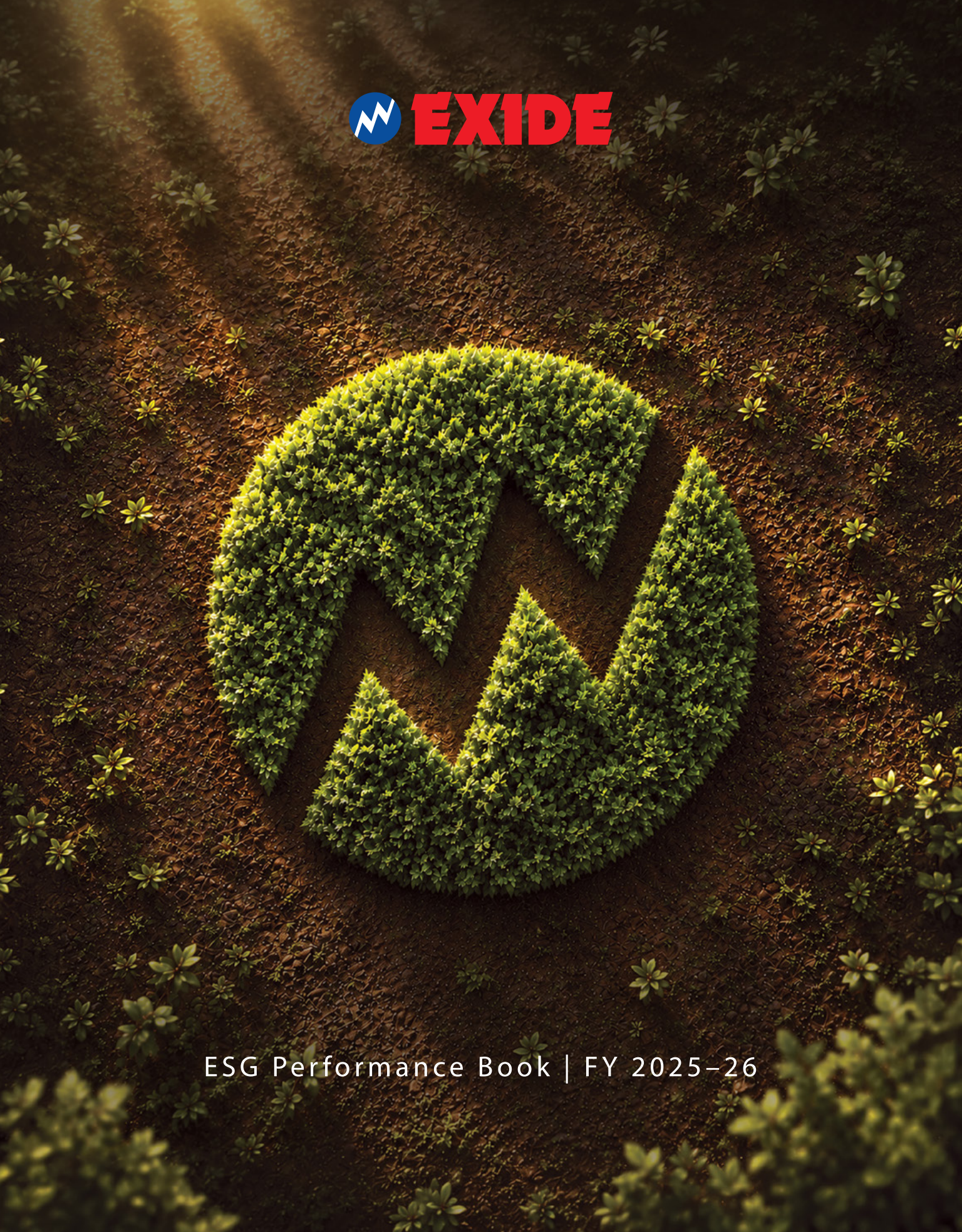

ESG Performance Book | FY 2025–26

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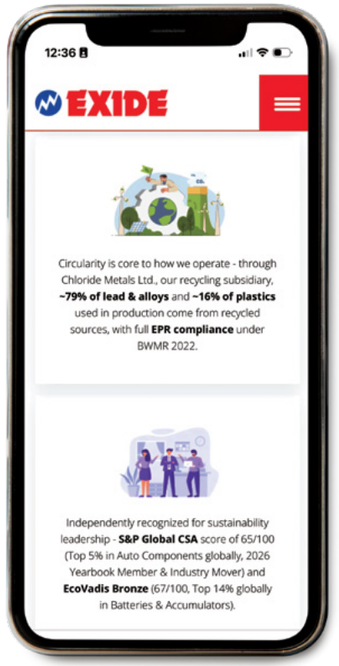


For more information,
please visit our corporate website
https://www.exideindustries.com/sustainability

Scan the QR code for additional information about the company

About
the performance book

This ESG Performance Book is Exide Industries Limited's standalone sustainability data reference for FY 2025–26. It is published separately from the Integrated Annual Report and is structured for ESG rating agencies, institutional investors, sustainability researchers and corporate procurement sustainability teams who need direct access to verified performance data, methodology disclosures and independently assured metrics.

The Integrated Annual Report provides the strategic context, connecting business performance, capital allocation and long-term value creation. This publication complements that narrative with the depth and granularity of ESG performance data, bringing together three-year trends, relevant framework cross-references and independently assured disclosures, structured by ESG topic to provide a focused view of performance, progress and accountability across the sustainability agenda.

This is the first edition of the Performance Book in its current structure. The Integrated Annual Report remains the primary document for board-level governance, financial performance and integrated stakeholder reporting.

Scope and boundary

This report covers the standalone operations of Exide Industries Limited for the period **1 April 2025 to 31 March 2026**. The reporting boundary includes 11 manufacturing facilities and all Exide corporate operations, accounting for about 99.7% of revenue.

Exide Energy Solutions Limited (EESL), a wholly owned subsidiary, is not within the operational boundary of this report unless explicitly noted. Where EESL data is referenced, it is clearly distinguished.

Disclosures

The report references leading sustainability reporting frameworks and standards, including GRI, BRSR Core, IFRS S2/TCFD, ESRS, the GHG Protocol, SBTi, EcoVadis and the S&P CSA. Relevant disclosures are aligned, where applicable, with these frameworks, with detailed mappings provided in the Annexures.

Feedback

Exide welcomes feedback on the structure and content of this Performance Book. Readers may write to: sustainability@exide.co.in

Exide's Sustainability Performance Overview

At Exide Industries Limited, sustainability is integrated into business strategy and operations, driving long-term value creation while promoting environmental stewardship and responsible growth.

During FY 2025–26, the Company made significant progress across its key ESG priorities, including climate action, circularity, responsible supply chains and governance. Key highlights include a 15.6% reduction in Scope 1 and 2 emissions intensity and the advancement of the supplier ESG programme through on-site audits and primary data collection, strengthening sustainability performance across the value chain.

These efforts were complemented by continued improvement in performance across ESG assessments and ratings, reflecting stronger sustainability governance, enhanced disclosures and progress on material ESG priorities. The Company remains focused on further strengthening its ESG performance and transparency in line with evolving stakeholder expectations and global best practices.

Rating body	FY 2025-26 result | Scope and notes
S&P Global	65/100 | Yearbook Member | Industry Mover | Top 5% globally | Assessment covers Environment (30%), Social (29%), Governance and Economics (41%)
ecovadis	Bronze Medal | 67/100 | Top 14% Manufacture of Batteries and Accumulators (as on Feb 2026) | Assessed on Environment, Labour and Human Rights, Ethics, Sustainable Procurement
SUSTAINALYTICS	16 (Low risk) as on June 2026
SES Stakeholders Empowerment Services Analyze >> Educate >> Empower	73.7 as on March 2026

Stakeholder Engagement and Double Materiality

We recognise that sustainable growth is closely linked to the strength of our stakeholder relationships. Accordingly, we engage proactively with those who influence our business and those who are impacted by our operations.

Stakeholder engagement is embedded across our governance and management processes, enabling us to remain responsive, responsible and aligned with their expectations.

In FY 2025–26, we adopted a Double Materiality Assessment (DMA) to evaluate sustainability topics through their impact on society and the environment, as well as their influence on business value, risk and long-term performance. The Double Materiality Assessment was conducted by an independent external agency in accordance with the European Sustainability Reporting Standards (ESRS), GRI Standards, SASB, MSCI ESG Ratings, Dow Jones Sustainability Indices (DJSI) and Sustainalytics frameworks — ensuring an objective, unbiased evaluation of impact and financial materiality across Exide's value chain. The prioritised topics from the DMA are integrated with Exide's Enterprise Risk Management Framework (ERM). The outcome of the DMA is approved by the Executive Management of the Company.

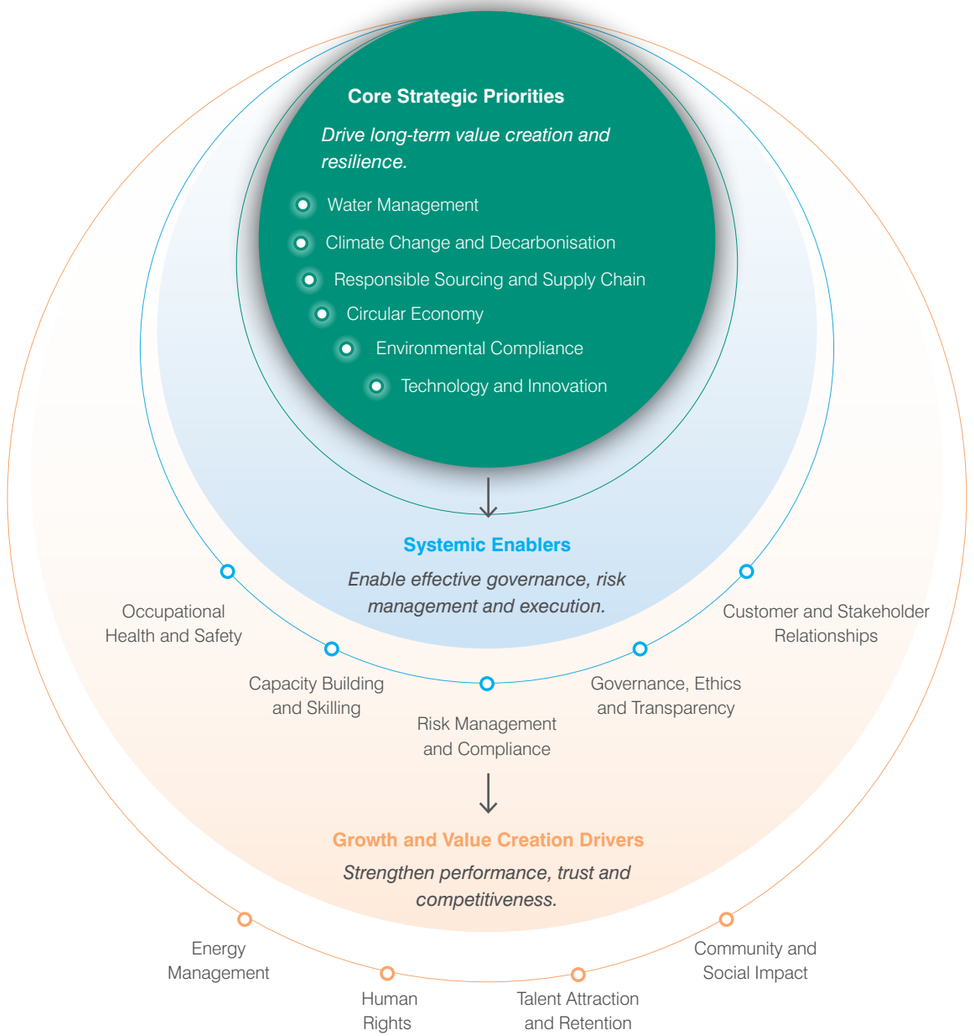
Our DMA approach and outcome is illustrated below:

Our Assessment Approach

← **Financial Materiality:** ESG influence on business value and risk → **Impact Materiality:** Exide's effect on society and environment

*IRO-based scoring across impact severity, likelihood and financial risk/opportunity

Identified ESG Material Issues

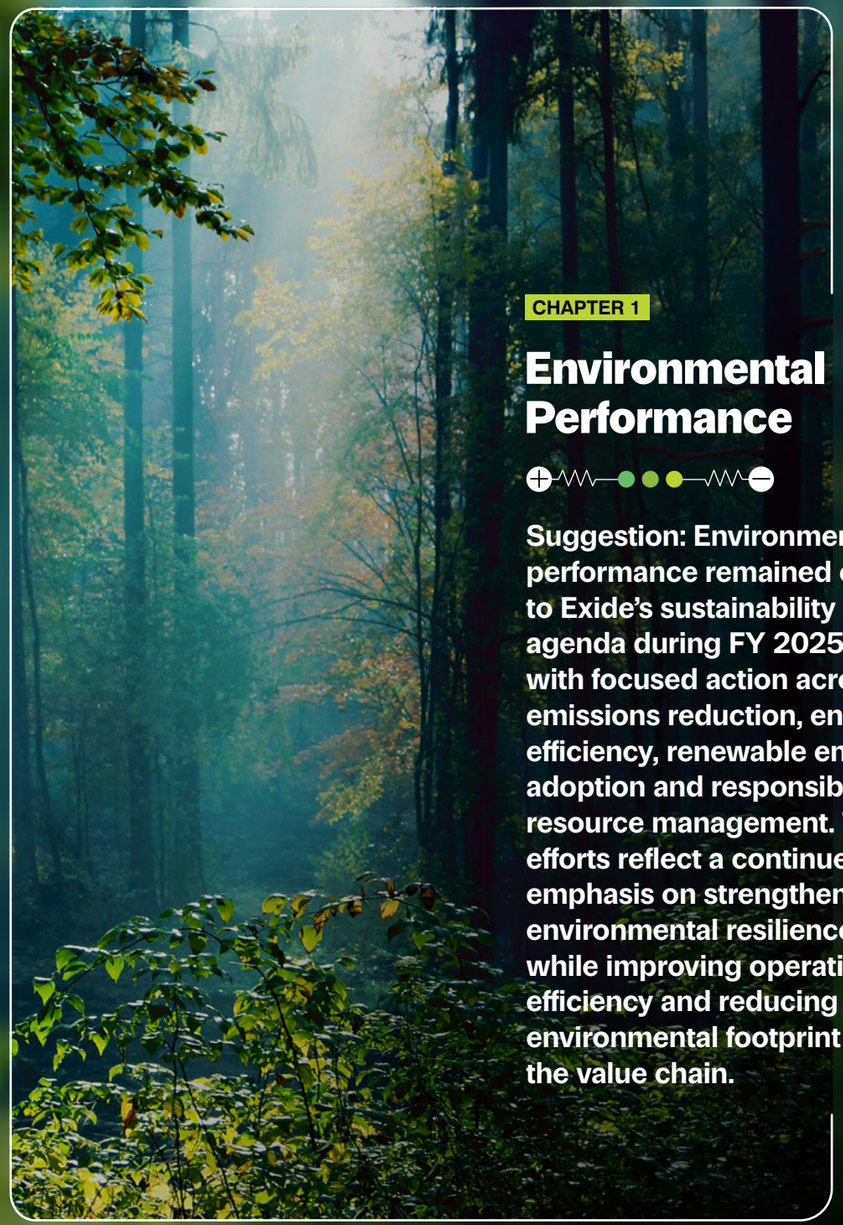


Grounded in stakeholder perspectives and value-chain insights, our Double Materiality Assessment prioritises the ESG topics that matter most to Exide and its stakeholders.

Stakeholder interviews | Factory visits | Supplier consultations

Exide has identified the three most significant environmental, social and governance material issues that influence its long-term value creation. These issues have been assessed for their impact on revenues, costs and risks and are linked to the company's strategies, products and initiatives.

