

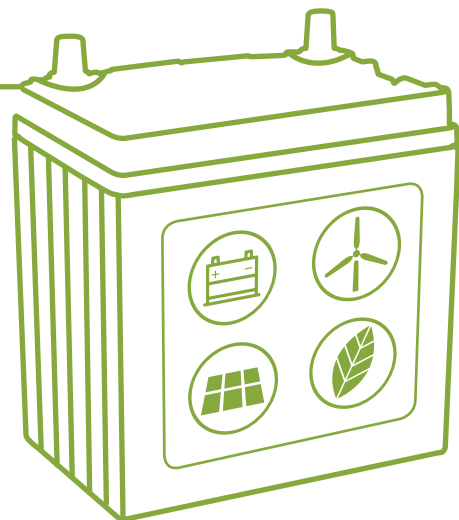


AMARA RAJA

Gotta be a better way



GIVING MORE POWER TO LIFE



**SUSTAINABILITY REPORT
2018-19**

AMARA RAJA BATTERIES LIMITED

ABOUT THE REPORT

Overview

Amara Raja Batteries Limited is publishing its second Sustainability Report to be used for internal usage only. The Report outlines Amara Raja Batteries Limited's Sustainability Management activities and its performance in depth.

Reporting Principles

This Sustainability Report complies with the Core Option in accordance with the GRI (Global Reporting Initiative) Standards, which is an international guideline for sustainability reporting.

Reporting Period

The relevant period for this report spans from 1st April 2018 to 31st March 2019, and some of the major achievements include progress made until March 2019.

Reporting Scope

The report covers the 2 domestic battery plants which are located at Karakambadi and the Nunegundlapalli Village, Chittoor, Andhra Pradesh, India.

Independent Assurance and Additional Information

For the scope of this exercise, the company has not implemented any separate independent assurance. However, financial statements are independently audited.

For any Query, please contact:

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Message from Chairman





An island of prosperity cannot sustain in a matrix of despair.



It is with great pleasure that I present before you, our second Sustainability Report which covers our company's performance for the reporting period 2018-19. It has always been our endeavour to transform Amara Raja Batteries Limited into a Responsible Organisation that is able to fulfill the expectations of our stakeholders. With this report, we wish to showcase our efforts towards incorporating sustainability in our everyday operations.

Here at Amara Raja, Sustainability has always been a way of doing things. It is ingrained in our practices and our drive to be more efficient and productive and deliver the desired results to our stakeholders timely and systematically. **We wish "to transform our increasing spheres of influence and improve the quality of life by building institutions that provide better access to better opportunities to more people all the time."**

Preserving our natural environment is of utmost importance to us, we wish to decrease our dependence on the natural resources and conserve them for our future generations. We have been working on developing advanced technology in renewable energy and green technology sector. Consequently, we have planted more saplings than the statutory requirement in order to fulfill our commitment for a greener tomorrow!

Our business is not bound by the four walls of a cubicle, but extends to include the well-being of the local communities that are residing in our areas of operations. We believe in powering our people as well as the nation. Our Corporate Social Responsibility Programs are aimed at promoting social and economic inclusion through initiatives focusing on healthcare, education, skill development and environmental conservation.

We never compromise on the quality and reliability of our products. We adhere to all the international standards and are forthcoming in adopting the latest technologies in order to provide the best possible experience to our customers - the Amara Raja Way.

Going forward, we will continue to imbibe better knowledge, better activities and a better way of doing things. Looking forward to sharing our journey with you!

Dr. Ramachandra N Galla
Chairman



Message from Vice Chairman & Managing Director





When it comes to Health, Safety and Environment, what really matters most is, protecting our people and the places they work. We believe in and practice the mantra of "Health, safety, Environment: Everywhere. Everyday. Everyone."



What started off as a dream, is now a reality and is blooming every year into an entity that is respected by all our stakeholders. Amara Raja Batteries Limited strives to go above and beyond to improve, as we firmly believe there's Gotta be a better Way! With our second Sustainability Report, we wish to shed light on our achievements of the year gone by and our progress towards our goal of growth which is environmentally sustainable and socially acceptable.

For us, Sustainability means going beyond compliance in all our requirements to deliver a product that is innovative and cost efficient with a robust safety, health and environmental performance.

Foremost, our customer-centric approach has allowed us to build trust in our products which has translated into acquiring new customers and enhancing profits. Our unending resolve to provide optimized service and quality, has further strengthened our standing as one of the leading automotive and industrial lead-acid battery brands in Indian subcontinent. While maintaining our stronghold within and across India, we have also established footprint in more than 44 countries across the world. We are in constant pursuit to better ourselves and provide our customers with an experience that they will never forget.

We, at Amara Raja, have always thought ahead. We keep ourselves abreast with all the latest headways and evolutions transpiring within the energy storage division across the globe. Recently, there has been a tremendous amount of buzz surrounding the e-mobility space in India. We have sensed the direction of the development and have already invested in a pilot plant to assemble battery packs for lithium technology which will be able to serve the 2 and 3 wheeler vehicle segments while similar agenda is being designed for the E-bus and passenger segments which we will explore in the near future.

As a responsible organisation, we wish to commit zero harm to people and the planet. With this view we have initiated various social initiatives to promote the upliftment of the underprivileged sections of the society by supporting them in terms of education, health, skill development and rural development. Furthermore, we have also invested in expanding our solar cells capacity to 6.3 MW with a 0.5 MW-hr battery storage unit to store the solar energy.

We will continue to push boundaries and achieve bigger heights without compromising on our promise of quality and timely delivery. And expand our horizon to go above and beyond the normal way, we will do it the Amara Raja Way.

Mr. Jayadev Galla
Vice Chairman and Managing Director



Message from CEO

Amara Raja Batteries Limited is driven by the principles enshrined in our core values - Innovation, Excellence, Entrepreneurship, Experiences and Responsibility. These values align with the expectations of our stakeholders which cement the basis for our overall growth and development. Our strategic and constructive organisational practices help diminish risks, manage the health and safety of our workforce, control our footprint on the environment and ensure proper communication with all our stakeholders.

We have always incorporated innovation in our operational management. This has helped us in enhancing our economic performance and consistently increase our sales and volumes. We have been continuously registering high numbers.

At Amara Raja, every product that leaves our facility is a representation of our operational Excellence. We have strategically designed and developed durable, low-maintenance and long lasting products that are being widely used in the automotive as well as the industrial sector.

By introducing Entrepreneurship in our functioning, we have been able to lead all our projects with courage and conviction. We believe in moving forward while enhancing the livelihood of those around us. Our CSR initiatives focus on providing inclusivity and upliftment to the socially and economically underprivileged sections of our society.

Our Actions are derived from our Experiences. We have learnt and improved ourselves with each and every product-trying to push our limits, making our batteries more efficient, cost effective and sleeker. We strive to provide our customers with an experience that Amara Raja leadership team is fully involved as a team member at World Economic Forum on circular economy.

Our Responsibility as an Organisation is to effectively manage the footprint of our activities on our surroundings. We wish to minimise our emissions and effluents discharge by incorporating improved technologies and make our process greener and more viable. We are constantly trying to reduce our water consumption and improve our processes to make them less polluting. We have been trying to shift to using renewable sources of energy, eventually eliminating the use of coal based energy generation. We undertake various projects to improve green cover in the manufacturing plants which would help in improving the water ground levels.

Mr. Vijayanand S
Chief Executive Officer



Message from Sustainability Leader

I am very happy to present before you our second Sustainability Report for the year 2018-19. It has been developed according to the GRI (Global Reporting Initiative) standards and categorically identifies our company's strategies, work and policy in a Triple Bottom Line approach -

1. Environment
2. Economic
3. Social

Amara Raja Batteries Limited having been a market leader in battery storage division for both the automotive as well as industrial sectors, aims to establish itself as a sustainability leader. We comply with all international standards and employ the latest technologies in order to reduce our raw material consumption and the subsequent waste generated.

The Health and safety of our employees is extremely crucial to us. It is our constant endeavour to strengthen our HSE Policy by introducing innovative measures and conducting frequent training to spread awareness about it to our workforce. The United Nations has come out with a list of 17 global goals (Sustainable Development Goals - SDG) which act as a blueprint to achieve a sustainable future for all. We have been working in collaboration with SDG 3 - Good Health and Well Being. Besides having tobacco-free premises, we promote walking, conduct regular health check-ups and follow a daily 5-minute exercise routine as part of our 'Readiness to work' program. To maintain a safe workplace, we have implemented several best practices such as Lock Out Tag Out (LOTO) to minimise workplace injuries, Safety Deviation Sticker to identify non-conformances and safety-enabled machineries.

Amara Raja Batteries focuses on achieving SDG 12 and 13 - Responsible Consumption and Production and Climate Action. We have adopted a circular approach for lead procurement which has helped us in reducing dependence on virgin materials. Our facilities are constantly upgraded to limit air pollution and reduce our negative environmental impact. We have invested in sophisticated waste water/effluent treatment equipment that enables us to effectively treat effluents. Treated water is recycled and used for cleaning and horticulture purposes.

In keeping with the targets of SDG 6 - Clean Water and sanitation, water flow meters have been installed to identify leaks and thereby regulate our water consumption. Moreover, we have constructed rainwater harvesting ponds within the premises that helps us to reduce our dependence on groundwater during severe dry season.

Subsequently, we were awarded the gold award at the Indian Green Manufacturing Challenge (IGMC) Awards 2018 for our Tirupati facility by International Research Institute for Manufacturing (IRIM) for its good manufacturing practices.

As part of our commitment towards society, this year we spent Rs. 14.7 Crore on developmental activities. We continue to work in our pursuit to preserve our planet and leave a positive legacy for our future generations.

Mr. Vijay Naidu G
President, Group CI, Quality & HSE



AMARA RAJA BATTERIES LIMITED: GOTTA BE A BETTER WAY

Amara Raja Batteries Limited is the technological leader and one of the largest manufacturers of lead-acid batteries for both industrial and automotive applications in the Indian storage battery industry. Our flagship battery brands, Amaron® and PowerZone™ are sold pan-india through our efficient sales and distribution network.

We supply automotive batteries under OE relationships to some of the biggest OEMs in India. Our products are also preferred by many major telecom service providers, telecom equipment manufacturers, the UPS sector (OEM & Replacement), Indian Railways and the Power, Oil & Gas, Motive among other industry segments.





Our Core Purpose:

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



Our Vision:

Through the Amara Raja way and through enduring progressive partnership, we will be a global leader in batteries and battery technologies and a dominant player in the Indian Ocean rim.

Amara Raja is a symphony of diverse elements which come together and move forward in perfect harmony. These five colours come together as a swirling mass to form a dynamic circle of unparalleled energy. The new form of energy is a reflection of Amara Raja, an emblem of everything that defines the Amara Raja Way®.

Our Core Values:

Innovation



Element

Space

Mind State

Synthesising

Excellence



Element

Wind

Mind State

Disciplined

Entrepreneurship



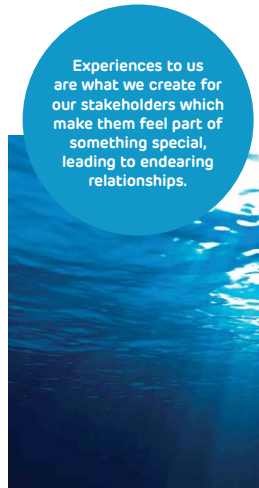
Element

Fire

Mind State

Creative

Experiences



Element

Water

Mind State

Spiritual

Responsibility



Element

Earth

Mind State

Respectful & Ethical

OUR FOOTPRINT

Amara Raja Batteries manufacturing plants are placed in Karakambadi, a village 12 kms from the temple town of Tirupati and Nunegundlapalli Village, Chittoor district, both in Andhra Pradesh. Our facilities are ISO 9001, TS 16949, ISO 14001 and BS OHSAS 18001 compliant. The plants are part of an integrated AGM SMF VRLA battery manufacturing facility in India with all its critical components, including plastics, sourced in-house from existing facilities on-site. This gives us complete control over our inventory and product quality.

We have a VRLA Battery Excellence Centre, the first of its kind in Asia, to cater to the ever changing customer needs. Our Research and Engineering centre has been conceived as a completely self-sufficient facility with a full range of testing equipment. This centre has all the latest technologies for SMF VRLA battery performance evaluation, design and life testing and also has capabilities for application engineering, vehicle systems study, stimulations and computer-aided design including a full calibration laboratory on site. The centre also validates and offers authentic quality checks to last the wear and tear experienced by Industrial batteries.



