



FY 2024-25
**SUSTAINABILITY
REPORT**

Compliance to Competitive Sustainability

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Sustainability Levers

Compliance to Competitiveness	Circular Economy	Transitioning Towards Sustainable Mobility	Collaboration with Value Chain Partners
29	73	83	119



ABOUT THIS REPORT

We are proud to present our Ninth Annual Sustainability Report, detailing a year of strategic ESG achievements and commitment to balancing people, planet, and profit from April 2024 to March 2025.

We are pleased to present Ashok Leyland's Sustainability Report for FY 2024-25 which showcases our commitment to be a global force for building an inclusive and greener world. The Report for FY 2024-25 offers a comprehensive review of Ashok Leyland Limited's (also referred to as "AL", "Ashok Leyland", or "the Company") strategic direction, operating environment, policies, and governance frameworks aligned to drive sustainable performance across material issues. The Report highlights our commitment to integrating sustainability into decision-making and operational practices, ensuring long-term value creation across environmental, social, and economic dimensions in the short-, medium-, and long-term.

Reporting Framework and Principles

During the development of this Sustainability Report, we referred to the Global Reporting Initiative (GRI) 2021 Universal Standards while also abiding by the guiding principles of National Guidelines on Responsible Business Conduct (NGRBC). The requirements of United Nations Global Compact (UNGC) principles, Business Responsibility and Sustainability Reporting (BRSR) framework of the Securities and Exchange Board of India (SEBI), Government of India's nine principles outlined in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE), and United Nations Sustainable Development Goals (UN-SDGs)



Chassis Assembly

are further mapped across the Report.

Reporting Period

This Report presents an integrated and comprehensive overview of AL's financial and non-financial performance over the period of 1st April 2024 to 31st March 2025. We intend to disclose our sustainability progress with valuable insights into key Environmental, Social and Governance (ESG) priorities in the Report.

Approach to Materiality

This Report presents information that reflects the ESG issues

most material to Ashok Leyland and its stakeholders. These issues were identified through a comprehensive, multi-channel engagement process with internal and external stakeholders, followed by a structured prioritisation of topics based on their relevance and impact. The most recent materiality assessment was conducted in FY 2020-21 and a materiality refresher in FY 2022-23, incorporating both internal insights and external trends. The outcomes of this assessment have been embedded into AL's long-term strategic planning to support resilient, responsible, and sustainable growth.

Independent Assurance

The non-financial data has been assured by DNV Business Assurance India Private Limited (known as 'DNV') has provided limited assurance for the Report following the VeriSustain Protocol, which adheres to the principles of several assurance standards. The assurance was carried out in accordance with

DNV's VeriSustain protocol, which is based on the principles ISAE 3000 (revised). The Report has been further reviewed by our senior management to ensure alignment with principles of clarity, reliability and accuracy. The Assurance Statement is included within the Report. However, there is no conflict of interest between the Company and DNV.

Scope and Boundary

The Report provides holistic insights into our sustainability initiatives within our operations situated in India. Our operational sites are segmented into Automotive Plants and the Foundry. The environmental performance is mapped for Foundry and Automotive Plants (including Office) separately for comparability.

FOUNDRY

Ennore in Tamil Nadu
.....
Sriperumbudur in
Tamil Nadu
.....

AUTOMOTIVE

Alwar in Rajasthan
.....
Bhandara in
Maharashtra
.....
Cab Panel and Press
Shop in Tamil Nadu
.....
Ennore in Tamil Nadu
.....
Hosur in Tamil Nadu
.....
Pantnagar in
Uttarakhand

OFFICE

Corporate Office
in Tamil Nadu
.....
Technical Centre in
Tamil Nadu
.....

Forward-Looking Statement

The Sustainability Report presents a comprehensive overview of our business operations, encompassing historical and forward-looking perspectives. These future reflections and risks are underpinned by projected outcomes and industry patterns. Our actual results could differ materially from our projected

results due to a variety of factors. AL's strategic approaches, risk mitigation plans, and objectives fall under the aegis of these disclosures. The Report does not consist of any restatements of information.

Feedback

With annual public disclosures, our sustainability reports for previous years can be accessed

on our website. We value all the suggestions, views and opinions on this Report which allow us to further improve our reporting and operations. If you have any inquiries regarding this Report, please contact Alok Verma, Head of Corporate Strategy & ESG, at secretarial@ashokleyland.com.

LEADERSHIP
MESSAGES

Message - Chairman



“

Dear Stakeholders,

It is with immense pride that I present to you our Ninth Sustainability Report for the financial year 2024-25. This report marks a significant milestone in Ashok Leyland's ongoing journey, highlighting our evolution from a compliance-driven organisation to one that embraces competitive sustainability as a core ethos.

This year, Ashok Leyland achieved record sales revenue of INR 38,753 Crores and an EBITDA of INR 4,931 Crores, representing a robust 12.7 percent year-on-year growth. These exceptional results are a testament to our unwavering commitment to operational excellence and value creation in an ever-changing and dynamic market environment.

Ashok Leyland's leadership in the Environmental, Social, and Governance (ESG) domain continues to be recognised at both global and national levels. We have secured top rankings from several esteemed agencies, including being ranked as the second most sustainable automotive company in India. This recognition underscores our dedication to responsible and sustainable business practices.

As a leader in the industry, we have made significant investments in the decarbonisation of transport through our subsidiaries, Switch Mobility and Ohm Mobility, along with broader group investments in energy transition initiatives. In FY 2024-25, we launched new electric models such as BOSS Electric and AVTR 55T Electric, secured major Zero Emission Transport (ZET) orders, and showcased our next-generation vehicles at the Bharat Mobility Expo. Our efforts to advance supply chain localisation and our active engagement in alternate fuel projects—including BEV, LNG, H2 ICE, and fuel cells—as well as emission reduction initiatives, further reinforce our commitment. Collectively, Switch and Ohm Mobility have already clocked over 144 million green kilometres,

cementing our leadership in sustainable transport.

Our vision is bold and forward-looking. We are determined to achieve 100 percent renewable energy usage and carbon-neutral operations by 2030, and to reach net zero by 2048.

The establishment of the Ashok Leyland Foundation has further enhanced our impact in the realm of Corporate Social Responsibility (CSR), enabling us to reach nearly half a million children. We are guided by the vision of impacting one million children soon. Our flagship Road to School programme was honoured with the Chairperson's Award at The Hindu Business Line Change Maker Awards, reflecting our commitment to inclusive and sustainable development.

Our ESG agenda is overseen by a dedicated Board-level committee, ensuring its integration across all business functions. We maintain the highest standards of transparency and ethical conduct through robust governance practices. We are also making steady progress in promoting diversity within our organisation, with gender diversity among executives currently at 9.52 percent, and a targeted increase to 10 percent by FY 2025-26.

As we look to the future, we remain confident and purposeful in our mission. We are committed to pushing the boundaries across technology, environmental stewardship, and social responsibility, with the aim of shaping a cleaner, smarter, and more sustainable future.

On behalf of the Board and the entire leadership team, I extend my heartfelt gratitude for your continued trust and support as we advance on our ESG journey.

Yours sincerely,
Dheeraj G Hinduja
Chairman

Message - Managing Director and CEO



“

Dear Stakeholders,

Sustainability is the cornerstone of Ashok Leyland's strategy. Our environmental goals are already set - 100 percent renewable energy by 2030 and Net Zero emissions by 2048. On the social front, through our initiatives of Road to School and Road to Livelihood, we aim to reach one million beneficiaries by 2030, and achieve 10 percent gender diversity among executives by FY26.

In FY 2024-25, we delivered 26 percent growth in Profit After Tax, which stood at INR 3,303 Crores - the highest in our history. Our strong cash position enables us to invest in innovative products and technology and in enhancing our customer experience. Our network touch points are continuously expanding reflecting in our strong market position. Aftermarket, Defence, Power Solutions, and International Businesses have also grown substantially. Our ESG ratings consistently place us at the top, both globally and in India, underscoring our commitment to responsible and inclusive business.

Innovation drives our progress. We have developed a diverse portfolio of alternative powertrains including CNG, LNG, Hydrogen, and electric. Our partnerships with companies such as Nidec for electric drive units and with CALB for battery packs reflect our growing focus on localising EV supply chain. Circularity is an essential element of sustainable mobility and our foray into RVSFs

(Registered Vehicle Scrappage Facilities) is a critical step in this direction. Our 100 percent owned subsidiary Ohm Mobility has been created to promote shared mobility in public transport. Our greenfield production facility in Lucknow, India would be our greenest factory from day it's inaugurated in FY 2025-26. Several digital and online initiatives such as Re-AL, LEYTRACK, EV Trip Tracker, and BANDHAN, are designed with customer-centricity but also with an intent to reduce our carbon footprint.

Some of the recent recognitions and rankings have further motivated us to accelerate our ESG actions - the Hindu Business Line Change Maker Award for Road to School; the Mother Teresa award for Corporate citizen of the year 2024; and the Federation of Dealers Association (FADA) award for India #1 CV ranking in Dealer Satisfaction.

We are building a resilient business with multiple growth levers, delivering superior products and services while steadfastly pursuing our sustainability goals. As we move forward, we remain focused on leading by example, through relentless innovation, shaping a future where mobility is sustainable, equitable, and accessible.

Thank you for your trust and support, as always!

Warm regards,
Shenu Agarwal
Managing Director & CEO

Message - Head Corporate Strategy and ESG



“

Dear Stakeholders,

It is with great pride that I present Ashok Leyland's 9th Sustainability Report for FY 2024–25. This milestone reflects not only our sustained progress but also the unwavering trust and collaboration of our stakeholders—who remain

central to our journey of building a sustainable, inclusive, and future-ready mobility ecosystem.

At Ashok Leyland, sustainability is not an adjunct—it is integral to our business strategy. Our value creation model is anchored in the principles of responsible growth, where environmental

stewardship, social equity, and strong governance converge to drive long-term value. We continue to embed ESG across our operations, supply chain, and innovation agenda—ensuring that every step we take is aligned with our purpose of advancing meaningful change.

Strategic Progress & Impact

In FY 2024–25, we made significant strides across all ESG dimensions:



Renewable Electricity Achievement & Energy Efficiency:

We have increased our renewable electricity share to 69 percent—a 21 percent rise from our FY 2022–23 baseline—through expanded solar and wind capacity and innovative green energy procurement. This transition has resulted in operating cost savings of around INR 50 Crores annually and a reduction of 158,648 tCO₂e in emissions. Our energy-saving projects delivered an additional annual savings and avoided 3,594 tCO₂e emissions, while overall energy intensity improved by 10 percent over two years.



Product Innovation: We expanded our portfolio of Battery Electric Vehicles (BEVs) in the BOSS and AVTR range, and introduced Hydrogen ICE, Fuel Cell buses and trucks, along with LNG and CNG variants—underscoring our commitment to clean mobility. We unveiled eTIRAN first electric port terminal tractor, designed for port operations and Switch series eLCVs which sets a new benchmark in sustainable, high-performance mid- and last-mile transportation



Social Impact: Our women-centric production lines achieved a 90 percent adherence rate, reinforcing our commitment to gender equity. Initiatives like the 'Sarathi Suraksha Policy' for driver welfare and the #DreamDrive campaign reflect our inclusive approach to stakeholder well-being.



People Development: With a 90+ percent employee retention rate, we continue to invest in learning, development, and a safe work environment. We are proud to report a zero LTIFR for employees and 0.15 for workers, underpinned by ISO 45001:2018 compliance.



Community Engagement: We invested INR 35.27 Crores in CSR, exceeding our statutory mandate, and were honoured with the Mother Teresa Award for Corporate Citizenship 2024.



Governance & Transparency
We have strengthened ESG governance through:

- A dedicated ESG Committee, chaired by an Independent Director, with quarterly reviews and oversight on climate governance.
- Integration of ESG KPIs into leadership KRAs, reinforcing accountability and purpose-driven performance.
- Deployment of a SaaS-based ESG tool to unify sustainability management across subsidiaries.
- Publication of our BRSR with reasonable assurance on core parameters and disclosure of 40+ policies and charters on our ESG microsite.

Our journey has evolved from compliance-driven sustainability to competitive sustainability. By proactively exceeding regulatory requirements—such as best in class renewable energy usage, best in class energy and water intensity nos, achieving 100 percent compliance with Extended Producer Responsibility (EPR) targets and maintaining zero waste to landfill—we have not only mitigated risks but also unlocked operational efficiencies, cost savings, and market leadership. Our robust internal controls, risk management, and transparent disclosures ensure that compliance is not a constraint, but a catalyst for innovation, resilience, and stakeholder trust.

Future Outlook

We are committed to:

- Achieving Net Zero by 2048, RE100 by 2030, Carbon Neutral operations by 2030, and 80 percent water self-reliance by 2030.
- Continuing our Zero Waste to Landfill achievement from FY 2023–24.
- Collaborating with global and national platforms like C40 Cities, LeadIT, CDP, CII, TERI, and SIDBI to shape the sustainability transformation ecosystem.

A Shared Journey

We recognise that the path to sustainability is complex and evolving. While we celebrate our progress, we remain grounded in the need for continuous improvement, transparent reporting, and collaborative action. Our stakeholders—employees, customers, partners, investors, and communities—are vital to this journey.

As we move forward, we invite you to explore this Report and engage with us in shaping a cleaner, more equitable, and innovative future for mobility. At Ashok Leyland, we believe: “Koi Manzil Door Nahin”—no destination is too far when we move forward together.

Warm regards,

Alok Verma

Head – Corporate Strategy & ESG



Rooftop Solar at Alwar

Key Highlights

Total vehicles sold in the export market

15,255

Total vehicles sold in the domestic market

179,842

Board Diversity

10%

Independent Directors on Board

54.54%

Energy Consumption (inside the organisation) (000' GJ)

1,564.13

Energy Consumption (outside the organisation) (000' GJ)

1,761.96

Energy (inside the organisation) Intensity – Overall (GJ/INR Crore)

40.36

Energy Intensity – Automotive (GJ/INR Crore)

24.14

Energy Intensity – Foundry (GJ/MT)

6.78

Share of renewable energy

69%

Scope 1 emissions (tCO₂e)

30,987

Scope 2 emissions (tCO₂e)

69,608

Scope 3 emissions (tCO₂e)

144,225

Scope 1+Scope 2 (tCO₂e)

100,595

Emission Intensity (tCO₂e/vehicle)

0.34

Energy Saving projects (GJ)

17,799

Emission Intensity (tCO₂e/MT)

0.32

CO₂ abatement through Solar (tCO₂e)

100,576

CO₂ abatement through Wind (tCO₂e)

39,193

CO₂ abatement through Afforestation (tCO₂e)

8,929

Avoided emissions through energy saving projects (tCO₂e)

3,594

Total CO₂ abatement through Green Energy and Afforestation (tCO₂e)

171,172

Cumulative Trees Planted

719,124

Hazardous waste generation (MT)

2,688

Non-hazardous waste generation (MT)

162,696

Zero Liquid Discharge

8 out of 9 plants

Total Water Withdrawal (kL)

967,278

Water recycled - (rainwater utilisation - 110,282 kL)

68%

Engines reconditioned through

RECON 5,383 engines (21.2% increase in revenue)

Gender diversity (Permanent Employees, Trainees)

9.52%

Women centric production lines

3

Drivers trained in FY 2024-25

2.78 Lakh

Certifications

ISO45001

(Occupational Health and Safety) for all plant locations,

ISO14001

(Environment Management System) for all Plant locations

TS16949

Quality Management System

LEED v4.1

Platinum certified building - Corporate Office

Patents received during the FY 2024-25

9

1st rank

in Dealer satisfaction

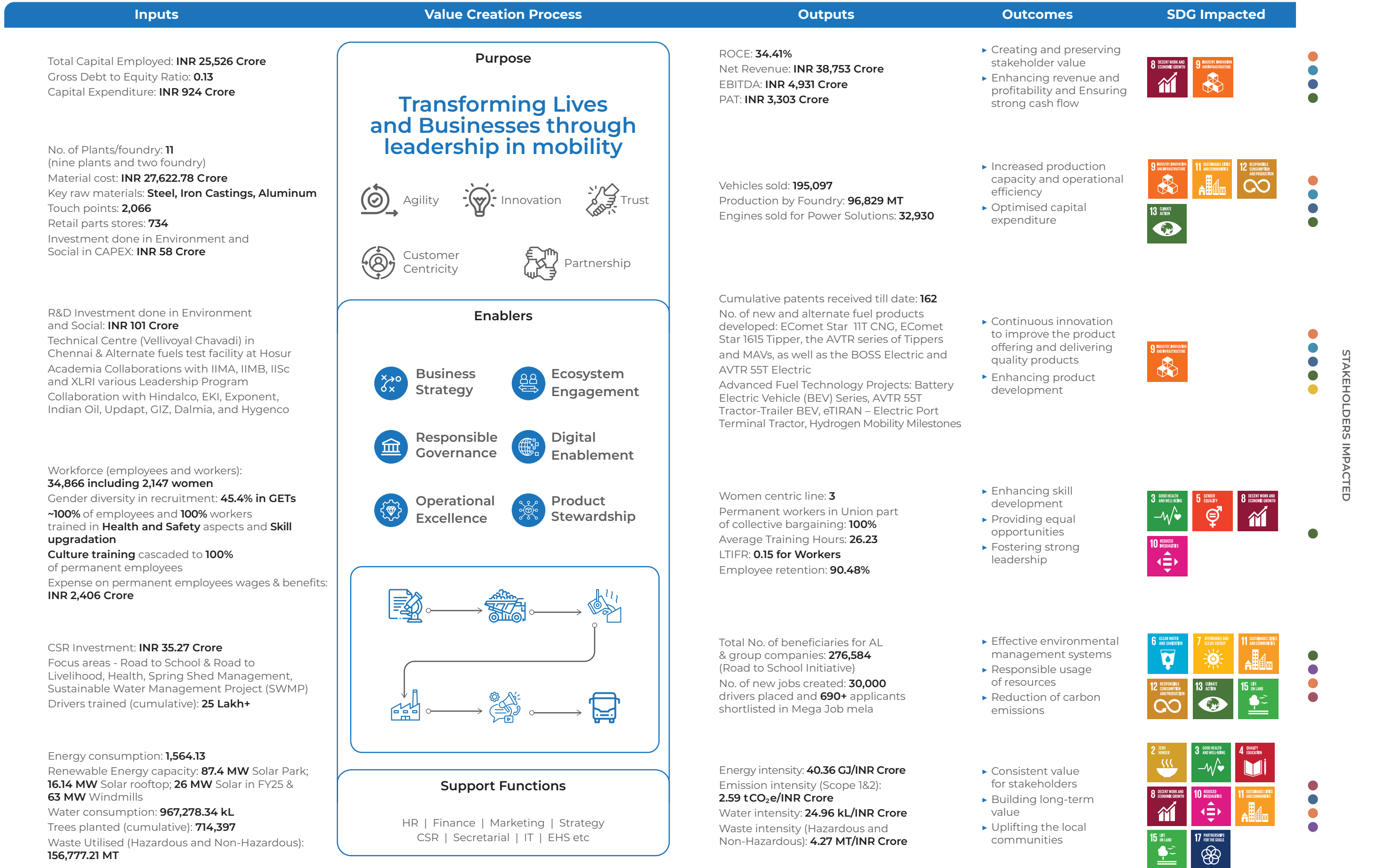
2nd rank

Customer & Sales Satisfaction

ESG profile



Value Creation Model





ABOUT ASHOK LEYLAND

Ashok Leyland is a leading force in sustainable mobility and recognised as India's top bus manufacturer and a major global player in the commercial vehicle industry, committed to promoting environmentally responsible practices and delivering exceptional customer value.

At Ashok Leyland, we take immense pride in our legacy that spans over 75 years, since our founding in 1948. As the flagship Company of the Hinduja Group, we have always been guided by a strong sense of purpose—to drive economic progress in India while championing sustainability in transportation. Our motto, “Koi Manzil Door Nahin,” is more than just words; it reflects our belief that no destination is beyond reach when driven by commitment and innovation. Over the decades, we have grown into one of the most integrated commercial vehicle manufacturers in this part of the world, with a presence in 49 countries.