	Material Issue 1	Material Issue 2	Material Issue 3
Material Topics Impacting Business	Climate change and decarbonisation	Occupational Health and safety	Circular economy
Category the Issue Belongs To	Environmental Policy and Management	Occupational Health and Safety	Waste and Pollutants
Business Case	a. Inefficient energy management leads to higher energy expenses and reduced profitability. b. Elevated GHG emissions and energy use exacerbate climate change, creating substantial physical and transition risks for our operations and the environment.	Unsafe work conditions severely harm employees, decrease productivity, inflate costs, damage reputation, cause regulatory problems and undermine social sustainability within the organisation.	Ineffective waste management pollutes the environment, raises disposal costs and violates regulations.
Type of Impact on business	Risk	Risk	Risk
Business strategies	a. Renewable energy accounts for more than 24.2% of total electricity mix consumption. b. Around 79% of our upstream value chain partners underwent ESG assessment. c. Venture into green technology solutions with a significant investment in setting up a lithium-ion cell manufacturing plant at Devanahalli, Bengaluru in 2 phases of 6 GWh each through wholly owned subsidiary 'Exide Energy Solutions Limited (EESL)'.	a. AI-powered predictive maintenance has reduced equipment failures, while automation technologies, including RPA, Digital Twin and drone systems, have elevated production accuracy and reduced manual intervention, thereby also minimising the risk of workplace accidents.	a. Increased captive recycled lead and lead alloys from Chloride Metals Ltd (CML) making overall recycled lead and lead alloys share to 79%. b. Achieved 16% usage of recycled plastic in products.
Target/Metric	a. Increase renewable capacity to 30%. b. Reduce emission intensity (Scope 1 + 2) to ~19.4 tCO2e/MAh. c. Identify and reduce Scope 3 emissions. d. Adopt energy-saving techniques at operational level.	a. Endeavour to be on a zero-fatality path every year. b. Achieve a significant increase in UCUA (Unsafe Act and Unsafe Conditions) reporting, coupled with a 95%+ closure rate for reported incidents.	a. Achieve Zero Waste to Landfill. b. Reduce waste intensity to ~3.2 MT/MAh. c. Achieve 80% recycled input materials in production.
Near-term target year	2030	2030	2030
Progress on targets/ metrics (FY 2025-26)	a. Renewable energy accounted for 24.2% of the electricity mix, supported by 95.3 MWp of installed solar capacity and 11.7 MW of wind power capacity. Renewable energy consumption helped avoid more than 93,000 tCO2e. b. Scope (1+2) emissions intensity reduced by 15.6% year-on-year from FY 2024–25 to FY 2025–26. c. Scope 3 emissions intensity reduced by 12.5% year-on-year from FY 2024–25 to FY 2025–26. d. Identified energy-efficiency projects delivered savings of 57 lakh kWh.	a. Zero fatalities during the year from injuries and ill-health, LTIFR for workers reduced to 0.02 (Improvement of 80% over previous year) b. 96% UCUA closure rate in FY 2025-26 c. 1.98 lakh+ training hours on EHS	a. Four manufacturing sites achieved Zero Waste to Landfill status, with reasonable assurance from an independent third-party provider. Waste sent to landfill decreased by 8.3%. b. Hazardous waste footprint reduced by 25% year-on-year from FY 2024–25 to FY 2025–26. c. Waste intensity reduced to 4.36 MT/MAh by 3.3% against baseline.



CHAPTER 1

Environmental Performance

Suggestion: Environmental performance remained central to Exide's sustainability agenda during FY 2025–26, with focused action across emissions reduction, energy efficiency, renewable energy adoption and responsible resource management. These efforts reflect a continued emphasis on strengthening environmental resilience while improving operational efficiency and reducing the environmental footprint across the value chain.

Climate and Decarbonisation

KPI	FY2024-25 Performance	FY2025-26 Performance	FY2030 Goal
Scope 1 and 2 Emissions Intensity	26.61 tCO_2e/MAh	22.46 tCO_2e/MAh	19.42 tCO_2e/MAh
Scope 3 Intensity	59.86 tCO_2e/MAh	52.36 tCO_2e/MAh	Defined Scope 3 pathway

Energy Transition

KPI	FY2024-25 Performance	FY2025-26 Performance	FY2030 Goal
Renewable Electricity Share	20%	24.2%	30%
Energy Savings from Efficiency Projects	31 Lakh kWh	57 Lakh kWh	Adopt energy-saving techniques at operational level.

Water Stewardship

KPI	FY2024-25 Performance	FY2025-26 Performance	FY2030 Goal
Water Intensity	140.70 KL/MAh	146.13 KL/MAh	~110.70 KL/MAh
ZLD Facilities	3	3	Water Neutral by 2035
Water Recycling/Reuse	6%	15%	
Water Conservation and Recharge Potential	17,500 KL	6 lakh+ KL	

Circular Economy

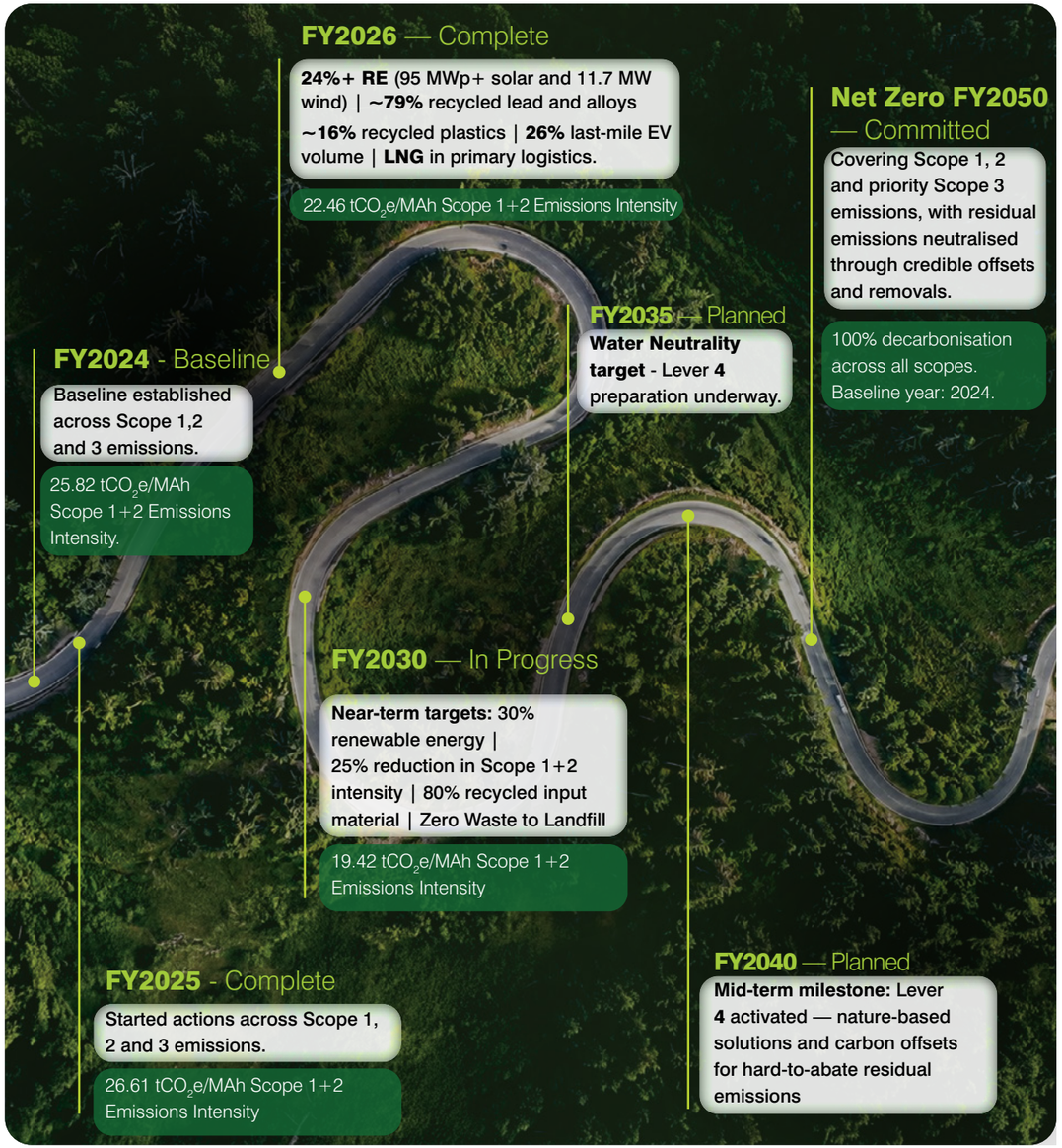
KPI	FY2024-25 Performance	FY2025-26 Performance	FY2030 Goal
Recycled Lead and Alloys	75%	79%	80% Recycled input material in production
Recycled Plastics	16%	16%	
Zero Waste to Landfill Facilities	4 sites Zero Waste to Landfill	4 sites Zero Waste to Landfill (Assured as part of BRSR Core)	Zero Waste to Landfill
EPR Compliance	EPR Compliant (BWMR | PWMR | E-Waste)	EPR Compliant (BWMR | PWMR | E-Waste)	Maintain

In FY 2025–26, Exide Industries Limited advanced its environmental performance through progress in decarbonisation, renewable energy, circularity, waste management and water stewardship. Scope 1 and Scope 2 emissions intensity declined by 15.6% year-on-year to 22.46 tCO_2e/MAh, while Scope 3 intensity reduced from 59.86 to 52.36 tCO_2e/MAh. Renewable electricity increased to 24.2% of the electricity mix, supported by 95.3 MWp of solar capacity and 11.7 MW of wind capacity, helping avoid around 93,000 tCO_2e. The Company also achieved 79% recycled lead content, 16% recycled plastics usage, Zero Waste to Landfill certification at four manufacturing sites and more than 6 lakh KL annual water conservation and recharge potential, demonstrating continued progress against its FY2030 and Net Zero 2050 commitments.

Climate action

Lead, the primary input in Exide's battery portfolio, accounts for a substantial share of the product's embodied carbon due to emissions arising from mining, smelting and refining activities. These characteristics of lead and its production shape the Company's climate footprint and define the areas where decarbonisation initiatives can deliver the greatest impact.

Exide's decarbonisation strategy is aligned in principle with the Science Based Targets initiative (SBTi) methodology across near-, medium- and long-term horizons. The Company has adopted a roadmap to achieve Net Zero by 2050, with interim targets for 2030. Formal submission of the SBTi targets is under preparation.



The roadmap outlines Exide's phased decarbonisation journey towards Net Zero 2050 through renewable energy adoption, operational energy efficiency, increased use of recycled materials and value-chain engagement. By combining operational and value-chain interventions, the roadmap supports progress against FY2030 climate targets while creating a structured pathway for long-term emissions reduction.

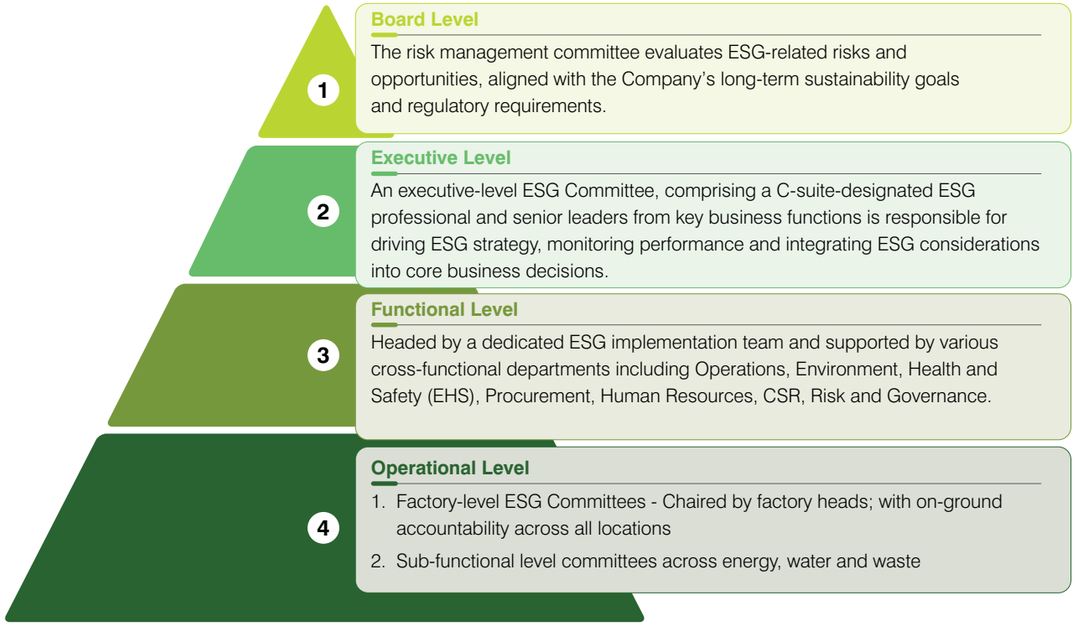
Below is a snapshot of the various decarbonisation levers adopted by the Company and the progress against targets.

Decarbonisation Lever	FY2030 Target	FY2025–26 Status and Performance	Key Milestones FY2027–FY2030
Lever 1: Renewable Energy	Renewable electricity share **30%**	**Active.** Renewable electricity share reached **24.2%**. Installed capacity includes **95.3 MWp** solar across facilities and **11.7 MW** wind in operation. Additional renewable capacity and green power procurement agreements are under evaluation.	Additional open-access solar capacity, renewable PPAs and green power procurement to achieve **30%** renewable electricity share.
Lever 2: Recycled Raw Materials	**80%** recycled input materials in production	**Active.** Recycled lead and lead based alloy content was approximately **79%**, close to the FY2030 target. Recycled plastics stood at **16%**. Scaling of EPR collection infrastructure is required to accelerate recycled plastics content.	Expand in-house recycled lead sourcing and strengthen EPR-based collection systems to increase recycled material availability.
Lever 3: Value Chain (Scope 3) Decarbonisation	Reduction pathway and intensity targets under development	**Early stage** EV logistics volumes reached **31.8k+ MT** (+65% YoY) and sustainable logistics share achieved 26% with Last-mile (0–50 km) volume via EVs and LNG-based primary transport initiated.	Establish formal Scope 3 reduction targets, improve supplier emissions data coverage, expand EV and LNG logistics and deepen supplier decarbonisation initiatives.
Lever 4: Residual Emissions Neutralisation and Nature-based Solutions	**Net Zero by 2050**	**Planned.** Nature-based solutions intended for hard-to-abate residual Scope 1, 2 and 3 emissions from FY2035 onward.	Develop carbon neutralisation strategy, evaluate high-integrity nature-based solutions from FY2035 and address residual emissions on the pathway to Net Zero 2050.

Exide's decarbonisation strategy is structured around operational emissions reduction, renewable energy transition, circular material uses and value-chain engagement. During FY2025–26, the Company achieved more than half of the Scope 1 and Scope 2 intensity reduction required to meet its FY2030 target. Future reductions are expected to be driven through renewable energy expansion, resource circularity, sustainable logistics and supplier decarbonisation initiatives.

1.1.1 Climate Governance

At Exide Industries Limited, ESG and climate governance is embedded across multiple organisational levels to ensure comprehensive oversight, accountability and effective implementation of sustainability initiatives.



The governance structure illustrates how climate-related risks, opportunities and performance are overseen by the Board and implemented through executive and operational management systems. Strong governance ensures accountability, enables risk-informed decision-making and supports effective delivery of Exide's climate commitments.

1.1.2 Climate Risk Assessment and Management at EIL

Climate-related risks and opportunities are integrated into Exide's Enterprise Risk Management framework and strategic decision-making. The assessment covers acute and chronic physical risks, together with transition risks arising from policy and regulation, technology, market and reputation.