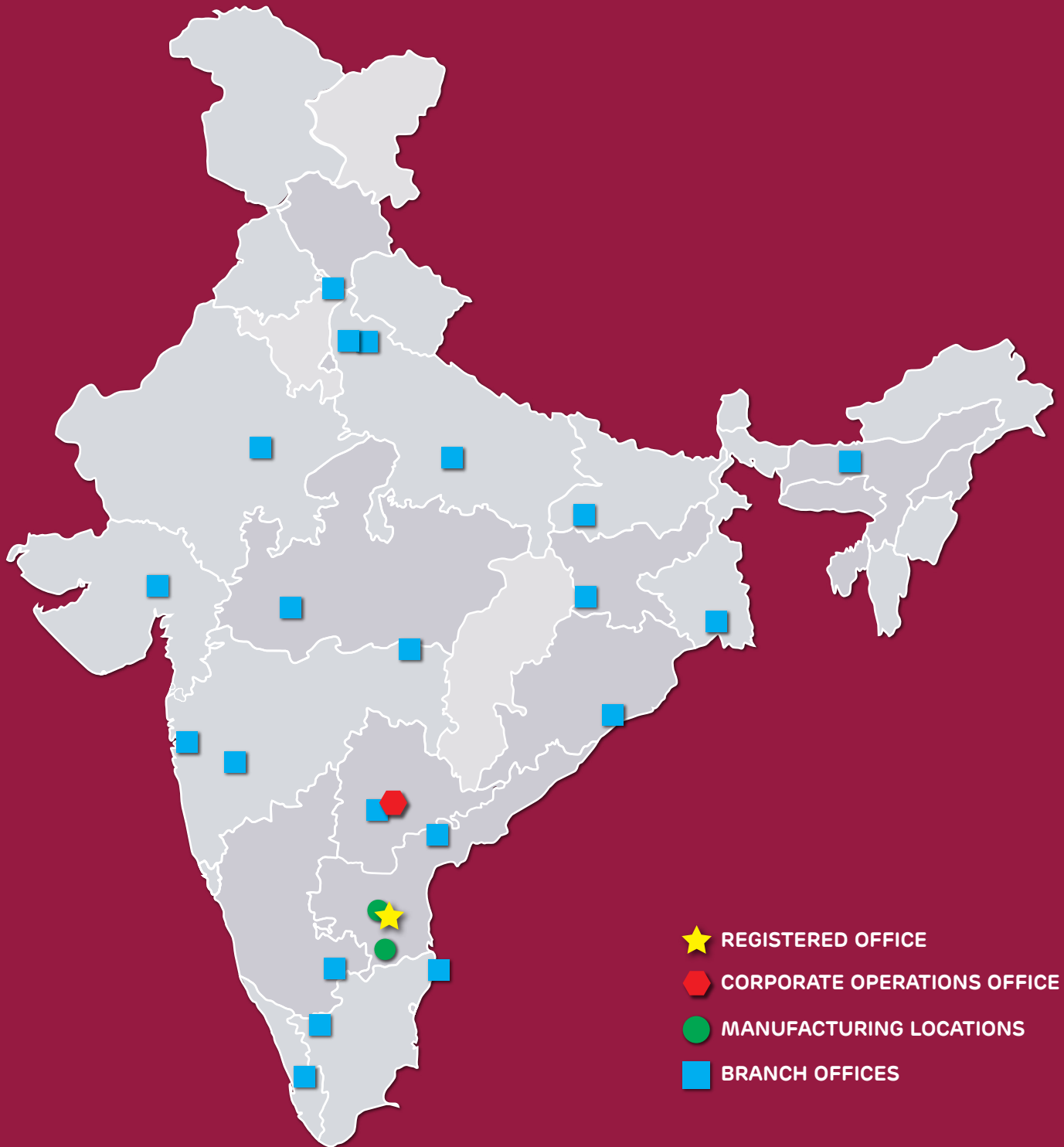
Group established
in the year
1985



Cumulative
investment of
\$521 Million



Total built-up
area of
6,000,000
Sq. ft.



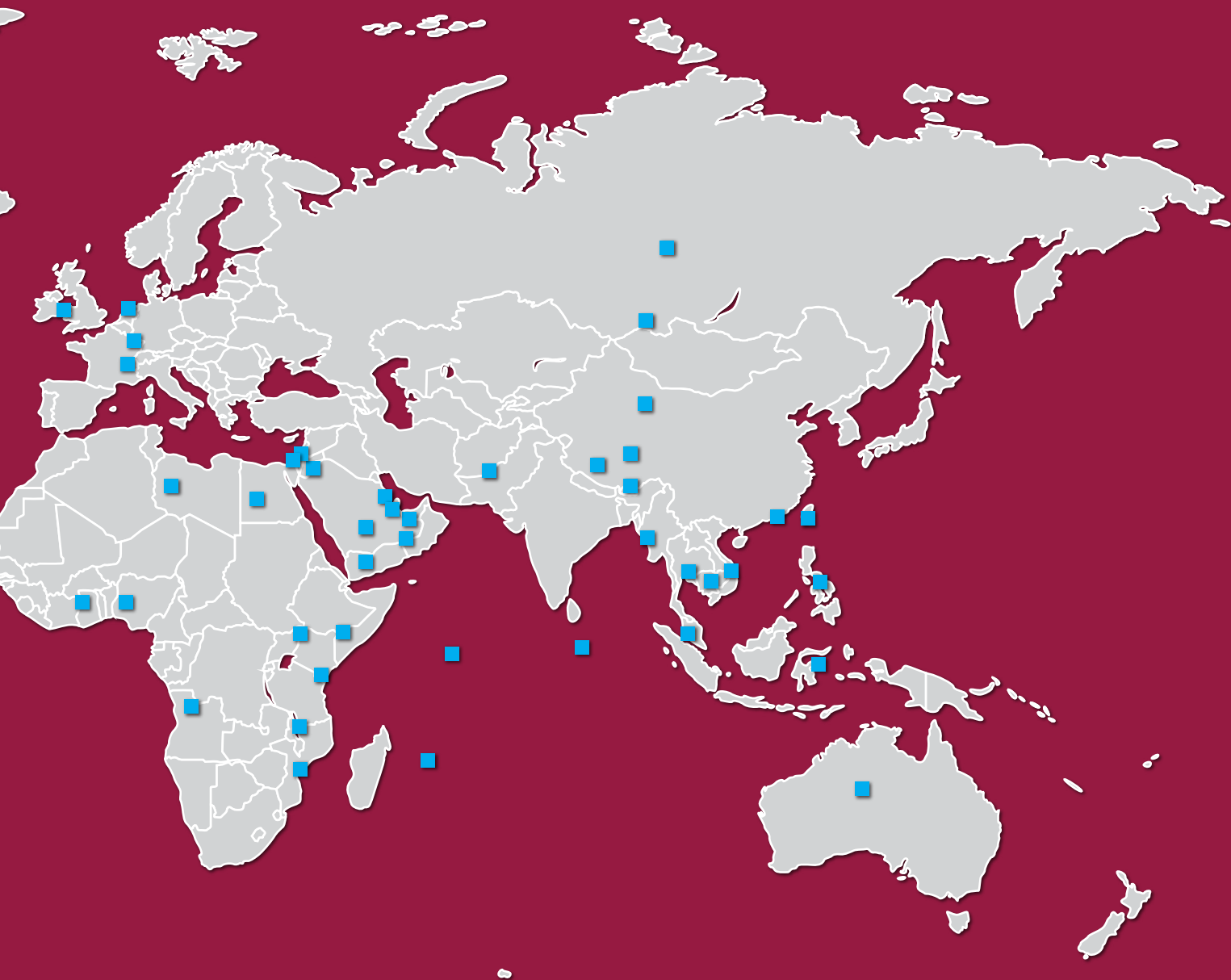
Exports



United States Of America
Canada
Mozambique
Malawi
Tanzania
Kenya
Uganda
Angola
Nigeria
Ghana
Egypt
Libya
Switzerland
Germany
Denmark
United Kingdom

Mauritius
Seychelles
Yemen
Saudi Arabia
Oman
Dubai
Bahrain
Qatar
Lebanon
Israel
Jordan
Australia
Indonesia
Philippines
Taiwan
Hong Kong

Singapore
Malaysia
Vietnam
Cambodia
Thailand
Srilanka
Myanmar
Bangladesh
Bhutan
Nepal
Afghanistan
China
Mongolia
Russia





OUR PRODUCTS

Our batteries are designed to target both Automotive as well as the Industrial sector.

Automotive Sector

Amara Raja Automotive Batteries offers a wide range of battery solutions in Passenger Vehicles, Three Wheeler, Two Wheelers, Commercial Vehicles and Farm vehicles. We are the first company to manufacture the Valve Regulated Lead-Acid (VRLA) batteries in India. These batteries have been carefully engineered in order to provide maximum performance reliability and consistency over the life of the product. Our VRLA batteries offer a long battery life with minimal maintenance in most demanding applications.

Our automotive batteries are built to the highest competence in its class. Amaron, the flagship brand of Amara Raja Batteries, is well known for its zero maintenance, extended warranty, high cranking power and enhanced safety. Our batteries have Higher cyclic life, superior discharge performance, lower self-discharge rates, explosion resistant and they come factory charged and are eco-friendly, making us the preferred manufacturing company in over 32 countries across the globe.

The automotive battery division accounts for more than 60% of the Company's topline. Our brands are marketed through an expansive and entrenched distribution network which comprises of 4000+ Amaron and PowerZone retailers, facilitating a pan-India reach.

Industrial Sector:

The Industrial battery division manufactures battery for telecom, UPS, Railways, Solar and Power Utility sectors. We have an expansive product portfolio which incorporates batteries with capabilities ranging from 7 Ah to 6000 Ah. these get segregated into Large VRLA and Medium VRLA batteries. We have more than a 100 Aqua channel partners which help us in facilitating our reach for UPS batteries across the country.



AWARDS AND RECOGNITION

Our Founder and Chairman, Dr. Ramachandra N Galla has been conferred with the LIFE TIME ACHIEVEMENT AWARD at the much coveted 6th International Conference and Exhibition on Energy Storage, EV and Microgrids in India, held on 10th January 2019 at The Ashoka Hotel, New Delhi.



Our beloved Founder and Chairman Dr. Ramachandra N Galla was presented the Distinguished Alumnus Award by IIT Roorkee on their Foundation day on 25th Nov'2018.



Amara Raja team receiving "Best Vendor Rating and System Audit" award from Maruti Suzuki India Limited.



Amara Raja team receiving the award on 'Operational Excellence in Reverse Logistics' at 8th edition of Manufacturing Supply Chain Summit



'GOLD' awards at the International convention on Quality Control Circles - ICQCC 2018, Singapore.



Highest level of awards for 19 teams in National Convention at Gwalior and 112 awards in Chapter convention at Tirupati on Quality Circles



"Second Runner" award for Automotive Battery Division, Tirupati at the CII National Competition on Six Sigma at Bengaluru.



Amara Raja Batteries Limited received the Prize for Leadership at the 9th CII National HR Excellence Award 2018.



Amara Raja team receiving Best in Quality Management" award from Honda Motorcycle and Scooters India Limited



Gold award in Indian Green Manufacturing Challenge (IGMC) Awards 2018 for the Tirupati facility by International Research Institute for Manufacturing (IRIM) for its good manufacturing practices.



First prize in AP Green awards 2017 under the "Industries (Private)" category from A.P. Greening and Beautification Corporation, Government of Andhra Pradesh.



Platinum Award (Tirupati location) and Gold Award (Chittoor location) from Arogya World, a global health non-profit organisation at the Arogya World's annual Healthy Workplace Conference and Award event.

CORPORATE GOVERNANCE

Amara Raja Batteries Limited (ARBL) is committed to the adoption of best governance practices and their adherence in the overall functioning of our company. We ensure accountability, transparency and fairness in all our transactions and aspire to meet our stakeholders aspirations and societal expectations. Our policies and practices are driven by timely disclosures, transparent accounting policies, internal control on operations and high levels of integrity in decision making with the overall objective to enhance value for our stakeholders.

BOARD OF DIRECTORS

As of 31st of March, 2019, Our Board consisted of Nine Directors - a Chairman, Vice Chairman & Managing Director, 3 Non-Independent Directors and 4 Independent Directors including one Woman Director.

Dr. Ramachandra N Galla	◆	▼	▲	SC
Mr. Jayadev Galla	■	●	▲	S
Mr. Trent Moore Neville (Till 18.05.2018)		▼	▲	
Mr. Marc D Andraca (Till 30.04.2019)		▼	▲	C
Mr. Claudio Morte (Till 30.04.2019)		▼	▲	
Mr. Nagarjun Valluripalli		▼	◆	ANC
Mr. N Sri Vishnu Raju		▼	◆	AN
Mr. T. R. Narayanaswamy		▼	◆	ANC
Ms. Bhairavi Tushar Jain		▼	◆	A

▼ Non-Executive ◆ Chairman ■ VC & MD ● Executive ▲ Non-Independent Director

◆ Independent Director A Audit Committee N Nominations & Remunerations Committee

S Share Transfer & Stakeholder Relationship Committee C Corporate Social Responsibility Committee

ANC Chairman of the Committee



During the reporting period, the Board of Directors held 6 meetings.