We are proud to be the second-largest commercial vehicle manufacturer in India, the fourth-largest bus manufacturer globally, and the 13th-largest in the truck segment worldwide. Our commitment to national service is equally strong, we supply the largest fleet of logistics vehicles to the Indian Army and support defence operations globally through our special application vehicles, playing our part in safeguarding borders.

Innovation and quality are deeply embedded in everything we do. We were the first in India's CV industry to receive the OBD-II certification for BS IV engines and related technologies such as SCR, iEGR, and CNG. We hold ISO/TS 16949 Corporate Certification and are now also ISO 27001:2022 certified, underscoring our dedication to operational excellence and data security. Ashok Leyland is the first truck and bus manufacturing Company to receive Deming

Our Purpose: Transforming Lives and Businesses through Leadership in Mobility

Prize outside Japan. Understanding our customers' needs and challenges has always been a key strength. We have led the way with pioneering products that have set new standards in the CV industry. Beyond commercial vehicles, we also manufacture diesel engines for industrial, marine, and genset applications, extending our impact across multiple sectors. We have also built one of the most extensive and responsive service networks in the industry. With 52,770 touchpoints, including 1,748 exclusive outlets and more than 11,000 Leyparts stores, we ensure that support is always within reach. Our service centers, placed every 75 kilometers on major highways, allow us to fulfil our “Quick Response” promise—reaching customers within four hours and ensuring they're back on the

road within 48 hours. At Ashok Leyland, everything we do is fuelled by technology, customer insight, and a relentless drive to keep moving forward. We are not just building vehicles—we are building the future of mobility, both in India and around the world.

To explore our full range of products, please visit: <https://www.ashokleyland.com>.

We are committed to proactively embracing sustainable practices with the goal of creating a positive impact on both the environment and society. Through reduced emissions, energy-efficient technologies, and a focus on sustainable supply chain operations, we strive to drive responsible and forward-thinking progress.

Our Values



INNOVATION



AGILITY



TRUST



CUSTOMER CENTRICITY



PARTNERSHIP

Our Domestic Presence

Headquartered in Chennai, Tamil Nadu, we maintain a strong manufacturing and operational footprint across several key Indian states. Our facilities are strategically located in

- 1. Tamil Nadu (Hosur, Ennore, Sriperumbudur, and Chennai),
- 2. Maharashtra (Bhandara),
- 3. Rajasthan (Alwar), and
- 4. Uttarakhand (Pantnagar).

These locations serve as vital hubs for production, innovation, and logistics, enabling us to meet the diverse needs of the Indian market efficiently.

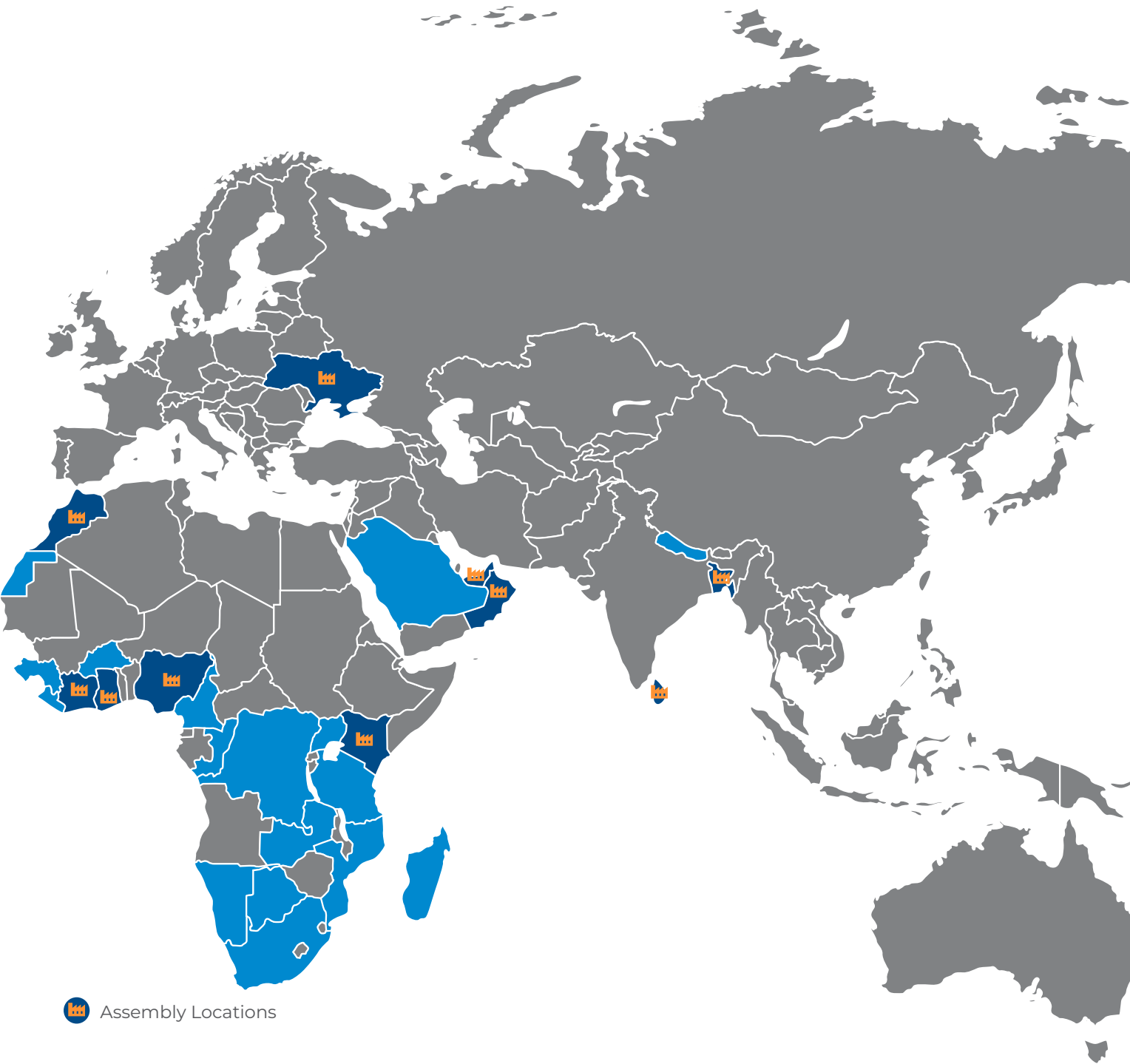
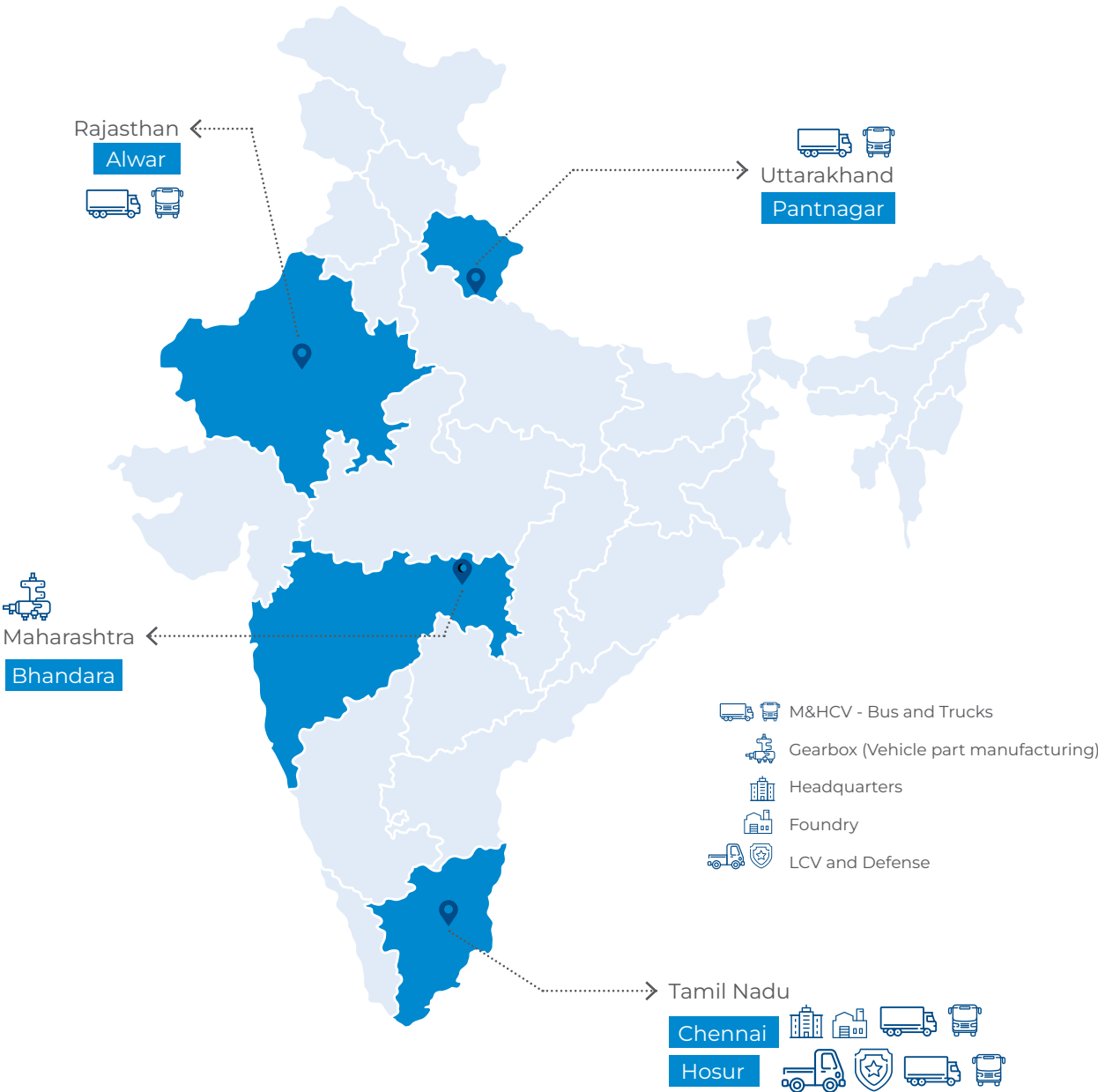
We have also established a robust and extensive network of suppliers and dealers that not only supports our operations across India but also facilitates our reach into international markets.

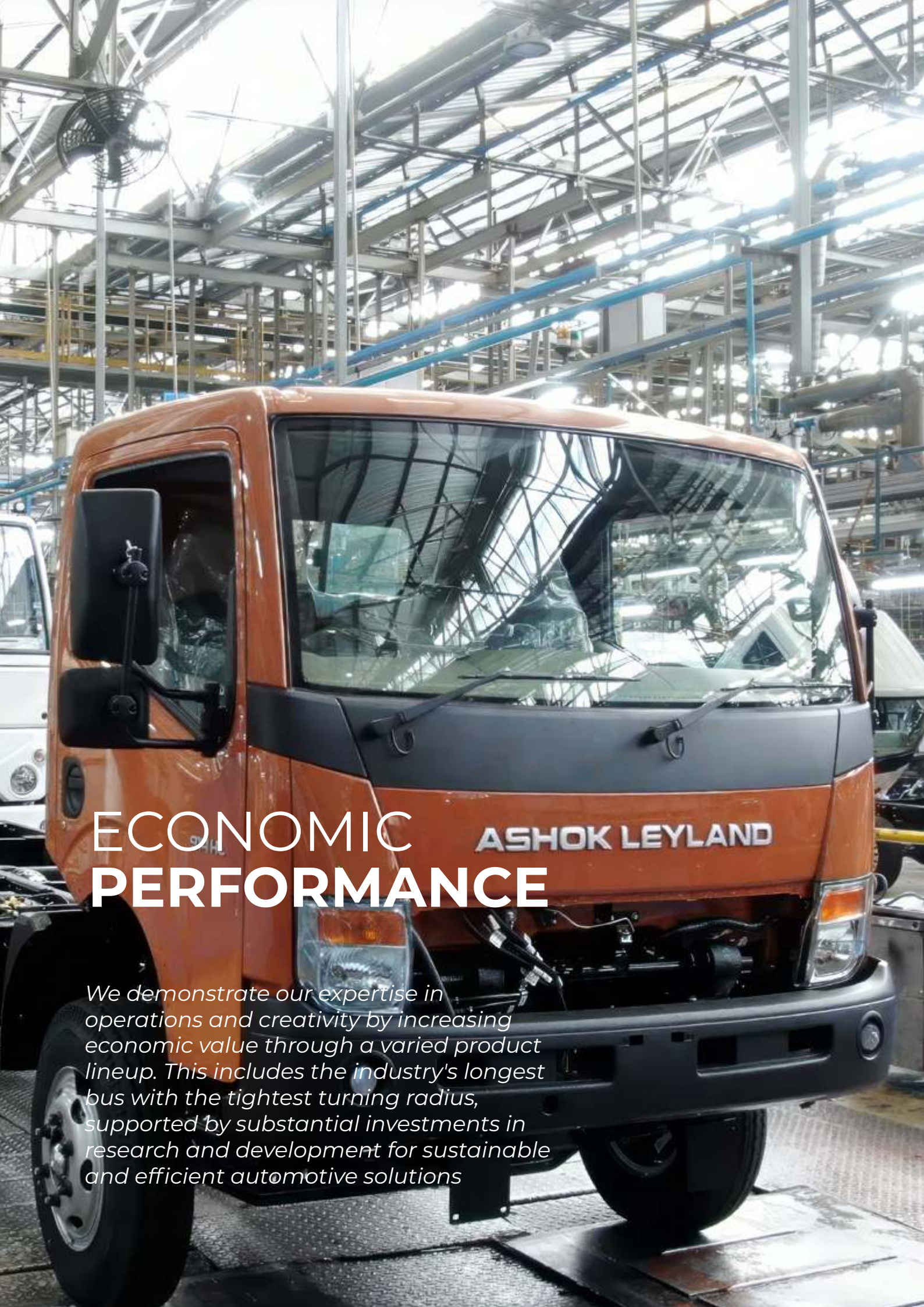
In line with our commitment to sustainable mobility and green technology, we commenced the construction of a state-of-the-art, integrated, green-powered bus manufacturing plant in Lucknow, Uttar Pradesh, during the last financial year. This upcoming facility is designed to produce 2,500 buses annually in its initial phase, with a scalable capacity of up to 5,000 units. This plant will further strengthen our domestic production capabilities while aligning with our goal to offer environmentally friendly mobility solutions.

Our International Presence

Globally, our presence spans 49 countries, reflecting our focus on strategic international expansion. We are actively growing our footprint in key regions, including the SAARC, ASEAN, GCC and Africa. Recent efforts have resulted in the addition of distributors in eight new African territories, accompanied by the launch of five new products and their respective variants.

Our range of Light Commercial Vehicles (LCVs), now available in both Right-Hand Drive (RHD) and Left-Hand Drive (LHD) configurations, has helped us deepen our presence in the goods transportation segment in these regions. Additionally, our assembly plants are engineered with the flexibility to produce electric vehicles as well as those powered by diesel Internal Combustion Engines (ICE) and alternate fuels, supporting our mission of sustainable global mobility.





ECONOMIC PERFORMANCE

We demonstrate our expertise in operations and creativity by increasing economic value through a varied product lineup. This includes the industry's longest bus with the tightest turning radius, supported by substantial investments in research and development for sustainable and efficient automotive solutions

“



Balaji K M,
*President Finance
and Chief Financial
Officer*

FY 2024–25 has been a defining year for Ashok Leyland, marked by resilience, strategic discipline, and forward-looking investments. I am pleased to report that we have achieved a sales revenue of INR 38,753 Crore. More notably, our EBITDA surged to an impressive INR 4,931 Crore. We also achieved an AA+ credit rating. This significant advancement is a testament to our exceptional operational efficiency and strategic cost management initiatives. This performance is not merely a reflection of financial prudence—it is a testament to our commitment to sustainable value creation, de-risking profit fluctuations from cyclical and earn best-in-class returns on capital employed and net worth. Our strategic investments in research and development have continued to fuel innovation, with 20 percent of R&D spend directed toward environmental and social initiatives. These investments are positioning Ashok Leyland at the forefront of the green mobility revolution, while reinforcing our long-term sustainability goals.

EBITDA

12.7 percent

Profit After Tax (PAT)

26 percent
y-o-y increase

M&HCV vehicles sold in domestic market (including Defence)

114,793

LCV sold in domestic market

65,049

Earnings per Share

INR 11.25

Dividend per share

INR 6.25

Our commitment to operational excellence and innovation is deeply ingrained in our ethos. This philosophy drives us to maintain a diverse product portfolio that aligns with the evolving needs of our clientele. Our efforts are focused on enhancing stakeholder value and fostering economic prosperity through the consistent delivery of industry-leading products and services.

In response to the ever-changing market landscape, we have made substantial investments in Research and Development (R&D) to refine our products and manufacturing processes. By leveraging cutting-edge technologies and pioneering innovations, we are determined to lead the market with environmentally responsible products and inventive solutions that address the dynamic demands of the automotive industry. Our financial strategy prioritises projects with a strong emphasis on sustainability measures, including the development of alternative fuels, enhancement of safety protocols, and reduction of our environmental footprint. Our commitment to corporate social responsibility is exemplified by a contribution of INR 35.27 Crores and INR 18.25 Crore carried forward to next year as per applicable provision, also the formation of Ashok Leyland Foundation, has enhanced the scope of CSR and working with business partners for contributions and joint projects for deeper impact.

Market Performance

Amidst a challenging economic environment, we have demonstrated robust performance in the commercial vehicle sector. This section highlights our significant achievements in both domestic and international markets, reaffirming our strategic focus on growth, innovation and industry leadership. We are proud to report a domestic vehicle sales of 179,842 units and exports of 15,255 units, totalling to 195,097 units sold during the reporting period. We remain steadfast in our pursuit of operational excellence, setting new benchmarks in quality, sustainability, safety, and health while achieving remarkable sales figures. As the automotive manufacturing sector experiences a strong rebound, Ashok Leyland continues to lead the transformation. Through strategic initiatives and a relentless pursuit of quality, sustainability, safety, and health, we are setting new benchmarks and shaping market trends. Our performance underscores not only our resilience but also our role as a catalyst for progress in the commercial mobility space.

In FY 2024-25, we sold 114,793 Medium and Heavy Commercial Vehicles (M&HCVs) in the domestic market, comprising 21,253 M&HCV buses and 93,540 M&HCV trucks, including Defence vehicles, reflecting a marginal decline of 1.1 percent compared to the previous year. Light Commercial Vehicles (LCVs) recorded sales of 65,049 units, down by 2.4 percent in line with a lower Total Industry Volume (TIV). Additionally, we delivered 1,584 completely built-up units (CBUs) and 884 Vehicle Factory Jabalpur (VFJ) kits, reinforcing our commitment to quality and customer satisfaction.

We launched the SAATHI initiative to upgrade sub-2T customers and enhanced two products under the existing DOST platform—DOST XL and DOST+ XL—while providing a refreshed design for the existing DOST cabin. In South Africa, we partnered with Hall Mark Group to establish 30 new touchpoints. The launch of the Leo model in Bangladesh has enabled us to capture significant market share in the sub-2T segment. During the year, we added 108 new outlets, along with 706 additional service bays and two parts distributor branches, bringing our total to 1,198 primary touchpoints for M&HCVs.

Our Power Solutions Business has faced challenges due to significant cost increases in gensets, meeting emission upgradation requirements and resulting in a slower demand recovery as prices stabilise. However, the notable decline in Powergen volumes has been offset by substantial growth in the Industrial and Agricultural segments. Overall, we sold 32,930 engines, reflecting a 1.7 percent increase over the previous year. The aftermarket business expanded by 13.7 percent compared to the prior year, with independent garages actively participating in our aftermarket channel. This strong engagement not only strengthens our distribution network but also reinforces our commitment to supporting the broader automotive service industry. Additionally, we opened 80 new exclusive retail parts stores, bringing the total number of stores to 734. Meanwhile, our Foundry division produced 96,828 MT (an increase of 2.7 percent over last year) and achieved sales of 93,021 MT (an increase of 5.3 percent over last year).