Climate Risk Coverage

Climate Risk KPI	FY26
Manufacturing facilities assessed	11
Revenue covered	100.0%
Physical scenarios used	IPCC AR6 Framework SSP1-2.6, SSP2-4.5, SSP5-8.5
Transition scenarios used	International Energy Agency (IEA) • Stated Policies Scenario (STEPS) • Announced Pledges Scenario (APS) • Net Zero Emissions by 2050 Scenario (NZE)
Time horizon	International Energy Agency (IEA) • Short-term- 2026-2030 • Medium-term- 2031-2040 • Long-term- 2041-2050

Assessment Highlights

Finding	Highest physical risk	Common risk across sites	Most exposed sites	Primary transition drivers
Observation	Water scarcity	Extreme heat	Haldia, Hosur, Ahilyanagar	Regulation, technology, market

1.1.3 Scenario Analysis

Exide assessed climate-related risks and opportunities under six physical and transition scenarios across the 2026–2050 time horizon.

PHYSICAL RISK SCENARIOS

Assessing potential physical climate risks under a range of future climate outcomes

SSP1-2.6

OPTIMISTIC SCENARIO

Strong global action and low emissions

Indicative warming by 2100

~1.5-2°C

(vs. pre-industrial levels)

Assess resilience under a low-carbon climate future with relatively lower physical impacts.

SSP2-4.5

MODERATE SCENARIO

Intermediate emissions pathway

Indicative warming by 2100

~2.5-3°C

(vs. pre-industrial levels)

Evaluate exposure to increasing heat stress, flooding, water stress and precipitation variability.

SSP5-8.5

HIGH-EMISSIONS SCENARIO

Continued emissions growth with limited mitigation

Indicative warming by 2100

~4°C+

(vs. pre-industrial levels)

Assess resilience under severe physical climate impacts including extreme heat, flooding, cyclones and drought.

"Indicative warming by the end of the century relative to pre-industrial levels.

TRANSITION RISK SCENARIOS

Assessing transition risks and opportunities under different energy transition pathways.

IEA STEPS

CURRENT POLICY TRAJECTORY

Reflects energy system evolving based on policies and measures announced and/or already in force

Assess impacts from existing regulations, energy costs and market development.

IEA APS

ANNOUNCED PLEDGES SCENARIO

Assumes governments achieve their announced climate commitments and net-zero pledges on time.

Evaluate effects of accelerating decarbonisation, policy ambition and technology adoption.

IEA NZE 2050

NET ZERO EMISSIONS BY 2050 SCENARIO

A 1.5°C-aligned pathway to achieve net-zero CO_2 emissions by 2050.

Test resilience under rapid decarbonisation, electrification and carbon-constrained markets.

ASSESSMENT TIME HORIZONS (2026-2050)

Scenarios assessed across short, medium-and long term, aligned to Exide's decarbonisation pathway.

SHORT-TERM 2026-2030

Supports near-term operational planning, risk mitigation actions and achievement of interim climate targets.

MEDIUM-TERM 2031-2040

Assesses evolving physical and transition risks associated with increasing climate impacts and accelerating policy and market changes.

LONG-TERM 2041-2050

Evaluates business resilience under different climate futures and supports alignment with Exide's long-term decarbonization and net-zero ambitions.

These scenarios do not forecast future states but hypothesize plausible trajectories of events and model future climatic changes, enabling us to assess likely climate risks and make informed business decisions.

1.1.4 Physical Risk Assessment

Exide evaluated acute and chronic physical climate risks across 11 manufacturing facilities, including Chloride Power operations at Sonarpur. The assessment identified water scarcity, extreme heat and flooding as the principal exposures.

State	Location	Cyclone	Extreme heat	Earthquake	Water scarcity	River flood	Coastal flood
West Bengal	Shamnagar (Athpur)	High	High	Medium	Medium-High	Medium-High	Earthquake
West Bengal	Haldia	High	High	Medium	Medium-High	Medium-High	Earthquake
West Bengal	Sonarpur	High	High	Medium	Medium-High	Medium-High	Earthquake
Haryana	Bawal	Very low	High	Medium	Medium-High	High	Low
Maharashtra	Chinchwad, Pune	High	High	Medium	Medium-High	Medium	Low
Maharashtra	Taloja	High	High	Medium	Medium	Medium-High	High
Maharashtra	Ahilyanagar	High	High	Medium	Medium-High	Medium	Low
Tamil Nadu	Hosur	High	High	Medium	Medium-High	Medium	Low
Uttarakhand	Roorkee	Very low	High	Medium	Medium-High	Very low	Low
Uttarakhand	Haridwar	Very low	High	Medium	Medium-High	High	Low
Gujarat	Prantij	Very low	High	Medium	Medium-High	High	Low

High | Medium | Medium-High | Extremely High | Earthquake | Low | Very low

Key Exposures from the Acute Risk Heat Map

Exposure	Summary
Water scarcity	The highest physical risk across the assessed portfolio, with extremely high ratings at most sites.
Extreme heat	A common risk across all assessed sites, indicating broad workforce and operational exposure.
Flooding	Riverine and coastal flood exposure is concentrated at selected locations, particularly West Bengal sites and Taloja.
Priority locations	All sites in West Bengal, Taloja and Ahilyanagar in Maharashtra and Hosur in Tamil Nadu emerge as the most exposed sites across the combined risk profile.

1.1.5 Chronic Physical Risks

Changes in temperature and precipitation patterns were assessed across short-, medium- and long-term horizons. The results support site-level resilience planning and prioritisation of adaptation measures.

CHANGE IN RAINFALL PATTERNS

Exide manufacturing sites	State	Short term 2030			Medium term - 2040			Long term 2050		
		Pessimistic (SSP5 RCP8.5)	Moderate (SSP2 RCP4.5)	Optimistic (SSP1 RCP2.6)	Pessimistic (SSP5 RCP8.5)	Moderate (SSP2 RCP4.5)	Optimistic (SSP1 RCP2.6)	Pessimistic (SSP5 RCP8.5)	Moderate (SSP2 RCP4.5)	Optimistic (SSP1 RCP2.6)
Shamnagar, Haldia	West Bengal	-29.25%	-28.95%	-27.96%	-26.25%	-28.73%	-25.92	-25.13%	-25.13%	-24.40%
Bawal	Haryana	-45.25%	-45.08%	-43.34%	-40.74%	-46.96%	-43.86%	-38.77%	-43.62%	-45.45%
Chinchwad, Taloja, Ahilyanagar	Maharashtra	-27.29%	-24.90%	-24.78%	-22.78%	-24.40%	-23.70%	-17.59%	-24.40%	-21.82%
Hosur	Tamil Nadu	3.88%	3.34%	3.16%	7.62%	6.62%	7.17%	16.08%	9.77%	9.24%
Roorkee, Haridwar	Uttarakhand	-8.62%	-9.12%	-11.77%	-7.17%	-8.19%	-9.41%	-2.55%	-8.49%	-8.65%
Prantij	Gujarat	-58.56%	-56.63%	-57.22%	-54.66%	-57.61%	-57.19%	-48.72%	-54.17%	-55.09%

Very low	below +-10%	Medium-High	+ -30% to +-40%
Low	+-10% to +-20%	High	+ -40% to +-50%
Medium	+ -20% to +-30%	Very-High	More than +50%

Change in Rainfall Patterns

- Prantij shows the highest exposure, remaining Very High across all scenarios and time horizons.
- Chinchwad, Taloja and Ahilyanagar show Medium to Medium-high exposure, indicating comparatively elevated rainfall-pattern risk.
- Shamnagar and Haldia remain broadly at Medium exposure across scenarios.
- Bawal, Roorkee and Haridwar show Low to Very Low exposure, while Hosur generally remains Low but increases to Medium under some longer-term scenarios.

Change in Temperature Patterns Across Scenarios and Time Horizons

Assessment based on IMD temperature thresholds

Exide manufacturing sites	Short term 2030			Medium term 2040			Long term 2050		
	Pessimistic (SSPS RCP8.5)	Moderate (SSP2 RCP4.5)	Optimistic (SSP1 RCP2.6)	Pessimistic (SSP5 RCP8.5)	Moderate (SSP2 RCP4.5)	Optimistic (SSP1 RCP2.6)	Pessimistic (SSP5 RCP8.5)	Moderate (SSP2 RCP4.5)	Optimistic (SSP1 RCP2.6)
Shamnagar									
Haldia									
Bawal									
Chinchwad									
Taloja									
Ahilyanagar									
Hosur									
Roorkee									
Haridwar									
Prantij									

Temperature Risk Legend (as per IMD)

Very high	High	Medium high
> 45°C Extreme heat/heat wave conditions. High likelihood of severe heat stress impacts on operations, workforce and assets	**38°C to 45°C** High heat stress conditions. Increased risk of operational disruptions and higher cooling and energy requirements.	**34°C to 38°C** Moderate heat stress conditions. Potential for productivity impacts and increased resource requirements.

Note: Temperature change patterns are indicative projections based on IMD temperature thresholds and climate scenarios (IPCC SSP-RCP pathways). Results may vary based on location-specific factors and future emissions trajectories

Change in Temperature Patterns

Temperature is a more widespread risk, with several sites reaching High to Very High exposure, particularly under pessimistic and moderate scenarios.

Bawal and Prantij show the most persistent exposure, remaining Very High across all scenarios and time horizons.

Shamnagar, Haldia and Chinchwad range from High to Very High, indicating significant heat-related exposure.

Ahilyanagar (erstwhile Ahmednagar), Roorkee and Haridwar generally range from Medium-high to Very High, depending on the scenario.

Taloja and Hosur show comparatively lower exposure, largely ranging from Medium-high to High.

Transition Risk Assessment and Response

As the low-carbon transition reshapes regulations, technologies, energy systems and market expectations, Exide assessed climate-related transition risks and opportunities across its value chain. Using International Energy Agency (IEA) scenarios representing differing levels of ambition and policy action, analysis was undertaken for the 2030- and 2050-time horizons across key transition risk categories. The assessment evaluated risks and opportunities related to policy and regulation, technology, market and reputation, supporting informed strategic and decarbonisation planning.

Further details on the transition risk analysis under various IEA scenarios across short- and long-term time horizons are provided in our Climate Action Report.

Combined Transition Risk and Initiative Ranking

Transition risk / initiative	Likelihood	Impact
Carbon regulation / Renewable energy transition	High	High
Battery passport / traceability regulation	High	Medium
Technology substitution (lithium-ion shift)	Medium	High
Market (customer/investor expectations)	Medium	Medium
Reputation	Medium	Medium

Transition Risk Response Themes

- Renewable energy transition
- Circular materials
- Digital Battery Passport readiness
- Traceability and responsible sourcing
- Lithium-ion and BESS expansion
- Workforce transition

Link to Existing ESG Data

Identified risk	Existing response
Water stress	3 ZLD sites; 15% water reuse
Carbon transition	24.2% renewable electricity (FY26)
Raw-material regulation	~79% recycled lead and alloys (FY26)
Traceability regulation	Supplier ESG programme; CMRT-based due diligence
Technology transition	Investment in Exide Energy Solutions Ltd. (lithium-ion)

Strategic and Financial Planning Linkage

Climate change is expected to increasingly shape Exide's business landscape through regulatory requirements, technology evolution, market dynamics, stakeholder expectations and physical climate impacts. These factors may influence operational resilience, cost structures, investment priorities and long-term growth prospects.

At this stage, Exide's climate risk assessment is qualitative and semi-quantitative in nature. Quantified financial impact and capital allocation analysis is being developed for internal strategic planning purposes and will be progressively integrated into future external disclosures as methodologies mature.

Methodology Note

Acute physical risk not related to water	ThinkHazard!
Acute physical risk related to water	WRI Aqueduct Water Risk Atlas
Chronic physical risk	World Bank Climate Knowledge portal

Executive Compensation Linked to Climate-related KPIs

At Exide Industries Limited, climate and sustainability priorities are embedded into leadership accountability. Linking executive performance to climate-related KPIs, including emissions reduction, energy efficiency and resource optimisation, strengthens accountability for delivering the Company's climate ambitions and long-term sustainable growth.

What was improved: Reduced repetition, tightened sentence structure and retained the governance hierarchy, key responsibilities and executive accountability linkage.

Commitment to Collaborative Policy Development

Exide recognises that advancing climate action and supporting the energy transition requires collaboration with industry, policymakers, customers, suppliers and other stakeholders. Participation in industry associations and collaborative forums helps the Company stay abreast of regulatory developments, sustainability trends, technological advancements and stakeholder expectations. These engagements strengthen Exide's climate strategy, disclosures, risk management and business decision-making, while supporting climate resilience and long-term sustainable growth.

1.1.6 GHG Emissions and Carbon Performance

Exide continued to improve its operational emissions performance in FY 2025–26. Scope 1 emissions declined by 8.5% year-on-year to 32,862 tCO_2e, while Scope 2 emissions decreased by 14.4% to 3,00,264 tCO_2e. The reduction was supported by energy-efficiency initiatives, increased renewable electricity use and continued expansion of solar and wind power capacity across operations.

Combined Scope 1 and Scope 2 emissions intensity improved from 26.61 tCO_2e/MAh in FY 2024–25 to 22.46 tCO_2e/MAh in FY 2025–26, representing a 15.6% year-on-year reduction. On a PPP-adjusted revenue basis, Scope 1 and Scope 2 emissions intensity also reduced from 481.43 tCO_2e/USD Cr in FY 2024–25 to 387.35 tCO_2e/USD Cr in FY 2025–26. Renewable energy consumption helped avoid 93,000 tCO_2e during the year.

KPI	FY 2025–26	FY 2024-25	FY2023-24
Total Scope 1 emissions (tCO2e)	32,862	35,896	30,351
Total Scope 2 emissions (tCO2e)	3,00,264	3,50,643	3,40,423
Scope 1 and 2 emissions intensity (tCO_2e/USD Cr, PPP-adjusted)	387.35	481.43	478.28
GHG emissions avoided through renewable energy (tCO_2e)	93,000+	88,000+	82,000+

Total Scope 3 emissions were 7,76,611 tCO_2e in FY 2025–26, down approximately 10.7% year-on-year. Scope 3 emissions intensity reduced from 59.86 tCO_2e/MAh in FY 2024–25 to 52.36 tCO_2e/MAh in FY 2025–26, reflecting a 12.5% improvement. Scope 3 reporting covers 10 categories under the GHG Protocol Corporate Value Chain Standard.

Scope 3 Category	FY 2025–26
Category 1	4,50,374
Category 2	4,818
Category 3	95,927
Category 4 and 9	50,047
Category 5	2,588
Category 6	2,366
Category 7	3,580
Category 8	2,326
Category 12	1,64,584

1.1.7 Energy management

Energy management is embedded within Exide's operational strategy and is supported by dedicated plant-level utility teams, regular performance monitoring and cross-functional improvement initiatives.

The Hosur facility is ISO 50001 certified and the Company is progressively expanding certification to additional manufacturing locations. As part of the ISO 50001 framework, internal and external energy audits are conducted annually to identify opportunities, enhance efficiency and reduce consumption. Key audit parameters include energy planning, operational control, monitoring of Significant Energy Uses (SEUs) and compliance checks. Energy data is monitored quarterly and sites showing high-alerts are internally audited bi-annually or quarterly.

Monthly Business Review Committee meetings are conducted to monitor progress on sustainability initiatives and review performance against energy reduction targets to track progress against the targets.