All our independent directors are experienced persons of eminence who bring a wide range of expertise to the Board. Our Independent directors bring diversity and an independent judgement to our board which helps in taking better decisions on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

The Independent Directors at their meeting, reviewed the performance of the Board as a whole, Non independent Directors and the Chairman of the Board. The newly appointed directors are given induction and orientation with respect to the company's vision, core purpose, core values and business operations. In addition, detailed presentations are made by Senior Management Personnel on business environment, the performance of the Company at every Board Meeting.

The Board has the following standing committees: Audit Committee, Nomination & Remuneration Committee, Share Transfer & Stakeholder Relationship Committee and a Corporate Social Responsibility Committee. An independent director has been made the chairman of the Audit Committee as well as the Nomination & Remuneration Committee in order to maintain unbiasedness in strategic as well as nominational issues pertaining to the functioning of the company. The Risk Management is also handled by the Audit Committee.



More detailed information about our Board of Directors and Committee can be found in our Annual Report ([Annexure -III, Page no. 63](#)) or on our website. (<https://www.amararajabatteries.com/Investors/corporate-governance-reports.>)

CODE OF CONDUCT

Our Code of Conduct has been designed in consultation with the relevant stakeholders and after thorough approval from the board. All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the financial year ended March 31, 2019. The Code of conduct helps define the criteria for business transactions and discourage wrongdoings in all our business related activities.

Ethics

ARBL ensures that the Directors/Senior Management acts in accordance with the highest standards of personal and professional integrity. They are required to maintain honesty and ethical conduct while working on the company premises, at off-site locations, at Company's sponsored business events as well as social events and/or wherever they may act as representatives for the company.

Transparency

We believe in incorporating transparency in all aspects of our operation. ARBL establishes healthy relations with its stakeholders through disclosures of our company's functioning through various mediums such as annual reports, share holdings, corporate governance reports etc..



Fairness

ARBL has always placed the highest importance to fairness at the workplace. All employees as well as Members of the Board of directors are encouraged to report any genuine concerns that they may have regarding unethical behaviour, actual or suspected fraud or violation of code of conduct. We have a vigilance mechanism which upholds the whistle blower policy which safeguards against victimization of employees who avail this scheme. The Policy also calls for the appointment of an Ombudsperson who will be responsible to deal with the complaints that have been received. The Vigil Mechanism lays down the procedure to be followed when dealing with a complaint and in case of special conditions. The relevant complaints are provided for direct appeal to the Chairperson of the Audit Committee for proper evaluation

The Company has not received any significant complaints from stakeholders in the previous financial year. The normal grievances, complaints of the stakeholders are attended and resolved immediately.



TURNING RISKS INTO OPPORTUNITIES

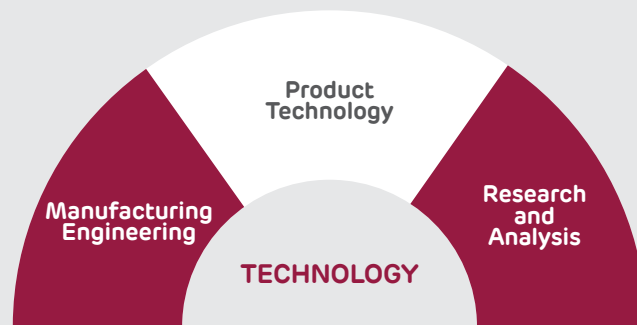
RISK

Our risk management framework includes strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework extends beyond traditional boundaries and seeks to involve all key managers of the Company. This risk framework policy is targeted at internal as well as external factors. We have a monitoring process which works at both the unit and company level. The idea is to identify new and upcoming risks and categorise them as per their impacts and possibility. They are further mapped and added to the key responsibilities of select managers. The risk management framework is reviewed annually by the Audit Committee on behalf of the Board.

Our Business risks have been mapped and identified in our Annual Report (<https://www.amararajabatteries.com/Files/AnnualReports/2019/ARBL%20AR%202018-19.pdf>) Pg no. 44

Opportunities

Innovation is a key to mitigating all the major issues of sustainability. In this regard, we have introduced many technological advancements in our functioning in order to maximize our productivity.



Our Technology activities serve and address these specific objectives:



RESEARCH

- Research on New Energy Storage Technologies/Non Lead Acid Technologies.
- Exploration of environmental friendly operations/ materials.



DEVELOPMENT

- Development of import substitution in materials and products.
- Material/Process development activities for enhancing battery performance and cost efficiency.
- New product development for emerging applications.



UPGRADATION

- Manufacturing Technology up-gradation to make the batteries robust and high-end performer.
- Technology up-gradation to make the batteries robust and high-end performer.

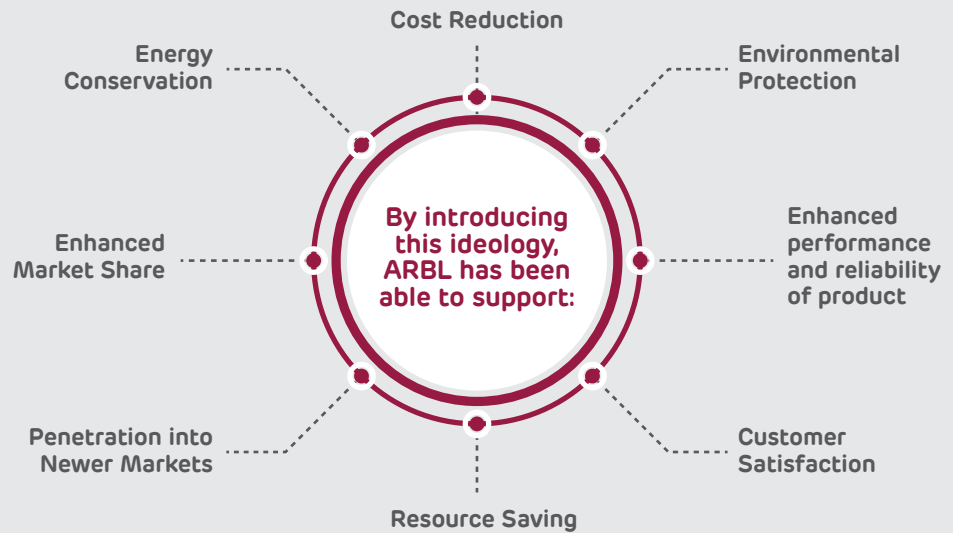


VALUE

- Value engineering efforts for product improvements.

Implementing this approach has helped us gain many beneficial technological advancements such as Development of Energy Efficient flame-retardant poly formulation, lead carbon technology for PSoC applications, etc.

Our benefits, future action plans and the efforts we have made towards technology absorption, adaptation and innovation have been discussed in depth in our Annual Report (<https://www.amararajabatteries.com/Files/Annual Reports/2019/ARBL%20AR%202018-19.pdf>) Pg no. 104-105.



We have also been working and venturing towards the development of Lithium Batteries.

LITHIUM -ION BATTERIES: A SUNRISE SECTOR

NITI Aayog has set electrification targets for 2030 which dictate that 40% of all private vehicle sales will be EV while 100% of all intra-city public vehicle will be EV. Assuming this target is achieved, Li-ion batteries will be a USD 42 Bn opportunity, this is 9 times the automotive LAB opportunity. This further enumerates that the cell manufacturing of Li-ion batteries would itself be a USD 15 Bn industry since Li-ion batteries will be the most expensive component of the EV (30-40%). Hence, for automotive OEMs, the highest priority would be to localise the sourcing so as to reduce the cost of transportation.

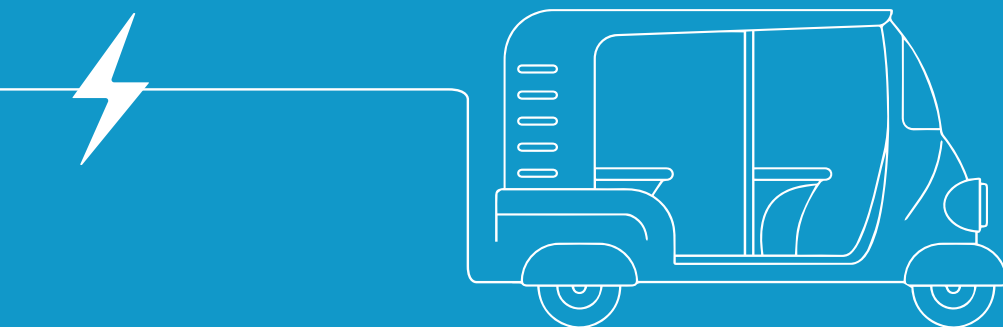
India is already late in entering this sector, but the demands are expected to grow up soon. Currently, based on the present market, there are a few challenges that we might have to face before being able to fully exploit this opportunity -

- a) No/low reserves for key minerals like lithium & cobalt,
- b) limited tech know-how for the Li-ion batteries,
- c) uncertainty of technology and no clarity on policies.

Based on the NITI Aayog report, India will require a minimum of 20 giga factory battery scale which would have to collectively produce 800 GWh of batteries per year in order to support the 100% EV for all Public Vehicle target.



We commissioned a pilot facility for assembling Lithium-ion packs for the 2 & 3-wheelers and e-rickshaws. This investment is expected to generate healthy growth going forward. We have also developed a Lithium-ion battery for telecom application, which is expected to be commercialised in 2019. This should help in augmenting additional volumes from this sector.





STAKEHOLDER ENGAGEMENT

For efficient functioning of an organisation, it is important to maintain a healthy relationship with all our stakeholders. We engage with our stakeholders in a variety of communication channels to strengthen our associations and build trust within the system.

ARBL has identified its main stakeholders to be: Employee, Customer, Supplier/Vendor, Community, Statutory bodies and Shareholders/Investors.

We have a Share Transfer and Stakeholder Relationship Committee which oversees the management of the complaints raised by the stakeholders and addressing the concerns raised in an effective manner. The progress made on the aspect of our material issues are regularly reviewed and consequently communicated. We communicate with direct and indirect stakeholders including shareholders & investors, customers, employees, suppliers, NGOs & local communities, academia & experts, industrial associations & organizations, media, and government agencies.

Regular communication leads to a robust engagement process which helps us in identifying and attending to the stakeholder requirements and subsequent materiality issues.

Stakeholder	Engagement Methods	Communication	Frequency	Issues of Importance
Employee	<ul style="list-style-type: none"> * Amara Raja Group Communication Meet * Review Meetings * Lead Control Programs * Monthly Communication Meets * Direct Interaction * Employee Engagement Survey-AR Speak * Horizontal communication through daily communication meetings * Suggestion schemes * Quality Circles * Amara Raja Foundation Day * Employee and Families engagement through Amara Raja Family Day Celebrations * Competency building training programs 	<ul style="list-style-type: none"> * Communication on Amara Raja's business goals, values and way forward * Implementation of best practices * Quality, Health, Safety and Environment policies and procedures * Work-life balance * Employee motivation * Code of Ethics and integrity * HR Policies * Corporate Governance * Awards * New Hires * Health aspects * IT Policies * Leadership and their messages * Performance Reviews * Supplier visits and requirements 	Regular, Annual and Need based	<ul style="list-style-type: none"> * Employee Welfare * Training and Development * Good Policies
Customer	<ul style="list-style-type: none"> * Direct communication with existing and new customers through various media * Personal contacts/visits * Customer satisfaction surveys * Company website * Product campaigns 	<ul style="list-style-type: none"> * Product information * Product quality and feedback * Product/service availability * Timely delivery of product/service * Maintenance of privacy/confidentiality * Fair and competitive pricing * Warranty Card * MSDS * Health, Safety and Information guidelines of the product * Product and service innovations 	Regular, Annual and Need based	<ul style="list-style-type: none"> * Timely delivery * Service Quality * Product quality

Shareholders / Investors	<ul style="list-style-type: none"> * Annual General Meetings * Board Meetings/ Communications * Annual Reports * Press Releases * Investor Relation * Shareholder meetings and presentations 	<ul style="list-style-type: none"> * Disclosure of material information on the internet, website, filing of information with SEBI & Stock exchanges, News release and Press conferences * Clearly communicating the company's values, business plan, strategy, risks, growth prospects, etc. * Highlight the company's performance Financial performance, governance 	Regular, Annual and Need based	<ul style="list-style-type: none"> * Reputation * CSR Initiatives * Environmental impacts
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ARBL has been forthcoming in listening to the objective opinions of our stakeholders about our business activities and sustainability management and bettering our management of the economic, environmental and social impacts, risks and opportunities.