Our journey is characterised by strategic improvements and a relentless focus on profitable growth, and these achievements represent merely the initial steps of our ongoing journey. We are confident to continue this trajectory of success, setting new benchmarks in the industry and delivering unparalleled value to our customers and stakeholders.

Sales (in Units)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
M&HCV Trucks sold in the domestic market	103,480	98,113	93,540
M&HCV Buses sold in the domestic market	10,767	17,956	21,253
Total M&HCV vehicles sold in the domestic market	114,247	116,069	114,793
LCV sold in the domestic market	66,669	66,633	65,049
Total vehicles sold in the domestic market	180,916	182,702	179,842
Total vehicles sold in the export market	11,289	11,853	15,255

Economic Performance (in INR Crores)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Direct economic value generated	36,260.28	38,613.60	39,002.99
Operating cost	31,839.92	32,287.65	32,208.22
Community investment (Total amount spent for the Financial Year)	15.16	16.30	35.27
Payments to government	780.00	1,285.44	1,497.4
Employee wage and benefits	2,113.39	2,232.99	2,404.74
Payments to providers of capital	558.72	2,408.48	715.65
Economic value retained	952.24	383.59	2,159.87

Financial Highlights

Our collective efforts have navigated us through challenges, fortifying our operational capabilities to meet stakeholder expectations. Our tax strategies are meticulously crafted within the framework of legal and ethical standards, underscored by our adherence to arm’s length practices as outlined in our Transfer Pricing Policy. As a responsible corporate citizen, tax considerations are integral to our business strategy, receiving the Board’s attention in matters of tax issues, and our Consolidated Financial Statement provides comprehensive tax disclosures in accordance with Indian Accounting Standards.

Holding, Subsidiary, and Associate Companies (including joint ventures)

As of March 31, 2025, our corporate family comprises 41 subsidiaries, one holding company,

six associate companies, and four joint ventures. Our commitment to sustainable growth and transparency is reflected in the detailed accounts of these entities, as presented in our Business Responsibility and Sustainability Report (Page 64 of the Annual Report).

Capital Expenditure and Investments

In FY 2024-25, we allocated INR 924 Crores towards capital expenditure, which includes investments in new product development. To facilitate informed decision-making regarding our investment processes, we have established a formal procedure that assesses the economic viability of projects through financial models, while also considering sustainability risks and opportunities. Based on these evaluations, funding is secured for projects that have a positive environmental or social impact. Our investments in renewable energy sources, such

as solar and wind, exemplify our commitment to cost-effective environmental stewardship.

Through our subsidiary, Switch Mobility, focussing on electric vehicles, we have surpassed 144 Million green kilometres globally, enhancing lives through sustainable transportation.

Our operational team diligently monitors project implementation to ensure resource efficiency, while the finance team tracks expenditures against targets and budgets. With robust Governance, Risk Management, and Compliance (GRC) initiatives in place, fund allocations are audited and reviewed by the senior management. To measure the Return on Investment (ROI) for sustainability projects, we have identified financial KPIs, including cost reduction and energy savings, with safety and emission reduction investments taking precedence. Return on Capital Employed (ROCE) is also a parameter monitored for variable pay to the senior management executives.

Research and Development

Our R&D efforts are resolutely focused on fostering a sustainable future through the development of alternative fuel vehicles, including battery electric vehicles, Hydrogen, LNG and CNG, while

delivering fuel-efficient solutions. We engage in cutting-edge R&D aimed at enhancing energy and fuel efficiency, minimising emissions, and advancing the development of safety components. Our strategic initiatives are designed to achieve extensive customer engagement and drive robust economic profitability.

During the financial year, 20 percent of our R&D expenditure was allocated to environmentally sustainable projects, with significant investments in emission reduction, alternative energy vehicles, and safety improvement initiatives. Additionally, we are dedicating 16 percent of our overall capital expenditure to environmental and social initiatives. Our R&D expenditure of INR 101 Crores on environment and social activities, underscores our commitment to sustainable product stewardship, innovation, and customer engagement, driving both economic profitability and environmental responsibility.

Our journey is characterised by a strategic vision that embraces innovation, sustainability, and operational excellence. Our achievements reflect a profound commitment to our stakeholders and the environment, as we continue to lead the automotive industry with integrity, foresight, and a steadfast dedication to progress.



AVTR 55T - Battery Electric

Compliance to Competitiveness

Ashok Leyland's approach to sustainability has transformed from merely meeting compliance requirements to actively pursuing competitive sustainability through various initiatives. This shift has resulted in significant achievements and an increased commitment to capital expenditure, rising by five percent from FY 2022-23, specifically for investments aimed at environmental and social goals.

Energy Efficiency

We implemented energy audits at the Hosur and Ennore foundries and launched awareness campaigns. These energy-saving initiatives have led to annual savings of INR 3.58 Crores, with an investment of INR 16.04 Crores, resulting in a reduction of 4.99 Million units and avoiding 3,594 tCO₂e emissions. Furthermore, through online bidding on the IEX platform, we procured 8.6 percent of our energy from green sources and has also, resulted in INR 9.35 Crores savings in FY 2024-25. Overall energy intensity stands at 40.36 GJ/INR Crore for FY 2024-25, marking a 10 percent improvement compared to FY 2022-23.

Progress on RE100 Commitment

Our renewable energy footprint has increased to 69 percent, leading to savings of INR 48.58 Crores in FY 2024-25 and a reduction of 158,648 tCO₂e in emissions. Through our green energy procurement pilot initiative and a strong emphasis on renewable energy, we have successfully lowered our emission intensity to 2.60 tCO₂e/INR Crore, reflecting a 19.25 percent improvement. With respect to absolute Scope 1 and 2 emissions there has been a 18.5 percent reduction in FY 2024-25 and 28.8 percent reduction compared to FY 2022-23.

Sustainable Water Management

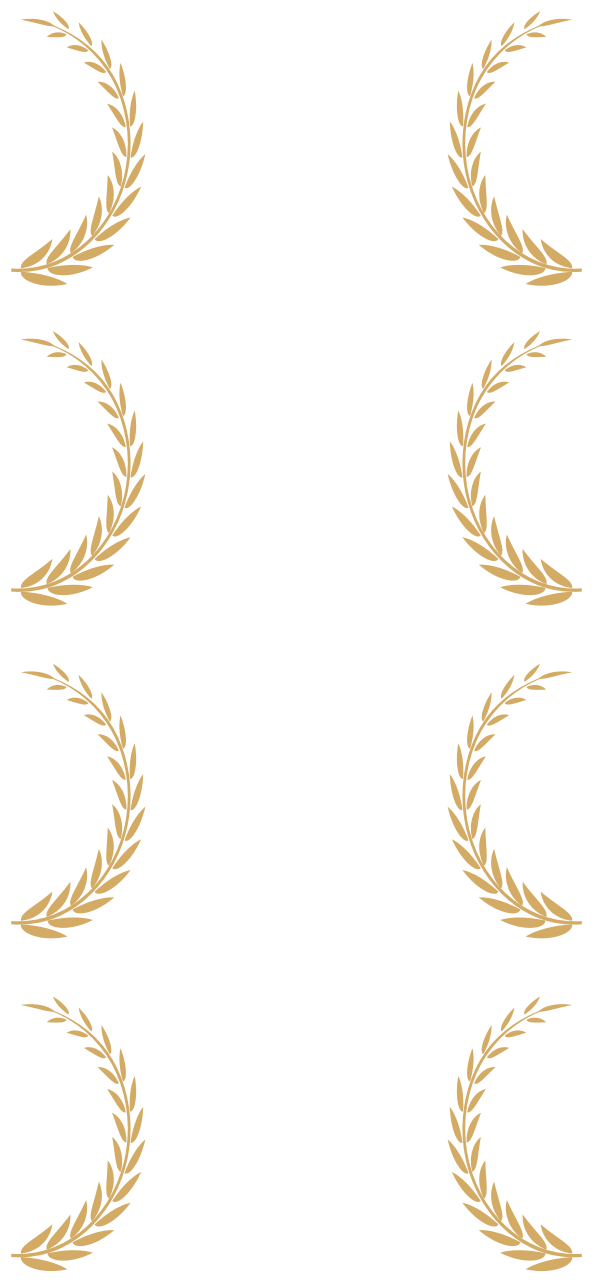
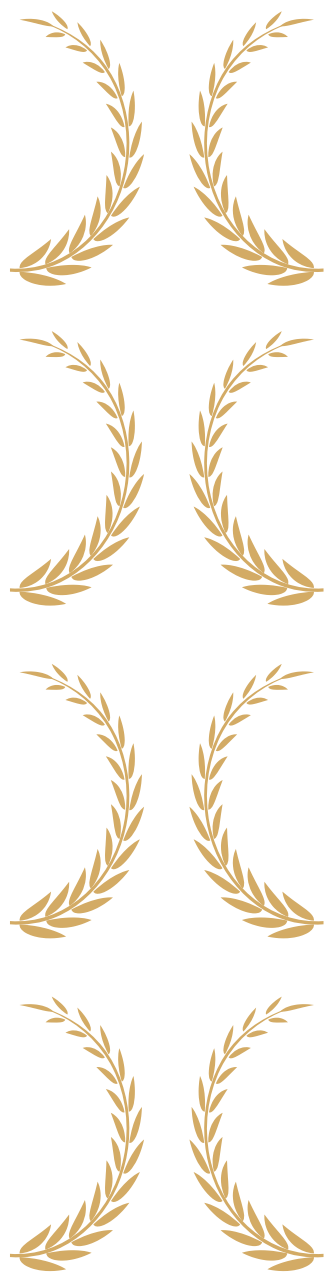
Our initiatives aimed at achieving 80 percent self-reliance in water by 2030 have increased our self-reliance to 51 percent in FY 2024-25. We enhanced our water recycling rate to 68 percent and improved our water intensity to 24.96 kL/INR Crore for FY 2024-25, representing a 24.3 percent improvement from FY 2022-23. This progress was made possible by increasing rainwater usage by 145 percent and modifying processes to minimise groundwater withdrawal, supported by an investment of INR 3.1 Crores to conserve 1.37 lakh kL annually.

Green Foundry

We are developing a sustainable ecosystem by lowering our emission intensity, reducing rejections, and enhancing water and waste management. These efforts are positioning us as a preferred choice for customers, increasing our business share from non-AL clients, and boosting our export revenue. Through renewable energy initiatives the foundry reached 78 percent in FY 2024-25. This has resulted in lowering the emission intensity from 44.13 tCO₂e/INR Crore to 27.11 tCO₂e/INR Crore a major reduction of 62.7 percent in emission intensity in foundry revenue. Sustainable water management initiatives have helped achieve water intensity of 103 kL/INR Crore in FY 2024-25 from 163.97 kL/INR Crore in FY 2023-24, a major reduction of 64 percent.

New Business Models

The shift towards sustainable transportation is creating new opportunities for Ashok Leyland in areas such as alternative fuel vehicles, eMaaS (electric Mobility as a Service), battery technology, and battery recycling, among others.





RESPONSIBLE GOVERNANCE

Ashok Leyland has implemented strong governance structures and ethical policies that steer our business towards responsible management

Ethical Business Practices

10 Board of Directors	ZERO Anti-Competitive/ Bribery Cases	40+ Policies and Statements to ensure adherence to all relevant regulations
Board Level ESG Committee	ISO 31000:2018 COSO ERM Framework	

At Ashok Leyland, we take pride in our commitment to ethical business conduct, supported by a robust corporate governance framework. Our ethos transcends mere compliance with organisational and regulatory requirements. It reflects a deeper commitment to consistently surpass expectations in our pursuit of sustainable value creation for our shareholders. Guided by a steadfast commitment to ethics, transparency and integrity, our corporate governance standards form the foundation of Ashok Leyland’s operational excellence and strategic decision making.

Empowered by a robust governance framework, our Board and Management lead with clarity and conviction, consistently prioritising the interests of the stakeholders. This unwavering commitment reinforces Ashok Leyland’s reputation as a trailblazer in the automotive industry and a steadfast advocate of responsible and ethical business practices.

Our governance systems are strategically crafted to consider pivotal factors such as management ownership and board diversity, effectiveness, structure, as well as experience and expertise. As AL’s highest decision-making body, the BoD is operated with the objective of achieving sustainable and balanced growth. Our One-Tier board system, comprising of individuals with profound industry knowledge and specialised expertise, stands at the helm of our leadership.

Charged with the critical tasks of strategy formulation and implementation oversight, our Board maintains a delicate equilibrium

between long-term vision and immediate objectives. They shoulder the responsibility of generating sustainable shareholder value. Our annual performance review process, enriched by insights from Directors and a rigorous evaluation across multiple criteria, reflects our commitment to operational excellence and continuous improvement.

Components of BoD

Board Composition

AL’s Board of Directors comprises 13 members, structured to enable effective and prudent decision making. The majority of the Board members seven are Independent Directors, reinforcing our commitment to strong governance and objective oversight. The Board consists of experts in various fields such as management, accounting, finance, law, governance and future technology, and respects diversity without discrimination on the grounds of gender, race, religion, etc.





Mr. Dheeraj G Hinduja



Mr. Jose Maria Alapont



Ms. Manisha Girotra



Mr. Saugata Gupta



Dr. Venkatramani Sumantran



Mr. Thomas Dauner



Mr. Sanjay K Asher



Mr. Shom Ashok Hinduja



Mr. Shenu Agarwal



Mr. Gopal Mahadevan

Director Tenure

As on 31st March 2025, the average tenure of all ten members of the BoD was 6.61 years. Based on the recommendations / approvals by the Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 24, 2024 & Circular resolution dated June 4, 2024 the following were the changes made to the Board and Key Managerial Personnel:

Appointment

Dr. Venkataramani Sumantran as an Additional Director (Non-Executive, Independent)

Mr. Thomas Dauner as Additional Director (Non-Executive, Independent)

Re-appointment/ Re-designation:

Mr. Dheeraj G Hinduja as Executive Chairman

Mr. Gopal Mahadevan as Director – Strategic Finance and Merger & Acquisition

Mr. Saugata Gupta as Independent Director

Committee Structure and Sustainability Governance

Audit Committee

The Audit Committee oversees the Company's financial reporting procedures and provides guidance for audit operations. It monitors the scope and effectiveness of both internal and external audits. Each committee member possesses financial knowledge and specialized skills in accounting or financial management.

Risk Management Committee

This Committee develops comprehensive risk management policies that identify and address AL's various risk categories, including financial, operational, industry-specific, sustainability, ESG, and cyber threats. It establishes appropriate monitoring frameworks, supervises policy execution, conducts biennial policy reviews to reflect industry developments, and provides regular updates to the Board regarding its activities and suggestions.

ESG Committee

This Committee ensures Company strategies and programmes are consistent with international ESG developments. It focuses on incorporating ESG-related measures throughout other Board Committees and supervises the development and implementation of ESG objectives, benchmarks, and performance indicators. The Committee tracks ESG performance monitoring systems and assesses stakeholder feedback and ESG evaluations. It also ensures adherence to mandatory ESG reporting standards, including the Business Responsibility and Sustainability Report (BRSR). Also, as part of the climate governance, the ESG Committee is responsible in reviewing and analysing the climate goals on quarterly basis over the year.

Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act and Regulation 19 of SEBI Listing Regulations, Ashok Leyland has formed a Nomination and Remuneration Committee (NRC). Acting as the Compensation Committee, the NRC administers AL ESOP 2016 and AL ESOP 2018 schemes according to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The NRC also reviews the Long-Term Incentive Policy (LTIP) periodically.

Stakeholder Relationship Committee

The Stakeholders' Relationship Committee (SRC) handles and resolves shareholder grievances while ensuring timely distribution of dividends and annual reports and supporting effective voting rights exercise. The Committee assesses complaint handling procedures and response timeframes for issues from regulatory authorities such as Stock Exchanges, SEBI, and the Ministry of Corporate Affairs to maintain service quality standards. Through Board-delegated authority, the Board of Directors, Director - Strategic Finance and M&A routinely approves share transfers, transmissions and issue of duplicate share certificates, with updates provided at subsequent quarterly Committee meetings.

CSR Committee

The Corporate Social Responsibility (CSR) Committee has developed a CSR Policy outlining Company initiatives as mandated by Schedule VII of the Companies Act, 2013. The Committee advises on CSR budget distribution and creates annual implementation plans while distinguishing between single-occurrence and continuous projects. It also handles transfers to unspent CSR accounts and monitors CSR Policy execution and fund allocation.

Technology and Investment Committee

The Board has constituted a Technology and Investment Committee (T&IC) responsible for assessing capital investment opportunities and establishing strategic manufacturing and product development objectives. The Committee oversees critical product portfolio decisions and technology adoption while ensuring the Company maintains technological leadership and remains current with worldwide industry advancements.

Policies

Our dedication to maintaining exemplary ethical standards extends far beyond basic regulatory compliance requirements. We have established robust policy frameworks designed to ensure strict adherence to all applicable legal and regulatory

standards. These comprehensive policies and related disclosures can be accessed through our corporate website. Throughout the fiscal year, the organisation recorded zero instances/breaches of corruption, discrimination, conflict of interest, data security and insider trading.

Policies	Archival Policy
	Anti-Corruption and Anti-Bribery Policy
	Board Diversity Policy
	Code of Conduct for Executives
	Code of Conduct for the Board Members and the Senior Management
	Code of Conduct to regulate, monitor and report trading by designated persons
	Code of Conduct to regulate, monitor and report trading by Insiders.
	Conflict of Interest Policy
	Conflict Mineral Policy
	CSR Policy
	Dividend Distribution Policy
	Environment Health and Safety Policy
	ESG Policy
	Fair Disclosure Policy
	Green Procurement Policy
	Information Security Policy
	Insider Trading Policy
	Policy on disclosure of material events or information
	Policy on Material Subsidiary
	Policy on Related Party Transactions
Charter	Prevention of Sexual Harassment at Workplace
	Quality Policy
	Remuneration Policy
	Sustainability Policy
	Supplier Code of Conduct
	Whistle Blower Policy
	Audit Committee Charter
	ESG Committee Charter
	Nomination and Remuneration Committee Charter

Other (FAQs, Impact Report, etc)	Affirmative Action
	Contact Details of Personnel of the Company authorised under Regulation 30
	Familiarisation Programme for Directors
	FAQs on Insider Trading Code
	Final Report - Impact Assessment Type 1 Diabetes Mellitus
	Information Security Policy Statement
	Penalty for Contravention of Company's Code of Conduct to regulate, monitor and report trading by Insiders
	Re-dream - Back to Work Programme for Women
	List of CSR projects approved by the Board
	Supplier ESG Assessment and Development Process

Risk Management

We operate under a robust Enterprise Risk Management (ERM) system built upon COSO ERM methodologies and ISO 31000:2018 standards, directing our risk oversight activities and strategic decision-making processes. This integrated system spans every organisational unit and operational area, promoting proactive risk management practices throughout the enterprise.

Our risk management architecture enables systematic identification of potential risks along with probability and impact assessments, while supporting the development of measurable mitigation approaches subject to periodic evaluation. The framework establishes protocols for recognising both internal and external threats, encompassing strategic, financial, operational, sector-specific, sustainability, ESG, cybersecurity, and information security risks. Additionally, inputs are received from the Risk Management Committee with respect to risks & opportunities. Also continuous monitoring of the effectiveness of the risk management process including mitigation actions are being reviewed by the management committee and the Risk Management Committee. Through cross-functional integration involving leadership from critical business segments, the ERM process delivers holistic risk management coverage across the organisation.

The significant outcome of the risk management is communicated to the Board's Independent Risk Management Committee. This Committee maintains oversight of our comprehensive risk management structure, ensuring methodical management of both risks and opportunities. Periodic reviews & semi-annual risk assessments strengthen our decision-making processes and risk management performance. The ERM process is being evaluated annually as part of the internal financial control review by external partners.

Ashok Leyland has adopted artificial intelligence-enabled Third-Party Risk Management (TPRM) technology to navigate complex partnership risk landscapes. The system evaluates 26 risk parameters spanning nine risk domains, facilitating comprehensive threat identification and strategic risk mitigation. This capability protects corporate reputation while ensuring business sustainability through exhaustive risk profiling. TPRM intelligence supports anticipatory risk management, reinforcing organisational defences against financial, regulatory, and operational vulnerabilities.

