convene a minimum of four times annually, with no more than 120 days elapsing between two consecutive meetings. In the financial year 2024, the Board met on five occasions. The average attendance at board meetings was 94.29%. Directors are expected to be present for at least 20% of the meetings that take place within the financial year.



Mandates on directorships & 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 organizations they serve. Additionally, in accordance with the SEBI LODR Regulations, our directors are elected individually by a majority of the votes cast by the shareholders at the General Meeting/Postal Ballot as per their terms of appointment.



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 & targets.

MATERIALITY

In our materiality assessment we have considered both external and internal stakeholders. We conduct materiality assessment for every three 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 organization 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.

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 2025 - Continue to be a zero-fatality organization. - Reduce Lost Time Injury Frequency Rate (LTIFR) by 20%	By 2025 - Increase share of renewable energy to 25% - Emission Intensity: 17.06 MtCO₂e/INR Cr - Net Zero	By 2025 - Battery recycling rate for Automotive and Industrial are 70% and 60% respectively - Water Consumption Intensity: 72.57 kL/INR Cr
Progress	- Zero Fatality - LTIFR : 0.93	23.46% of renewable energy - Emission intensity: 19.22 MtCO₂e/INR Cr	- Battery recycling rate for Automotive and Industrial are 62% and 46% respectively - Water Consumption Intensity: 80.60 kL/INR Cr

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	We conducted Life Cycle Assessment (LCA) for two of our flagship products, one each in the automotive battery and industrial battery segments.	We established structured process to conduct customer satisfaction survey.
 Impact Metric	83.20% of recycled lead and 10.76% 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	19 complaints have been received 17 Pending resolution at end of year - Organization has 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



Risk Governance

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.



Risk Management Processes

At ARE&M, we diligently oversee our operational landscape to pre-emptively detect and mitigate potential risks that may impact our enterprise. We employ a comprehensive risk management structure, which includes active participation from the Board's Risk Management Committee and top-level management, to adeptly manage these risks. We conduct a biannual review of our company's risk exposure to ensure proactive management and mitigation of potential threats. Comprehensive audit study on risk management conducted by third party, evaluating the effectiveness of current strategies and controls. This analysis has provided insights into areas of strength and opportunities for enhancement, guiding the organization towards a more robust risk management posture. Risk managers have received specialized training to enhancing their ability to manage and mitigate organizational risks. The program covered current risk management strategies and practices, improving their decision-making and proactive response to potential threats. The Key Result Areas (KRAs) of risk owners are intricately tied to risk mitigation efforts, as they define specific objectives focused on identifying, analysing, and addressing potential risks. By aligning their KRAs with the organization's risk management framework, risk owners ensure that their actions directly contribute to the reduction of vulnerabilities and the enhancement of overall business resilience. ARE&M is integrating risk criteria into the development of lubricants and home UPS systems.





Incorporation of risk criteria in the development of products and services

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. Awareness sessions are being conducted across the organization with the risk management strategies 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. 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.

To address the challenge of declining market share and loss of competitive edge due to a lack of preparedness for emerging technologies, we have invested in ARACT and various R&D initiatives. Additionally, to combat skillset gaps and talent disengagement, we rolled out the Navaprathibha - Sukalpa program and are recruiting talent from premier institutes like IITs and IIMs. Our branding activities on social media and leadership branding efforts support this initiative. Furthermore, our participation in the prestigious "Great Place to Work" (GPTW) survey has bolstered our reputation, with Amara Raja recognized among the World's Best Employers for 2020 and 2021, as well as being awarded best employer in GPTW 2023.



Framework for risk appetite

A clearly defined risk appetite document and risk rating criteria with detailed assessment criteria for impact and likelihood is in place. Risk owners have been assigned for the identified risks, who shall be responsible for continuous monitoring and mitigation.

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 RISKS

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 etc. 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, insider trading.