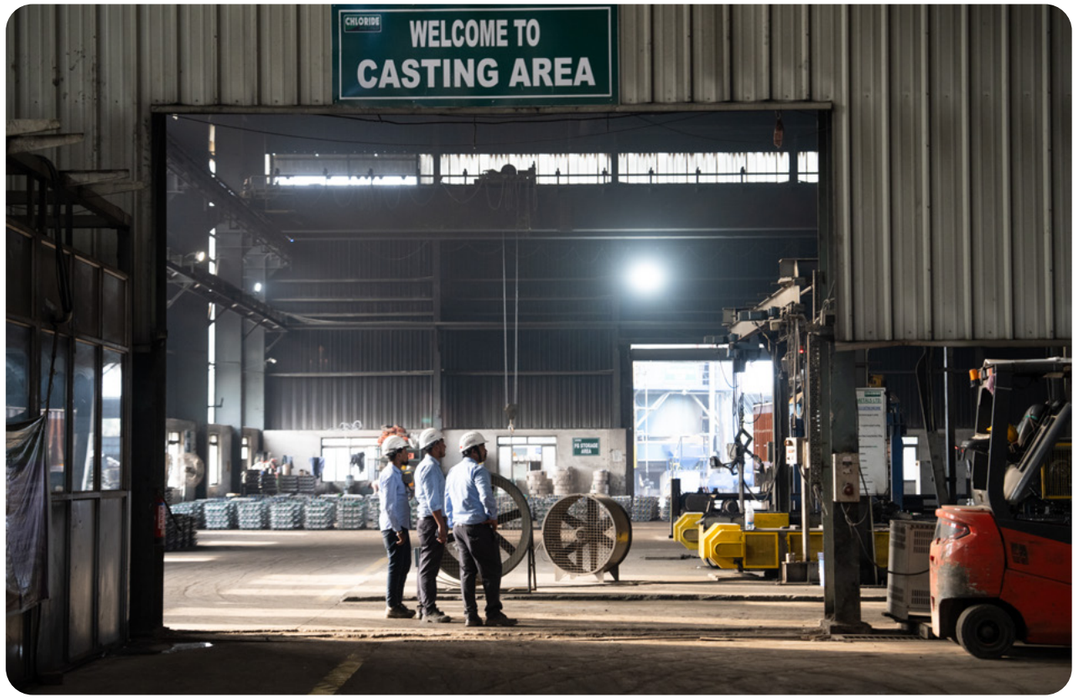
Transition to Concast (continuous casting), adoption of progressive punch plates and advanced manufacturing processes reduced scrap and energy use. ₹ 85 crore was invested in R&D over the last three years to support such innovations. Employee capability and awareness are enhanced through ISO 50001 training, ESG learning modules and operational guidance programmes across the organisation.

During FY 2025–26, Exide implemented 35 energy efficiency projects across its manufacturing network, delivering savings of more than 57 Lakh kWh through initiatives such as pump optimisation, compressed air management, HVAC upgrades, variable frequency drives and process heat recovery.

KPI	FY 2025–26	FY 2024-25	FY2023-24
Total energy consumption (GJ)	25,29,526	27,98,349	27,63,556
Renewable energy share (GJ)	4,74,178	4,35,991	4,17,478
Energy intensity (GJ/USD Cr (PPP-adjusted))	2,941.32	3,485.28	3,561.99

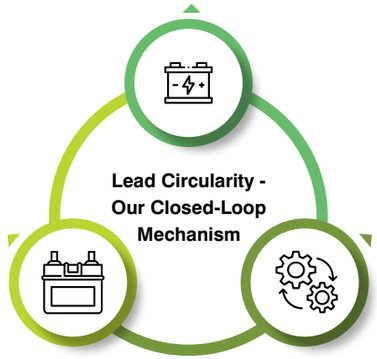
Circularity and waste management

Lead circularity remains one of Exide's most significant sustainability strengths. By recovering battery-grade lead through its in-house recycling infrastructure, the Company reduces reliance on virgin raw materials, lowers upstream value-chain emissions and reinforces a closed-loop manufacturing model that delivers both environmental and economic benefits.



Collection:
Used batteries are collected through authorised dealer take-back programmes, bulk consumer collection and EPR-registered logistics partners

Reintroduction:
Battery-grade lead produced by CML enters Exide's manufacturing process with an equivalent specification to primary lead, enabling direct substitution without process modification.



Processing:
Spent batteries are broken down, lead paste recovered, smelted and refined to battery-grade specification before being returned to Exide's manufacturing operations at Chloride Metals Ltd (a wholly owned subsidiary of EIL).

CML's performance in FY2025-26

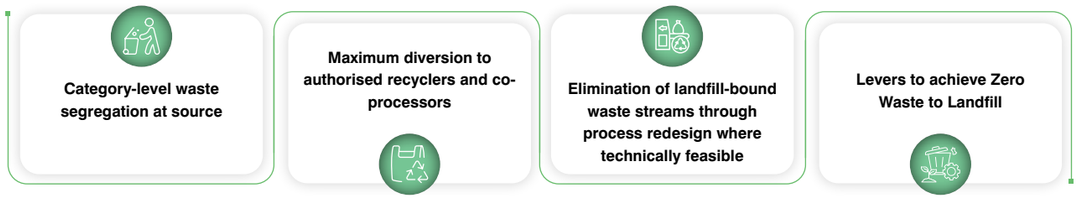
Parameter	FY2025-26
Combined refining capacity for CML facilities	346 KMT
Combined recycled lead as % of manufacturing input	~79% (FY30 target: 80%)
Lead requirements sourced through CML	More than 50%
In-house lead generation growth YoY	More than 11%
Integrated recycling facilities	3

The closed-loop model demonstrates how end-of-life batteries are collected, recycled through Chloride Metals Limited and reintegrated into manufacturing operations. This model reduces dependence on virgin raw materials, lowers lifecycle environmental impacts and strengthens supply-chain resilience.

Other recycled input materials	FY2025-26	FY 2024-25	FY2023-24
Recycled lead content	79.00 %	75.00 %	75.00 %
Recycled plastics	16.00 %	16 %	5.60 %

Exide is compliant under Battery Waste Management Rules (BWMR) 2022. EPR compliance is tracked through the CPCB digital portal. 238.73 K MT of batteries was the target and compiled under EPR compliance in FY 2025–26. The Company complies with the BIS Standards and Battery Waste Management Rules (BWMR), including mandatory filings with the CPCB. All batteries display the BWMR EPR registration number, crossed-out bin symbol and 'Pb (X)' marking to ensure safe disposal.

Four manufacturing facilities achieved Zero Waste to Landfill certification in FY 2025–26, independently assured at reasonable assurance level. The FY30 target is Zero Waste to Landfill across all manufacturing facilities.



The illustration highlights the waste minimisation, segregation, recovery and recycling measures that support Exide's Zero Waste to Landfill programme. Improved waste recovery contributes to resource efficiency, circularity and reduced environmental impacts across operations.

Exide promotes waste reduction and resource efficiency through regular cross-functional EHS audits, which help identify improvement opportunities and drive corrective actions across operations. Audits follow a defined checklist, with observations documented in a structured sheet. Feedback is collected and corrective actions are implemented accordingly. Advanced technologies, including material science, analytical tools and process innovations, support optimised raw material utilization, reduced scrap generation and enhanced product longevity. Collaborations and technology licensing bring global best practices to Indian operations. Product innovations (EFB, AGM, tubular processes) improve efficiency and product life, lowering replacement waste. Employee awareness is reinforced through targeted training on waste segregation, hazardous material handling and responsible disposal practices, fostering a culture of effective waste management across the organisation.

Waste Performance	FY2025-26	FY 2024-25	FY2023-24
Waste Intensity (MT/USD Cr (PPP Adjusted))	75.26	79.74	83.61
Waste Disposed – Landfilling (MT)	2,277.77	2,494.12	1,977.42
Waste Disposed – Other Disposal Method (MT)	12,559.58	9,070.17	11,610.14
Hazardous Waste Footprint (MT)	35,972.73	47,822.31	48,631.59
Waste Recycled/Reused (MT)	49,890.76	51,756.98	51,282.56

Water Stewardship

Water stewardship is a key sustainability priority for Exide, given the role of water in critical manufacturing processes such as cooling, cleaning and electrolyte preparation. This priority is further underscored by the presence of several Company facilities in water-stressed regions, where water availability can pose operational and regulatory challenges. In response, Exide is strengthening its water management practices, improving efficiency and promoting responsible use of this vital resource across its operations.

Exide's Approach to Water Stewardship

Water Use Assessments
Site-level assessments are regularly conducted to identify high-consumption areas and potential efficiency measures across all manufacturing facilities.

High Water Stress Site Management
Each of the three high-stress facilities has a dedicated water management plan built around local hydrological data, seasonal patterns and regulatory requirements. Measures include process substitution, ZLD implementation, rainwater harvesting and digital monitoring of consumption across process sections.

Water Recycling
The company recycles water through condensate and rinse water recovery, multistage filtration and ZLD systems using reverse osmosis and evaporation, achieving a 3% year-onvear increase.

Training and Awareness
Employee awareness and training programmes further reinforce responsible water use, making resource conservation a shared responsibility across operations.

The framework sets out Exide's approach to water stewardship through a combination of efficiency measures, water reuse and recycling, rainwater harvesting and recharge initiatives. These interventions support the Company's ambition to achieve Water Neutrality by 2035, with particular relevance to facilities located in regions facing increasing water-stress risks.

Exide has implemented Zero Liquid Discharge (ZLD) across three manufacturing facilities through approaches tailored to site-specific conditions. At Ahilyanagar and Hosur, ZLD systems use reverse osmosis and evaporation to enable complete wastewater treatment and reuse within the facilities. The dried salt generated through evaporation is sold for further processing, enabling responsible management of residual waste streams. At Chinchwad, ZLD is achieved through process discipline, with water reuse and recycling embedded directly into manufacturing operations rather than relying on end-of-pipe treatment. Across the remaining manufacturing facilities, water treatment systems are maintained to ensure compliance with applicable effluent discharge norms prescribed by the respective State Pollution Control Boards (SPCBs). Exide also enhances wastewater management through Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs), digital monitoring and the reuse of treated wastewater for activities such as gardening. Condensate and rinse-water recovery, multistage filtration and ongoing process improvements further support resource efficiency. Together, these measures contributed to a 9% year-on-year increase in water recycling and reduced dependence on freshwater sources.

Water Performance	FY2025-26	FY 2024-25	FY2023-24
Water Withdrawal (KL)	24,27,028	23,48,995	23,08,905
Water Discharge (KL)	2,59,661	3,05,318	3,24,412
Water Consumption (KL)	21,67,366	20,43,676	19,87,714
Water Consumption Intensity (KL/USD Cr (PPP Adjusted))	2,520.25	2,545.35	2,561.99
Water Recycled and Reused	15%	6%	-
Annual Conservation and Recharge Potential (KL)	More than 6 Lakh	17,500	17,500
ZLD Certified Facilities	3	3	3
Equivalent Daily Water Needs Met	44 lakh individuals	1.3 lakh individuals	1.3 lakh individuals

Biodiversity

Guided by its Biodiversity Policy, Exide aligns its operations with its commitments to protect and conserve biodiversity. None of its manufacturing sites are in or near ecologically sensitive zones, biodiversity hotspots, or areas surrounding IUCN Red List species. While the company does not have a publicly available "no deforestation" commitment, its practices are designed to minimize biodiversity loss and its operations are managed to reduce environmental harm.

Recognising the critical role of biodiversity in sustaining healthy ecosystems, we undertake initiatives that conserve natural habitats, enhance ecological connectivity and support the co-existence of diverse species across our operational landscape.

Nurturing Nature, Enhancing Biodiversity

Our Commitment to a Greener, More Resilient Tomorrow

Development and Maintenance of Water Bodies for Supporting Local Biodiversity

At the Hosur plant, the rainwater harvesting pond has developed into a habitat for a variety of migratory bird species throughout the year. Beyond its role in water conservation, the pond has enhanced habitat diversity within the plant premises and contributed to the ecological value of the site.

KEY BIODIVERSITY BENEFITS

- Habitat for various migratory bird species all year round
- Enhanced habitat diversity within the plant premises
- Improved ecosystem health and ecological balance
- Strengthened biodiversity conservation efforts

Transforming Vacant Land into a Green Ecosystem

In alignment with the Government of Tamil Nadu's directive for red-category industries to develop green cover, Exide initiated the **Kurungadukal Mini Forest Project** to enhance biodiversity and strengthen ecological resilience within its premises.

PROJECT HIGHLIGHTS

- **1 hectare** of vacant land earmarked for mini forest development
- **1,800 Mahogany saplings** planted in collaboration with State Forest Department
- **100% treated sewage water** utilised for irrigation, promoting circular water use
- **480 metres of scrap pipes** repurposed for the irrigation network, supporting resource efficiency

Product Stewardship

Exide integrates product stewardship across its battery portfolio by applying life-cycle thinking to product design, material selection, climate impact assessment, product safety and end-of-life recovery. Assessments of environmental impacts across the product life cycle inform decisions on material efficiency, circularity and the development of next-generation battery technologies, while supporting more transparent product-level environmental disclosures.

The Company aims to complete Life Cycle Assessments for each major product category by FY2030. In June 2024, Exide completed cradle-to-grave LCAs for two representative products: FML5-ML38B20L from the automotive battery category and FE04EP42-12 from the industrial battery category. The assessments were carried out by an independent external agency in accordance with ISO 14040 and ISO 14040/14044, using ReCiPe 2016 Midpoint methodology and SimaPro v9.5.0 software. These products together represented more than 2% of the Company's total turnover.

The assessments found that the use of more than 90% recycled lead in the products helps reduce environmental impacts across key life-cycle stages, particularly from cradle to gate and at end of life. These findings are informing design-for-sustainability considerations, including greater use of recycled materials, opportunities for light weighting, product environmental communication and R&D priorities for next-generation battery technologies.

During FY 2025–26, Exide also conducted a cradle-to-gate Product Carbon Footprint assessment for battery assembly MF68L. The assessment provides greater visibility into product-level climate impacts and supports decisions relating to product design, material efficiency, supplier engagement and customer communication.

Product safety and responsible handling are supported through hazardous substance risk assessments, Material Safety Data Sheets and defined EHS controls for key materials such as lead and sulphuric acid. These measures include safe handling procedures, periodic health surveillance including blood lead testing, product labelling and disposal instructions and compliance with applicable Battery Waste Management Rules, BIS standards and EPR requirements. Batteries carry the prescribed BWMR EPR registration number, crossed-out bin symbol and 'Pb (X)' marking to facilitate appropriate handling and disposal. Its industrial lead-acid traction batteries also comply with applicable EU REACH requirements,

supported by established chemical management practices.

With the potential for ~99% recyclability of lead-acid batteries, Exide actively manages its exposure to hazardous substances through a closed-loop battery recovery and recycling ecosystem. Approximately 79% of lead and lead alloys used are recycled, supported by backward integration with Chloride Metals Limited (CML), Exide's wholly owned subsidiary and one of India's few integrated lead recycling facilities, which enables efficient recovery and reuse of reclaimed lead. This is complemented by an extensive pan-India end-of-life battery collection network, including case-to-case buyback arrangements with large institutional customers, auction-based recovery mechanisms for utility customers and collection of replacement batteries through channel partners for industrial applications such as electric forklifts. The system recovers approximately 70–90% of batteries from the automotive segment and 60–70% from the industrial segment, depending on the collection stream and arrangement.

Raw Materials Programme

Exide follows a responsible sourcing approach that emphasises traceability, sustainability and resource circularity across its raw material supply chain. The Company has established targets to increase the use of sustainably sourced and recycled materials, with progress monitored regularly to support more responsible procurement and strengthen supply chain resilience. Employee training and awareness programmes further embed these principles across relevant functions.

Exide's Responsible Mineral Sourcing Policy commits to conflict-free, duty-free, low-risk mineral procurement. Traceability is supported through Conflict Minerals Reporting Template (CMRT) submissions under the Responsible Minerals Initiative, with 100% of applicable suppliers submitting CMRT data in FY 2025–26. Certificates of origin are required for all lead and lead alloy procurement.

As of March 2026, 80% of suppliers were formally aligned with Exide's Supplier Code of Conduct, providing a framework for responsible business practices across the supply chain.