This forward-looking risk management highlights the existing and emerging risk like supply chain complexities, workforce safety and sustainable partnerships (dealers and suppliers).

Risk Management Organisation Structure

Functional reporting
Providing updates

- Oversight of effectiveness of ERM framework
- Review of enterprise risks & opportunities

- Responsible for Over all ERM Process
- Integrated view of risks
- Periodic risk review

Risk Identification, analysis, evaluation, prioritization, treatment, monitoring and reporting

9 Risk Dimensions									
	Corporate Structure	Financial Health	Credit History	Compliance Rigor	Litigation History	Defaulter & Blacklist Mentions	Sanctions & PEP Mentions	Promoter & Related Party	Market Sentiment
26 Risk Parameters	Scale	Liquidity position	Economic Defaults	Tax Compliance	Litigiousness	MCA Defaults	Trade Restrictions and Sanctions	Political Exposure	News
	Management Consistency	Leverage	Insolvency Risk	Labor (PF) Compliance	Criminal Background	Market Regulator Defaults		Regulatory Defaults	Customer Complaints
	Workforce Strength	Profitability & Growth		MCA Compliance	Tax Litigations	Law Enforcement Notices (SFIO, ED, CBI etc)		Trade Restrictions and Sanctions	
Sources (Govt websites)	Ministry of Corporate affairs (MCA)		SEBI, CIBIL, MCA, RBI		Digital Courts	Serious Fraud investigation office, Enforcement Directorate, MCA	Political Exposed Person datasets, Global Sanctions and Law Enforcement Records		Media Reports

Risk Culture

We have implemented several strategies to cultivate a strong risk culture throughout the organisation. These include regular risk management training for all employees, targeted training sessions on risk management principles for employees at all levels, and the integration of risk criteria into the development process of products and services. The Independent Directors are also provided with requisite training and awareness. By focusing on education and training, AL aims to ensure that risk management is a fundamental aspect of its operations and decision-making processes.

Emerging Risks

Within the continuously shifting automotive marketplace, we maintain our competitive edge through forward-thinking innovation and adaptive strategies. The coming decade will introduce various new risk factors capable of fundamentally altering industry dynamics. Nevertheless, these challenges simultaneously present valuable opportunities for organisational advancement, market penetration, and industry leadership.

The Enterprise Risk Management Function also conducts horizon and external environmental scanning based on which Risk Outlook report is developed and communicated to stakeholders. This Risk Outlook Report covers global risks, country risks, industry risks and organisational risks along with opportunities and emerging trends and technologies. Additionally, the ERM function also shares risks alerts based on external incidents and events for taking pro-active mitigation actions.

Our strategic assessment outlines primary emerging risks impacting the organisation coupled with the exclusive growth potentials and opportunities. By applying these analytical insights, we seek to effectively traverse our changing market environment while transforming industry developments into competitive advantages that solidify our market-leading status and foster long-term sustainable prosperity.

Additionally, we acknowledge vulnerability areas projected for FY 2025-26, encompassing various risk factors, collaborating with respective business functions to manage and mitigate these specific challenges.

Emerging Risk	Opportunity	Mitigation Measures
Connectivity and Cybersecurity	• Offer enhanced connected vehicle services • Providing customers with advanced features • Improving product security, which can build trust and loyalty	• Strengthen cybersecurity protocols and training staff on data security • Protecting customer data and vehicle systems from potential breaches
Stringent emission regulation	• Cater to environmentally conscious customers and • Tap into new markets that prioritise sustainability and reduce overall impact on the environment and ecosystem.	• Focus on developing cleaner engine technologies • Closely monitoring regulatory changes
Operational Resilience & Business Continuity	• Develop redundant operational capabilities and backup systems • Build reputation as reliable partner during disruptions	• Implement comprehensive business continuity planning • Establish multiple operational sites and distributed manufacturing • Invest in scenario planning and stress testing capabilities

Emerging Risk	Opportunity	Mitigation Measures
Operational Data Security & Industrial Espionage	• Develop proprietary operational technologies and trade secrets protection • Build competitive advantage through secure operational excellence	• Implement zero-trust security architecture for operational systems • Establish comprehensive insider threat detection and prevention • Conduct regular operational security assessments and penetration testing
Global supply chain	• Localise and diversify the supply chain to reduce dependency on specific regions and suppliers, • Potentially lowering costs • Improving operational resilience.	• Develop alternative sourcing strategies • Implementation of robust supply chain risk management
Climate Change Impact	• Position Ashok Leyland as a forward-thinking company that addresses environmental concerns by leading climate resilience • Innovation in sustainable mobility	• Invest in sustainable technologies • Developing climate adaptation strategies
Geopolitical Tensions and Trade Policies	• Leverage new trade agreements and accessing emerging markets	• Develop flexible import-export strategies • Engaging in policy advocacy to mitigate the risks associated with geopolitical uncertainties and ensure smoother international operations.

Internal Control

Given the nature of business, size and complexity of operations, we have developed a robust internal control architecture ensuring Transactions recorded are accurate, complete, and authorised; Adherence to accounting standards, complying with applicable statutes and conforming to Company policies and procedures; Effective use of resources and safeguarding assets.

This complies with the specific requirements laid out under Section 134(5)(e) of the Companies Act, 2013 which calls for establishment and implementation of an Internal Financial Control framework that supports compliance to the Act in relation to the Directors' Responsibility Statement.

Internal control architecture follows the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Internal Control Framework, 2013 and The Institute of Chartered Accountants of India's Guidance Note on Audit

of Internal Financial Controls Over Financial Reporting that supports in evaluating the design and operating effectiveness of internal controls in a consistent manner.

Our independent Internal Audit function, supported by external experts as needed, conducts risk-based audits in line with Audit Committee's approved risk based annual internal audit plan. This function evaluates the effectiveness of internal controls and operations, with any identified deficiencies being monitored until resolved and verified. The Internal Audit function reviews compliance with established design of the Internal control, while ensuring the efficiency and effectiveness of operations.

Significant deficiencies in Internal control identified if any, are tracked for closure and validated. The summary of the internal audit findings and status of implementation of action plans for risk mitigation, are submitted to the Audit Committee every quarter for review and feedback.

Governance Risk and Compliance

The organisation leverages Governance, Risk, and Compliance (GRC) technologies to enhance operational efficiency, ensure regulatory alignment, and systematically address risk exposures. Our GRC platform features Access Control (AC) systems managing user privileges from recruitment through separation, integrating risk assessment and contingency access capabilities. Enterprise Risk Management (ERM) delivers structured risk oversight methodologies aligned with corporate objectives while reducing potential business disruptions. Process Control (PC), presently in implementation phase, will enhance compliance through perpetual monitoring and clear accountability assignment, strengthening organisational control effectiveness.

Information Security

Information security remains a strategic priority through implementation of recognised industry standards designed to address cybersecurity and related security challenges. Our commitment to comprehensive Information Security governance has led to establishing an autonomous security function responsible for safeguarding information assets while maintaining their confidentiality, integrity, and accessibility. We have a dedicated Chief Information Security Officer who oversees the cybersecurity strategy. Also, the periodical activities for ensuring the cybersecurity posture are being discussed and presented in Risk Management Committee.

Throughout the reporting year, we have implemented essential protective measures and deployed security controls for ongoing surveillance of hardware infrastructure, software applications, and cloud-based environments. A detailed business continuity and disaster recovery framework has been developed for IT operations with specific objectives to:

- 1 Ensure uninterrupted IT operations and service delivery.
- 2 Safeguard sensitive information confidentiality and integrity during operational disruptions.

- 3 Define critical systems and resources required for sustained business operations during crisis situations.
- 4 Execute predetermined recovery procedures to rapidly restore standard services following disasters.
- 5 Reduce operational disruption impact on stakeholders while reinforcing organisational credibility.

These business continuity and disaster recovery plans are tested periodically for its effectiveness. We are ISO 27001:2022 – Information Security Management System certified organisation which helps in, validating our robust information security management practices and governance framework.

Beyond these measures, we executed thorough Security and Digital Maturity Assessments alongside penetration testing in the prior reporting period. All discovered security deficiencies and system vulnerabilities have been effectively remediated. During the financial year, we undertook a comprehensive set of cybersecurity initiatives which helps in strengthened our security posture. These included:

- External and Internal Vulnerability Assessment & Penetration Testing (VAPT)
- Application Security Assessments (Black Box & Grey Box)
- Phishing Simulation Exercises
- ISMS Awareness and Training Sessions
- Continuous Attack Surface Monitoring
- Security Configuration Reviews
- Table-top Exercises for Crisis Preparedness

Digital Solutions

In today's dynamic business landscape, the rapid evolution of digital trends compels us to embrace new working methods, develop innovative solutions, and incorporate advanced technologies. Our digital journey is fuelled by the transformative potential of the 3 A's—Artificial Intelligence, Analytics, and Automation—to revolutionise the 3 C's: Customer Experience, Cost Optimisation, and Controls & Governance. The swift pace of technological advancements necessitates a significant leap in integrating digital transformation into our business processes.

By leveraging cutting-edge technological platforms in Mobility, Machine Learning, Artificial Intelligence, Big Data Analytics, IoT, Visual Analytics, Cloud Computing, and RPA. Team Digital has introduced innovative solutions in Hyper Automation, Prescriptive Analytics, Digital Experience, Connected Vehicles, Engineering IT, and Industry 4.0. These initiatives have unlocked new revenue streams, enhanced productivity, optimised costs, and improved customer

experiences. Furthermore, we have explored advanced technologies such as Generative AI, MLOps, and cloud-native solutions on the Edge and IoT. Notably, we launched Ask AI, the Generative AI-powered Digital Co-pilot for Service, and deployed machine learning models using MLOps pipelines and MPAS for Industry 4.0. The transformative power of these technologies holds the promise to revolutionise our industry, reinvent business models, and create new avenues for innovation and growth.

Also, to improve production line effectiveness and tackle issues such as parts identification challenges and model diversification, we are developing the Manufacturing Process Assurance System (MPAS). This solution interfaces with SAP infrastructure, ensures accurate component assembly, maintains operational standards, and provides continuous surveillance with analytical reporting, ultimately minimising rework and enhancing operational efficiency.



Engine Research and Development Test Cell

The following are the strategic digital interventions:

AI and Analytics

Converting complexity into clarity: Ask AI - Ask AI, a Generative AI-powered Digital Co-pilot, simplifies the process by effortlessly navigating service manuals and providing instant responses to user queries. With the ability to access information across over 1,300 models, 20+ aggregates, and 10,300+ variants.

Predict Failures and Delight Customers: PredictALL - PredictALL is an innovative AI/ML-powered tool that forecasts failure rates, projects warranty costs, and predicts vehicle failures, all within a single platform. This first-of-its-kind solution in the Indian automotive industry enhances reliability and operational efficiency.

Shift Gears with Confidence: Clutch Analytics - Clutch Analytics is an advanced analytical solution that conducts root cause analysis on clutch failures and auto-generates early warning alerts by analysing driving behaviours, monitoring 100,000 vehicles and identifying 20 drivers for performance improvement training.

Digital Experience

BANDHAN - Bandhan Portal offers a technical assistance ticketing tool, facilitates Product Performance Report (PPR) creation, and includes an Ancillary Management System (AMS) for effective parts monitoring. In FY 2024-25, over 5,000 instances of remote support were provided to dealers via USC.

PARTS 365 2.0 - Parts 365 Digital Audit App streamlines this process by geofencing audits,

standardising and digitally approving them, and automatically sending PDF reports to channel partners, along with promotional advertisement facilities. As a result, audit time has been reduced from over 30 minutes to just 5-10 minutes.

Industry 4.0

A Smarter Future with MPAS - The assembly line faces challenges in identifying the correct parts due to incorrect machine program selection stemming from manual processes and insufficient real-time data monitoring. MPAS tackles these issues by integrating Industry 4.0 technologies, enabling real-time data monitoring and analytics, ensuring part traceability, and improving quality and maintenance management. Currently, over 1,200 pieces of equipment from 25 assembly lines across five manufacturing locations are connected to MPAS.

Connected Vehicles

UDS Prognostics – Non-linear failure patterns in UDS hinder detection and corrective actions, leading to emissions-related vehicle performance issues. Our predictive analytics solution uses deep machine learning to forecast UDS failures, providing early warnings via telematics and alerting stakeholders. UDS failures were among the top five complaints in FY 2024-25, contributing to six percent of warranty costs.

EV Uptime Solution Centre – This centre utilises a proprietary diagnostic and ticketing platform to analyse vehicle issues with real-time data, offering proactive alerts on key performance metrics. Over 40 percent of insights focus on battery management, crucial for EV safety.

Fleet Management Solutions for EV Trucks – Our integrated Fleet Management Solution allows easy access for diesel and electric vehicles, built on the iALERT platform with a consistent user interface. AL is the first Indian OEM to launch an FMS app that displays multi-fuel and EV data on a single screen.

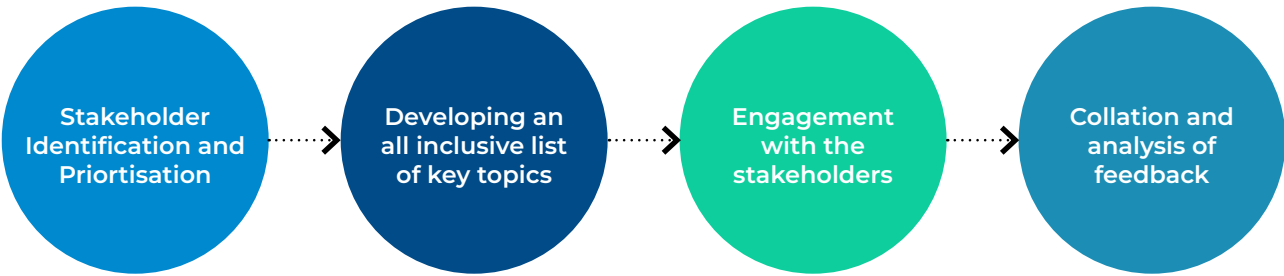
Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement: Making Stakeholders a Partner in Progress

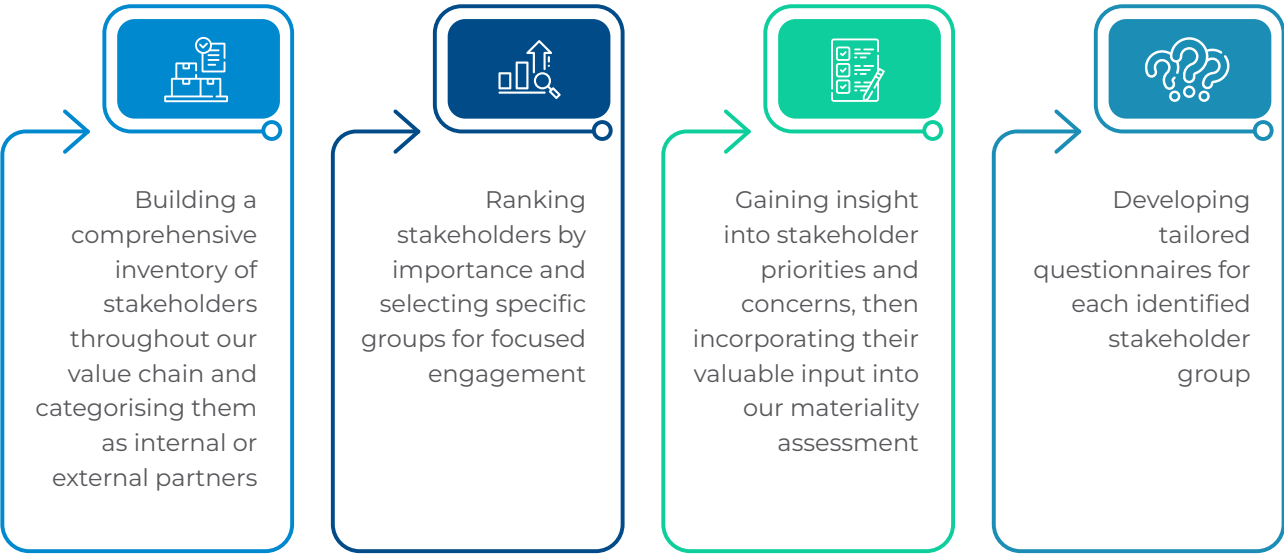
Our business operates with all stakeholders in mind, maintaining ongoing communication to understand their needs and concerns. These stakeholder relationships are essential for ensuring AL in making decisions that meet expectations. This approach is fundamental to our responsible business model, building trust, enhancing

cooperation, spurring innovation, and effectively handling potential risks.

We use stakeholder input to identify and address important environmental and social issues. Our materiality process involves collaborative mapping with all stakeholders to determine key priorities. This consultation process, along with leadership involvement, helps us develop comprehensive assessments and strategic planning frameworks.



The feedback collected from our key stakeholder interactions serves several important purposes:



Stakeholder Group	Mode of Engagement	Frequency of Engagement	Key Expectations
Investors	- Annual general meeting - Investor presentations and conference call and meetings - Press releases and newsletters - Stock Exchanges and Websites	▲ ▲ ▲ ▲	- ESG performance - Growth opportunities - Product availability - Product portfolio - New product development - Market trend - Financial Results
Employees	- Monthly and quarterly meeting - Personal review and visits - Surveys - Training - Annual day - Events	▲ ▲ ▲ ▲ ▲ ▲	- Employee engagement surveys - Annual appraisal - Chairman's award - MD's townhall meeting
Suppliers	- Suppliers meet - Tech days - Mutual visits - Need-based meetings with the leadership team - ESG Supplier surveys	▲ ▲ ▲ ▲ ▲	- Long-term business commitments - Economic scenario with respect to commercial vehicle industry - Scheduling supplier development
Customers (Institutional and Retail)	- Surveys - Company events - Initiatives like rewards for purchase	▲ ▲ ▲	- Product delivery - Technical communications - Aftersales service - Quality of service
Government and regulatory authorities	- Face-to-face interaction - Events and conferences	▲ ▲	- Compliance - Tax - Regulations
Industry Association	- Conferences, global events, and workshops - Press releases and newsletters - Written communications - Meetings, publications, and announcements	▲ ▲ ▲ ▲	- Compliance - Regulations
Channel Partners	- Monthly and Quarterly meet - Personal reviews - Surveys - Training - Events – dealer conference	▲ ▲ ▲ ▲ ▲	- Business targets, commitment, and development plan - Training and development - Customer engagement and satisfaction
Local Communities	- Community welfare programmes - Project assessment reviews	▲ ▲	- Community safety and development - Engagement and communication

▲ Annually
 ▲ Quarterly
 ▲ Monthly
 ▲ Need based
 ▲ Periodic

Identifying Critical Priorities: Our Materiality Assessment Process

The GRI framework requires companies to determine their most significant actual and potential economic, environmental, and social impacts. In fiscal year 2022-23, we updated our materiality approach with GRI's Impact Materiality framework. We

undertake detailed assessment with inputs from stakeholders every two years.

We completed a thorough materiality evaluation in FY 2021 that revealed the essential issues affecting our business both directly and indirectly. This analysis was conducted jointly with our internal and external partners to thoroughly understand various ESG challenges, forecast potential

risks, and create appropriate response strategies. This Report details the primary concerns identified and the specific actions we've taken to address them.

Based on our completed materiality assessment, we identified the following key topics, with comprehensive details for each provided in the Annexure: Materiality Table.