MATERIALITY

Material issues for our organisation are the topics that pose higher concern to our stakeholders and to our business. These topics can impact the activities that add to our value such as Procurement, Emission Control, Training and Development etc. All material topics are applicable to both the manufacturing units.

We have an in-built process to identify and prioritise the important topics through a range of inputs we receive which includes stakeholder engagement and benchmarking. Reviews for these processes take place every year or as and when significant external regulatory changes occur. The review process makes sure our strategy:

- Remains relevant
- Demonstrates leadership in sustainability
- Drives continual performance improvements in our business.

The stakeholder engagement, alongside internal business Risk Management Framework lead to the development of our Materiality Matrix. Areas deemed to be the most material to our business and operations are shown in the materiality matrix.



Impact on Stakeholders

- Raw Material
- Local Communities
- Health and Safety
- Training and Development
- Employment Opportunities
- Good Governance
- Customer Satisfaction
- Waste Management
- Employee Welfare
- Emissions
- Water Footprint
- Compliance
- Engagement
- CSR Initiatives
- Reputation
- Service and Product Quality

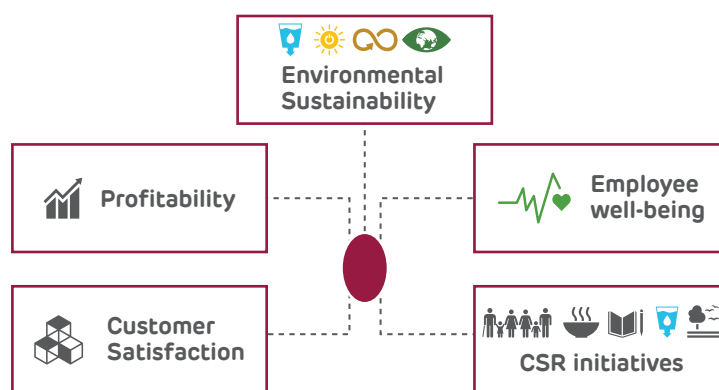
Impact on Business



MOVING FORWARD

As part of our drive to implement sustainability in all aspects of our functioning, we have analysed and identified 6 key areas that are strategically important to us in order to reach our goal. These issues are relevant to our stakeholders as well as our business.

We are actively supporting our governments drive to fulfill the Sustainable Development Goals by engaging in activities that will support achieving the targets in an effective manner.



In 2015, all member states of the United Nation adopted the 2030 Agenda for Sustainable Development. This Agenda provides a blueprint to bring peace and prosperity to the people and the planet. We have identified 5 out of 17 Global goals which are most critical to our business. As highlighted in the figure above, our targeted SDGs- Goal 6, Goal 7 Goal 12 and Goal 13 helps us achieve operational excellence while demonstrating our commitment towards Environmental safeguards and Goal 3 attributes to the way we ensure employee well-being. We are also influencing 6 SDGs- Goal 1, Goal 2, Goal 4, Goal 8, Goal 9, Goal 15 indirectly through our business activities.



ENVIRONMENTAL SUSTAINABILITY

Amara Raja has always placed the highest level of importance on its commitment towards ecological sustainability. We work in close tandem with various environmental protection programs within our business ecosystem as well as civic and social sectors beyond our operational boundaries.

Environmental Sustainability is a principal component of our company's charter on natural capital stewardship. The storage battery industry has several crucial components such as energy efficiency, greenhouse gases mitigation, responsible water management, pollution control and waste management which are critical to its operation. We, at Amara Raja, are in constant pursuit of tools and techniques that can be used for reduction in natural resource usage. Zero cases of non-compliance were reported during the period 2018-19.

EFFECTIVE USE OF NATURAL RESOURCES

In order to battle the rising resource scarcity and effects of climate change, it has become imperative that we practice efficient management of natural resources. Properly managing our resources will lead to a sustainable and inclusive growth for our planet. Across the globe, activities like mining, overfishing, etc.. is putting extreme pressure on our natural resources and it is underdeveloped or developing countries which have to pay the price. But this issue brings forth new challenges and opportunities to come up with ways and means to handle the impending resource crisis.

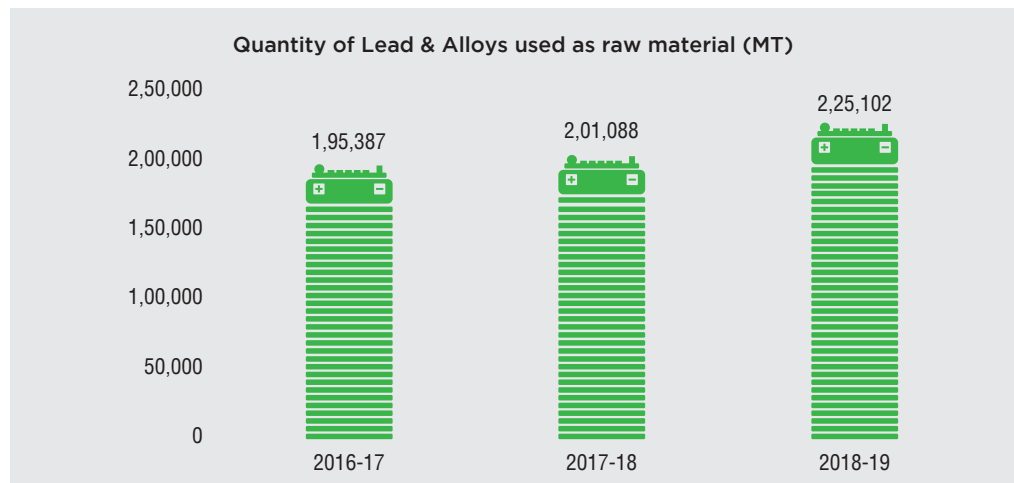
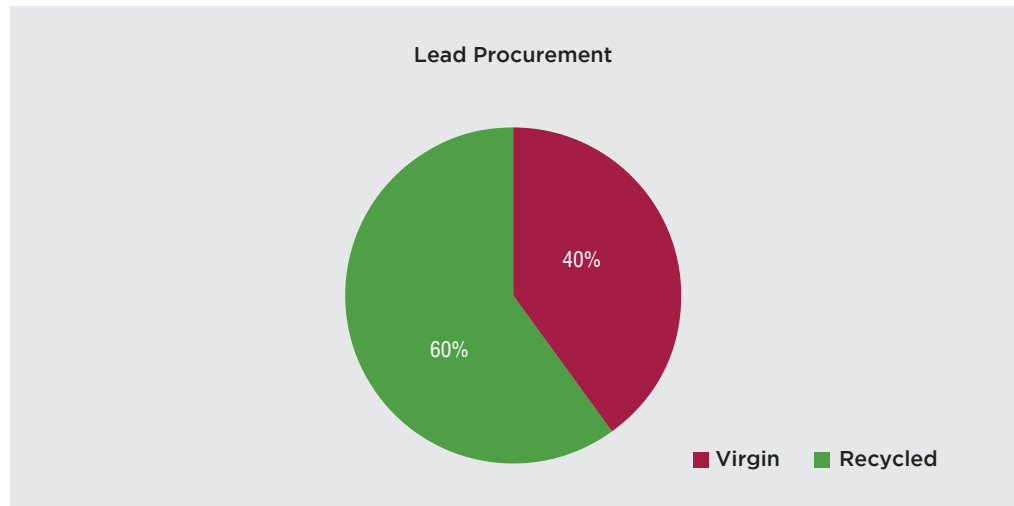
We, at Amara Raja, are actively responding to issues related to climate change. We have brought in structural changes in our functioning to incorporate methods to reduce our impact on our surroundings.

Raw Material

Being one of the largest manufacturers of lead acid batteries, Lead is extremely crucial for our development process. It accounts for more than 60% of the manufacturing cost of the battery. Any fluctuation in the cost of lead will have an impact on the overall profitability of our company. Hence, ARBL may lose significant market share in the replacement market if the company is unable to pass on the increase in lead prices to consumers due to competitive pressures and with the intent of protecting or increasing its market share.

Procurements Imported (~55%) and Domestic Market (~45%)

As our company has been progressing, the no. of batteries being generated has gone up significantly to cater to the ongoing demand. Our products use Lead & Alloys and Chemicals as the main raw materials for production of batteries. Since, all these materials are finite in nature, we strive to produce as many products as possible with the same amount of materials.



Amara Raja’s vision is to undertake sustainable and quality procurement practices which add value and support in our drive to achieve organisational goals.

Closing the Loops

100% Supply Agreements secured.

JV with Johnson Control to improve efficiency

It is our constant drive to reduce the amount of waste generated. Closing the Loop encompasses reusing, sharing, repairing, refurbishing, remanufacturing and recycling of materials to reduce input of resources and subsequently minimising the creation of waste, pollution and emissions. This sustainable approach is a sincere effort of our business to move away from the concept of linear economy which is a 'take, make, dispose' model of production.

Lead Recycling

38% Lead Procured from secondary Smelters

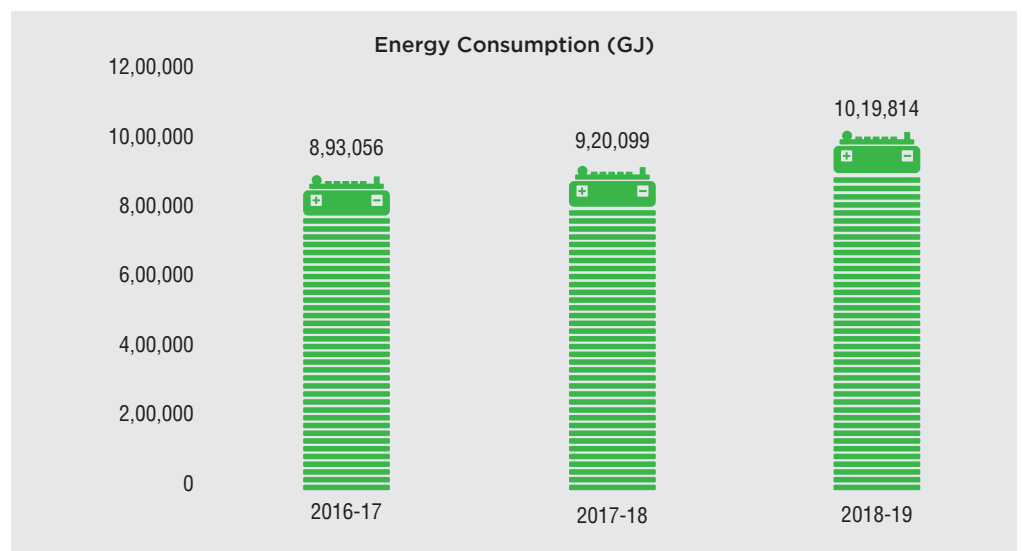
Our Company has widened its supplier base for sourcing lead, separators and other materials both on domestic and international fronts. We have received seamless support from our automotive and industrial customers which has helped us in improving lead procurement efficiency through scrap battery collection. During the year, we implemented some definitive steps for improving our battery collection. This included:

1. Positioning our franchisees into our progressive partners
2. Initiating reverse logistics for carrying scrap batteries from our franchisees establishments
3. Opening our distribution centres (30 pan-India) for collecting scrap batteries sent by the franchisees
4. Increasing participation in auctions for purchasing the recycled lead.

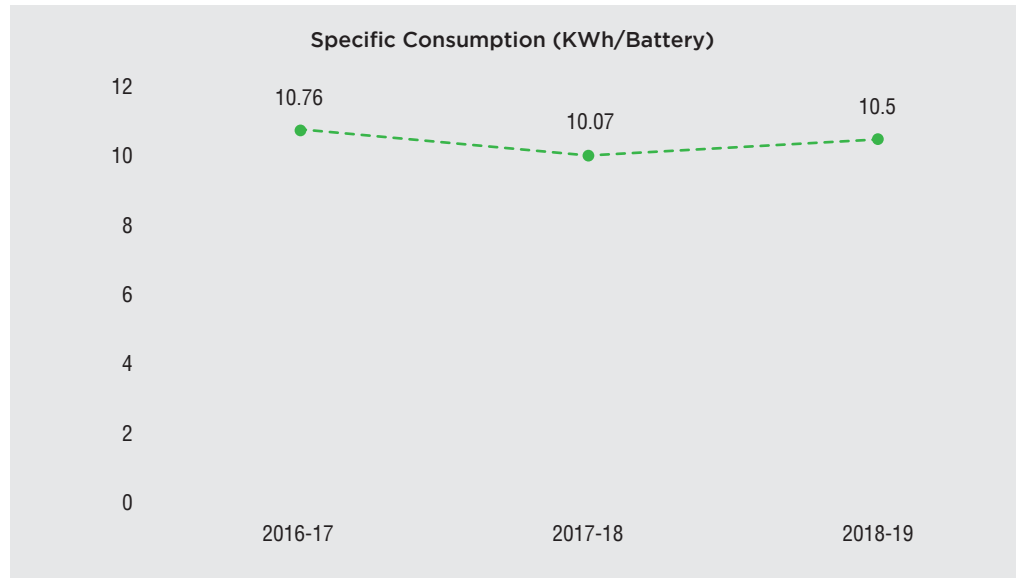
Over the years, our Company has built a very large and robust database of markets and supplier bases, putting us in a position to bring efficiencies in our structure and cost savings to our stakeholders. We have managed to strengthen our material sourcing capabilities through constant focused engagement with our vendors by building long term relationships and effective contract management. We maintain a prudent balance between importing lead and sourcing it from domestic lead producers. These initiatives helped in strengthening our battery collection which in turn helped us in increasing the proportion of recycled lead in our overall lead consumption.