Raw Materials	FY 2025–26	FY 2024-25	FY2023-24
Plastic Raw Materials Used	34,902	32,852	-
% of Plastic Materials that are Recycled	15.6 %	16.6 %	5.6 %
Aluminium Raw Material Used (MT)	849	781	779
% of Materials that are Recycled	0%	0%	0%
Copper Raw Material Used (MT)	452	683	515
% of Materials that are Recycled	0%	0%	0%
Iron and Steel Used (MT)	5,127	6,200	7,106
% of Materials that are Recycled	0%	0%	0%

Looking Ahead

As Exide progresses towards its Net Zero 2050 ambition, the next phase of its environmental agenda will focus on increasing renewable energy adoption, advancing circular resource management and strengthening resilience to climate-related risks. Technology, operational discipline and responsible resource management will remain central to these efforts, enabling the Company to integrate environmental considerations more deeply into its operations and supply chain while supporting resilient business growth.

CHAPTER 2

Social Performance

Exide's social agenda is centred on creating a safe, supportive and capable workforce equipped to meet the changing needs of its business. The Company invests in technical and functional capabilities, continuous learning and leadership development to help employees adapt to evolving technologies and strengthen operational capabilities. These efforts are complemented by a focus on employee well-being and workplace safety, reinforcing a culture in which people can develop their skills, contribute effectively and take on greater responsibilities.

Workforce

KPI	FY2025-26	FY2024-25
Total Workforce	20,383	20,694
New Hires	538	503
New Hires (Below 30 Years)	46.84%	49.90%
Employee Turnover Rate	22.64%	20.46%

Diversity and Inclusion

KPI	FY2025-26	FY2024-25
Women in Workforce	2.36%	2.38%
Women in Management	4.46%	4.63%
Differently Abled Employees and workers	67	36

Health and Safety

KPI	FY2025-26	FY2024-25
Employee Fatalities	0	0
Contractor Fatalities	0	0
LTIFR (Workers)	0.02	0.10
ISO 45001 Certified Facilities	100%	100%
EHS Training Hours	1.98 lakh+	1.23 lakh+

Community

KPI	FY2025-26	FY2024-25
CSR Beneficiaries	4.05 lakh+	3.75 lakh +
Employee Volunteering Hours	17,500+	18,000+
Women Screened Under Aarogya	2,000+	-

Learning and Development

KPI	FY2025-26	FY2024-25
Total Training Hours	4.4 lakh + man-hours	5.70 Lakh man-hours
Employees Covered by Performance Reviews	100%	100%
Workforce Covered by Human Rights Training	~85%	33.21%

Workforce

Exide's workforce comprised more than 20,000 people as at 31 March 2026, including permanent employees, fixed-term employees and contractual workers across 11 manufacturing facilities and corporate functions. During FY 2025–26, the Company hired 538 new permanent employees, of whom 47% were below 30 years of age, supporting the development of a diverse and future-ready workforce.

Employee Category (FY2025-26)	Male	Female	<30 years	30-50 years	>50 years	Total
Permanent Employees	2,313	108	413	1,674	334	2,421
Other than Permanent Employees	2,182	58	741	1,384	115	2,240
Permanent Workers	2,712	10	77	2,106	539	2,722
Other than Permanent Workers	12,693	307	7,211	5,290	499	13,000
Total Workforce	19,900	483	8,442	10,454	1,487	20,383

Employee Hiring and Turnover	FY2025-26	FY2024-25	FY2023-24	FY 2022-23
Total Number of New Hires	538	503	580	575
Total Positions Filled by Internal Candidates	13%	8.04%	7.05%	6.5%
Average Hiring Cost per FTE (INR)	19,615	77,611	43,995	71,886
Total Employee Turnover Rate	22.64%	20.45%	22.28%	15.80%
Voluntary Employee Turnover Rate	21%	19%	21%	20%

Total Hires by Gender and Age Group

Total Turnover Rate by Gender and Age Group

Diversity

Female representation in permanent employment was nearly 4.5% in FY 2025–26, 5.7% improvement against the baseline year, on a trajectory toward the 15% FY 2029-30 target. Structural interventions include targeted campus hiring from technical institutions with higher female enrolment, manufacturing role redesign to reduce physical-load barriers and early-career mentoring. 67 differently-abled employees work across the organisation, 168% increase against the baseline.

Inclusive Talent and Caregiver Support | FY 2025–26

50%

Work-from-Home Arrangements for New Mothers

Work from home arrangements extended to new mothers in their first year of return.

150

Kaushal Graduates Placed

Programme graduates with disabilities placed in manufacturing and operations roles.

Sampurna

Launched on International Women's Day 2026, Sampurna is Exide's dedicated digital community for women employees, enabling peer networking, experience sharing and meaningful dialogue on personal and professional growth.

Diversity Indicators FY2025-26

Share of Women in Total Workforce	2.36 %
Share of Women in all Management Positions, Including Junior, Middle and Top Management	4.46 %
Share of Women in Junior Management Positions	4.46 %
Share of Women in Top Management Positions, i.e. Maximum Two Levels Away from the CEO or Comparable Positions	3.90 %
Share of Women in Management Positions in Revenue-generating Functions (e.g. Sales)	2.58 %
Share of Women in STEM-related Positions (as a Percentage of Total STEM Positions)	1.53 %

Training and Development

Key Learning and Development Initiatives Include

Learning and Development Ecosystem | FY2025–26

Build Internal Capability

Train the Trainer: Strengthens the internal learning ecosystem by enabling employees to lead training sessions across the organisation.

Strengthen Shop-floor Skills

Gurukul Training Centre: Provides hands-on technical training to equip shop-floor workers with practical skills and confidence.

Training for Contractual Workers: Focused health, safety and skill programmes to improve workplace safety, technical capabilities and employability.

Enable Digital Transition

Digital Transition Training: Develops proficiency in Industry 4.0 tools and WMS, supporting greater efficiency, traceability, inventory management and process optimisation.

Develop Future Leaders

Exide Elevate: Mentor-mentee programme supporting leadership development, knowledge sharing, career guidance and engagement.

Lead@Exide: Flagship leadership programme prepare mid-level managers for future roles and strengthening the talent pipeline.

Enhance Market Readiness

Sales Academies: Specialised training in sales, service, product knowledge, SAP and business excellence to improve performance and customer engagement.

Promote Culture and Well-being

Cultural and Well-being Initiatives: Festivals, cultural events and International Yoga Day promote inclusivity, well-being and belonging.

In addition to its structured learning programmes, Exide provides mandatory virtual training modules to employees on a half-yearly basis. The modules cover areas including Prevention of Sexual Harassment (POSH), human rights, data security, ABAC, cybersecurity and data protection, helping employees remain informed about key workplace responsibilities and risks.

During FY 2025-26, the Company invested INR 0.19 Crore in employee training and development, translating to an average training cost of INR 369.43 per FTE. This investment was largely directed towards internally driven capability-building initiatives, including OHI dissemination programmes, digital learning platforms enabling contactless training and train-the-trainer programmes. These initiatives equip employees to serve as internal trainers, facilitating knowledge sharing across locations while enabling wider employee participation and cost-efficient delivery.

Average Training Hours (per person)

Permanent Employees	10.9 hours
Permanent Workers	12.3 hours

Employee Engagement and Support

Exide's approach to employee engagement centres on creating an environment where employees can communicate openly, access leadership and feel recognised for their contributions. The Company supports this through structured engagement platforms, employee recognition initiatives and well-being programmes that encourage collaboration, connection and a positive workplace experience. These efforts complement its learning and development initiatives by supporting employee well-being, participation and a cohesive organisational culture.

Workplace Stress Management

Exide Industries Limited promotes employee well-being through health and wellness initiatives, including doctor consultations, yoga sessions, mindfulness programmes and EQ Edge workshops that enhance emotional resilience, stress management and workplace effectiveness.

Sports and Health Initiatives

The Exide Premier League (EPL), now in its 7th edition, is not just a sporting event but a celebration of collaboration and connection. Competitions in cricket, badminton, table tennis and carrom encourage participation, collaboration and team spirit.

Work from Home Arrangement

Exide Industries Limited offers a supportive hybrid working policy exclusively for young working mothers. Under this policy, young mothers 50% work from home for the first year after maternity leave and 7 WFH days per month until the child turns five-year-old.

Flexible Working Hours

The Company also supports workforce flexibility through emergency shift adjustments and statutory compensatory leave for employees working on scheduled days off.

Employee Communication

Structured forums and dialogue platforms such as Dhaaga, Manthan and Here 2 Hear (H2H) provide channels for employees to share ideas, raise concerns and engage in open dialogue. These platforms are supported by transparent grievance mechanisms to facilitate timely resolution of workplace concerns.

Childcare/Daycare Facilities

To support employees with caregiving responsibilities, the Company has established daycare facility arrangements and childcare tie-ups across its operations in India. These arrangements comply with applicable labour regulations and provide employees with convenient access to childcare services.

Key FY2025–26 Outcomes | Employee Engagement and Support

Recognition and Culture

Launched the inaugural One Exide Awards, attracting 500+ nominations across functions and businesses, alongside continued recognition through YDI and YDI+ programmes.

Learning and Development

Executive Committee Town Halls were conducted across locations, while Heart-to-Heart sessions strengthened employee-leadership dialogue.

Leadership Engagement

Exide Elevate was expanded during the year, while LinkedIn Learning was introduced for selected employee groups. Sales Gurukul reached more than 1,000 employees and approximately 2,000 field associates. Employee Resource Groups (ERGs) provided platforms for employees to connect and collaborate.

Wellbeing

EQ Edge workshops, the Wellness Journey initiative and yoga and mindfulness programmes supported emotional intelligence, resilience and employee wellbeing across locations.

Communication

Dhaaga, Manthan and Shop floor Forums strengthened two-way communication, employee participation and structured workplace dialogue.

Talent and performance management

Exide Industries Limited drives performance and talent development through a structured appraisal system, aligned key result areas (KRAs), continuous feedback, leadership competency assessments and succession planning initiatives to identify and nurture high-potential employees. Performance appraisals are conducted via SAP SuccessFactors for all management staff twice a year. Individual KRAs are aligned with both vertical-specific objectives and broader organisational goals. The appraisal process includes self-assessment, manager review and feedback validation and cannot be completed until the assessed employee acknowledges receipt and discussion of feedback. Multidimensional appraisals are conducted for middle management and cross-functional collaboration is a key evaluation metric. Feedback is ongoing throughout the year, with managers trained in delivering constructive feedback.

Through the Exide Elevate Programme, future leaders were identified across functions through a comprehensive, merit-based assessment process, including 360-degree feedback, interviews and performance evaluations. A structured mentor–mentee programme further supports their leadership development and career growth.

Through the People Committee, employees are assessed using the 9-Box Grid to identify talent and potential. High-potential employees are supported through Individual Development Plans and structured review processes to support their growth and readiness for future roles.

Aspirational Bonus Programme

Selected leadership positions are covered in performance-linked Aspirational Bonus programmes tied to the achievement of strategic business, operational and sustainability objectives, supporting long-term value creation and leadership accountability.

Employee Satisfaction Survey

Exide utilises employee feedback to drive meaningful organisational improvements. Driven by the insights and aspirations gathered from the Organisational Health Index (OHI) survey, the organisation implemented several strategic initiatives during the financial year to enhance workplace satisfaction and employee wellbeing.

Key Actions Initiated from Survey Feedback

Workspace Enhancements:

Several regional workspaces were specifically redesigned to foster a more engaging, productive and supportive working environment.

Inclusivity and Communication:

The organisation strengthened its commitment to an inclusive workplace by introducing sign language support for shop floor supervisors, significantly improving communication with hearing and speech-impaired employees.

Educational Advancement:

In direct response to employee aspirations identified in the survey, a Higher Education Assistance Policy was introduced for management staff. This policy co-sponsors relevant educational courses for consistent performers across all hierarchies to support their continued growth and development.

Survey Feedback Theme	Actions Taken / Underway
Communication	✓ Townhalls and skip level meetings ✓ Business review meeting (BRM) and dashboards ✓ Transparency in performance review process through detailed letters issued
Reward and Recognition	✓ One EIL Awards and Exide Star Performer Awards ✓ Increased performance bonus pay-out for High Performers upto 130% ✓ Higher education assistance policy
Capability Building	✓ People committees for all Functions ✓ GWE for internal career opportunities (~ 30% through GWE) ✓ Sales Gurukul
Work Environment	✓ HO 2.0 and Revamp of Zonal / Regional Offices ✓ Standardization in work-station allocation ✓ 15 Days mandatory leave as per new leave policy
Others	✓ Standard 'Job Levels' across all Functions and roles ✓ Parental insurance coverage ✓ Feedback from all New and Exited employees
Work-in-Progress	✓ Assessment / Development Centre (Leadership role holder) ✓ Travel portal ✓ SAP payroll for payroll transparency ✓ E-University

Labour practices

Exide Industries Limited is committed to upholding strong labour practices and human rights across its operations and value chain. Guided by a comprehensive Human Rights Policy applicable to its own workforce, suppliers, contractual labour and business partners, the company ensures respect for fundamental rights and fair labour standards. Through dedicated programmes, initiatives and ongoing monitoring, Exide actively promotes safe working conditions, non-discrimination, fair wages and freedom of association, demonstrating its commitment to ethical labour practices throughout its ecosystem.

Following are some of the practices that the company adopts to maintain its commitment to fair labour practices:

1

Wages Aligned with Cost of Living

Exide Industries Limited ensures that all employees, including contractual workers, are paid wages above the minimum levels prescribed by the respective state governments. In compliance with the Minimum Wages Act, 1948, the company upholds fair pay practices that support a basic standard of living for workers.

2

Working Hours and Overtime Compliance

Exide Industries Limited monitors working hours through a biometric system to ensure compliance with the statutory limits under the Factories Act, 1948. Employees are fairly compensated for overtime, in adherence to all applicable labour laws.

3

Ongoing Engagement with Workers' Representatives

Exide Industries Limited maintains ongoing engagement with workers' representatives through regular Safety Committee and Works Committee meetings at the plant level. These forums facilitate open dialogue on working conditions, employee well-being and workplace safety, ensuring collaborative resolution of concerns.

4

Freedom of association and collective bargaining

Exide Industries Limited supports freedom of association and collective bargaining, with employee trade unions actively functioning across its operations. The company maintains regular engagement with union representatives to address worker concerns and strengthen dialogue. It also conducts periodic training for union members on human rights, labour laws, employee benefits and workplace procedures to promote informed participation and mutual understanding.

5

Promote Equitable and Inclusive Workplace Benefits

Exide Industries Limited maintains a zero tolerance policy towards any form of discrimination or harassment based on gender, race, nationality, or cultural background, besides being committed to fair and equitable pay practices. In addition to statutory benefits like Provident Fund and Gratuity, all employees are provided with enhanced social protection, including access to medical services, insurance coverage and other welfare benefits.

6

Workforce Reskilling for Industrial and Climate Transitions

Exide Industries Limited actively engages in workforce reskilling and upskilling to prepare employees for changes driven by industrial advancements and the climate transition. Training programmes focus on emerging technologies, energy-efficient practices and sustainable operations to ensure employees remain adaptable and future-ready.

Gender-pay indicators

Employee level (Annual) - INR	FY2025-26		FY2024-25	
	Avg. female salary	Avg. male salary	Avg. female salary	Avg. male salary
Executive level (base salary only)	22,44,912	31,10,798	21,33, 780	35,41,920
Management level (base salary only)	5,28,844	5,28,188	5,13,168	5,20,392
Non-management level (base salary only)	1,65,132	1,44,504	1,62,228	1,44,276

Labour Practices Performance – FY2025–26

KPI	FY2025-26
Employees Covered by Performance Reviews	100%
Workforce Covered by Human Rights Training	~85%
POSH Training Coverage	82%
Anti-Bribery and Anti-Corruption Training Coverage	81%
Code of Conduct Training Coverage	78%
Manufacturing Facilities with Recognised Worker Unions	All applicable facilities

Human rights in operations

Exide Industries Limited is committed to upholding fundamental human rights across all its operations, guided by a comprehensive Human Rights Policy. This policy aligns with international standards, including the International Labour Organisation (ILO) conventions and the SA8000 social accountability framework, ensuring respect for labour rights, fair treatment and safe working conditions throughout the company and its supply chain.