Alignment of ESG Strategy with the Material Topics

ESG Strategy		Material Topics
Environment - Carbon Neutrality - Water Positivity - Resource Efficiency		► Resource optimisation and operational Eco-efficiency
Social - Diversity, Equity and Inclusion - Corporate Social Responsibility - Health & Safety - Fair Labour Practices		► Human Rights ► Training and Education ► Labour Management Relationship ► Recruitment and Talent Retention ► Customer Relationship and Satisfaction ► Sustainable supply chain ► Community Development ► Occupational Health and Safety
Governance - Board Independence & Practices - Global Compliance - Disclosure		► Business Growth and Profitability ► Cybersecurity ► Corporate Governance ► Product Stewardship

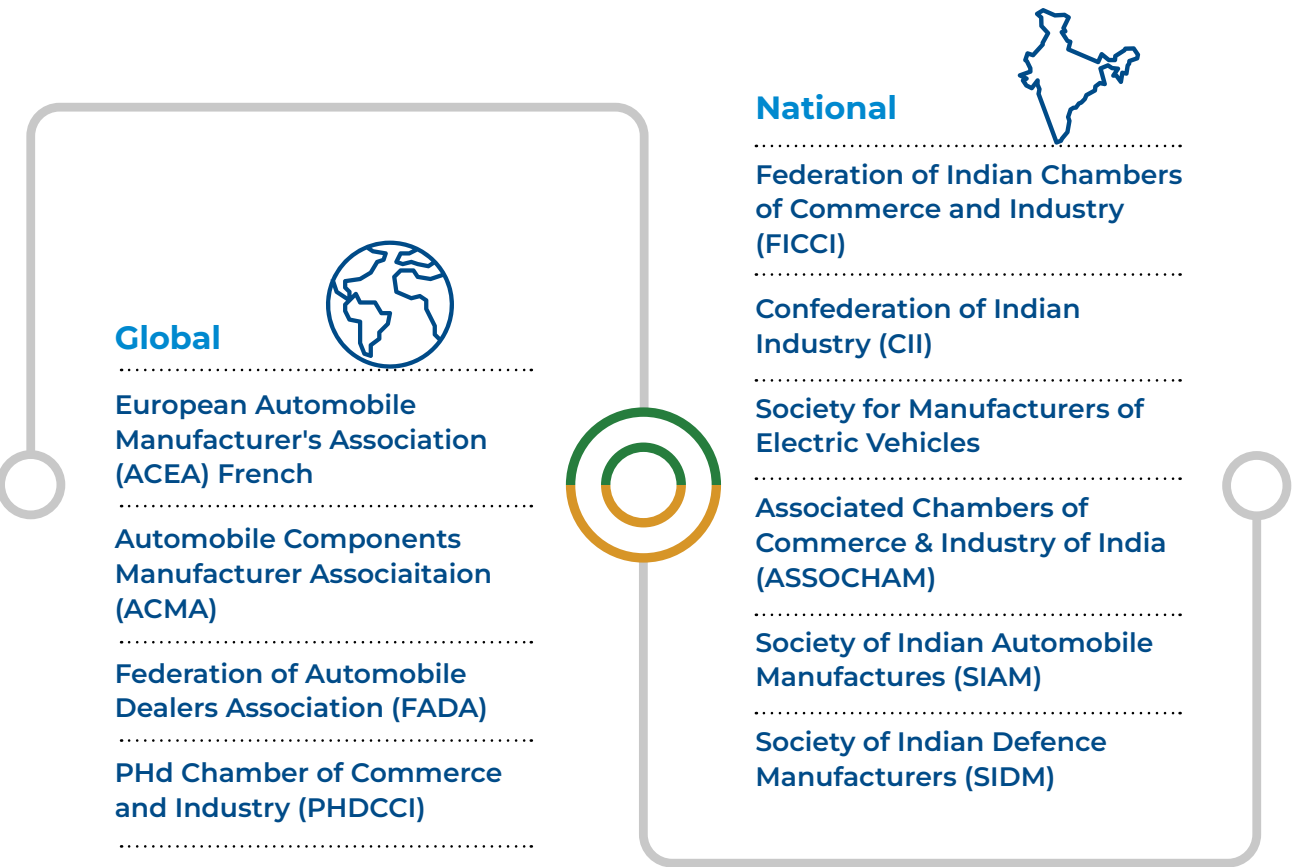
Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Resource Optimisation and Operational Eco-Efficiency		
Impact 1: Increased Investment of switching to renewable energy	Negative	Actual
Impact 2(a): Reduced cost due to improved Energy Management	Positive	Actual
Impact 2(b): Cost incurred due to inefficient Energy Management	Negative	Actual
Impact 3: Increasing Green House Gas Emissions	Negative	Actual
Impact 4: Reputational damage	Negative	Potential
Impact 5: Availability of water, particularly in areas of water stress	Negative	Potential
Impact 6: Implication of carbon tax	Negative	Actual
Impact 7(a): Cost incurred to be compliant with existing and emerging regulations	Negative	Potential
Impact 7(b): Cost incurred to be compliant with existing and emerging regulations	Positive	Potential
Impact 8: Increase in water use efficiency and resource management through the water management initiatives	Positive	Actual
Impact 9: Pollution of water resources by improper treatment of wastewater	Negative	Potential
Impact 10: Value creation from waste	Positive	Actual
Human Rights		
Impact 1(a): Ensuring equal treatment and opportunities for all employees	Positive	Actual
Impact 1(b): An unsafe workplace can lead to a decline in employee well-being, which may result in unequal treatment and limited opportunities for staff within the organisation.	Negative	Actual
Impact 2: Reputational damage & Regulatory non-compliances	Negative	Potential
Training and Education		
Impact 1: Investment in training and skills development	Positive	Actual
Impact 2: Increased Cost to the Company due to Training and Development for the Employees	Negative	Actual
Labour Management Relationship		
Impact 1: Provision of fair wages	Positive	Actual
Impact 2: Worker's rights and collective action	Positive	Actual
Recruitment and Talent Retention		
Impact 1(a): Increased rate of Employee retention	Positive	Potential
Impact 1(b): Declining employee satisfaction leads to low retention rates in the organisation	Negative	Potential

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Impact 2: Better employee relations	Positive	Actual
Impact 3: Improved internal company culture	Positive	Potential
Customer Relationship and Satisfaction		
Impact 1: Operational costs related to dealing with cybercrime, fines, and penalties	Negative	Actual
Impact 2: Higher customer retention	Positive	Actual
Business Growth and Profitability		
Impact 1: Impact of economic performance due to commodity price variation	Negative	Potential
Impact 2: Impact on lending and borrowing due to currency value fluctuation	Negative	Potential
Cybersecurity		
Impact 1: Operational costs related to dealing with cybercrime, fines, and penalties	Negative	Actual
Corporate Governance		
Impact 1: Anti-Competitive Practices	Negative	Actual
Impact 2: Securing interest of stakeholders	Positive	Actual
Impact 3: Anti-Corruption Practices	Negative	Potential
Impact 4: Regulatory Compliance	Negative	Actual
Sustainable Supply Chain		
Impact 1(a): Supply chain management to minimise the risks	Positive	Actual
Impact 1(b): Inefficient supply chain management leads to higher risks	Negative	Actual
Impact 2: Improved reputation and investment attraction	Positive	Potential
Community Development		
Impact 1: Brand recognition	Positive	Potential
Impact 2: Investor Relations	Positive	Actual
Occupational Health and Safety		
Impact 1: Reduction in lost time injury	Positive	Actual
Impact 2: Reduced cost associated with accidents and incidents	Positive	Actual
Impact 3: Capacity building to improve health and safety by risk awareness and zero-harm culture	Positive	Actual
Product Stewardship		
Impact 1(a): Product Safety and Innovation	Positive	Actual
Impact 1(b): Increased cost incurred due to Product Safety and Innovation	Negative	Actual

Mutual Prosperity

At AL, we actively engage with trade associations and industry bodies to advocate for policies that foster inclusive and sustainable growth for both businesses and communities. Our advocacy efforts are strategically aligned to deliver long-term stakeholder value while safeguarding

environmental resources. Through these collaborations, we contribute to shaping policy frameworks across key domains like taxation, commerce, trade, automotive, innovation, energy, sustainability, and climate action. These partnerships also enables us to stay ahead of emerging regulatory trends and industry developments.



ENVIRONMENTAL
PERFORMANCE:
INNOVATING A
GREENER TOMORROW

At Ashok Leyland, we are committed to reducing our environmental impact through innovation and sustainability, aiming to lead the industry in eco-friendly practices while fostering ecological health and engaging stakeholders in conservation efforts.

At Ashok Leyland, our business operations are guided by a unified philosophy: reducing our environmental impact and fostering ecological health. Acknowledging the vital importance of maintaining a healthy environment, we have embraced a proactive stance. By leveraging innovation, advanced technologies, and cultural and operational transformations, we address long-term environmental risks while advancing sustainability.

Our primary commitments involve incorporating environmental considerations into our business strategies, preventing pollution, assessing impacts, and meeting all related obligations. We emphasise process and energy efficiency, resource optimisation, continuous improvement, and product sustainability, which contribute to the creation of low-carbon vehicles that offer enhanced efficiency and quality. With a clear decarbonisation roadmap, we aspire to be recognized as a leading advocate for sustainable practices within our industry. Furthermore, we actively engage with stakeholders to promote environmental awareness and spearhead conservation initiatives in the ecosystems surrounding our operations.

Key Certifications

Our plant operations boast 100 percent coverage of the following prestigious international certifications.

IATF 16949
All manufacturing locations

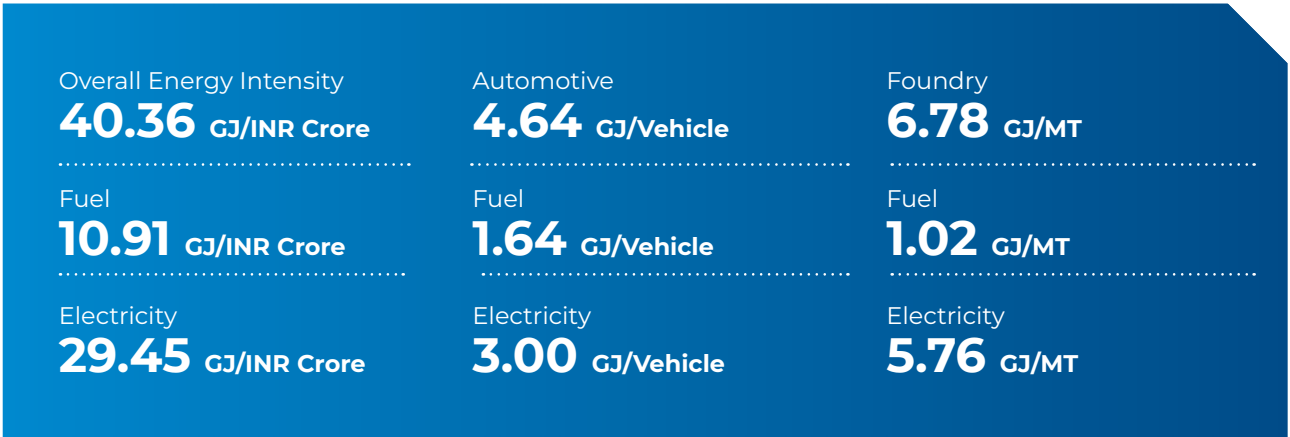
ISO 45001:2018
All manufacturing locations

ISO 14001:2015
All manufacturing locations

Our focus areas and performance

Focus Areas	KPIs	Units	FY 2022-23	FY 2023-24	FY 2024-25
Climate Change	CO2 Emission (Scope 1 and 2)	tCO ₂ e	131,515.25	123,464.37	100,595.00
	CO2 emission intensity (Scope 1 and 2)	tCO ₂ e/ INR Crore	3.64	3.22	2.59
Energy	Energy Consumption within Organisation	000' GJ	1,621.53	1,556.09	1,564.13
	Specific Energy Consumption	GJ/INR Crore	44.86	40.56	40.36
Resources	Cast Iron Recycled	%	85.85	85.83	86.00
Water Resources	Water Consumed	000' kL	1,192.32	1,124.43	967.28
	Rainwater Consumed	000' kL	34.52	20.69	110.28
	Specific Water Consumption	kL/INR Crore	32.99	29.24	24.96
Waste	Non-Hazardous Waste Generated	MT	157,253.36	188,546.58	162,695.72
	Hazardous Waste Generated	MT	3,188.56	3,118.73	2,668.13
	Waste Recycled (Haz and non-Haz)	MT	156,130.76	174,021.45	154,798.48

Energy Management



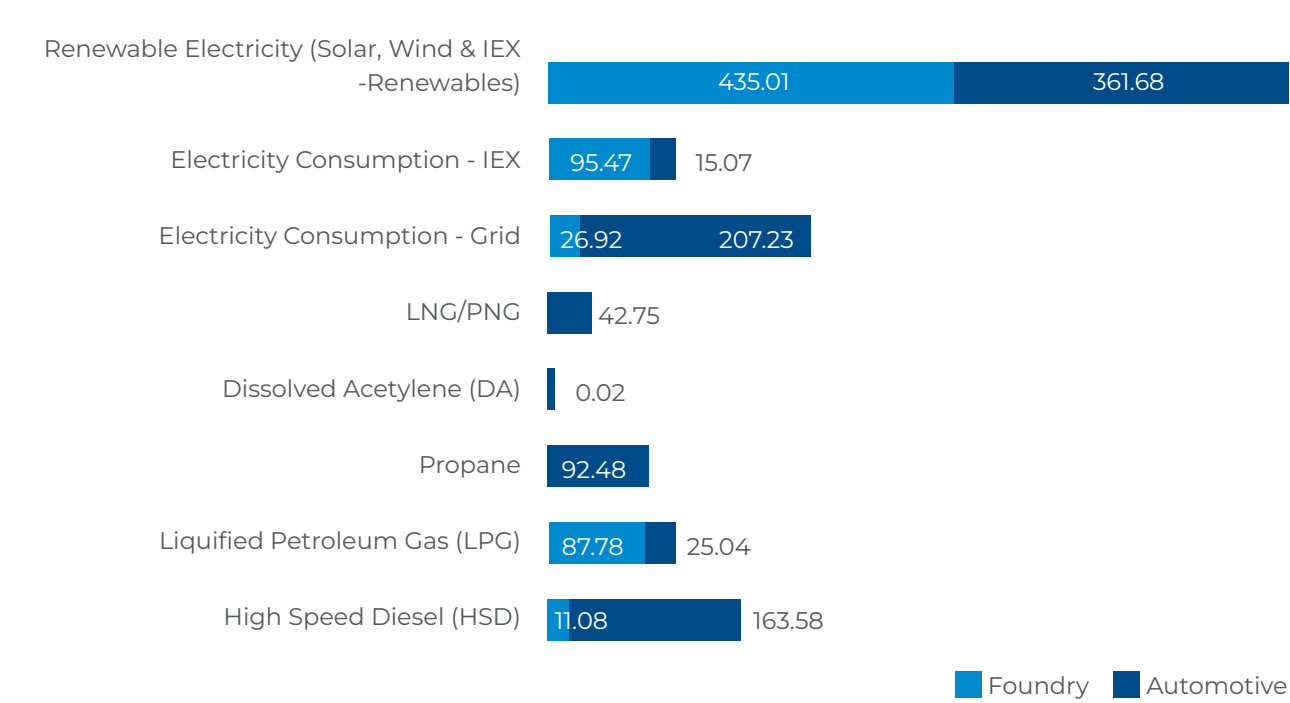
The global shift towards sustainable energy is fundamentally transforming the way we power our world. For businesses rooted in traditional non-renewable energy models, this transition presents both a challenge and a unique opportunity for

innovation and growth. With rising energy costs and increasing societal demands for improved quality of life, it is essential to secure access to economically viable and environmentally sustainable energy solutions.



Rooftop Solar in Hosur-1 manufacturing plant

Energy Consumption within organisation (000' GJ)



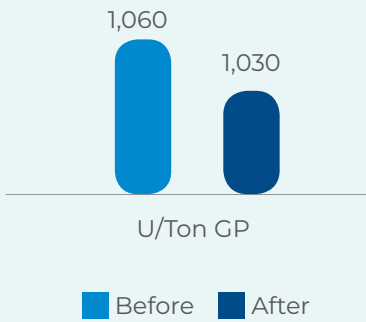
Energy Consumption – Fuel (000' GJ)			
Particulars	FY 2022-23	FY 2023-24	FY 2024-25
High-Speed Diesel	257.7	215.77	174.66
Liquified Petroleum Gas (LPG)	94.08	103.27	112.83
Compressed Natural Gas (CNG)	39.08	35.70	42.75
Dissolved Acetylene (DA)	0.12	0.02	0.02
Propane	101.61	97.35	92.48
Total	492.59	452.11	422.74
Energy Consumption – Electricity (000' GJ)			
Grid Electricity	296.36	243.97	234.15
Electricity Consumption – IEX	175.55	182.98	110.54
Total	471.91	426.94	344.69
Renewable Energy (000' GJ)			
Wind Energy	243.93	252.31	195.24
Solar Energy	413.11	422.78	505.46
IEX Renewables	0.00	1.95	96.00
Total Renewable Energy	657.03	677.04	796.70
Total Electricity Consumption	1,128.95	1,103.98	1,141.39
Total Energy Consumption	1,621.53	1,556.09	1,564.13



Melt Manager for Induction Furnace with Moulding Line

The Ashok Leyland Foundry Division Ennore has integrated a Melt Manager into its induction furnace to enhance energy conservation, launched on December 22, 2024. This advanced control system automates melting operations and provides real-time data on furnace hours and energy consumption. Its demand-based power control adjusts power supply according to production needs, reducing monthly melting power usage by 117,000 units and carbon emissions by 83.07 metric tons of CO₂ equivalent. Additionally, the Foundry AI is expected to further improve energy efficiency, lowering consumption from 720 to 670 units per ton of molten product (MOP).

Melting Unit/Ton GP



We are actively working on the strategic integration of renewable energy sources into our operational framework and exploring innovative ways to incorporate clean energy

solutions across all aspects of our business, from manufacturing to logistics. By optimising our energy consumption and adopting renewable sources, we are reducing our environmental

impact while preparing our business for the uncertainties of volatile energy markets and regulatory changes.

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Employee Commute	160.22	91.65	76.14
Upstream transportation and distribution	710.35	847.87	801.00
Waste generated in operations	6.16	6.63	5.77
Downstream Transportation	760.95	837.05	878.89
Business Travels	2.14	0.26	0.15
Total	1,639.82	1,783.47	1,761.96

Conservation of energy on Synchro cooling tower

The Synchro Cooling Tower energy conservation initiative aimed to optimise the operation of a hot water mono-block pump and exhaust fan, which previously ran continuously. To prevent air locks that could cause pump failures, a 2.2 kW energy-efficient submersible pump was installed in Phase 1, along with a cyclic timer that limited operation to 2.4 hours daily. This approach reduced equipment failure risks and achieved significant energy savings.

As a result, the facility cut annual power consumption by 24,974 units and lowered carbon emissions by 20.48 metric tons of CO₂ equivalent.

Conservation of Energy Through Innovative Ideas - Commonization of High Temp Line-1 & LA6191 CGCF-5 Cooling Tower

The conservation initiative aimed to communize cooling systems at High Temp Line-1 and LA6191 CGCF-5 by replacing water-cooled heat exchangers with air-cooled alternatives, reducing cold and hot water needs by 60 percent.

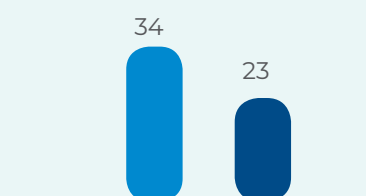
Phase 1 allowed for the integration of water systems, enabling the shutdown of pumps and fans at High Temp Line-1, resulting in significant electrical savings.

This approach achieved an annual reduction of 75,678 units in power consumption and decreased carbon emissions by 62.056 metric tons of CO₂, demonstrating how strategic changes can enhance energy conservation and sustainability.

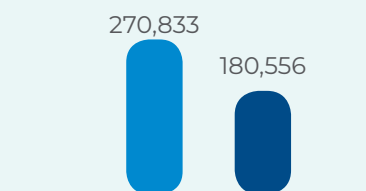
Power cost optimisation by improving productivity on Lay Shaft Gears and 9S Vertical Gears

The initiative for power cost optimisation in CGCF furnaces focused on enhancing productivity through a modification of the base tray design for the 3rd on Lay Shaft Vertical Gears and 9S Vertical Gears. Initially, the design limited the loading capacity to 40 units for the 3rd on Lay Shaft Gears and 24 units for the 9S Vertical Gears due to only 16 holes in the base tray. By redesigning the base tray to incorporate 24 holes for vertical pillars, the loading capacity was increased to 60 units for the 3rd on Lay Shaft Gears and 36 units for the 9S Vertical Gears. This process change resulted in significant benefits, including annual power cost savings of 90,278 kWh and a reduction in monthly emissions by 64.64 metric tons of CO₂ equivalent.