ENERGY AND EMISSIONS

Total Energy Consumption has increased over the years due to the increased production of batteries.



Specific Consumption refers to the energy which is required to produce one battery.

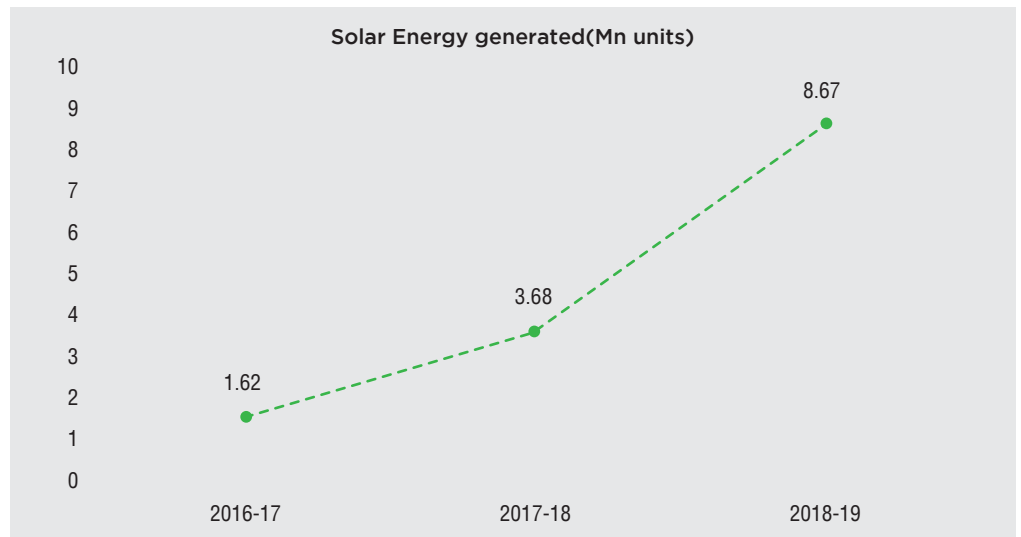


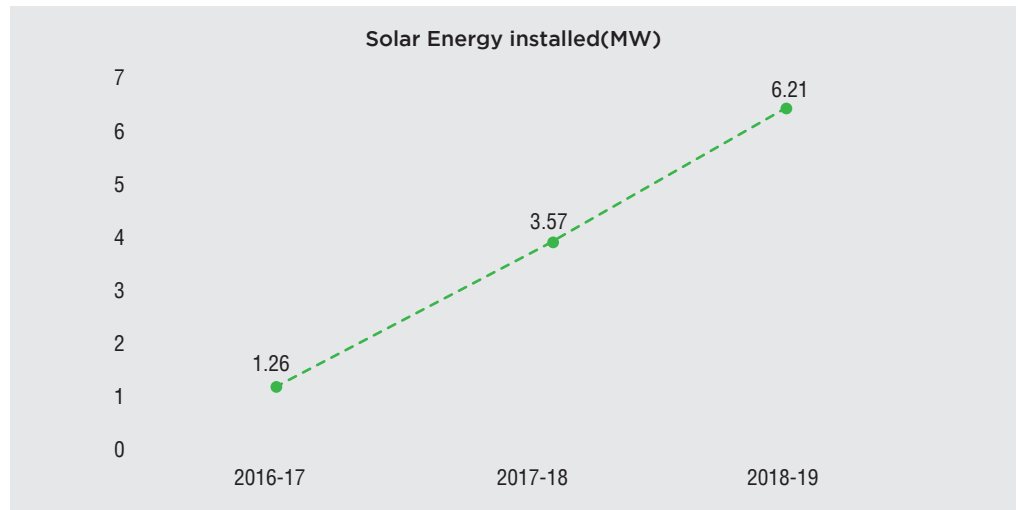
Renewable Energy

Renewable Energy refers to the energy which is generated from renewable sources. Unlike resources such as coal and petroleum, which are non-renewable and take million of years to form, these can be replenished naturally and are available infinitely. They can be harnessed in the form of Solar, Wind, Hydro, Thermal, etc.

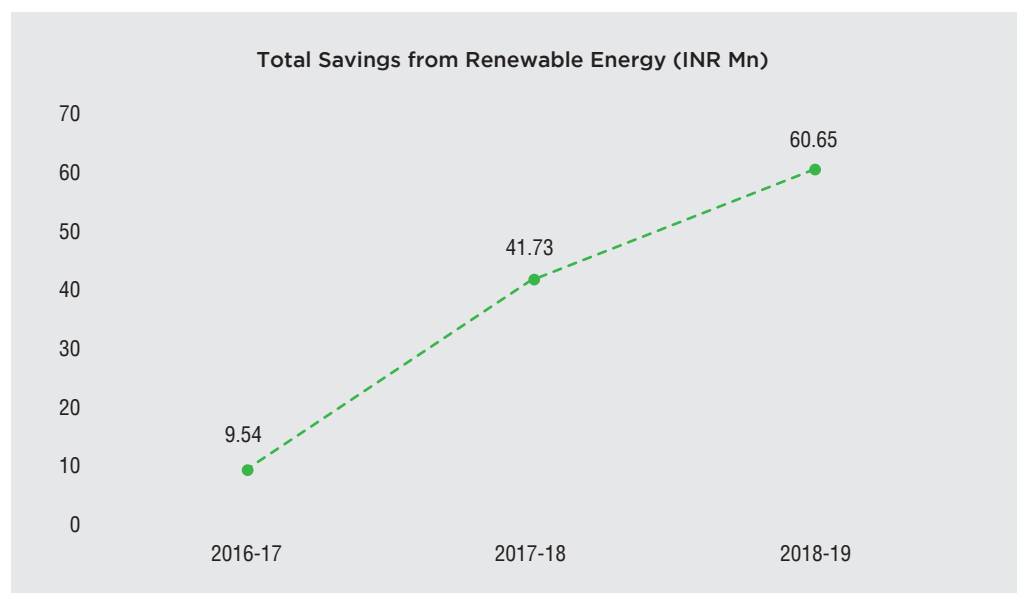
Over the years, Amara Raja has substituted the use of coal based energy with Wind and Solar based energy. This has been done with a view to incorporate cleaner and less polluting sources of energy generation.

- Wind energy - Amara Raja has been purchasing wind energy for the last two years. Wind energy or wind power is generated by using wind to turn the turbines which convert the kinetic energy into mechanical energy. A generator then converts the mechanical power into electricity. We purchased 11.50 Mn units of wind energy in the last reporting period.
- Solar energy - solar energy is made by converting the sun's untapped energy into electricity through photovoltaic cells. Amara Raja has recently increased the capacity of photovoltaic cells installed from 3.57 to 6.21 MW. We have increased the usage of solar energy by 2.3 times during the year. This has been possible due to an increase in the generation of solar energy from 3.68 to 8.67 Mn units. Moreover, we also purchased 1.50 Mn units of solar energy from external sources.





Incorporating Renewable energy is more cost efficient and helps us reduce our carbon footprint. In the last reporting period, we managed to save 60.65 Mn INR due to adoption of cleaner energy. This is a significant increase from our last years saving of 41.73 Mn INR.



GHG EMISSIONS

GHG Emissions from industrial activities have a significant impact on climate change. They are a major contributor to global warming which brings about natural disasters such as droughts, floods, heat waves etc. This leads to damaged crops, ecosystem and infrastructure. Companies can be directly affected by the direct investment in greenhouse gas reduction. There may be physical risks that might impact the production.

We, at ARBL, recognize these changes not only as a risk, but also as an opportunity, and we continue to deal with climate change with a focus on energy efficiency, greenhouse gases mitigation and pollution control.

In order to delineate direct and indirect emission sources, enhance transparency and provide utility for the different types of organisations, climate policies and business goals, three "scopes" (scope 1, scope 2, and scope 3) are defined for GHG accounting and reporting purposes.

SCOPE 1: Direct GHG Emissions

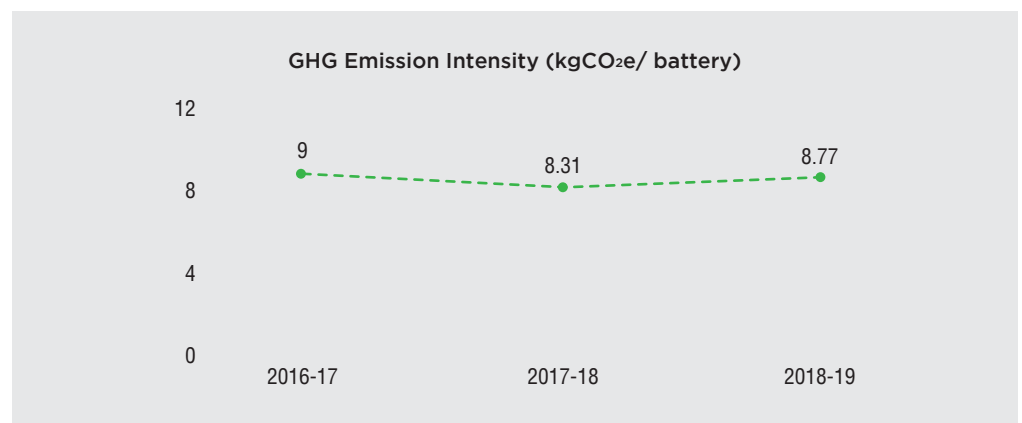
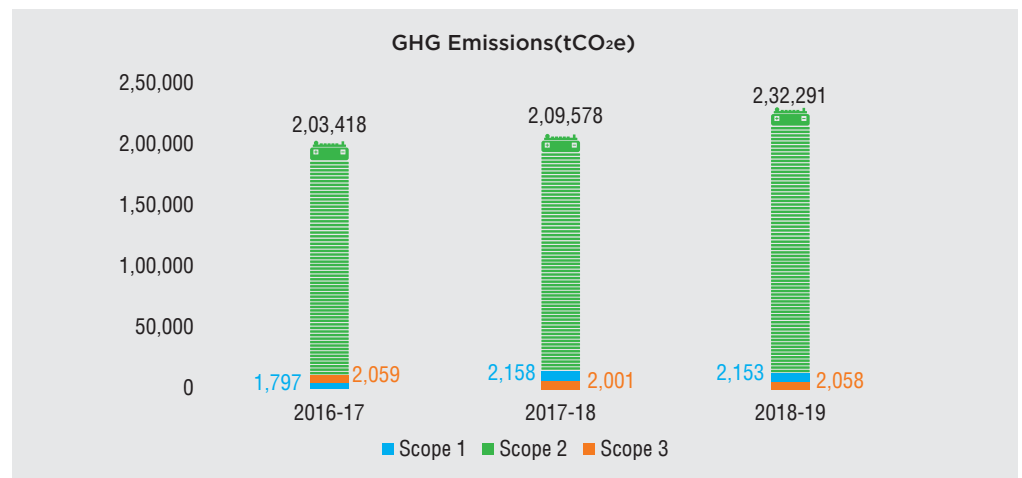
This scope covers the direct GHG emissions which occur from sources that are owned and controlled by the organisation.

SCOPE 2: Electricity Indirect GHG Emissions

Scope 2 covers GHG emissions from the generation of purchased electricity consumed by a company.

SCOPE 3: Other Indirect GHG emissions

Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company.



ARBL is actively responding to climate change issues and utilizing them as opportunities to secure competitiveness. We are reducing GHG emissions by conserving energy through process improvements. We are also directly or indirectly preparing for climate change by manufacturing high value-added products and low-energy consumption products.

We have been practising the inventor-ization of greenhouse gas emissions and targeted its reduction.

1. Implemented improved energy management systems (aligned to the global ISO energy management certification) which helped in reducing the specific energy consumption.
2. Increased the share of renewable energy (through rooftop solar panels) in the energy mix of the business.