CUSTOMER RELATIONS

ARE&M prioritizes customer satisfaction by promptly addressing issues related to products, quality, service, and warranties through a structured complaint resolution process. The company actively engages with customers for feedback to improve its offerings. Key initiatives include:

- **AMCARE:** 24/7 customer support for battery services, including replacements, installations, toll-free 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 four years as follows:



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

MEMBERSHIP FEES FOR TRADE AND INDUSTRY CHAMBERS/ASSOCIATIONS:

Name of the trade and industry chambers/associations	FY 2021	FY 2022	FY 2023	FY 2024
Confederation of Indian Industry (CII)	1,77,000	3,54,000	3,89,400	4,54,300
Federation of Indian Export Organisation (FIEO)	-	-	84,075	-
Employers' Federation of Southern India (EFSI)	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
United Nations Global Compact	-	-	1,261,485	7,27,515
World Economic Forum (WEF)	1,60,95,780	1,73,44,530	1,75,47,120	1,73,87,758
Engineering Export Promotion Council (EEPC)	45,000	-	-	-
Total (in INR)	2,07,26,501	2,31,57,451	2,34,67,716	2,44,88,694

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).



Cyber Security

Our organization has 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. Amara Raja Energy & Mobility Ltd. 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.

The Vulnerability Assessment phase involves a comprehensive scan of the company's networks, applications, and systems to detect any potential weak points or security flaws.

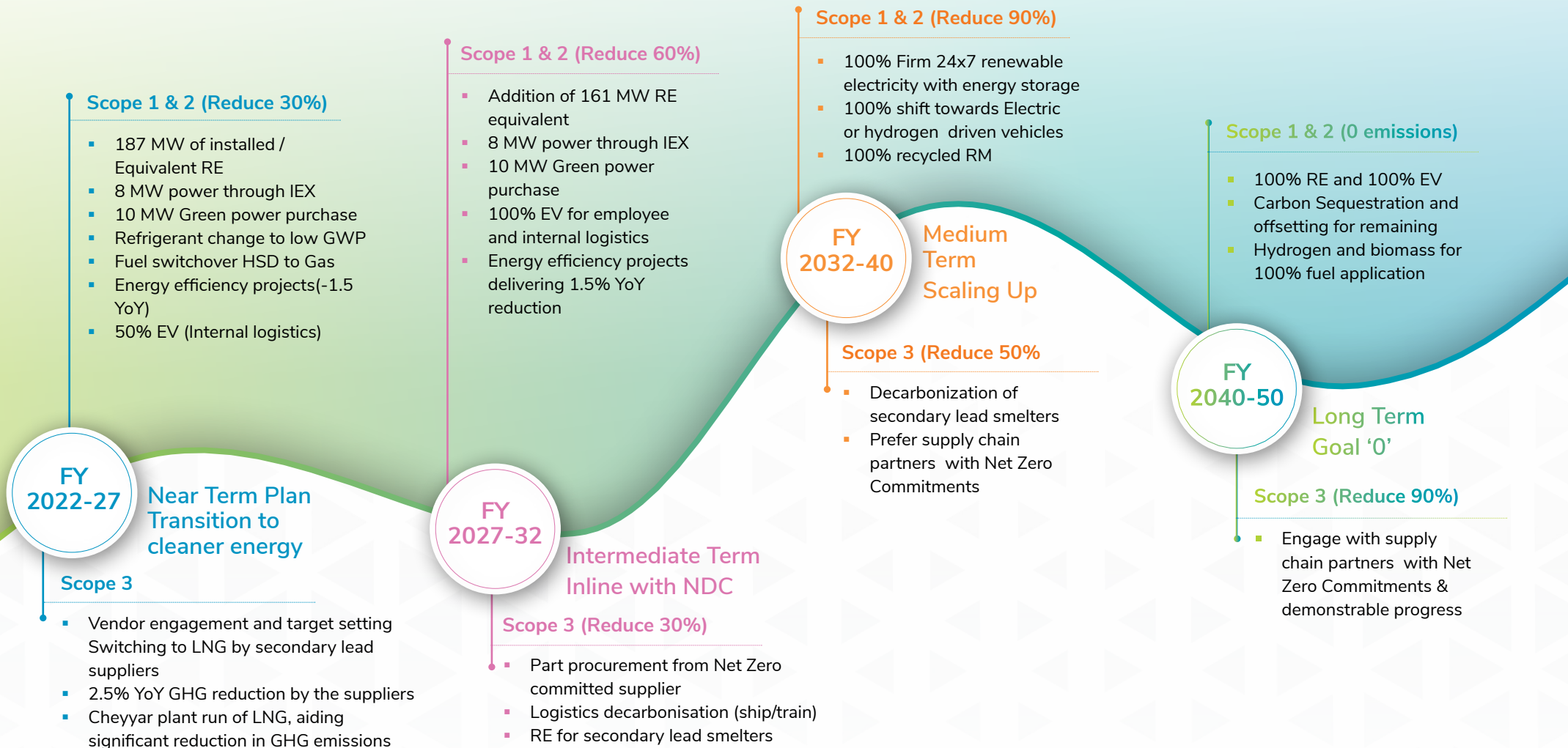
This phase focuses on uncovering security loopholes, misconfiguration, and outdated software that could expose the organization to cyber-attacks.