Saving INR Lakh/year



Specific Energy Consumption KWh/Annum



■ Before ■ After

Climate Change

Climate change poses an unprecedented global challenge, threatening the future of humanity. This issue arises alongside India's swift economic growth. According to Council on Energy, Environment and Water (CEEW), the automobile manufacturing sector is projected to expand by 70 percent by 2050, highlighting the magnitude and speed of our nation's development.

Accelerating renewable energy transition

Ashok Leyland has formed a strategic partnership with Hinduja Renewables to advance the development of group captive solar installations and rooftop solar systems throughout its operations. Simultaneously, the company collaborates closely with its affiliate, Rajalakshmi Wind Energy Limited, to implement wind power solutions at its manufacturing facilities in Tamil Nadu. These strategic alliances are crucial for enhancing the Company's renewable energy portfolio and reinforcing the long-term sustainability of its power supply infrastructure.

During the financial year, we have made significant progress in renewable energy utilisation:

- Our reliance on renewable energy sources has increased by 21 percent from the baseline of FY 2022-23, reaching a total of 69 percent (with 44 percent from solar, 17 percent from wind and 8 percent from IEX renewables).
- We have established an 87.14 MW Solar Park, 17.74 MW of Rooftop Solar capacity, and a Windmill capacity of 63 MW amounting to a total capacity of 174 MW and 26 MW addition in FY 2024-25.

As a significant contributor to India's automotive manufacturing sector, we recognise our duty to tackle climate change directly. Grounded in our dedication to creating a low-carbon future, we have initiated a journey characterised by decisive actions and strategic planning.

We have developed a detailed roadmap that outlines our strategies and initiatives, making climate action a fundamental aspect of our organisational values. We are committed to adopting the Task Force on Climate-related Financial Disclosures (TCFD) framework to further affirm our dedication to sustainability.

Net-Zero by 2048

In light of the increasing effects of climate change, the importance of sustainability is at an all-time high. At AL, we are committed to meeting this challenge with a bold goal: reaching net-zero carbon emissions across all operations by 2048. Acknowledging the pressing need to combat climate change, we align ourselves with global initiatives and support the objectives of the Paris Agreement.



Emission Management

Overall (Automotive and Foundry) Scope 1 and 2

2.59 tCO₂e/INR Crore

Scope 1
0.79 tCO₂e/INR Crore

Scope 2
1.80 tCO₂e/INR Crore

Foundry Intensity
0.32 tCO₂e/MT

Scope 1
0.066 tCO₂e/MT

Scope 2
0.255 tCO₂e/MT

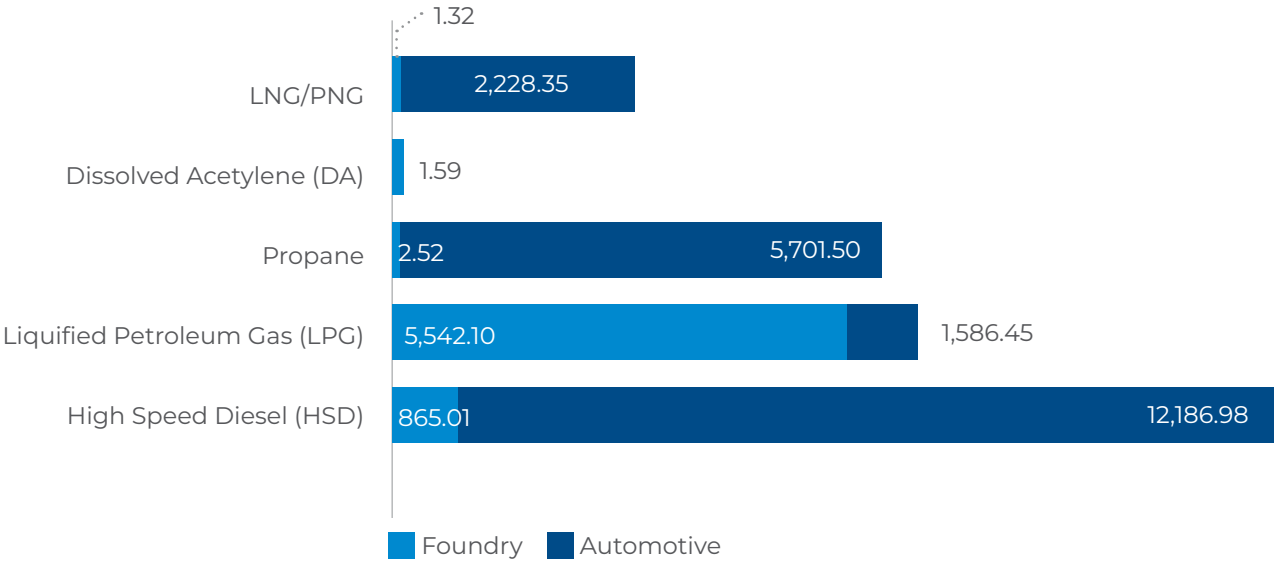
Automotive Intensity
0.34 tCO₂e/Vehicle

Scope 1
0.11 tCO₂e/Vehicle

Scope 2
0.23 tCO₂e/Vehicle

Ashok Leyland recognizes the reduction of greenhouse gas emissions as a vital element of its carbon neutrality goals. The company implements focused strategies aimed at optimising energy use and improving operational efficiency, which directly leads to decreased emission levels. To maintain accountability and foster continuous improvement, the organisation has set annual emission reduction targets, backed by thorough monitoring systems that enable real-time tracking of progress.

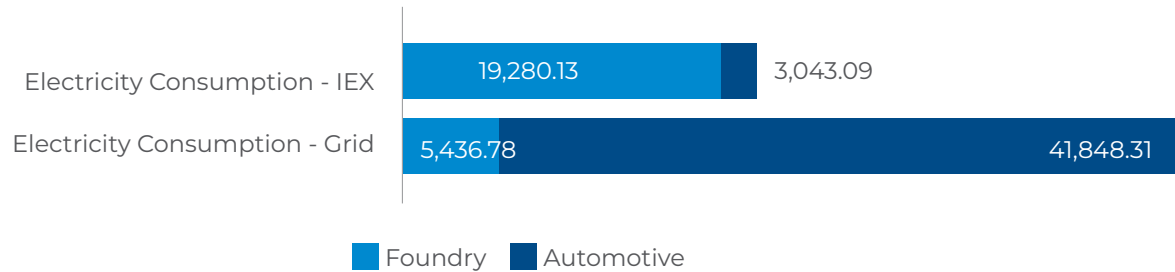
Scope 1 Emissions (tCO₂e)



Operational energy consumption primarily relies on grid-based electricity, resulting in Scope 2 emissions of 69,608.31 tCO₂e. These figures are calculated using emission factors of 0.727 tCO₂e/MW for standard grid electricity and for electricity procured via the Indian Energy Exchange (IEX), highlighting the current reliance on non-renewable

energy infrastructure. Direct operational emissions under company control (Scope 1) amounted to 30,986.68 tCO₂e, quantified using methodologies aligned with World Resources Institute (WRI), World Business Council for Sustainable Development (WBCSD), and Intergovernmental Panel on Climate Change (IPCC) standards.

Scope 2 Emissions (tCO₂e)



Scope 1 Emissions (tCO₂e)

Type of Refrigerant	FY 2022-23	FY 2023-24	FY 2024-25
High-Speed Diesel	19,158.22	16,040.83	13,051.99
Liquified Petroleum Gas (LPG)	5,936.60	6,521.96	7,128.56
Compressed Natural Gas (CNG)	2,192.48	2,004.76	2,421.36
Dissolved Acetylene (DA)	8.82	1.20	1.59
Propane	6,258.90	6,002.23	5,704.02
Fugitive Emissions (Refrigerants and Fire Extinguishers)		2,539.19	2,679.16
Total	33,555.01	33,110.17	30,986.68

Scope 2 Emissions (tCO₂e)

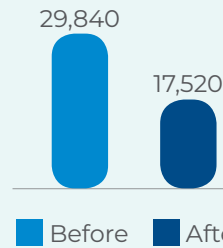
Grid Electricity	58,447.96	48,523.52	47,285.10
Electricity Consumption – IEX	39,499.45	41,830.77	22,323.22
Total	97,947.41	90,354.29	69,608.31
Total Emissions (Scope 1+2)	131,502.43	123,464.46	100,595.00

To reduce specific power consumption in Continuous Gas Carburising Furnace (CGCF) by optimising furnace burn out temperature.

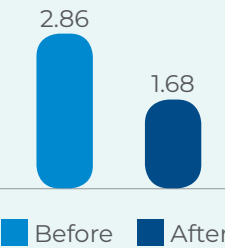
The initiative aimed to reduce specific power consumption in Continuous Gas Carburising Furnaces (CGCF) by optimising the burnout temperature. Traditionally set at 850°C for 24 hours every two months, this process consumed significant power and halted output. The buildup of unburnt carbon soot affected both the carburising process and the quality of heat-treated parts.

Trials to lower the burnout temperature to 800°C successfully reduced energy requirements. This optimisation resulted in a monthly power consumption reduction of 12,320 kWh and decreased emissions by 8.82 metric tons of CO₂ equivalent, showcasing the effectiveness of process changes for energy efficiency and sustainability.

Specific Energy Consumption- kWh/year



Saving INR Lakh/year



We monitor our Scope 3 emissions to gain a thorough understanding of the complete greenhouse gas impacts of our supply chain. This approach enables us to effectively oversee our environmental impact and actively pursue strategies aimed at diminishing our overall carbon footprint. The following categories contributed 144,225 tCO₂e emissions:

- Upstream Transportation and Distribution
- Waste Generated in Operations
- Business Travel
- Employee Commute
- Downstream Transportation and Distribution

The Scope 3 emissions of the above categories were calculated in accordance with the technical guidance for calculating Scope 3 emissions issued by the GHG Protocol with emission factors issued by WBSCD, IPCC and GHG Protocol.

Collaboration

Acknowledging the collaborative effort required to address climate change, we engage with academic institutions and industry partners to create scalable solutions and conduct research. We actively participate in initiatives and alliances such as the Science Based Targets initiative (SBTi) and RE100, among others. Also, we are in alignment to Paris Agreement. We work alongside various companies to improve energy efficiency and investigate innovative technologies.

Air Emissions

We are committed to addressing air pollution through the optimisation of our operations and the reduction of emissions. Our rigorous adherence to emission regulations ensures that our emissions consistently comply with legal standards, and we maintain a proactive approach to exceed these benchmarks.

Air Emissions (Tons)			
Particular	FY 2022-23	FY 2023-24	FY 2024-25
Suspended Particulate Matter (SPM)	94.25	133.8	93.03
Oxides of Nitrogen (NOx)	80.21	76.33	75.80
Oxides of Sulphur (SOx)	45.43	19.56	27.40
Volatile Organic Compounds (VOC)	5.81	5.09	5.85
Particulate Matter (PM)	0.06	0.00	0.00
Others	0.77	0.00	0.00

Through the implementation of a comprehensive range of policies and procedures, we actively engage in the prevention, control, and mitigation of air emissions. Our efforts are primarily focused on reducing both point-source emissions, such as those originating from stacks, and

non-point source emissions, including fugitive emissions. To facilitate these initiatives, we have established robust monitoring systems and deployed advanced emission reduction technologies.

In our continuous pursuit of enhanced emission control, we

have integrated state-of-the-art systems, including scrubbers, dedusting units, and filtration systems, into our manufacturing facilities. This advanced technology specifically targets emissions from stacks and diesel generator operations.

Ozone-Depleting Substances (kg equivalent to CFC-11)			
Type of Refrigerant	FY 2022-23	FY 2023-24	FY 2024-25
R22	297.61	389.77	274.02

Scope 3 Emissions (tCO₂e)

Category	FY 2022-23	FY 2023-24	FY 2024-25
Employee Commute	12,863.59	7,193.22	5,954.64
Upstream transportation and distribution	58,103.51	69,352.04	65,698.01
Waste generated in operations	503.63	542.59	473.18
Downstream transportation	62,251.30	68,466.37	72,086.48
Employee Business Travel	175.12	21.22	12.68
Total	133,897.15	145,575.43	144,225.00

Water Management

Overall Water Intensity

24.96 kL/INR Crore

Foundry Water Intensity

103 kL/INR Crore

1.22 kL/MT

Automotive Water Intensity

22.58 kL/INR Crore

4.35 kL/Vehicle

Water Sustainability Assessment

During the financial year, we conducted water sustainability study for all our manufacturing locations to understand status-quo, best practices across locations. The assessment helped in the identification of the various water conservation initiatives and in devising cross-functional adoption of initiatives across locations. Our manufacturing locations in Alwar, Bhandara, Pantnagar are considered to be 9.7-, 6.3-, and 3.4-times water positive.

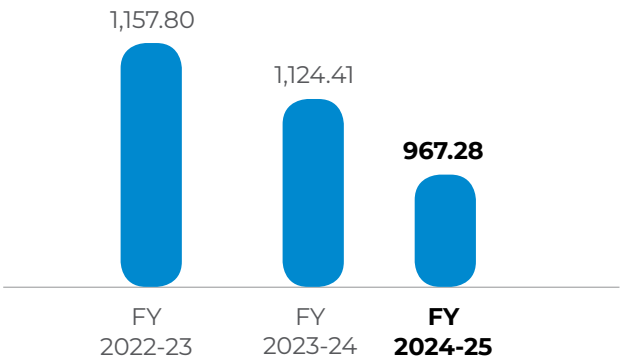


Our facilities are situated in water-stressed areas, making it imperative for us to continuously strive for long-term water security for both our operations and the surrounding communities. Recognising the vital importance of water in sustaining our activities, our water stewardship philosophy focuses on careful sourcing and efficient usage.

Each of our facilities follows a carefully developed water management plan, designed with strategic foresight. We have implemented a variety of conservation measures, ranging from localised aquifer mapping to comprehensive hydrogeological assessments, all aimed at improving the responsible management of our water resources.

The untreated release of industrial waste, effluents, and domestic sewage poses significant risks to both natural ecosystems and human communities. The latest United Nations World Water Development Report highlights this issue, revealing that as of 2022, around 2.2 Billion people lacked access to safely managed drinking water. Moreover, a considerable amount of wastewater is discharged into ecosystems without adequate treatment or reuse, worsening existing challenges.

Water Consumption (000' kL)

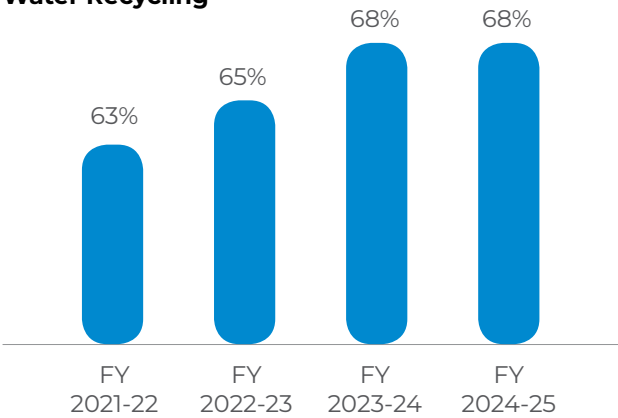


Water Consumption (000' kL)

Particulars	Foundry	Automotive Plants	Total
Produced Water	-	1.33	1.33
Surface Water Withdrawal	-	25.23	25.23
Ground Water Withdrawal	108.71	370.81	479.52
Third-Party Water Withdrawal	-	371.93	371.93
Total Water Withdrawal	108.71	769.30	878.01
Water Discharged	-	21.01	21.01
Rainwater Consumption	9.56	100.72	110.28
Total Water Consumed	118.27	849.01	967.28
Total Water Recycled	96.67	682.17	778.84
			68%

To effectively tackle this problem, industries must adopt a responsible approach that ensures the proper management of effluents to minimise the release of harmful substances into natural water bodies. At our manufacturing facilities, we are fully committed to maintaining our Zero Liquid Discharge (ZLD) status across all eight automotive manufacturing locations and two foundry locations. Additionally, we operate on-site Sewage Treatment Plants (STPs) to efficiently handle domestic sewage. Our STPs are designed to ensure that wastewater is properly treated, allowing us to effectively repurpose the treated water.

Water Recycling



Reducing dependency on groundwater in the nursery

The initiative to reduce groundwater dependency in the nursery aims for water self-sufficiency by 2030. Previously consuming about 60 kilolitres (kL) of fresh groundwater monthly, the nursery faced depletion concerns. A 250-meter pipeline was constructed to connect the nursery to the Sewage Treatment Plant (STP), enabling the use of treated water.

This transition reduced water extraction by 600 kL annually, showcasing the nursery's commitment to sustainable water management.



Avoiding Groundwater by using Rainwater

At Hosur 2, various initiatives were implemented to protect groundwater, including minimizing water usage, reducing consumption, reusing treated water, and maximizing rainwater utilization. The rainwater storage and reuse structures within the plant successfully avoided over 65,000 kL of water in FY 2024-25, leading to significant cost savings of INR 50.70 Lakhs. These collective efforts resulted in a remarkable increase in rainwater utilization, rising from two percent in FY 2023-24 to 11 percent in FY 2024-25.

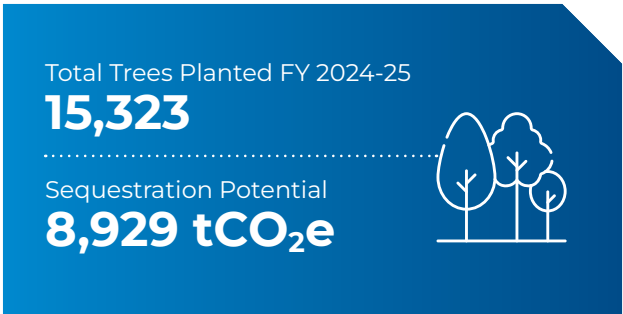
To reduce Fresh water consumption towards achieving 80 percent of self-reliance on water by 2030

The initiative at CPPS aims to achieve 80 percent water self-reliance by 2030, reducing freshwater consumption. Historically, the facility withdrew an average of 21,201 kL of fresh water annually from third-party sources. To enhance self-reliance, CPPS implemented a rainwater harvesting system with a pond and filtration for internal use.

In FY 2024-24, this initiative saved 8,722 kL of fresh water, decreasing raw water procurement from 20,973 kL in FY 2023-24 to 12,251 kL in FY 2024-25. This reduction showcases effective water conservation practices and CPPS's commitment to sustainability, highlighting the role of innovative solutions in addressing environmental challenges.



Biodiversity



Preserving biodiversity is essential for maintaining ecological balance, and this is a key focus area recognised by the World Business Council for Sustainable Development (WBCSD).

We place significant emphasis on biodiversity conservation. We have implemented the Miyawaki Method, a Japanese afforestation technique, to establish multilayer dense forest ecosystems across its operational landscape. In the current financial year, the Company planted 15,323 trees, bringing the total cumulative plantation to 729,705

trees. According to a comprehensive carbon stock assessment study, these afforestation efforts have generated a carbon sequestration capacity of 8,929 tCO₂e, contributing significantly to the Company's carbon offset objectives.

To protect biodiversity, we have implemented proactive measures. We are conducting thorough analyses of operations' biodiversity impact within designated zones, and we are planning on implementing scalable strategies for its protection. Through collaboration with local communities, we lead initiatives aimed at revitalising natural habitats and reducing biodiversity loss.

Also, our Environmental Management Plan prioritizes the protection of biodiversity-rich areas surrounding its manufacturing facilities, implementing measures to prevent adverse impacts on species classified under the International Union for Conservation of Nature (IUCN) Red List of Threatened Species. Our operational locations does not fall under any IUCN identified locations.