Exide Industries Limited conducts thorough Human Rights due diligence as part of its commitment to responsible business practices, leveraging the SMETA (SEDEX Members Ethical Trade Audit) certification process. This comprehensive audit framework helps identify actual or potential human rights issues such as child labour, forced labour, discrimination, unsafe working conditions and unfair wages. The due diligence process particularly focuses on vulnerable groups at risk, including contract workers, migrant labourers, women and other marginalised populations within the workforce. By proactively addressing these risks, Exide ensures compliance with international labour standards and fosters a safe, fair and inclusive working environment across its operations and supply chain. The SMETA audits take place annually. At present, two of its core battery manufacturing facilities have obtained this certification. The Company is in the process of expanding the certification to the rest of its manufacturing units.

Exide Industries Limited is committed to respecting and promoting human rights across its operations and value chain, guided by its Human Rights Policy and aligned with internationally recognised principles, including relevant ILO conventions and the SA8000 social accountability framework.

The Company has initiated a structured approach towards internal Human Rights Due Diligence across 100% of its operations. These audits focus on key human rights-related issues such as adherence to contract labour laws, provision of compulsory off time and weekly offs to workmen, prevention of excessive overtime and working hours, prohibition of child and forced labour and timely payment of wages to contract employees, among others etc. The Company conducts periodic reviews of its human rights risk mapping framework to identify, assess and address emerging and potential risks.

These mechanisms support the identification and management of human rights risks relating to labour practices, discrimination, working conditions and employee welfare across its operations and selected value-chain partners.

While a formal enterprise-wide Human Rights Due Diligence programme is still evolving, Exide intends to progressively strengthen its approach through expanded risk assessments, enhanced monitoring mechanisms and deeper value-chain engagement in alignment with emerging stakeholder expectations and recognised human rights principles.

Human Rights Due Diligence and Mitigation Framework

100%
Own operations audited annually

Internal audits cover human rights obligations and related certification requirements across Exide's operations.

Risk areas monitored

Potential or actual issues such as excessive working hours, wage-related non-compliance and lack of representation are identified and addressed through targeted mitigation measures.

Corrective Action Plans

CAPs are developed post-audit, following SMETA assessments, with clear timelines, ownership and accountability.

Capacity Building

Supplier and employee training covers labour rights, anti-discrimination and ethical recruitment practices.

Remediation Channels

Grievance redressal forums, whistle-blower channels, the Grievances Portal and the Apex Grievance Redressal Committee support confidential and timely resolution.

Monitoring and Policy Reinforcement

Regular follow-ups ensure closure of non-conformances and prevention of recurrence, supported by mandatory adherence to the Human Rights Policy, Employee Code of Conduct and Supplier Code of Conduct.

Human rights parameters for own operations	FY2025-26	FY 2024-25	FY2023-24
% of total site assessed through third party audit	20%	20%	-
% of total sites assessed where risks were identified through third-party audit	0%	0%	-
% of risk with mitigation action taken through third party audit*	NA	NA	NA

*Employee and workmen grievances are addressed through robust internal mechanisms, including the HERE2HEAR (H2H) platform, which enables QR code-based and anonymous reporting of concerns such as discrimination, harassment and safety. Reported issues are reviewed by cross-functional committees at each factory and tracked through structured resolution processes, reducing the need for third-party audit-based mitigation.

Human Rights Performance

KPI	FY2025-26
Operations Covered through Internal Human Rights Due Diligence	100%
Workforce Covered by Human Rights Training	~85%
Upstream Value Chain Partners Covered by ESG Programmes	~79%

Occupational health and safety

Exide Industries Limited's Environment, Health and Safety (EHS) framework is built on vigilance, accountability and proactive risk management. The company empowers its workforce through strong leadership support, structured training and continuous development initiatives. OHS considerations are also integrated into procurement and contractual processes, with vendor purchase orders requiring ISO 45001 certification and the establishment of health and safety targets.

All our facilities are ISO 45001 certified and our OHS management system consists of the following:

Risk Identification and assessment

Hazards are identified using the HIRA (Hazard Identification and Risk Assessment) framework and all plants follow Standard Operating Procedures (SOPs) for safety, including hazardous chemical handling and PPE usage.

Monitoring, evaluation and audits

The company regularly evaluates progress against defined health and safety targets to track improvements and risk reduction. This includes structured internal inspections and independent external audits as part of its ISO 45001:2018 certification. Certified third party agencies conduct external verifications to ensure robust OHS compliance and continuous improvement.

Incident investigation and reporting

Exide Industries follows a robust safety framework with daily KRA tracking and monthly MIS reports for real-time monitoring. Major incidents undergo root-cause analysis, supported by ISO 45001:2018 certification and regular audits to ensure strong OHS compliance.

Emergency preparedness and risk mitigation

Exide Industries Limited has a well-defined Emergency Response Plan in place across all manufacturing locations, covering scenarios such as fire, chemical spills and natural disasters.

Training and awareness

Exide Industries Limited leverages data from Unsafe Acts/Unsafe Conditions (UA/UC) reports and employee feedback to recalibrate its safety trainings and strengthen operational controls. Regular OHS training is conducted for employees, contractual staff and relevant stakeholders to build awareness, reinforce safe behaviour and reduce workplace incidents.

Supplier Health and Safety Compliance

Exide Industries Limited incorporates ISO 45001 health and safety criteria directly into its Purchase Orders to ensure alignment with global OHS standards. Additionally, health, safety and overall working conditions are key parameters in the Company's supplier onboarding and ESG assessment frameworks.

Our health and safety scorecard – past 4 years trend

KPIs	Employee category	FY2025-26	FY 2024-25	FY2023-24	FY2022-23
Fatalities	Employees	0	0	0	0
	Contractual workers	0	0	1	0
Lost Time Injury Frequency Rate (incidents/1000000 hours worked)	Employees	0	0	0	0
	Contractual workers	0.02	0.10	0.12	0.06
Unsafe Conditions Unsafe Actions (UCUA)	Employees and Contractual workers	96%	92%	87%	92%

FY2025–26 Safety Highlights

0
Fatalities
Among employees and contractual workers.

0.02
LTIFR for workers
Reduced during FY2025–26 (80% improvement YoY)

100%
Certified facilities
Manufacturing facilities certified to ISO 14001 and ISO 45001.

1.98 lakh+
EHS training hours
Completed across the organisation.

96%
UCUA closure rate
Closure of Unsafe Conditions and Unsafe Actions.

Structured safety governance
Strengthened through HIRA, Safety Champions and cross-functional Safety Committees.

Looking Ahead

Building on the progress achieved during FY2025–26, Exide will continue strengthening workforce capability, diversity, employee wellbeing and responsible labour practices across its operations and value chain. The Company will focus on advancing a safe and inclusive workplace, enhancing learning and leadership development opportunities, strengthening human rights and labour governance mechanisms and fostering greater employee engagement through continuous dialogue and wellbeing initiatives. Through these efforts, Exide remains committed to creating a resilient, future-ready workforce that supports long-term sustainable growth.

CHAPTER 3

Ethical Governance Practices

Exide is committed to upholding the highest standards of ethical conduct, integrity and accountability across its operations. Through robust governance frameworks, well-defined policies and a strong culture of compliance, the Company promotes responsible decision-making and transparent business practices. Regular awareness programmes, leadership oversight and effective grievance and whistle - blower mechanisms empower employees and stakeholders to act ethically, fostering trust, safeguarding stakeholder interests and reinforcing long-term sustainable value creation.

Integrity-Led Governance

Transparency is the cornerstone of Exide's philosophy and the Company adheres to all corporate governance requirements in both letter and spirit. Listed on the NSE, BSE and CSE, Exide ensures that all Directors, Key Management Personnel and Senior Management Personnel comply with the approved Code of Conduct for the Board of Directors and Senior Management Personnel, in line with Regulation 16(1) (b) of SEBI (LODR) Regulations. The Company's commitment to good governance centres around a three-tier Board system, emphasising a disciplined and strategically focused Board of Directors, with both executive and non-executive Directors serving on a single Board.

Exide Industries Limited complies with the requirements of the Companies Act regarding the composition of Independent Directors on its Board. Since the Chairperson is a non-executive independent director, more than one-third of the Board comprises of independent members. These directors have no material or pecuniary relationship with the Company, its promoters, or its management, thereby safeguarding their independence. The Company is also proud to disclose that it has reported zero cases of bribery, corruption, discrimination or harassment, breach of customer privacy, money laundering and conflict of interest during the reporting period.

A Board Built on Accountability, Diversity, Expertise and Integrity

As at 31st March 2026, the Board of Directors of the Company was duly constituted with a balanced mix of four Executive Directors and five Non-Executive Directors. Of the five Non-executive Directors four are Independent Directors (including a woman Independent Director).
As of 31 March 2026, the Board comprised nine members, chaired by an Independent and Non-Executive Chairman.

Board Composition Snapshot | FY2025–26

9
Board members
Balanced mix of executive and non-executive directors.

4
Executive directors
Operational leadership represented on the Board.

4
Independent directors
Includes the Independent, Non-Executive Chairman.

1
Non-Independent and Non-Executive director
Cross industry experience

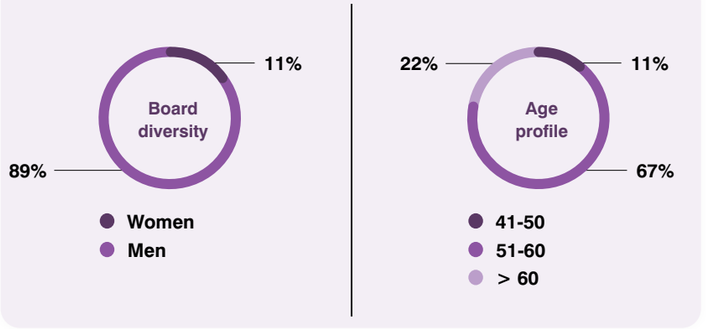
Board Membership by Role

Independent, Non-Executive
- Mr. Sridhar Gorthi — Chairman
- Mr. Surin Kapadia
- Ms. Radhika Govind Rajan
- Mr. Jaidit Singh Brar

Executive Directors
- Mr. Avik Kumar Roy
- Mr. Manoj Kumar Agarwal
- Mr. Rajeev Ramesh Khandelwal
- Mr. Pravin Ramchandra Saraf

Non-Independent, Non-Executive
- Mr. Rajan B Raheja

Board Diversity Marker
1-woman Independent Director



The Company believes in and actively embraces the value of a diverse Board, recognising that diversity in skills, industry experience, expertise, background and gender is a key factor in sustaining a competitive edge. These dimensions are considered when determining the optimal composition of the Board. The Company incorporates a comprehensive clause on Board diversity within its Nomination and Remuneration Policy. This policy is publicly available and can be accessed on the Company's website at: NOMINATION AND REMUNERATION POLICY.

The NRC also oversees the remuneration of the CEO and Whole-time Directors, comprising fixed pay, performance-linked variable remuneration, retiral benefits and other perquisites. Variable pay of the CEO is linked to key performance parameters such as sales growth, profitability, cost optimisation and innovation. The Company's Nomination and Remuneration Policy includes a clawback provision to recover excess remuneration in cases of financial restatements arising from fraud, misconduct, or material non-compliance.

Board remuneration remains below 2% of net profit, well within the statutory limit of 11%. There is currently no requirement for shareholding by the CEO or members of the Executive Committee. Neither the Company's policies nor applicable regulations currently mandate shareholding by the CEO or other members of the Executive Committee.

Exide Industries Ltd. operates in the Auto Components and Industrial Energy Storage sector (GICS 2510). The Board's composition reflects a balance between direct sector experience and complementary expertise in finance, legal and strategy. The Board's average tenure stands at 6.30 years.

Skills / Expertise	Sridhar Gorthi	R.B. Raheja	Avik Roy	Surin Kapadia	Radhika G Rajan	Jaidit Brar	Manoj Agarwal	Rajeev Khandelwal	Pravin Saraf
Leadership and General Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Industry and Sector Experience — Auto Components / Energy Storage / Industrial Manufacturing		✓	✓	✓		✓	✓	✓	✓
Global Business and International Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial, Regulatory, Legal and Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology and Digital	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sales, Marketing and Brand		✓	✓					✓	
ESG, Sustainability and Energy Transition			✓		✓	✓			✓

Five of nine Board members bring direct or strongly adjacent experience in Auto Components, Industrial Manufacturing or Energy — Exide's primary GICS classification:

1. **Battery manufacturing and energy systems (Avik Roy)**
2. **Industrial manufacturing and supply chain (Pravin Saraf)**
3. **Industrial sector and business operations (R.B. Raheja)**
4. **Industrial and energy sector advisory (Jaidit Brar)**
5. **Finance leadership in capital-intensive manufacturing organisations (Manoj Agarwal)**

The remaining directors contribute complementary expertise in corporate law, capital markets and financial advisory that strengthens the Board's overall governance capability.

The Company has several strategies in place to ensure that its Board of Directors acts in the best interests of the Company and its stakeholders—primarily shareholders, by overseeing management, ensuring effective governance and being accountable for their decisions and actions.

Board attendance

The Board usually meets four times a year, as mandated by SEBI (LODR) Regulations, at the end of every quarter. **The average Board attendance during the reporting period was more than 99%.**

Ethics and compliance

Governance processes are embedded in board policies and procedures, ensuring ethical conduct across all levels. Our whistle-blower mechanism ensures anonymity, covers external stakeholders and enforces zero tolerance for retaliation, reinforcing transparency and accountability across all levels.

Board oversight and internal controls

To uphold transparency and avoid conflicts of interest, related party transactions with wholly owned subsidiaries are approved by the Board/Audit Committee despite applicable exemptions. In-house governance is strengthened by re-aligning the Delegation of Authority matrix.

Succession planning

The NRC, in collaboration with the HR team, oversees Board and senior leadership succession planning to ensure leadership continuity and long-term organisational stability. **The roles of the Chairman and the Managing Director and CEO remain clearly defined and have been distinct for over 15 years.**

Board election process

Directors are appointed or re-appointed by the Board based on the recommendations of the NRC and with shareholder approval. In accordance with the Company's Articles of Association and the Companies Act, all Directors, except the Managing Director and Independent Directors, retire by rotation and are eligible for re-appointment.

Strengthening Resilience Through Effective Risk Management

Exide's Enterprise Risk Management (ERM) framework provides a structured approach to identifying, assessing and mitigating risks across the business. By integrating key internal and external risk factors with strategic growth priorities, the Company strengthens its ability to navigate a dynamic and evolving business environment, enhance resilience and safeguard long-term value creation.

Our Risk governance structure is as outlined below:

1 Board of Directors

The Board of Directors is responsible for reviewing and guiding the risk policy of the Company and ensuring that the framework aligns with the organisation's strategic direction

2 Risk Management Committee

A dedicated Board level committee oversees the Company's risk management process and controls including periodic review of risk assessment and oversight of various risks such as strategic risk, market risk, climate risk, ESG risk, cybersecurity risk etc

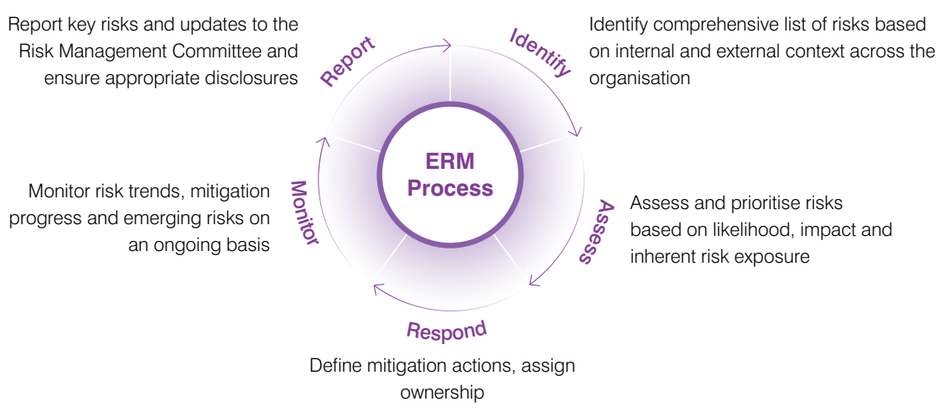
3 Executive Committee

Risk management and compliance oversight (top-down): Comprising senior leadership, this function is responsible for key risk evaluation and the escalation of critical risks and issues to the Board, as well as setting control standards and ensuring compliance with them.