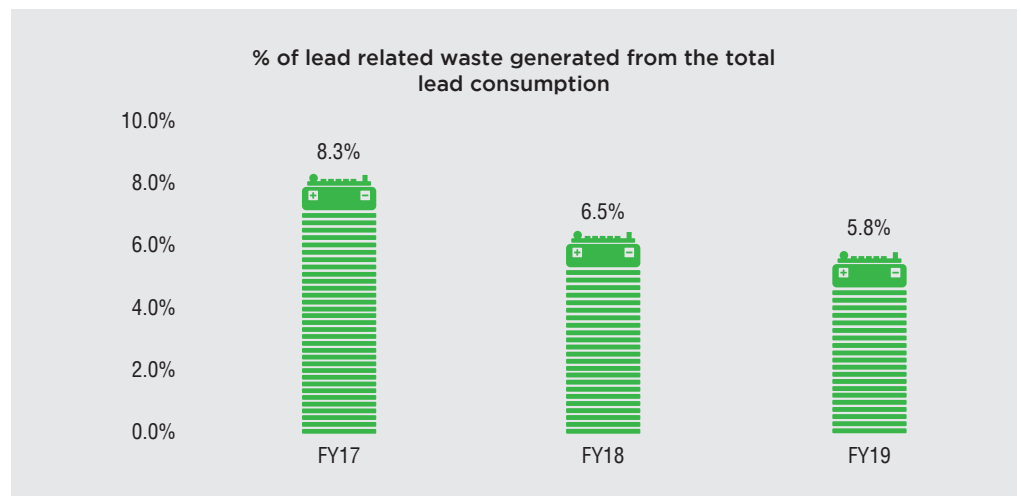
WASTE MANAGEMENT

It is our constant endeavour to manage the environmental impacts of our organisational activities, products and services. The most crucial aspect of waste generation is the disposal of hazardous and non-hazardous waste. It is also important to note that the amount of waste being generated will be proportional to the amount of raw material being used and the number of batteries being produced. Hence, it becomes imperative that we undertake better techniques and technologies to reduce our usage of raw materials. Amara Raja has been constantly working hard to fulfil this target. We have already implemented the recycling of lead from old batteries in this regard.

Our teams worked aggressively in increasing production and improving shop floor productivity across all operating units leveraging global concepts namely TPM, Lean Six Sigma, 5S, Quality Circle projects, Suggestion Scheme and Energy Management Projects. The outcome of these initiatives was heartening – scrap generation declined, energy consumption reduced, and productivity improved.

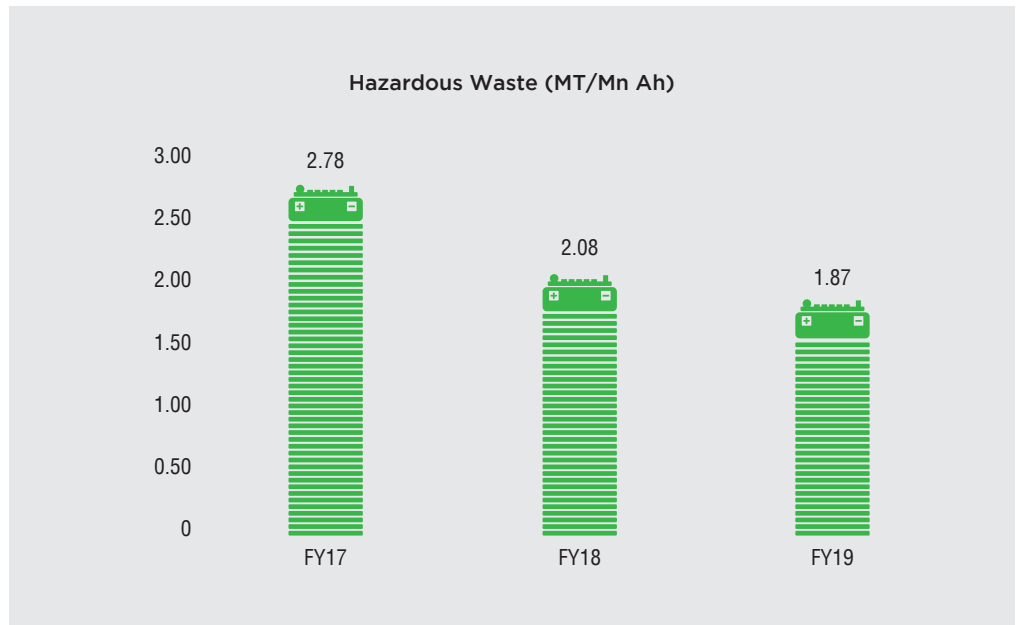
Hazardous Waste

Waste management is given the utmost care in all our processes. The manufacturing of batteries leads to the generation of Hazardous as well as Non-Hazardous wastes. Since Lead is one of our main raw material, lead related hazardous waste is a major waste generated during our production processes.



Effective procedures and systems have been put into place in order to reduce our waste generation. Furthermore, handling and disposal of hazardous waste is done in a professional manner so as to reduce our impact on the surrounding.

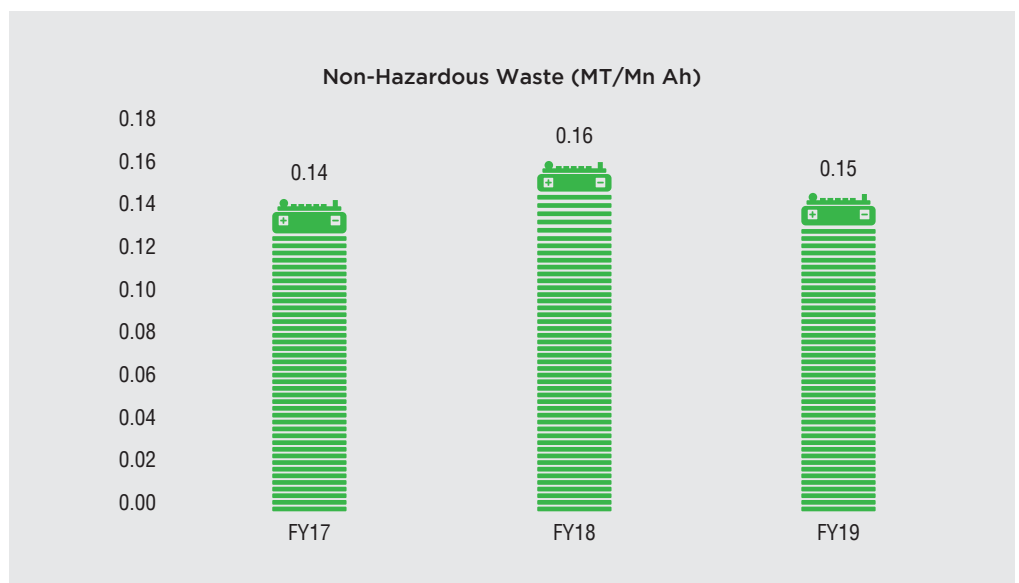
The generated waste is segregated in separated bins and then transferred to the central scrap yard from where it is subsequently sent to the authorized suppliers/smelters/recyclers. Every year, a review of our waste reduction targets is done at the sectional level in order to further enhance our process and make it more efficient.



Non- Hazardous Waste

Non-Hazardous waste includes all the waste that has been generated from sources other than lead. This includes solid, paper, plastic, metal scraps etc. These materials are generated during the manufacturing processes and are then duly collected in classified bins and sent to authorized suppliers/ smelters/ recyclers.

31% Reduction in Plastic Waste Generation



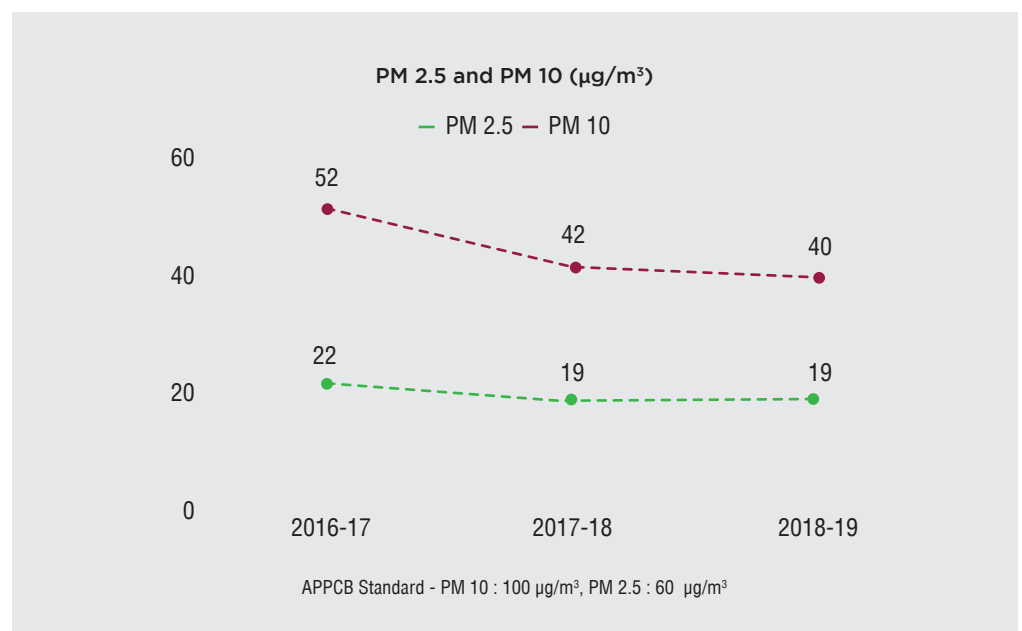


AIR POLLUTION

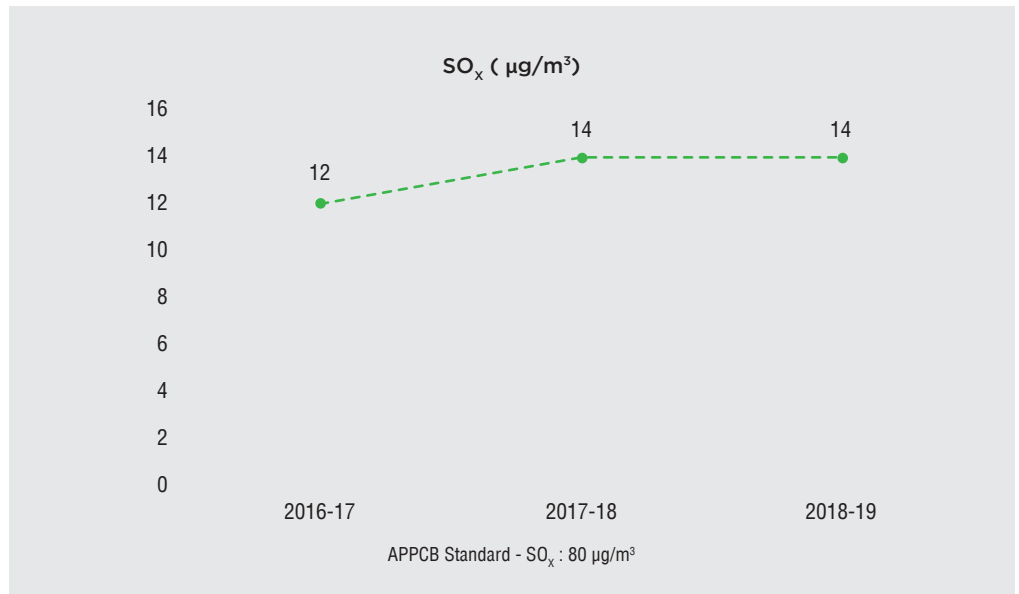
Tirupati and Chittoor Plants have made significant efforts to improve air quality. The Plants have strengthened the management of air pollutants by expanding the coverage of facilities under control as well as conducting an objective evaluation of the effects on air quality by regular monitoring through the real time monitoring facility.

Responding to Stricter Environmental Regulations through Process Optimization and System Improvement Indian government has strengthened environmental regulations, such as stringent standards for water and air emissions. Accordingly, ARBL cooperated with Andhra Pradesh Pollution Control Board (APPCB) and applied the emission control devices.