Biodiversity Risk Assessment

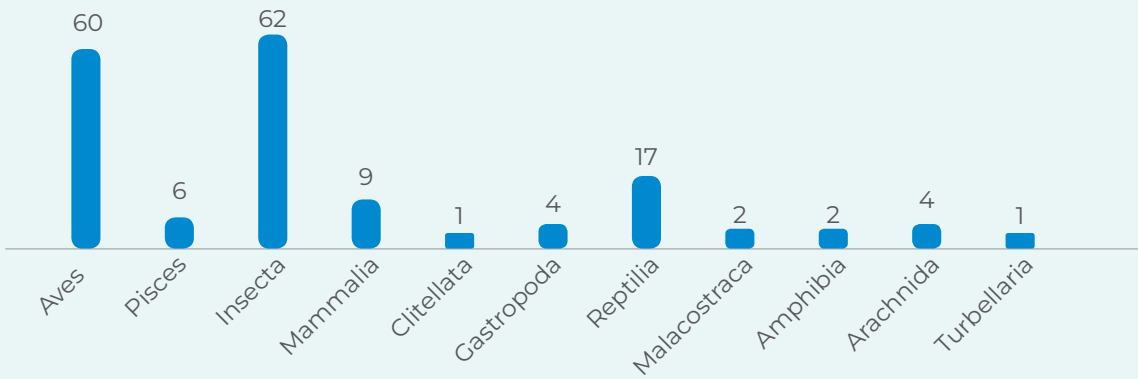
During the financial year, we carried out our biodiversity screening process for our two of our manufacturing locations at Hosur, Tamil Nadu in alignment with TNFD LEAP Approach and WWF Risk Filter. During the assessment 13 biodiversity zones were identified in both inside and outside the premises recording the presence of 76 (out of 168) schedule I and II species of fauna (WPA, 2022 amendment) and 321 species of flora (IUCN red list category) indicating a moderate to high biodiversity richness.

However, the site presents some biodiversity risk to which we have devised a mitigation plan to effectively manage the risks positioning us to meet our commitment towards environment and managing regulatory responsibilities. A total of 199 exotic species and 122 native species of flora are thriving inside the premises. As per the Shannon-Weiner Index, the flora

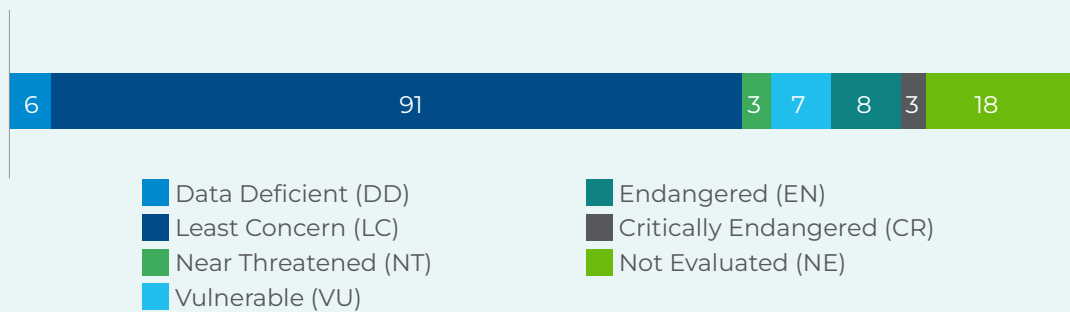
richness is 2.90 and 2.46 at Hosur 1 and Hosur 2 respectively and is considered to be moderate to biodiversity richness.

The Biodiversity Risk Management Hierarchy developed offers a systematic method to address the biodiversity impacts, emphasizing the most effective strategies first. It consists of four stages: avoidance, minimisation, restoration/rehabilitation, and offsetting/compensation, with each stage considered only if the previous one is insufficient. Avoidance is the preferred approach; we are fully committed to preventing adverse biodiversity impacts. If avoidance approach isn't feasible, we will minimise impacts to lessen pressure on biodiversity. The restoration/rehabilitation stage focuses on repairing ecosystems affected by unavoidable actions through afforestation and managing invasive species. Lastly, offsetting/compensation is the last resort for any unavoidable impacts, aiming for "no net loss" by enhancing biodiversity.

Overall classified Fauna species



Tree species IUCN status



Waste Management



The increasing global population and urbanisation have led to a surge in waste generation, presenting complex threats to human health, environmental stability, and economic resilience. To tackle this challenge, it is essential to minimize waste and promote circular economy models that prioritise reuse, recycling, and responsible manufacturing. Poor waste management can result in various issues, including organic decay that contributes to greenhouse gas emissions and the buildup of non-biodegradable waste in ecosystems.

Our approach to waste management is guided by an integrated strategy that considers environmental impact, social implications, and economic feasibility. In line with the widely recognized 'waste management hierarchy,' our methodology follows a sequence of prevention, reuse, recycling, and disposal. We have also adopted a 'Zero Waste to Landfill' philosophy, which involves careful monitoring and optimisation of resource use, as well as exploring alternative applications for the waste we generate.

Paint Sludge Recycling

The Paint Sludge Recycling initiative marks a significant advancement in sustainable hazardous

waste management in the industrial sector. By recycling hazardous paint sludge, the project eliminates the need for incineration and

reduces the carbon footprint. It optimise new paint procurement and supports a circular economy, recycling approximately 30 tons of paint sludge annually for secondary applications.

Before



After



The initiative showcases innovative waste management practices that transform hazardous materials into valuable resources, emphasising significant waste reduction and resource recovery.

Embracing circular pathways, we have adopted circularity as a transformative approach, moving away from traditional linear consumption patterns. We have initiated several innovative projects based on circular principles, including the use of steel slag in road construction, plastic injection in blast furnace and steelmaking processes, and repurposing slag for the production of paver blocks.

Screw Press

The Sustainable Waste Management Initiative at H2, part of Propel24, aims to reduce hazardous waste by minimising moisture in chemical sludge from effluent treatment. A dewatering screw press, with a capacity of 5 cubic meters per hour at a two percent concentration, has achieved a 30 percent reduction in hazardous waste generation.

This technology enhances operational efficiency and sustainability through efficient volume reduction and automated operation, offering greater energy efficiency than traditional methods. Its robust, low-maintenance design improves safety and

compliance, showcasing the effectiveness of innovative waste management solutions in promoting sustainability and reducing environmental impact.



Hazardous Waste (MT)

Particulars	Waste Generated			Waste Disposed			Waste Diverted from Landfill (Recycled)		
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23	FY 2023-24	FY 2024-25
Used / Spent oil	464.71	452.70	340.55	-	-	-	471.00	441.86	344.66
Wastes and residues - Paint sludge	815.40	821.13	409.51	-	-	-	816.74	819.98	401.72
Discarded containers / barrels / Liners contaminated with hazardous wastes / chemicals	507.44	448.29	432.89	-	-	-	480.56	467.83	461.47
Used Batteries	59.98	34.12	45.06	-	-	-	62.51	35.22	46.05
Wastes / Residues containing Oil - Oil-Soaked Cotton Waste	462.30	385.51	363.22	0.47	1.65	-	466.03	224.07	364.65

Particulars	Waste Generated			Waste Disposed			Waste Diverted from Landfill (Recycled)		
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23	FY 2023-24	FY 2024-25
Filter, Residues	4.84	15.64	6.87	-	-	-	5.34	15.64	6.87
Chemical sludge from wastewater treatment (ETP Sludge)	583.70	630.21	451.16	-	1.77	-	582.69	666.05	451.38
E-Waste	10.49	10.41	20.01	-	-	-	10.49	10.41	20.01
Wastes / Residues containing Oil - Grinding sludge	153.35	157.47	158.52	-	-	-	153.35	113.80	158.52
Phosphate sludge	93.92	102.16	95.36	-	-	-	93.92	102.16	95.36
Spent Solvent (from Paint Shop)	3.29	2.92	3.02	-	-	-	2.78	2.92	3.02
Wastes/residues (sealant/ PVC residues from painting process)	8.65	6.30	1.45	-	-	-	8.65	6.30	1.45
Spent ion exchange resin containing toxic metals	-	-	1.11	-	-	-	13.02	-	1.11
Oil and Grease Skimming Residue	-	22.85	12.55	-	-	-	-	22.85	12.55
Filter and Filter Material	20.01	28.10	22.47	-	-	-	20.01	28.10	22.47
Sludge and filters contaminated with oil	-	0.29	-	-	-	-	-	0.29	-
Medical Waste	0.49	0.631	0.87	0.49	0.43	0.87	-	0.01	-
Asbestos Waste	-	-	302.41	-	-	302.41	-	-	-
Alkali Residue	-	-	1.11	-	-	-	-	-	1.11
Total Hazardous Waste	3,188.56	3,118.73	2,668.13	0.95	3.85	303.28	3,187.08	2,957.48	2,392.38

Non-Hazardous Waste (MT)

Category	Waste Generated			Waste Disposed			Waste Diverted from Landfill (Recycled)		
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23	FY 2023-24	FY 2024-25
Cable & Electrical Scrap	43.62	30.55	50.49	-	-	-	43.62	30.55	52.84
Aluminium scrap	271.68	263.97	289.24	-	-	-	268.47	266.20	282.10
Steel dust/ Shot blast dust/ grinding dust	351.99	278.78	161.42	-	-	-	360.15	278.78	161.42
Wood Waste	2,038.15	2,175.95	1,574.73	-	-	-	2,029.06	2,181.39	1,563.82
Cardboard/ Wastepaper	4,053.52	3,553.64	3,148.19	-	-	-	4,051.58	3,552.10	3,140.00
Plastic Waste/ Used HDPE bags	976.78	1,247.87	1,152.95	-	-	-	1,538.13	1,248.85	1,142.87
Waste sand	110,817.90	106,529.48	120,544.75	-	-	-	109,421.78	99,119.78	111,754.75
Food waste	104.41	116.66	140.07	-	20.79	20.99	104.41	95.88	119.08
Steel castings, MS scrap	32,306.45	28,934.52	25,748.93	-	-	-	32,213.69	28,708.26	26,118.64
Rubber Scrap	55.78	75.91	22.13	-	-	-	48.43	80.41	23.38
Garden waste (jungle wood, dry leaves etc)	746.22	619.28	676.72	-	-	-	746.22	619.28	676.75
Scrap Tyres and Tubes	5,486.87	44,720.00	9,184.80	-	-	-	5,305.23	37,840.00	9,348.00
Glass Waste	-	-	1.29	-	-	-	-	-	1.11
Total Non-Hazardous Waste	157,253.36	188,546.58	162,695.72	-	20.79	20.99	156,130.76	174,021.45	154,384.75

Resource Management

As global economies and populations expand, the demand for natural resources is reaching unprecedented heights. This increase amplifies competition among industries and nations, underscoring the urgent need for responsible and sustainable sourcing methods to guarantee long-term resource security.

Foundry Recycling – Cast Iron

86%

Plastic Recycling

100%



Materials used by weight or volume (MT)

Particular	FY 2022-23	FY 2023-24	FY 2024-25
Primary Materials	182,554.35	188,807.76	167,156.74
Associated Materials	131,626.41	124,569.94	117,069.72
Semi-Manufactured Goods	35,650.11	43,359.84	41,192.58
Packaging Materials	265.80	622.93	230.40

Acknowledging the urgency of these challenges, we have proactively embedded sustainable practices into the heart of our operations. We are committed to optimizing resource allocation, reducing reliance on finite resources, and exploring innovative strategies for material reuse and recycling.

Adopting circular economy principles

Ashok Leyland launched the HARIT (Harmonious Automotive Recycling Initiative for Transportation) program to promote environmental stewardship and sustainable mobility, aligning with India’s Voluntary Vehicle Modernisation Program. This initiative established four Registered Vehicle Scrapping Facilities (RVSF) through a dealer franchise model, encouraging responsible recycling of End-of-Life Vehicles (ELVs) with OEM incentives.

Starting in FY 2025-26, Ashok Leyland plans to expand its Registered Vehicle Scrapping Facilities (RVSFs) through a franchisee model, in line with national scrappage policy. Effective April 1, 2025, Extended Producer

Responsibility (EPR) will require assessments for commercial vehicles over 15 years. The RVSF initiative aims to reduce net carbon emissions by 5,000 to 6,000 tCO₂e for every 1,000 vehicles processed, advancing sustainability goals.



Life Cycle Assessment (LCA)

During the financial year, we conducted a Life Cycle Assessment (LCA) on 12 M Buses to evaluate our sustainability efforts toward achieving Net-Zero and enhancing Circularity. The study revealed that each bus comprises approximately 2,761 components, totalling 7,999.94 kg, with 85 percent made from ferrous metals. The production phase generates 35 tCO₂e (cradle to gate), while fuel consumption and emissions during usage account for about 128 tCO₂e annually, totalling 1,535 tCO₂e over 12 years. The study also covered the comparison of 12M Diesel and 12M EV variant.

At the end of life, 85 percent of the Bus chassis can be recycled, potentially avoiding 19 tons of net emissions. The total lifecycle emissions for a 12 M Bus at end-of-life are approximately 1,551 tCO₂e, highlighting the importance of recycling and sustainable practices in our operations.



Circular Economy

Sustainability is central to Ashok Leyland and defines the group's identity, driving us to embrace innovative business models and solutions rooted in resource efficiency, cost-effectiveness, and circular economy principles.

EOL Circularity:

Project H.A.R.I.T (Harmonious Auto Recycling Initiative for Transportation) - We are in the final setting up stage a Registered Vehicle Scrapping Facility (RVSF) through a franchise model in four strategically selected locations, positioning dealers to enhance our circular economy objectives and minimize environmental impact.

various locations to replace LPG cylinders. This initiative not only reduces our reliance on fossil fuels but also transforms organic waste into a sustainable energy source. By harnessing waste materials, we aim to minimize environmental impact while promoting a circular economy, ultimately contributing to a cleaner and more sustainable future.

Circularity in Inputs:

We achieved an impressive 86 percent recycling rate of cast iron, with an overall production of 96,829 MT at AL Foundry, and 100 percent recycling of aluminium at ALteams. Scrap materials and operational waste from our automotive plants are supplied to AL Foundry and ALteams, contributing to improved circularity in the production of new products.

Compliance Driven:

In relation to Extended Producers' Responsibility for plastic waste management, we have achieved an 80 percent internal fulfillment by obtaining plastic credits. This accomplishment reflects our commitment to responsible waste management practices and 100 percent compliance with regulatory requirements, ensuring that we actively contribute to reducing plastic waste in the environment.

Circularity in Waste - Zero Waste to Landfill:

We have partnered with various organisations to implement waste co-processing for hazardous materials and to upcycle waste, including foundry sand, paint, and grinding sludge. This initiative enhances the recyclability of these waste materials.

RE-FURBISH Circularity:

We have successfully reconditioned 5,383 engines, marking a 28 percent increase in FY 2024-25 compared to FY 2022-23 and 21.2 percent increase in the revenue. This achievement spans various engine families (H Series, A Series, P15) and underscores our dedication to the "ALRECON" initiative, which aims to give products a second life, offer them at optimal costs for our target customers, and enhance circularity.

Circularity in Waste Management:

Alternate Fuels from Waste: In line with our commitment to resource efficiency and circularity, we are implementing a bio-gas system across



PRODUCT STEWARDSHIP

We have always led the way in innovation, with a pioneering mindset ingrained in our foundation.

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Dr. N Saravanan,
*President and Chief
Technology Officer*

At Ashok Leyland, we are committed to building a greener future through innovative clean mobility solutions. From hydrogen fuel cell and LNG-powered trucks to battery electric vehicles, our focus on zero-emission technologies reflects our leadership in India's Clean Mobility Mission. Guided by Atmanirbhar Bharat, our R&D in alternative fuels continues to drive sustainable progress for an equitable tomorrow.

Key Highlights

India's first port terminal tractor displayed at Bharat Mobility Expo

India's first fuel cell 55T tractor trials initiated with customer

12M fuel cell bus showcased at Maha Kumbh

We are committed to redefining the future of transportation by delivering innovative mobility solutions that meet evolving aspirations while safeguarding the planet. Our mission is rooted in responsible innovation reducing our environmental footprint while enhancing accessibility efficiency and reliability across our product portfolio.

Driven by a vision for a cleaner tomorrow, we are at the forefront of India's towards green mobility with cutting-edge alternative fuel technologies. From hydrogen fuel cell electric vehicles to hydrogen internal combustion engines, we are advancing zero-emission and low-emission solutions, these innovations are reshaping the commercial vehicle landscape and reinforcing our leadership in the Clean Mobility Mission. Our LNG-powered long-haul trucks, natural gas-based engines, and battery electric vehicles

exemplify our strides in offering high-efficiency, low-impact transportation options.

Through our growing portfolio of clean-energy trucks and buses, we reaffirm our leadership in India's Clean Mobility Mission. Our dedicated Research & Development team—the backbone of our innovation—drives advancements in CNG, LNG, hydrogen, and electric powertrains across medium and heavy commercial vehicles.

We introduced SAATHI to support sub-2T customers transitioning from the GARUDA platform. Under the DOST platform, two upgraded models—DOST XL and DOST+ XL—were launched, along with a refreshed RT cabin design unveiled in January 2025. Additionally, the LNT version of the BADA DOST i4 was launched, further strengthening our portfolio in the Light Commercial Vehicle segment

and enhancing offerings for evolving customer needs.

Our approach reflects a long-term commitment—not only to environmental stewardship, but to national progress. As a strong advocate of Atmanirbhar Bharat, Ashok Leyland is committed to strengthening India's self-reliance in the alternative fuel's ecosystem. We are embedding sustainability into every facet of our operations—from product development and supply chain partnerships to circular economy practices and community engagement.

At Ashok Leyland, we don't just move goods and people—we move towards a greener, more equitable future. Our journey is defined by purpose, powered by innovation, and driven by a shared commitment to building a sustainable tomorrow for generations to come. future for all.

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Sanjeev Kumar,
*President and
Head MHCV*

In FY 2024-25, the Medium and Heavy Commercial Vehicle (MHCV) segment remained stable, with MHCV buses achieving impressive growth of 23.4 percent. Our key product launches, including the Ecomet 1615 Tipper, 1916 FES, and AVTR 3522 CNG trucks, have strengthened our market position. Sales in the M&HCV bus segment grew by 18.3 percent, reaching 21,249 units, driven by strong demand. Initiatives such as Re-AL, our e-marketplace for pre-owned trucks, advanced comprehensive roadmap for integrating cutting-edge driver assistance and safety systems and the Sarathi Suraksha insurance scheme for drivers highlight our dedication to innovation and social responsibility.

Integrating Environmental and Safety Criteria in Product Development

Environmental sustainability and product safety are central to our new product development strategy. Every vehicle platform we design undergoes rigorous evaluation against stringent environment, safety and regulatory benchmarks ensuring alignment with our vision of responsible and future-ready mobility. A key pillar of our sustainability roadmap is emission reduction, and we are accelerating the transition to clean energy by investing in a diverse range of alternate fuel technologies – including Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), Hydrogen Internal Combustion Engines (H2 ICE), Battery Electric Vehicles (BEV), and Hydrogen Fuel Cell Electric Vehicles (FCEV). These advanced powertrains

are engineered to significantly lower greenhouse gas emissions, reduce dependence on fossil fuels, and support our long-term goal of achieving Net Zero emissions by 2048.

At Ashok Leyland, our sustainability vision extends beyond emissions reduction—it encompasses a holistic approach to environmental health, regulatory compliance, and product safety. We are committed to designing and manufacturing vehicles that not only meet the highest standards of performance but also contribute meaningfully to a cleaner, safer, and more sustainable future.

Hazardous Substances Commitment

As part of our commitment to Environment Health, we have proactively eliminated hazardous substances from our vehicular

components. In compliance with global environmental directives, we avoid the use of mercury, lead, cadmium, and hexavalent chromium. This initiative minimizes ecological impact during manufacturing and end-of-life disposal, while also ensuring the safety of our customers and communities. Also, we do not use any materials listed in Annex XVII.

To address Exterior Noise Pollution, we are aligning with the upcoming PBN (Pass-By Noise) norms, scheduled for implementation by April 2027. Our development teams are already developing advanced acoustic solutions to reduce noise levels across our vehicle portfolio, ensuring compliance and community well-being.

Product Safety remains a cornerstone of our sustainability strategy. We are actively developing an advanced

BOSS Battery Electric

comprehensive roadmap for integrating cutting-edge driver assistance and safety systems. This includes AEBS (Autonomous Emergency Braking System), LDWS (Lane Departure Warning System), BSIS (Blind Spot Information System), MOIS (Moving Off Information System), DDAWS (Driver Drowsiness Alert and Warning System), and ESC (Electronic Stability Control). Notably, ESC has already been implemented in our buses from April 2024 onward, enhancing on-road safety for passengers and drivers alike.