4 Functional risk owners

Operational risk ownership (bottom-up): Business unit heads and functional leaders act as risk custodians, accountable for identifying, assessing and managing risks in their domains.

Our ERM process



Risk management and review process

Exide's Enterprise Risk Management (ERM) framework has evolved over the years and is aligned with globally recognised standards, including ISO 31000 and COSO. Oversight is provided by the Risk Management Committee, which reviews key risks on a quarterly basis through structured risk registers and management discussions. The framework enables the identification, assessment and prioritisation of operational, financial and strategic risks, supported by a comprehensive 5×5 risk matrix that evaluates risks based on their likelihood and potential impact.

Key elements of Exide's ERM framework include:

- **Structured Risk Identification:** Risks are systematically identified, documented and assessed for their sources and potential business impacts through a comprehensive risk register.
- **Risk Assessment and Prioritization:** Risks are evaluated using a structured methodology that considers likelihood, impact, business relevance and geographic exposure. A 5×5 risk matrix enables effective prioritisation of critical risks.
- **Risk Appetite and Mitigation:** The Company adopts appropriate risk response strategies, including avoidance, acceptance, reduction, or sharing of risks. The dedicated Risk Office, led by the Chief Risk Officer, works closely with functions such as Legal, Information Security, EHS and Manufacturing Operations to manage identified risks.
- **Periodic Review and Monitoring:** Risks, mitigation actions and emerging concerns are reviewed regularly to ensure continued alignment with business objectives and evolving risk landscapes.
- **Governance and Accountability:** Senior leadership actively participates in risk management, with clear ownership, action plans, resource allocation and timelines established for key risks.
- **Documentation and Reporting:** Risk assessments, decisions and mitigation measures are systematically documented to enhance transparency, traceability and compliance.

The Board of Directors, Audit Committee and Risk Management Committee provide ongoing oversight to ensure the effectiveness of risk controls, mitigation measures and the overall risk management framework.

Building a Risk-Aware Culture

Exide continues to strengthen a proactive risk-aware culture by embedding risk management practices across leadership and operational processes. Key initiatives include:

- **Board and Leadership Capacity Building:** Focused training programmes for Independent Directors on the Company's risk management framework, cybersecurity and emerging business risks.
- **Risk-Integrated Product Development:** Risk assessment is embedded throughout the product development lifecycle, supported by OEM feedback, product benchmarking, field testing, stress testing and battery performance evaluations to identify and mitigate technology and commercialisation risks.
- **Enterprise-Wide Awareness:** Regular risk management training equips employees across functions to identify, assess and manage a broad spectrum of operational, strategic and emerging risks.

Emerging risks

Exide Industries Limited, a leading battery manufacturer in India, is operating in a dynamic environment

marked by technological disruption, tightening environmental regulations and shifting energy trends. In view of the above, the company has identified the following as the emerging risks that could significantly impact its business in the near-term:

1. Cybersecurity Securing AI-Driven Manufacturing Systems

- **Risk Description:** Ensuring cybersecurity in the manufacturing industry during AI adoption requires a multi-layered strategy that balances innovation with risk management. Manufacturing environments are particularly vulnerable due to the mix of legacy systems, operational technology (OT) and increasing connectivity. As AI adoption accelerates, safeguarding sensitive data, protecting industrial control systems and ensuring operational continuity become critical priorities, demanding proactive defences and continuous monitoring.
- **Impact on Business:** AI system vulnerabilities can have significant operational and financial consequences. Faulty predictions or compromised AI models may cause production stoppages, increased downtime and higher maintenance costs. Inaccurate defect detection can result in substandard products reaching customers, leading to warranty claims, reputational damage and potential regulatory non-compliance. Moreover, overdependence on unreliable AI systems can reduce workforce confidence in digital transformation initiatives, slowing down adoption and innovation.
- **Mitigation measures:** To mitigate AI system vulnerabilities in manufacturing, companies should adopt a layered approach combining strong cybersecurity and governance. This includes pre-deployment risk assessments of AI models, continuous monitoring of AI outputs and strict segregation of AI and OT networks to prevent breaches. Securing data pipelines with encryption and privacy-preserving techniques, coupled with AI-driven anomaly detection, strengthens resilience. Workforce training on AI limitations and cyber hygiene, alignment with global standards like IEC 62443 and NIST and AI-specific incident response planning further ensure business continuity and trust in automation.

2. Geopolitical risks: Geopolitical Trade Barriers

- **Risk Description:** Exide Industries faces rising geopolitical risks from revised tariffs and anti-dumping measures in key markets such as the US and the Middle East. These protectionist actions have reduced export competitiveness, leading to significant loss of business, market share and revenue, thereby threatening the Company's international growth plans. Additionally, geopolitical tensions have disrupted critical sea routes, causing delays, higher transportation costs and supply risks. From an inward logistics perspective, volatility in commodity markets and supply disruptions of key raw materials, driven by geopolitical conflicts and trade restrictions—pose further risks of cost escalation and input shortages.
- **Impact on business:** Revised tariffs and anti-dumping measures have reduced export volumes, impacted international revenues and disrupted supply chains and customer relationships. Rerouting of shipping lanes due to geopolitical conflicts has further increased logistics costs and delayed deliveries. On the inbound side, commodity price fluctuations and restricted availability of raw materials expose Exide to cost volatility, increase dependence on limited suppliers and strain margins. Together, these challenges limit global expansion, heighten reliance on domestic markets and threaten long-term competitiveness.
- **Mitigation measures:** Exide is diversifying exports to emerging markets, strengthening local partnerships and exploring overseas manufacturing to bypass trade barriers. On the inbound front, the Company is working to secure reliable raw material supply chains with special emphasis on sourcing locally, enhance supplier diversification and hedge against commodity price volatility. Exide is also investing in alternative battery technologies and expanding into the lithium-ion sector to align with global clean energy and EV trends, thereby reducing long-term dependence on conventional commodities.

Business Ethics and Policy Influence

Exide Industries Limited upholds high ethical standards through a robust governance framework, anchored by its Anti-Bribery and Anti-Corruption (ABAC) Policy, Whistle blower Policy, Prevention of Sexual Harassment (POSH) Policy and Codes of Conduct applicable to the Board of Directors, Senior Management Personnel and employees.

The Company maintains a formal whistle blower mechanism that enables employees and external stakeholders to confidentially report concerns relating to unethical conduct, fraud, corruption, policy violations or regulatory non-compliance. The mechanism allows anonymous reporting and is supported by a zero-retaliation approach to encourage timely reporting and resolution of concerns.

In addition, an Internal Complaints Committee (ICC) has been constituted in accordance with the Prevention of Sexual Harassment (POSH) Act to address workplace harassment complaints and ensure a safe, inclusive and respectful working environment.

To reinforce ethical conduct, the Company conducts periodic awareness programmes covering the Code of Conduct, Anti-Bribery and Anti-Corruption requirements, workplace behaviour, information security, cybersecurity, human rights and other governance-related topics.

Ethics and Compliance Performance

KPI	FY2025-26
Employees completing ABAC training	81%
Employees completing Code of Conduct training	78%
Confirmed incidents of corruption/bribery	0
Confirmed incidents of discrimination	0
Confirmed incidents of customer privacy breaches	0

Policy Influence and Industry Associations

The Company does not make contributions to political parties, candidates, or lobbying organisations and reported no such contributions during FY2025–26.

The Company participates in recognised industry associations and battery sector forums such as CII, FICCI, ACMA, IEEMA and IBMA that support manufacturing excellence, resource circularity, battery recycling, sustainable mobility and energy transition. These engagements are intended to facilitate industry collaboration, knowledge-sharing and constructive policy dialogue.

KPI	FY2025–26	FY2024-25
Contributions to Trade associations or tax-exempt groups (INR)	30,67,680	90,43,131

Supply Chain Management

Exide Industries Limited strengthens its supply chain through a supplier screening and assessment framework aligned with its Supplier Code of Conduct, Sustainable Sourcing and Procurement Policy and Responsible Mineral Sourcing Policy. Covering business ethics, environmental stewardship, labour practices, human rights and governance, the framework promotes responsible sourcing, supports circular economy objectives and enables effective management of supply chain risks.

The Company adopts a structured supplier engagement approach that combines supplier screening, ESG assessments, corrective action planning, capability development and continuous monitoring. Suppliers are expected to enhance ESG performance, comply with applicable laws and regulations, cascade sustainability principles across their supply chains and establish measurable improvement targets that are monitored periodically.

Our Supplier Assessment Framework is as follows:

STEP 1

New Supplier Screening for Onboarding

Exide maintains a structured supplier onboarding process to evaluate every new supplier before formal engagement. Each prospective supplier undergoes a comprehensive suitability assessment covering financial solvency, regulatory compliance, ESG performance and business relevance.

The assessment includes the following elements:

- **Environment** - Environmental compliance, Waste management practices, Resource conservation, Energy efficiency, Hazardous material management
- **Social** - Labour practices, Employee welfare, Occupational health and safety, Training and awareness, Stakeholder engagement, Customer responsiveness
- **Governance** - Management systems, Performance monitoring, Transparency, Conflict of interest, Quality management systems, Ethical practices.
- **Business Relevance** - Assess the supplier's importance based on Procurement spend, Material criticality, Ease of substitution, Supply stability, Regulatory compliance, financial strength.
- **Commodity-specific Risks** - Evaluates ESG risks linked to Supply chain structure, Labour, resource use, Energy, Emissions, Toxicity and Pollution.
- **Country- and commodity-specific risks** - For strategic raw materials such as lead, the assessment also evaluates compliance with local recycling regulations, waste management practices, environmental protection requirements, transportation and storage standards and responsible sourcing practices, the level of enforcement of these regulations and risk of non-compliance.

Only suppliers that successfully meet Exide's supplier qualification requirements are approved for onboarding into the procurement system. Suppliers must achieve a minimum score of 50% to qualify for onboarding.

Supplier Profile

Supplier KPI	FY2025-26
Total number of Tier-1 suppliers	674
Total number of significant suppliers in Tier-1	31
% of total spend on significant suppliers	81.9
Total number of significant suppliers	31
Procurement spends covered under ESG assessment programme in Tier-1	78.8
Procurement sourced from MSMEs	29.08%
Procurement sourced within India	93.53%
Procurement team trained on sustainable procurement	75%

STEP 2

Identification of Critical/Significant Suppliers

Exide identifies critical suppliers (Tier 1) using an evaluation framework based on procurement spend, raw material criticality, business continuity considerations and supplier replaceability.

Lead, plastic, separators and sulphuric acid continue to be classified as strategically critical material categories due to their significance in battery manufacturing operations.

This risk-based approach enables Exide to prioritise sustainability assessments, supplier development programmes and focused engagement initiatives for suppliers that have the greatest influence on operational resilience and ESG performance.

The Supplier ESG Programme focuses on critical suppliers representing approximately 79% of procurement spend, enabling focused engagement, sustainability assessments, risk management and supplier development initiatives. Critical suppliers are periodically evaluated on environmental, social and governance parameters to strengthen responsible sourcing practices and improve overall supply chain sustainability performance.

STEP 3

Annual Supplier ESG Assessment

All identified Tier 1 critical suppliers undergo ESG assessments through a structured evaluation framework aligned with sustainability principles and recognised industry practices.

The assessment covers:

- **Environment** - Regulatory compliance and certifications, Energy management, Emissions management, Water stewardship, Waste management, Resource efficiency, Biodiversity
- **Social -** Occupational health and safety Management Policy and mechanism and its implementation, Implementation and Monitoring Labour practices/standards, Human rights compliance and mitigation plans, Employee welfare, Diversity and inclusion, Grievance mechanisms, trainings and awareness programmes
- **Governance -** Corporate governance and policies, Anti-corruption mechanisms, Ethical business conduct, Data privacy, Transparency, Compliance systems

The assessment uses a structured supplier assessment scoring mechanism to evaluate supplier responses and supporting disclosures submitted through a supplier questionnaire. Each question is assessed across three dimensions:

Policy and Commitments **Quantitative Performance** **Qualitative Performance**

To ensure fairness across suppliers, a normalisation factor is applied based on supplier category (Lead, Plastic, Acid and Separator) and supplier size before arriving at a final score.

Based on the total normalised score out of 100, suppliers are classified into the following performance categories:

Supplier ESG Assessment Scoring Threshold

Supplier Category	Score Range	Description
Beginner	30 - 60	Minimal ESG understanding and requires significant improvement
Developing	60 - 80	Demonstrates basic ESG understanding with scope for improvement
Exemplary	Above 80	Demonstrates strong ESG performance or ESG understanding

This assessment framework supports supplier benchmarking, risk identification and continuous improvement planning across Exide's supply chain.

Coverage and Progress of Supplier Assessment Programme

Supplier Assessment KPI	FY2025-26
Total number of suppliers assessed through desk assessments and/ or site assessments	28
% of unique significant suppliers assessed	90%
Number of suppliers assessed with substantial actual or potential ESG impacts identified	28
% of suppliers with identified impacts provided corrective action plans	68%
Number of suppliers terminated due to ESG concerns	0

This framework enables Exide to benchmark supplier performance, identify risks and track progress over time. All critical and significant suppliers are required to participate in this annual ESG-based assessment.

In addition to supplier questionnaire responses and supporting documentation submitted for desk-based assessments, Exide's procurement team conducts planned annual on-site assessments and audits of these suppliers. These assessments verify practices and documentation submitted through the questionnaire process and evaluate compliance with Exide's sustainability requirements.

Where non-conformities are identified, suppliers are required to submit corrective action plans within stipulated timelines. Progress against these actions is monitored through follow-up reviews and assessments.

Following the assessment process, key improvement opportunities and gaps are communicated to suppliers through detailed audit reports, digital platforms, emails and other engagement channels. This ensures suppliers are informed of required actions and supported in addressing identified shortcomings.

FY2025–26 Supplier Sustainability Highlights

- Approximately **79%** of procurement spend was covered through supplier ESG engagement and assessment programmes.
- **ESG** assessments completed for all identified critical suppliers.
- Corrective action plans implemented for all suppliers identified with material improvement opportunities.
- Continued supplier awareness and engagement initiatives focused on sustainability, responsible sourcing and ESG performance improvement.

STEP 4

Monitoring and Corrective Actions

To strengthen accountability and drive continuous improvement, Exide conducts periodic monitoring of supplier performance through planned assessments, follow-up reviews and corrective action tracking. In addition, the procurement team also undertakes unplanned audits to verify supplier compliance and evaluate progress against agreed corrective measures.

Where gaps or non-conformities are identified, suppliers are required to implement corrective action plans within agreed timelines. Progress is closely monitored through subsequent reviews and audit processes.

If suppliers fail to demonstrate adequate improvement, Exide follows a structured escalation approach, beginning with formal warnings and, where necessary, progressing to a reduction in business volumes and other corrective measures. This approach helps ensure that supplier relationships remain aligned with the Company's sustainability expectations while safeguarding business continuity and overall supply chain integrity.