Following this, the Penetration Testing phase simulates real-world cyberattacks to evaluate how the identified vulnerabilities could be exploited by malicious actors. By simulating these threats, Amara Raja's security teams gain a clear understanding of how well their security measures can withstand potential breaches.

The VAPT process allows ARE&M to stay proactive in identifying and mitigating risks, thus reinforcing the overall security posture of the organization. By annually conducting VAPT, the company demonstrates its commitment to protecting sensitive data and maintaining high standards of cybersecurity across all its operations.

OUR NET ZERO PLAN

Aligned with our goal of powering a sustainable tomorrow, we aspire to achieve Net Zero by 2050. To reach this target, we are implementing a comprehensive Net Zero Road Map that includes phased decarbonization strategies and industry best practices.



SUSTAINING GOALS FOR FY 2025

At ARE&M, our commitment to sustainability drives us to set clear goals as we approach FY25. We've established targets to enhance environmental performance, ensure safety, and promote an inclusive workplace, reflecting our dedication to sustainable practices and long-term stakeholder value.



ENVIRONMENT



Energy and Carbon

- Increase ARE&M's renewable energy share to 25%
- Reduce carbon intensity (scope 1 and 2 emissions) by 11%
- Reduce energy intensity by 1.5%



Water

- Reduce specific freshwater consumption by 10%



Circular Economy

- Reduce waste intensity by 8.35%
- Increase recycled Lead & Lead Alloys in production to 84.31%
- Increase recycled Polypropylene Copolymer in production to >20%
- Improve battery recycling collection rate to 70% for Automotive and 60% for Industrial Batteries as per BWMR 2022



SOCIAL

- Continue to be a zero-fatality organization.
- Reduce the Lost Time Injury Frequency Rate (LTIFR) by 20%.
- Gender Diversity: Achieve a gender diversity ratio of 12% within the organization.
- Aim to implement 5 community projects in 5 community projects.



Note: The above targets for FY 2025 exclude the newly acquired Plastic Component for the Battery Business from Mangal Industries Limited.

EXCELLENCE RECOGNIZED

AWARDS



Net Zero Impact Award 2024



**CII Excellence Award 2024 in
Water Management**



**Silver award in Asia's Best Sustainability
Report (First Time) Category, 2023**



**CII Gold Award 2023
for EHS Excellence**



**Golden Peacock Award 2023 for
Sustainability**



**Sustainable Organization Award 2023 by
UBS Forum**



**Best Overall Sustainable Performance
2023 by Transformance Forums**



**Excellence in Climate Change Mitigation
Award 2023 by ASSOCHAM**



AMARA RAJA

Gotta be a better way

AMARA RAJA ENERGY & MOBILITY LIMITED
(FORMERLY KNOWN AS AMARA RAJA BATTERIES LIMITED)

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