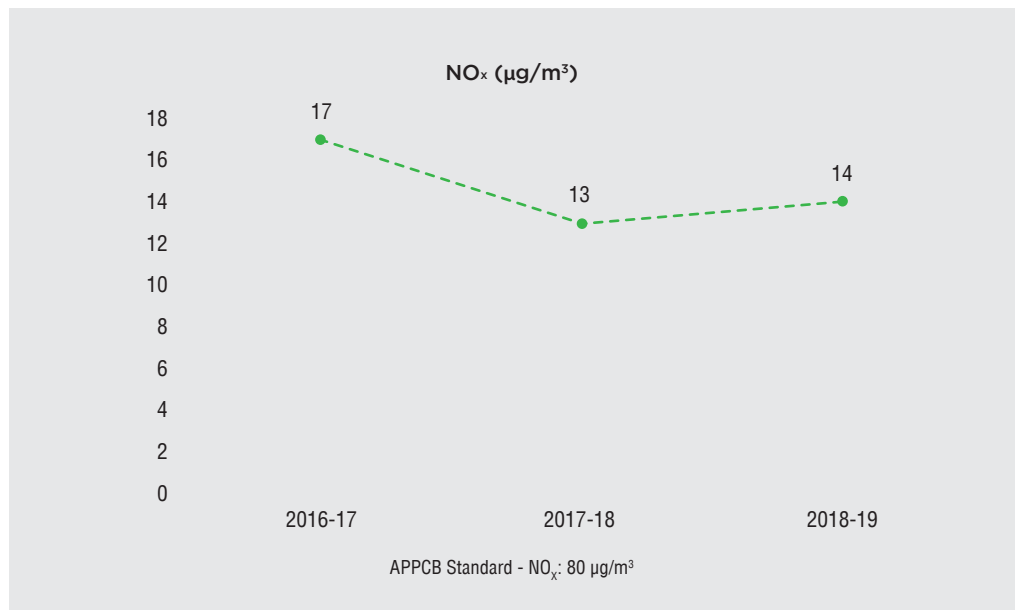
a. PM 10 & PM 2.5



b. SO_x



c. NO_x



WATER FOOTPRINT

Water is a critical input to our business activities. It is used in our operational activities as well as domestic and horticulture consumption. Water is a shared resource. ARBL is working towards reducing its dependence on fresh water consumption.

During the reporting period, a total of 8,43,114m³ of water was withdrawn. Reduced by 12.12 % from the last reporting period. The major source of water remains groundwater. We practice Rainwater harvesting and have created artificial ponds within our premises in order to replenish the groundwater. We installed magnetic water flow meters across the plants. This will help us in identifying and managing the leakages and wastage.



We invested in sophisticated waste water/effluent treatment equipment, which takes care of domestic sewage and process effluents - treated water is used for in-house gardening and cleaning. ARBL recycled 1,89,264 m³ of water during this reporting period which is an increase from 1,49,628 m³.

Our water consumed/battery manufactured reduced from 0.0373 in the last reporting period to 0.0312 in this reporting period.

**8 DECENT WORK AND
ECONOMIC GROWTH**



ECONOMIC PERFORMANCE

Globally, 2017 and 2018 had recorded strong growth. However, with the onset of the latter half of 2018, the economic activity was seen slowing down. There seemed to be increased trade tensions which hampered the business confidence leading to tightening financial conditions for vulnerable emerging markets which was followed by the advanced markets later in the year.

Although a 3.3% global expansion is still reasonable, this may prove to be extremely challenging for many countries, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest, long-term potential.

Meanwhile, in the Indian economy, Fiscal 2018-19 contradicted expectations. Although, the period had commenced with promise, it ended on a sub-optimal note. The GDP growth was only 7% as opposed to the expected 7.4% estimated by the government agencies.

This is being attributed to the lackluster performance of the economy in the second half of the fiscal (Oct'18- Mar'18) – GDP growth under 7%. The poor performance of the farming, mining and manufacturing sectors is the main reason for decline in the growth of India Industrial Production (IIP). IIP growth slowed to a three-year low of 3.6% in the 2018-19 as against 4.4% in the previous fiscal.

AUTOMOTIVE SECTOR

Despite the prevailing conditions in the automotive sector, we registered heavy growth in the battery sales in the OEM and aftermarket segments. The focused efforts of our team in delivering quality products and their efficiency in nurturing business relations through efficient services helped us keep in the business.

OEM Segment: ARBL is currently dealing with the majority of OEMs in the country operating in the passenger and 2-wheeler space. We expect to add newer platforms which should generate healthy volumes going forward. In addition, the focus will remain on sustaining market share on each platform and OEM, even as the competitive intensity increases.

Aftermarket Segment: We maintained our double digit growth, sustaining our dominance by introducing new products for the unserved applications to fill in the gaps in our offering. To meet this increase, we have drawn a blueprint to add three lines to our manufacturing infrastructure, adding 5.1 Mn units to our overall capacity.

UPS Segment: Tubular batteries for Home UPS application registered a steady growth despite the prevailing slowdown.

Amaron continued to prove its dominance in the West and East Indian markets. PowerZone, which is already a strong player in the rural markets across India, worked towards incorporating more urban markets. A pilot facility was commissioned for producing and delivering Li-ion packs to the 2 and 3 wheelers and e-rickshaws.

We achieved an average production of 1 Mn (equ) batteries per line - a first in our company's history. Increased effort was given to improving shop floor productivity across all operating units which help us in declining our scrap generation, energy reduction and improve our overall productivity.

INDUSTRIAL SECTOR

After registering a subdued performance in 2017-18, we were able to improve our value and volume across all verticals in the last reporting period.

Telecom Battery: Although, the entire market recorded a sharp decline in sales, our company was able to maintain its sales record due to our aggressive marketing and efficient customer management. This led to an improvement in our market share from last year.

UPS Battery: Since the launch of the High Wattage Series in 2017, we have been observing a growth in our UPS battery sector. This is mainly due to the traction received from our key customers - IT, Manufacturing and Data Centres.

Tubular battery: Our product was able to receive the approval from the banking sector and government agencies, which provided us with healthy business volumes.

Motive Power Battery: Our performance in the motive power segment was constrained due to supply issues which improved towards the end of the year.

Having been successful in securing one large contract in Africa, we will intensify our lookout for growth opportunities in energy storage applications in the global markets. Considering the growing demand for our medium VRLA batteries, we plan to add one more assembly line in the current year taking the total capacity to 1.4 BnAH. Also, we plan to add one more line in the formation and finishing areas, which should help debottleneck the operations.

Further information about our products and economic growth can be found in our Annual Report (<https://www.amararajabatteries.com/Files/AnnualReports/2019/ARBL%20AR%202018-19.pdf>) Pg no. 20-29.

Details	2016-17	2017-18	2018-19
Net Sales (in Cr.)	5,335	6,051	6,793
Total Expenses (excluding Employee wages and benefits) (in Cr.)	5,051	5,276	5,764
Employee wages and benefits (in Cr.)	278	309	345
Net Worth (in Cr.)	3,335	2,937	2,593
CSR Expenditure (in Cr.)	16	14	15
PAT (in Cr.)	478	471	483
EPS	28	28	28



CUSTOMER CENTRICITY

The demand for batteries is always immediate. From a vehicle driver looking for automotive OEM to a tower maintenance personnel working for the telecom sector, constant regular and unhindered power supply is a major requirement. This indicates that for the overall success of our business, supply chain efficiency is extremely crucial. However, owing to the vast expansive network of dealers and retail outlets which are spread pan-India, maintaining supply chain efficiency has proven to be a challenge for our company. In this regard, we practice constructive supply chain management across all our product delivery points.

Supply Chain Management is one of the most complex business functions. It involves procurement, logistics and multi-location inventory management. What makes this a challenge is the product and customer diversity in each segment. We have an extremely disciplined management team which is shouldered with the painstaking task of ensuring that the right product is delivered at the right place at the right time across more than 360 destinations country wide. They are also responsible for handling the demanding requirement of 22 OEMs with distances ranging from 60 to 3500 Kms.

We facilitated delivery to our customers based on prediction models that is based on getting PoDs which meet the statutory requirement as per financial standards ,managing the increased volumes and optimising the costs despite the ever-rising cost of fuels.

ARBL has undertaken some key strategic decisions to bring efficiency in our work and enhance our relationship with our customers:

1. We have optimised the logistics costs by adopting a multi-modal (rail and sea) transport system.
2. We contact the fleet owners directly, thus, eliminating the need for the traditional middle man.



customer satisfaction

3. We provide monthly rental contract to our logistic partners for product dispatches to select OEM customers which helps with the on-time delivery to support JIT.
4. We have deployed RFID technology for tracking the trucks between the plants and the distribution centres. This ensure proper monitoring of the trucks providing safe and timely delivery to our customers.
5. We institutionalized SOPs for truck loading and unloading which has reduced our loading time and documentation lead time by about 90%.
6. By automating the shipment route, we are able to provide a mail alert to the FG and commercial team for loading and billing.
7. We do not compromise in terms of the quality of trucks being used by service providers.

Our distribution logistics pertain to our secondary distribution which involves transport from the warehouse to the end-user/dealer. Our team serves 1600 customers pan-india via thirty distribution centres and 10 OEM - 3PL with an average of 35,000 invoices per month. They have managed to simplify and fool-proof the bill processing system which is aligned to the GST regulations to allow a seamless invoice processing and timely payment to the vendor. This process enables the team to insist for an improved service quality from their vendors.

We have increased our focus on expanding our horizon and foraying beyond the domestic boundaries necessitated the creation of a dedicated team to manage sea and air-based logistics. Our EXIM team focuses on reaching our products across our global footprint spread over 40+ nations while handling 8500+ containers for inbound/outbound shipment per annum.

On account of our high and growing export volume, we have been awarded with the maximum MEIS export incentive - STAR EXPORT STATUS.

We deliver high performance batteries designed to meet the demands of a wide range of industrial and automotive applications.



3 GOOD HEALTH AND WELL-BEING



HEALTH & SAFETY: OUR TOP PRIORITY

Through the Amara Raja Way™, the company strengthened its commitment to people safety and environmental protection. The management believes that an incident free work place boosts employee morale and confidence in the corporate. The resultant peace of mind pushes every team member to strive harder towards uplifting the organization to the next growth orbit. The Company's protection cover extends to the work place and beyond – striving for a cleaner work place and a green environment – leading to a healthy mind and body.

Health and Safety are extremely critical factors that shape the contours of every strategic decision that is taken within our company. Amara Raja approach towards best-in-class occupational health and safety standards is articulated in the HSE Policy. Along with implementing various HSE projects, we also conduct frequent training sessions for inculcating the awareness on HSE and practices among the entire team.

The Amara Raja Group strongly believes that Safety, Health and Environment as one of its highest priority.

Health

A healthy employee is an asset to the company. They will work with more energy and positivity which will lead to better performance. Amara Raja has been practicing several important measures to increase people's health:

- **State of the art OHC:** To cater preventive & primary health care needs of our employees, we have fully equipped, well-facilitated State of the art Occupational Health Centre(OHC) operating 24/7 round the clock
- **Readiness to work:** Looking at wellbeing & wellness of our employees, initiated a program called "Readiness to work", which is a 5 minute. warm up /stretching exercise program, practicing every day before starting of the work/shift.

- **Healthy eating:** We provide spoon friendly food for better nourishment and hygiene of our employees and preventing exposure to lead. Awareness is created among our employees by promoting the importance of health & hygiene.
- **Nutritious food:** We strictly adhere to the 14 days menu which is completely vegetarian and prepared as per the NIN guidelines. We are offering healthy food to all our employees on 3 shifts, and follow best in class practices to prepare it.
- **Hygiene practices:** We have been practicing the next hygiene practices in all our operations.
- **No Tobacco @ our premises:** We have most effective "Tobacco free work place policy" in place and is strictly followed.
- **Walk to work:** We thoroughly encouraged walking within the operating facilities premises.
- **Health checks:** We have good policy on conducting annual/periodical health checkups and we conduct annual/periodical health monitoring of all our employees.
- **24/7 support:** We have state of the art ambulance with advanced life support facility in our occupational health centre which is active for 24/7
- **Health awareness:** Health communication e-mailer from the desk of Medical Officer is being sent to all the employees every day for updating on evolving health practices in their respective professional and personal spaces.

Safety

Safety of our employees is our highest priority. We believe that a safe working ecosystems builds trust among the team which will in turn lead to higher man-machine productivity and a happier individual. To strengthen the safety commitment to the team, the company implemented important measures:

- **PPE Compliance:** All employees are provided with the right PPE in each workplace and 100% PPE compliance is ensured.
- **Behaviour based safety:** In order to improve 'safety culture,' we have deployed behaviour based safety practices at all locations.
- **5 Safety principles:** To improve the awareness on safety, we have been practicing the 5 fundamental safety principles by every employee
- **Safety controls:** We have added many safety controls to all equipment's to eliminate the occurrence of any workplace incident during operating the machines.
- **Safety deviation sticker:** We have initiated the 'Safety deviation sticker' concept to identify non-conformances and to improve the machine safety in the workplace.
- **LOTO -** We have implemented LOTO (Lock Out Tag Out) across all divisions, which is a universal best practice to prevent mechanical and electrical hazards.
- **101 checklist -** We have formulated a 101 checklist points comprising safety parameters (including legal requirements) which is being used to verify and ensure the safe work environment.
- **Road safety -** At Amara Raja Road Safety policy is being followed which will enable employee using motor vehicles, to prevent themselves and their family from road incidents. We have provided helmets to all employees at free of cost while holding a valid driving license.