Coverage and Progress of Suppliers with Corrective Action Plans

Corrective Action KPI	FY2025-26
Total number of suppliers supported through corrective action plans	28
% of suppliers with identified impacts supported through implementation of corrective action programmes	100%

STEP 5

Supplier ESG Development Programme

Exide actively supports supplier growth through a range of ESG Development Programmes designed to strengthen sustainability practices across its value chain.

The programme focuses on:

- **Regular Engagement Programmes** - Capacity-building sessions, on-site training during supplier visits and ESG awareness initiatives for key supplier partners.
- **Supplier ESG Readiness Assessments –** Lead and critical suppliers are provided with first-level ESG readiness scores along with clearly identified improvement areas. These assessments help suppliers understand their ESG maturity levels and prioritise actions required to strengthen sustainability performance.
- **Continuous Improvement Support -** Remote and on-site guidance is provided to suppliers to support implementation of corrective and improvement actions identified through ESG assessments and audits.
- **Knowledge Sharing -** Exide disseminates relevant internal policies, frameworks and best practices to support suppliers in developing and strengthening their own ESG-related policies, management systems and sustainability practices.

- **Technical Assistance Programmes** - In-depth technical support and training programmes are conducted to strengthen supplier ESG performance and contribute to the overall sustainability of Exide's supply chain.
- **Supplier ESG Programme Phase 2 -** Building upon supplier awareness initiatives, ESG assessments and data-review exercises undertaken under Phase 1 of the Supplier ESG Programme, FY2025–26 marked the progression to Phase 2 of the programme. The second phase focuses on advancing sustainable procurement practices, strengthening supplier ESG capability development and embedding responsible sourcing principles more deeply across the supply chain.

These initiatives help suppliers strengthen ESG management systems, improve sustainability performance and align with Exide's responsible procurement expectations.

Supplier ESG Development Programmes

Exide actively supports supplier growth through a range of ESG Development Programmes aimed at strengthening sustainability practices across its value chain. The Company focuses on regular capacity-building sessions, on-site training during supplier visits and ESG awareness programmes for key supplier partners. Through these initiatives, Exide supports suppliers in strengthening their ESG understanding, enhancing sustainability performance and developing robust ESG-related policies and management systems.

Building on the supplier awareness, ESG assessments and data-review activities undertaken under Phase 1 of the Supplier ESG Programme, FY2025–26 marked the progression to Phase 2 of the programme. Phase 2 focuses on strengthening sustainable procurement practices, enhancing supplier ESG capability development and driving deeper integration of responsible sourcing principles across the supply chain.

In addition to regular engagement programmes, Exide actively engages with its lead and critical suppliers based on the findings of ESG assessments. Suppliers are provided with ESG readiness scores along with clearly identified areas for improvement. These insights help suppliers understand their sustainability maturity and prioritise actions required to strengthen ESG performance.

To support continuous improvement, Exide collaborates closely with suppliers by providing both remote and on-site assistance for implementing corrective and improvement actions. The Company also shares relevant internal policies, frameworks and best practices to guide suppliers in strengthening their ESG systems and processes.

Furthermore, targeted technical assistance and supplier capability-building programmes are conducted to improve supplier ESG performance and strengthen overall sustainability across Exide's supply chain. Through these initiatives, the Company seeks to enhance supplier preparedness, improve responsible sourcing performance and build a more resilient value chain.

Capacity Building and Supplier Development Performance

Capacity Building KPI	FY2025-26
Total number of suppliers participating in capacity-building programmes	24
% of significant suppliers participating in capacity-building programmes	78.8%

Conflict Minerals

The Company has policies in place governing conflict minerals, including its Sustainable Sourcing and Procurement Policy and Responsible Mineral Sourcing Policy. Exide follows a responsible sourcing approach and seeks to avoid contributing to conflict through its purchasing practices.

The Company has established a process to track minerals throughout the supply chain, including assessing their necessity, conducting supplier surveys, verifying supplier responses and determining country of origin. Where risks are identified, Exide develops appropriate risk management plans to mitigate or remediate risks at the supplier, smelter or refinery level.

In line with the Responsible Minerals Initiative (RMI) standards and Conflict Minerals Reporting Template (CMRT) requirements, Exide continues to strengthen traceability and responsible sourcing practices across its supply chain. During FY2025–26, the Company maintained 100% CMRT response coverage from applicable suppliers.

Exide uses Tin (one of the 3TG minerals) in its operations and continues to evaluate its mineral supply chain through supplier declarations, traceability assessments and due-diligence processes to support responsible sourcing objectives.

Information Security

The increasing frequency, sophistication and cost of cyber incidents have made information security a critical business priority for Exide. Risks arising from technical failures, cyberattacks, human error and natural disasters can disrupt operations, compromise data and impact stakeholder trust. As digitalisation continues to expand across manufacturing, supply chain and business operations, Exide remains focused on protecting its digital infrastructure and strengthening cyber resilience through robust governance, policies, processes and technology controls.

Information Security Governance

Exide has established a robust governance framework for information security aligned with ISO 27001:2022 requirements. Oversight is provided through the Risk Management Committee and a dedicated Information Security Steering Committee (ISSC), chaired by the Managing Director and CEO. To further strengthen the governance structure, the Board also includes expertise in information security and cybersecurity, supporting informed and strategic decision-making on cyber risks and organisational resilience.

Governance Structure

At the executive level, the Chief Digital Information Officer (CDIO) provides strategic oversight of digital, IT and information security initiatives, while the Information Security Lead is responsible for operational leadership of information security programmes.

The Information Security Forum (ISF) supports the Security Lead in implementing and monitoring information security initiatives across the organisation. Internal audits, risk assessments and compliance reviews strengthen governance oversight, while policies relating to information security, data privacy, threat monitoring and third-party security are regularly reviewed and updated.

Cybersecurity risks associated with digital transformation, connected systems, artificial intelligence, cloud platforms and Industry 4.0-enabled manufacturing environments are also monitored through the Company's Enterprise Risk Management framework.

Board of Directors

Responsible for reviewing and guiding the risk policy of the Company and ensure the framework aligns with the organisation's strategic direction.

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Risk Management Committee

A dedicated Board-level committee oversees the Company's risk management process and controls, including periodic review of risk assessments and exercising oversight of various risks such as Strategic Risk, Operational Risk, Market Risk, Cybersecurity, Climate Risk, ESG Risk, etc.

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Executive Committee (EXCOM)

Risk Management and Compliance Oversight (top-down): The Executive Committee, comprising senior leadership, is responsible for key risk evaluation and the escalation of critical Risks and issues to the Board and is responsible for setting control standards and ensuring compliance with them.

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Information Security Steering Committee (ISSC)

ISSC is responsible for providing strategic direction, approving security policies, allocating resources, reviewing risks, overseeing security operations, monitoring ISMS performance and ensuring alignment of information security with business objectives

Information Security Highlights – FY2025–26

- Information Security Management System aligned with **ISO 27001:2022** requirements.
- **TISAX certification** maintained.
- **24×7** Security Operations Centre (SOC) operational.
- **Multi-Factor Authentication (MFA)** implemented across critical systems.
- Regular **Vulnerability Assessment and Penetration Testing (VAPT)** conducted.
- Quarterly disaster recovery drills undertaken to enhance business continuity preparedness.
- Third-party cybersecurity assessments incorporated into vendor risk management processes.
- **Zero** data breaches reported during FY2025–26.

Information Security Management Programmes

Exide maintains a comprehensive Information Security Management System (ISMS), aligned with ISO 27001:2022, to ensure systematic protection of information assets and resilience against evolving cyber threats. The ISMS framework incorporates regular risk assessments, internal audits and benchmarking against globally recognised standards and best practices, including NIST CSF and CIS Controls.

The programme covers all critical aspects of information security management:

Business Continuity Planning - Exide maintains information security-related business continuity and disaster recovery plans to minimise operational disruption during cyber incidents and technology failures. Preparedness is strengthened through periodic testing and quarterly disaster recovery drills.

Vulnerability Analysis and Penetration Testing (VAPT) - Regular Vulnerability Assessment and Penetration Testing (VAPT) exercises are conducted across digital and operational technology environments. These assessments include vulnerability reviews, penetration testing, simulated attack scenarios and threat intelligence evaluations to identify and mitigate cybersecurity risks.

Audits - Internal audits of IT infrastructure, applications and information security controls are conducted at planned intervals. Independent external audits are also undertaken to validate compliance with ISO 27001:2022 requirements and strengthen information security maturity across the organisation.

Incident Reporting and Escalation - Employees can report information security incidents, vulnerabilities and suspicious activities through established reporting channels. These mechanisms are supported by structured escalation procedures to enable timely investigation, response and remediation.

Training and Awareness - Regular awareness programmes and focused

training initiatives are conducted to ensure employees, contractors and relevant third parties understand their information security responsibilities. These programmes cover cyber hygiene, phishing protection, password security, secure information handling, data privacy and responsible technology usage.

Third-Party Oversight - Information security requirements are integrated into supplier and service provider contracts. Periodic reviews and cybersecurity assessments are conducted to evaluate third-party risks and strengthen security controls across the extended value chain.

Cybersecurity in a Digital and AI-Enabled Environment

As Exide expands the adoption of Industry 4.0 technologies, connected manufacturing systems, automation platforms, cloud infrastructure, digital twins, artificial intelligence and advanced analytics, cybersecurity remains a critical focus area.

To address emerging cyber risks associated with AI-enabled manufacturing systems and connected operational technology environments, Exide continues to strengthen security controls through device posture checks, advanced authentication mechanisms, continuous threat monitoring, vulnerability remediation programmes, incident response planning and third-party security reviews. These measures support secure digital transformation while safeguarding operational continuity and critical information assets.

Continued Focus

Exide remains committed to continuously strengthening its information security capabilities through governance oversight, technology enhancements, employee awareness programmes and cybersecurity risk management practices. As the Company advances its digital transformation journey, continued focus will be placed on protecting information assets, enhancing cyber resilience and supporting secure, reliable and sustainable business operations.

Responsible AI and Digital Trust

As Exide advances its digital transformation journey, the Company recognises the growing importance of responsible and ethical use of Artificial Intelligence (AI). Exide is committed to ensuring that AI technologies are deployed in a secure, transparent and accountable manner, while safeguarding stakeholder interests and supporting sustainable business outcomes.

The Company has established governance mechanisms to oversee the responsible use of AI, including restricting access to sensitive AI applications such as facial recognition and surveillance technologies. Transparency is promoted through clear identification and labelling of AI-generated content and AI-assisted decisions, enabling users to understand when AI systems have influenced outcomes.

- **Limiting Access to Sensitive AI Capabilities -** Exide does not currently develop, deploy, or operate AI systems involving sensitive capabilities. AI tools are primarily used as third-party services for approved business applications and are subject to applicable information security and governance requirements.
- **Labelling of AI-Generated Content -** Exide uses third-party generative AI tools as assistive technologies to support employee productivity and business processes. AI-generated outputs are subject to appropriate human review, validation and professional judgment before being relied upon or shared externally, where applicable. Exide does not currently use AI systems to autonomously make decisions affecting customers, employees, suppliers, or other stakeholders.
- **Model Drift and Performance Monitoring -** As Exide does not develop, train, fine-tune, or host AI models, monitoring of model performance, drift, degradation and related technical controls is primarily the responsibility of the respective third-party AI service providers.
- **Fairness and Bias Assessments -** Exide does not develop or train the underlying AI models used within the organisation. Accordingly, assessments related to model fairness, bias, discrimination and unintended outcomes are primarily conducted by the respective third-party AI service providers as part of their AI governance processes.
- **Ecological Footprint of AI -** Exide does not own or operate the underlying infrastructure supporting AI services, as AI capabilities are accessed through third-party cloud-based platforms. Environmental performance and efficiency of the underlying AI infrastructure are therefore managed by the relevant service providers.
- **Employee Training on Responsible AI -** Employees using approved AI tools are expected to comply with applicable information security, confidentiality, data protection and acceptable-use requirements. The Company's employee awareness and training initiatives promote responsible technology usage and secure information handling practices.

Product Quality and Recall Management

Exide is committed to delivering safe, reliable and high-quality energy storage solutions through a strong culture of quality excellence and continuous improvement. Guided by its Quality Policy, the Company integrates quality considerations across the product lifecycle, from product design and development to manufacturing, testing and customer support.

Quality remains a core element of Exide's operational excellence framework and is supported through certified management systems, advanced testing infrastructure, Total Productive Maintenance (TPM) practices and continuous improvement initiatives. Every year, the Company observes Quality Month to promote awareness, employee participation and ownership of product excellence across its workforce.

Quality Management Programmes

Exide's Quality Management System (QMS) is certified to ISO 9001 and IATF 16949 standards, ensuring that quality processes are aligned with globally recognised quality management principles. Supported by Total Productive Maintenance (TPM), Six Sigma, 5S, Kaizen and Quality Circle initiatives, the QMS provides a strong foundation for process consistency, defect prevention, customer satisfaction and improvement.

Defect Prevention and Process Controls

Robust systems are in place to identify and address potential defects before products reach customers, thereby reducing the risk of recalls and quality-related failures. Structured quality tools and methodologies such as Design Failure Mode and Effects Analysis (DFMEA), Process Failure Mode and Effects Analysis (PFMEA), Control Plans, Statistical Process Controls and Layered Process Audits are deployed across manufacturing operations to strengthen preventive and corrective quality controls.

The Company further strengthens product quality through process automation, Industry 4.0 technologies, IoT-enabled monitoring systems, digital dashboards and real-time analytics that support consistent product performance across manufacturing locations.

Internal and External Audits

Exide maintains transparency and compliance through periodic internal audits and accredited external audits conducted under ISO 9001 and IATF 16949 frameworks. Audit findings, observations and improvement opportunities are systematically reviewed, documented and addressed through Management Review Meetings to support continual improvement and operational excellence.

The Company continues to maintain a strong audit and compliance culture, with regular reviews supporting certification requirements and quality assurance processes.

Employee Training and Quality Culture

Training is embedded within the Quality Management System to build competence, accountability and quality ownership across the organisation. Programmes include induction sessions, on-the-job training, machine operation modules, quality improvement initiatives and specialised training on quality tools and problem-solving methodologies.

Exide promotes a culture of continuous improvement through TPM, Kaizen, Quality Circles and employee-led improvement programmes. During FY2025–26, 4,792 Kaizens were implemented across operations, contributing to quality enhancement, process optimisation and operational excellence.

Customer Feedback and Complaints

Customer feedback remains an important component of Exide's continuous improvement journey. The Company provides multiple channels for customers and stakeholders to raise concerns, report product issues and share feedback.

Product packaging includes dedicated complaint sections and customers may also contact Exide through designated customer-care channels.

Exide further strengthens customer engagement through digital platforms such as Exide Care, Batmobile, Exide Home Service and CRM-enabled service platforms. Feedback received from customers, dealers, OEMs and institutional partners is systematically evaluated and integrated into product engineering, manufacturing processes, service delivery models and quality improvement initiatives.

Product Quality Highlights – FY2025–26

- Quality Management System certified to **ISO 9001 standards**.
- Automotive quality systems certified to **IATF 16949 standards**.
- **NABL-accredited** laboratories support product validation and quality assurance activities.
- More than **60 lakh** digital warranty registrations completed.
- **AI-enabled** warranty validation system achieving approximately **99%** accuracy.
- More than **1,600** Exide Care outlets supporting customer service and product support.
- **4,792** Kaizens implemented across operations during FY2025–26.

Product Recalls

Exide maintained its zero-recall record during FY2025–26, with no faulty products reported or identified by customers.

Recalls, which are typically associated with product safety-related concerns, have not been applicable to Exide's operations to date. The sustained zero-recall performance reflects the effectiveness of the Company's quality management systems, product validation processes, manufacturing controls and commitment to delivering safe, reliable and high-quality products.

FY2025–26 Product Recall Performance

- **ZERO** Product Recalls

Notes

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