Our Commitment:

1. **Hazard Communication:** We constantly conduct employee awareness programs on reporting hazards, unsafe conditions and unsafe acts to help minimise on-the-job incidents. Programmes are conducted at all manufacturing locations on emergency response, mock evacuation drills, hazard recognition, first aid training, fire-fighting training etc. on a regular basis.
2. **Safe Working Place:** We ensure the workplace air quality and ventilation systems are periodically checked to provide a safe working place.
3. **Women's Health:** Women's Health is given paramount importance. We periodically conduct awareness and screening programs such as cervical and breast cancer awareness across all plant locations.
4. **Cafeteria Hygiene:** We conduct regular inspections of the cafeteria by internal teams at periodic intervals to ensure a high level of hygiene is maintained.
5. **Solar Power for Energy Requirement:** We installed additional roof solar systems during the year, taking the total generating capacity to 6.30 MW thereby reducing our dependence on fossil fuels.





OUR PEOPLE

INNOVATIVE ORGANIZATIONAL CULTURE

The betterment of the people has always been the Amara Raja Way. Our people are the fuels which drive this company beyond the boundaries and targets that we have set by not only contributing to this industry's growth but also catalysing it.

AMARA RAJA'S EMPLOYEE VALUE PROPOSITION (EVP)

The EVP defines the very essence of our company. We developed this program based on our practices, systems and policies to inspire our current and future employees. Our Philosophy - 'Gotta be a better way' inspires us to defy our limits and strive harder each day.

PEOPLE'S STRATEGY - THE AMARA RAJA WAY

We hope to derive our results through our people by investing in them. By helping build their capabilities, sharpening their expertise and nurturing the spirit of leadership, we wish to make Amara Raja a learning and delivering institution with facilitates to sustain our industry Outperformance. We were able to achieve our organisation goals by invigorating the work environment by excelling in people Engagement, Development and Performance."

Amara Raja Talent Management Model

The organisation has integrated its programs and initiatives into a coherent Talent Management Model to enable sustainable results. The talent management model is built around five tenets namely Attract, Engage, Develop, Excel and Grow. The model enables the organisation to focus on engagement, productivity and growth.

Engagement

The Amara Raja Toastmasters Club was an initiative to help people unearth and better their hidden potential. It provides a platform for people to learn the art of speaking, listening, and thinking – vital skills that promote self-actualisation, enhance leadership potential and foster human understanding. The first club at Amara Raja has been formed at its Head Office at Karakambadi with an intent of extending it to other locations.

Amara Raja Switching Lane Program (SLP)	We developed a comprehensive “Switching Lane Program” which provides a platform for a talent to choose between a swift track or a standard track career growth. This strategy has been rolled out for junior and middle management level. The fast-track aspirants have to go through qualifying test after which they were moved to the fast track or the ‘Right Lane’. These participants will have to fulfill additional objectives and at the end of the year their performance will be assessed. The result of this assessment will determine their growth prospects over the coming years.
Fostering Talents for Leading the Market	We conduct training for a pool of division leader candidates in order to enhance the talents of those who can lead the market. We are also strategically fostering core talents by providing funding support for external training programs.
Amara Raja Experiences Survey	Every Year, Survey is conducted to generate the ‘Experiences’ Score and Engagement Levels of people by measuring their perceptions on various aspects of the functioning of the organisation. Since 2017, the survey has been conducted 100% online across all locations and grades. The results of the survey have showcased a steady increase in the employee engagement scores. 25% of the total employees, participated in the 2018 pulse survey.
AI based Continuous Feedback System	<p>Continuous feedback is an effective tool/method to enable performance and helps in proactively supporting the team to achieve the objectives. Continuous feedback allows open communication, lead to quicker addressing of issues and making the organisation more agile and adaptable. Moreover, people remain more engaged and productive when performance is an ongoing conversation.</p> <p>We collaborated with Emtropy, an Artificial Intelligence Company based in the US, to implement a tool to provide continuous feedback to each other through an online system. The tool is Artificial intelligence (AI) based software, which analyses & compiles the feedback received through machine learning and provides continuous feedback and analysis to the recipients. The team has initiated a pilot project in this regard.</p>
WE@AR	WE@AR has been designed in line with our digital enterprise transformation journey that we have implemented across our organisation through our IDEA Project- our Digital transformation journey for Amara Raja. This project has been named ‘We@AR’ denoting ‘We the people at Amara Raja’ who are connected all the time through automation, facilitating continuous interaction. We@AR comes with a host of automated HR processes that will improve Efficiency, Effectiveness leading to Excellence. These automation solutions are planned to be rolled out in 3 phases, starting early 2019-20.
Navaprabhitha Sukalpa	We launched the Navapathibha Sukapa program with an endeavour to build a robust talent pipeline for middle management positions in line with the aggressive growth plans. Through this program, we recruited talent from the campus of Premier Management and Engineering institutions. They will have to go through an accelerated training program and will be consequently groomed to take up various specialist and general managerial roles in the future.

Average Age	29
Number of Male Employees	9,231
Number of Females Employees	439
Training Man days	207,169
Revenue per employee (in lakhs)	70.73



CORPORATE SOCIAL RESPONSIBILITY

Amara Raja invested **14.70 crore** towards its social outreach initiatives in **2018-19**.

Amara Raja goes beyond energising equipment. It believes in energizing the lives of the communities around it. This is achieved through our outreach initiatives. The company's social upliftment activities target four key areas - healthcare, education, skill development and environmental conservation.

Amara Raja batteries limited has adopted the Corporate Social Responsibility Policy in consonance to Section 135 of the Companies Act 2013, and notifications/circulars issued by the Ministry of Corporate Affairs, Government of India from time to time.

The Primary focus of our CSR activities is to promote education and Health. Amara Raja undertakes activities that promote primary, secondary and higher education, skill development of the youth and providing scholarships to needy and meritorious students. We aid 3 hospitals in many areas of its functioning and promote preventive healthcare activities such as providing safe and healthy drinking water. Our other top priority is reaching the vulnerable segments of our populations such as women as well as the economically and geographically disadvantaged and marginalised. We also lay emphasis on employee volunteering in all of our CSR efforts.

Our CSR Governance structure involves a well developed framework for transfer and proper allocation of funds.



While the social interventions are funded by the Company they are spearheaded by Rajanna Trust. An individual is appointed as a nodal officer between Rajanna Trust and CSR Committee.

EDUCATION

Rajanna Trust provides support in terms of finance and operation to four schools in villages which are in proximity to our operating units.

1. Mangal Vidyalayam (CBSE affiliated school) in Pettamitta Village imparting education to more than 2,300 students.
2. Mangal Junior College in Pettamitta Village providing higher education to more than 500 students
3. Amara Raja Vidyalayam - I a primary and high school (CBSE Affiliated) at Karakambadi imparting education to 750 students
4. Amara Raja Vidyalayam - II at Diguamagham village in Chittoor District educating more than 600 students annually. This school was also built by the Trust

These schools have been constantly setting new precedents in standards of excellence in the region by focusing on a holistic development instead of just academic. The goal of the schools is to mold its students into well rounded young men and women who can go on to become tomorrow's leaders. We also promote these goals by regularly celebrating the achievement of our students in events with active participation from our trust executive committee members.



SKILL DEVELOPMENT

India is currently facing an interesting dichotomy- the second most populous nation in the world is facing a shortage of skilled labour. Amara Raja saw this as an opportunity to make a meaningful contribution to resolving this impasse by imparting knowledge on skill development.

This initiative is carried out through our state-of-the-art Amara Raja Skill Development Center (ARSDC). The main target of this institution is to equip the rural talent with the necessary skills to make them competent and eligible for employment. Our mission is 'Skilling Rural India to Make in India'.

The institute offers a residential program spread across 18 months. This includes a well-developed mix of hands-on training in our functional plants as well as class-room training. The facility is equipped with classrooms, labs and workshops and secure hostel facilities for both boys and girls. The entire course, inclusive of food, accommodation, uniforms and study material, is free for candidates selected for the course at this institution.

The students are also paid an on-the-job stipend as recognition for their efforts. Most of the students who pass out of this academy are inducted into various companies under the aegis of Amara Raja is planning on setting up similar skill development centres at other locations.



COMMUNITY HEALTH

Amara Raja aims to support the Government's in its effort in providing healthcare to every Indian. We support a 30-bed primary health centre in Chittoor District financially as well as operationally. The qualified staff and experienced doctors at such facilities provide preventive and primary healthcare to more than 50,000 residents catering to 81 neighbouring villages.

Moreover, we organise general health camps, providing free consultation and medicines, attended by respected therapy specialists from India and Abroad which are attended by more than 1,800 people from 15 villages.



WATER CONSERVATION

The Trust has built 23 check dams and desilted three tanks in the water starved Chittoor District under the rajanna Jalasayamu Program. Around 60 villages, covered under 12 panchayats, benefited from this project.



RURAL DEVELOPMENT

Rural infrastructure was developed by the Trust by constructing good quality connecting roads, water tanks for providing safe drinking water to villages through RO plants, street lighting, leisure parks with internet access and a library in Chittoor District. All these facilities are maintained by the trust.

The trust continues to support the adopted panchayats of Karakambadi, Pettamitta and Diguvamagham in Chittoor District under "Smart Panchayat Scheme." The Trust contributed Rs.15 lakhs to Govinda Dhaman for construction an LPG-based eco- friendly Crematorium at Tirupati. Further, the Trust supported the construction of an Auditorium at the Government College, Pakala with an investment of Rs.85 Lacs.



ENVIRONMENT

We have adopted a 250 hectare plot on a hillock in Pemmagutta (Chittoor District) with the target to develop a plantation. Additionally, a 30-acre plot adjoining the hillock was purchased and donated to the government. About 40 Tribal families have been provided livelihood through this plantation project. More than 60,000 saplings have been planted in and around the hillock so far.

Under our Blue Sky CSR initiative, the Rajanna Trust extended the green cover at Pettamitta village with the assistance of the community, school children and employees.

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GLOSSARY

5S	- Sort, Set in order, Shine, Standardize and Sustain	ISO	- International Organization for Standardization
µg	- Micro gram	JIT	- Just in Time
AGM	- Absorbent Glass Mat	JV	- Joint Venture
Ah	- Ampere Hour	KECA	- Krishnadevaraya Educational and Cultural Association
AI	- Artificial Intelligence	Li-ion	- Lithium Ion
APPCB	- Andhra Pradesh Pollution Control Board	LOTO	- Lock Out Tag Out
ARBL	- Amara Raja Batteries Limited	LPG	- Liquefied Petroleum Gas
ARGC	- Amara Raja Growth Corridor	MEIS	- Merchandise Exports from India Scheme
ARSDC	- Amara Raja Skill Development Centre	MOEF	- Ministry of Environment and Forest
Bn	- Billion	Mn	- Million
BS OHSAS	- British Standard Occupational Safety and Health Assessment Series	MSDS	- Material Safety Data Sheet
CBSE	- Central Board of Secondary Education	MT	- Metric Ton
CEO	- Chief Executive Officer	MW-Hr	- Mega Watt Hour
CI	- Continuous Improvement	NIN	- National Institute of Nutrition
CII	- Confederation of Indian Industry	NITI	- National Institution for Transforming India
Cr.	- Crore	NOx	- Oxides of Nitrogen
CSR	- Corporate Social Responsibility	OEM	- Original Equipment Manufacturer
EFSI	- Employers' Federation of Southern India	OHC	- Occupational Health Centre
EPS	- Earnings per share	PAT	- Profit After Tax
EV	- Electric Vehicle	PM	- Particulate Matter
EVP	- Employee Value Proposition	PPE	- Personal Protective Equipment
EXIM	- Exports and Imports	RFID	- Radio Frequency Identification
FG	- Finished Goods	SDG	- Sustainability Development Goals
GDP	- Gross Domestic Product	SEBI	- Securities and Exchange Board of India
GHG	- Green House Gases	SMF	- Sealed Maintenance Free
GJ	- Giga Joules	SOP	- Standard Operating Procedure
GRI	- Global Reporting Initiatives	SOx	- Oxides of Sulphur
GWh	- Giga Watt Hour	tCO ₂ e	- Tons of Carbon di oxide equivalents
HSE	- Health, Safety & Environment	TPM	- Total Productive Maintenance
IAOH	- Indian Association of Occupational Health	TS	- Technical Specification
ICQCC	- International Convention on Quality Control Circles	UPS	- Uninterrupted Power Supply
IGMC	- Indian Green Manufacturing Challenge	US	- United States
IIT	- Indian Institute of Technology	USD	- United States Dollar
INR	- Indian Rupees	VRLA	- Valve Regulated Lead Acid
IRIM	- International Research Institute of Management		



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