By embedding these environmental and safety parameters into our design process, Ashok Leyland continues to deliver smarter, safer, and more sustainable mobility solutions for the future.

End of Life Cycle Responsibility

Ashok Leyland is actively working towards creating a circular economy framework through robust end-of-life product management initiatives. Plans are underway to establish Registered Vehicle Scrapping Facilities

(RVSF) to responsibly manage vehicle disposal and recycling. We are also progressing discussions with suppliers to implement Extended Producer Responsibility (EPR) for materials such as steel and plastics, aiming to ensure accountability for recycling and recovery. Additionally, virtual validation methods are being adopted in place of physical testing, wherever permissible by regulation, to reduce material waste, energy consumption, and environmental impact during the product development lifecycle.



Roller Test-Bench

Advanced Fuel Technology Projects

Ashok Leyland is steadily advancing its advanced fuel technology vehicle portfolio across key commercial segments, aligning innovation with sustainability and operational efficiency. Additionally, a 55T 4x2 Fuel Cell Tractor was delivered to Adani, completing 500 km of unladen and 200 km of laden trial runs.



1. BOSS Battery Electric Vehicle (BEV) Series

Strengthening Our EV Portfolio with Strategic Partnerships and Deliveries

We have accelerated its electric vehicle journey with the successful execution of initial orders under the BOSS BEV series and the commencement of deliveries for the AVTR 55 Tonne Electric and BOSS ICV Electric trucks. These platforms, engineered with advanced features and superior performance, position us competitively in the EV market.

A significant milestone has been the execution of the BOSS 14T and 18.5T trucks under the prestigious Billion order. All 10 units were delivered to

key clients including Amazon, Biocon, and DB Schenker, clocking a cumulative distance of nearly 2 Lakh kilometers. Building on this success, an additional 135 units are currently under execution, underscoring growing market confidence in our EV offerings.

At the Ennore facility, production of the 14T and 19T variants is progressing steadily. In parallel, the AVTR 55T Electric trucks are being delivered, further strengthening our presence in the heavy-duty EV segment. Additionally, our strategic partnership with Nidec marks a major step forward in EV technology. Together, we are establishing a Centre of Excellence (CoE) for Electric Drive Units (EDUs),

focused on developing next-generation motor technologies, advanced power electronics, and innovative gear shifting systems—driving the future of electric mobility.

2. AVTR 55T Tractor-Trailer BEV

Production is underway at the Hosur 2 facility under a Billion order for 7 units.

- 2 vehicles have been delivered, covering 6,600 km cumulatively, demonstrating robust performance in initial runs.
- The remaining 5 vehicles are scheduled for delivery in alignment with customer requirements.
- 11 additional AVTR BEVs have been built for customer seeding and familiarization.

3. eTIRAN – Electric Port Terminal Tractor

Showcased at the Bharat Mobility Global Expo, the eTIRAN is designed for optimal Total Cost of Ownership (TCO) in port operations. It features a customisable battery range (180-350 km), a purpose-built air-conditioned cabin, and advanced safety systems including ADAS and Hill Start Assist (HAS), offering both comfort and cutting-edge performance for port logistics.



AVTR 55T Hydrogen ICE

4. Hydrogen Mobility Milestones

Ashok Leyland made significant strides in hydrogen mobility during FY 2024-25. The Hydrogen Internal Combustion Engine (ICE) is in pilot trials with Reliance, achieving 250,000 km. The 6.3-litre engine (Stage I) delivers 210 HP and 820 Nm of torque, highlighting advancements in low-emission commercial transport.

In collaboration with NTPC and MNRE, a 42-seater, 12-meter hydrogen bus was launched at the Maha Kumbh Mela, offering a 600 km range per refuelling and emitting only water vapor. Additionally, four out of five 9-meter hydrogen buses for NTPC were invoiced after successful trials in Leh, with the fifth bus completing 650 km of its 1,000 km validation journey.

In the LNG segment, prototype development of the AVTR 5532 4x2 TT is underway. Meanwhile, 12 AVTR 1922 haulage trucks deployed at Mahanagar Gas Limited are operating successfully, collectively covering over 3.14 Lakh kilometers, demonstrating reliability and performance in long-haul LNG transportation.



AVTR 55T LNG

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Amandeep Singh ,
*President LCV,
International Operations,
Defense and Power
Solutions*

In FY 2024-25, we expanded our presence in the 2-4T segment of the Small Commercial Vehicle (SCV) market with the launch of the BADA DOST i5, increasing our addressable LCV market size to 53.6 percent and solidifying our position as the No. 2 player in this segment. We added 12 dealerships and 81 secondary outlets, enhancing our network to 160 primary and 665 secondary locations. Our commitment to profitability and customer satisfaction remains strong, as we continue to deliver best-in-industry service. Notably, we became India's No. 1 commercial vehicle exporter in Q3 FY 2024-25, reflecting our dedication to growth and sustainability.

At Ashok Leyland, we are deeply committed to designing products that are durable, easy to repair, and environmentally responsible. Our vehicles undergo rigorous product validation aligned with Ashok Leyland's internal standards, ensuring long-term durability across diverse operating conditions. To enhance reparability, we adopt a modular design approach, which not only simplifies maintenance and reduces downtime but also minimizes the need for excess inventory at manufacturing plants. This modularity ensures that components can be easily replaced or serviced without requiring full system overhauls, contributing to cost-efficiency and extended product life. We also embed the Design for Service (DFS) philosophy into our development process, focusing on child-part level reparability. This ensures that individual parts within a component can

be serviced or replaced without dismantling the entire assembly, making repairs more accessible and sustainable.

In addition, we are working towards recyclability and resource efficiency by reducing the reliance on non-renewable materials in product design and promoting the use of

recyclable and environmentally friendly materials wherever feasible. This holistic approach supports a circular economy model, helping us deliver high-performance products while minimizing environmental impact and promoting long-term sustainability.





Integrating Sustainability into Product Development and Capacity Building

At Ashok Leyland, sustainability is a core pillar of product design and development. We incorporate eco-friendly principles by aligning with **AIS129 regulations**, ensuring that vehicles are designed to be **80 percent recyclable and 85 percent recoverable**. Further, innovative engineering solutions have enabled **extended service intervals** for critical components such as engine oil, transmission oil, air and fuel filters—reducing resource consumption and environmental impact over the vehicle's life cycle.

To embed sustainability across functions, we ensure **knowledge dissemination and continuous training**. Alternate fuel vehicle concepts are shared with cross-functional teams through **SSC process excellence reviews, CPP, and NPI briefings**. Specialised training is provided to **manufacturing, service, and sales teams** on alternate powertrains including **EVs, hydrogen fuel cells, and LNG vehicles**.

Additionally, **Train-the-Trainer programs** at our Technical Centre and STC Ennore equip driver trainers with expertise on handling and educating end-users of next-gen vehicles. To ensure organisation-wide alignment, **knowledge sharing sessions** have been held across facilities—**VVC, Alwar, Hosur, Ennore, and NPQ**—covering teams in **manufacturing, quality, sourcing, marketing, and service**. These initiatives ensure sustainability is not just designed into our products but also embedded within our culture and processes.

To celebrate and reward Innovative ideas and solutions across the organisation, Innovent Awards are in place. Aligned with our commitment to nurturing a culture of innovation and continuous improvement, the awards encourage employees, suppliers, and partners to contribute creative approaches in areas such as product development, manufacturing, and customer service. While the specifics of the program may evolve, its core objective remains to inspire impactful innovation at every level of the business.

Transitioning Towards Sustainable Mobility

At Ashok Leyland, our transition toward sustainable mobility is driven by innovation, collaboration, and a strong commitment to decarbonization across the transport ecosystem. We are advancing multiple initiatives under key strategic pillars to shape a cleaner and more resilient future.

Customer Pilots:

We are actively conducting pilots with customers to deploy alternate fuel-powered vehicles, showcasing our technology leadership in real-world applications. Key milestones include the delivery of the first BOSS 14T ICV electric truck, hydrogen ICE trials in collaboration with Reliance, fuel cell trucks delivered to Adani, and fuel cell buses deployed with NTPC in Leh and Delhi.

Collaborative Initiatives:

We are working with industry leaders and policy influencers such as the Rocky Mountain Institute, Zero Emission Transport (ZET) Accelerator, Indian Ports Association, and Smart Freight Centre India. These partnerships are focused on enabling green freight adoption through policy support, financing solutions, and capacity building.

Lightweighting:

In partnership with Hindalco, we are implementing lightweighting strategies using aluminium-based designs. This initiative enhances fuel efficiency and significantly reduces vehicle emissions, playing a critical role in our decarbonization efforts.

Battery Repurposing & Recycling:

Supporting circular economy principles, we are developing robust strategies for battery repurposing and recycling. Our focus includes reverse logistics for Li-ion batteries and implementing the 5R approach—Reduce, Repair, Reuse, Repurpose, and Recycle—to minimize environmental impact and extend battery life.

These initiatives reflect Ashok Leyland's integrated and future-forward approach to sustainable mobility—anchored in ecosystem partnerships, technological innovation, and responsible resource use, in alignment with India's clean energy goals.



SOCIAL LEADERSHIP

Ashok Leyland's groundbreaking initiative, 'Inclusion: Beyond Equity and Safety,' fosters a vibrant and inclusive workplace that celebrates diversity. This approach drives innovation and strengthens a culture based on core values, paving the way for a more responsive and customer-centric future.

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Raja Radhakrishnan,
*President and
Head – HR*

At Ashok Leyland, we believe that sustainability is a journey powered by people. Our people-first approach has always been the foundation of our success. Our HR practices are designed to reflect the voices of our employees. We launched an Employee Engagement Survey to actively listen to our employees, reflect our commitment to creating a workplace that is engaged, safe, future-ready with capable employees. We have achieved a gender diversity rate close to 10 percent among executives with 50 percent of gender diversity in campus hiring. As we move forward, we remain committed to building a workplace that is not only productive and engaged but also sustainable and inclusive for all.

Total Workers (Permanent, Non-Permanent) 29,588	Total Executives 5,278	Unique Learners Health & Safety 1,802
New Joiners (Employees) 393	Turnover Rate for Permanent Employees 7.86%	Skill Upgradation: 3,581
Turnover Rate for Permanent Workers 5.52%	Total Hours Worked (Employees and Workers) 76,873,715	Graduate Engineer Trainee (GET) Diversity (in Hiring) 45.4%
Reduction in total recordable work-related injuries (Workers) 15.62% y-o-y	Reduction of Occupational injury 46% y-o-y	

Inclusion: Beyond Equity and Safety

"Inclusion: Beyond Equity and Safety" signifies a transformative shift in auto manufacturing, aiming to create a workplace where every individual is genuinely valued. This chapter highlights our commitment to fostering an inclusive culture through innovative initiatives that break down barriers and celebrate diversity. By embracing the diverse perspectives and skills of our workforce, we aim to drive growth towards a secure and sustainable future, believing that our employees' collective capabilities are essential for advancing the auto industry.

At Ashok Leyland, our Purpose, Values, and Culture are integral to our organisation, shaped by committed leadership and monthly initiatives that embody our values. Our five core values—Trust, Agility, Innovation, Customer Centricity, and Partnership—form the foundation of the Ashok Leyland Way and are vital to our pursuit of excellence. We cultivate a unified culture that resonates with all stakeholders through engaging contests and value-driven activities, recognising contributions with value-based awards.

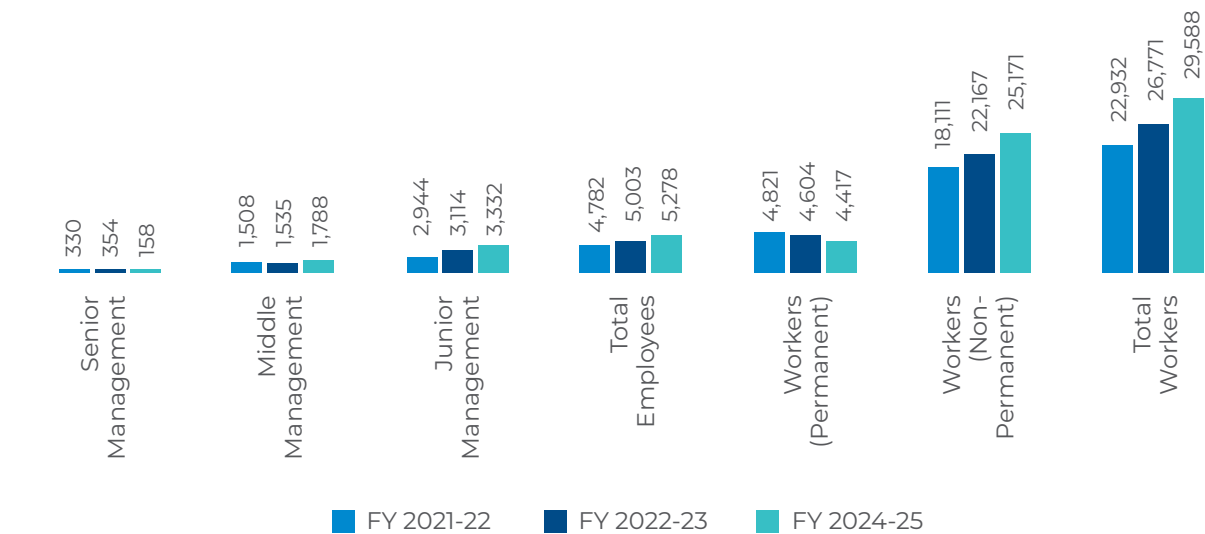
As we enter FY 2024-25, the role of HR has evolved to meet the challenges of rapid transformation, focusing on delivering an outstanding employee experience while preparing a future-ready talent landscape. We have conducted a thorough review

of all leadership roles, with plans to extend this analysis to middle and junior management. In FY 2024–25, we continued to uphold our commitment to ethical conduct, maintaining a clean record against corruption through our robust anti-corruption framework and Employee Code of Conduct. Safety is a core value at Ashok Leyland, and through our 'Manthan' initiative, we are fostering a robust safety culture that protects our most valuable asset: our people.

Our Workforce Composition

The cornerstone of our enterprise lies in the dedication and expertise of our people. Their invaluable contributions are the driving force behind our enduring prosperity and competitive edge. We have significantly enhanced our investment in digital transformation, revolutionising our recruitment processes to ensure a smooth and engaging experience for candidates, while also enriching our talent reservoir. Embracing a hybrid hiring approach has allowed us to efficiently allocate time and resources, ensuring we attract and secure top-tier talent. By integrating gamification and cutting-edge Artificial Intelligence into our recruitment strategy, we have been able to comprehensively assess candidates' competencies, business acumen, and communication prowess.

Total Workforce



Category	FY 2024-25	
	Men	Women
Trainees	374	162
Revenue Generating Positions	4,886	392

Permanent Employees by Age for FY 2024-25	Count	Percentage
<30 years	876	16.60
30-50 years	3,762	71.28
>50 years	640	12.13

Permanent Workers by Age for FY 2024-25	Count	Percentage
<30 years	115	2.60
30-50 years	1,529	34.62
>50 years	2,773	62.78

Diversity, Equity and Inclusion

At Ashok Leyland, we take immense pride in nurturing an inclusive environment where everyone can authentically express themselves, feel heard, and contribute their best. Our commitment to creating an equitable workplace is not just a goal; it's a vibrant movement

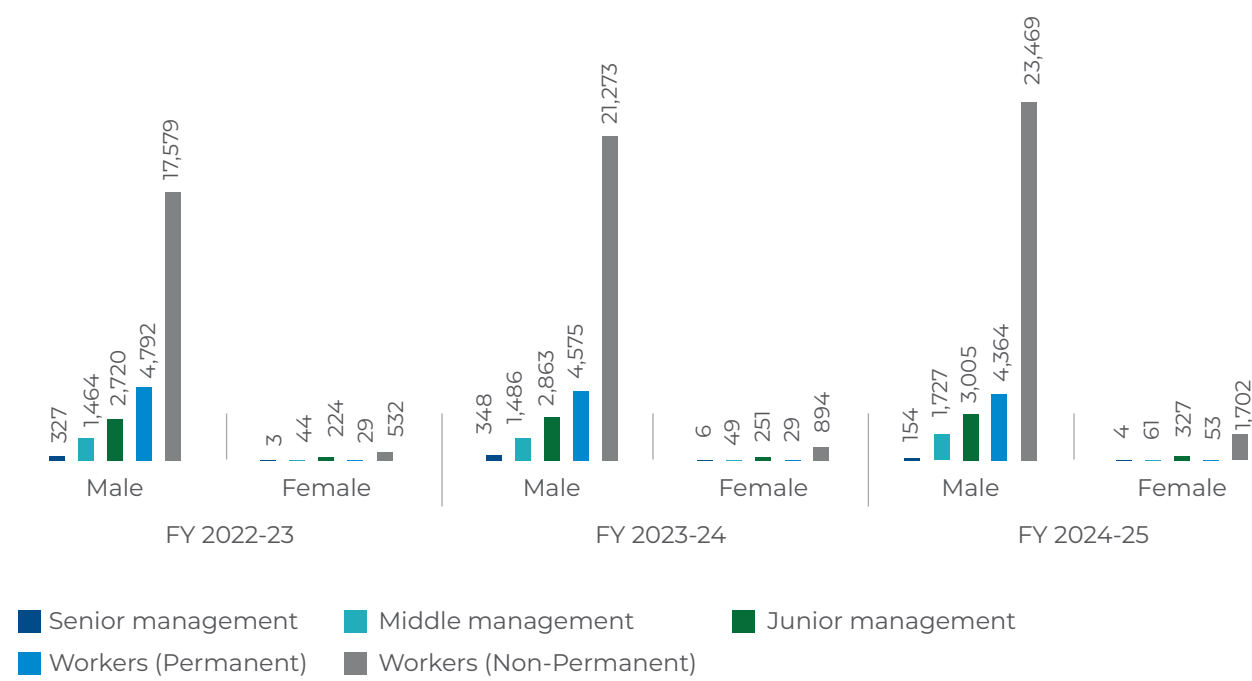
that resonates throughout our organisation. We firmly believe that diversity is essential for sustainability, as a diverse workforce enhances our ability to achieve business strategies through varied perspectives and skills.

Recognising the need for gender diversity, we aim to achieve 10 percent women

workforce representation by 2026 through a balanced 'buy and build' strategy that attracts and retains women talent. Last year, we increased our intake of women engineers to over 30 percent from campuses across India. Moving forward, each Executive Leadership Team (ELT) member will own and manage gender diversity, ensuring that all businesses and functions



Workforce Gender wise data



contribute to this goal, which has been communicated at various organisational levels.

In FY 2024-25, our Board Diversity is at 10 percent (1:10). Women make up 7.43 percent of our permanent workforce. Furthermore, women executives accounted for 45.4 percent of the accepted offers for the Graduate Engineer Trainee (GET) programme, and all of them have successfully onboarded.

We have adopted a strategic and intentional approach to enhance gender diversity across our workforce over the past year. Recognising the immense potential potential of women, we have launched targeted programmes to identify and develop their talents, offering comprehensive career development plans that enhance both their

behavioural and functional skills. Our initiatives have successfully enrolled key women in the Visionary Leaders for Manufacturing (VLFM) Senior Managers Programme, in partnership with CII, positioning them for leadership roles.

Our early career trainee programmes have been particularly effective in attracting women, enabling us to cultivate engineers who evolve into future leaders. A notable initiative is our 'ReDream' policy, which aims to recruit women returning from career breaks, providing them with a second chance at their careers.

We have implemented sustainable measures, including structured career pathing and inclusive succession planning, to amplify diverse voices within our organisation. Our commitment

to talent development begins at the trainee level with a robust boot camp for engineers, extending through various initiatives that connect every management level to their leadership roles.

In our efforts to increase diversity, we have made significant progress by offering a record 46 percent of positions to women graduates through our Graduate Engineer Trainee (GET) programme this year. We believe that fostering diversity and inclusion is a shared responsibility among all managers, and our Executive Leadership Team actively supports this cause through clear target setting, regular quarterly reviews, and affirmative actions, aiming for a 10 percent women workforce by 2026.

As a part of our Srishti Women Empowerment initiative, we have undertaken a plethora of activities. These include Contact meeting, ICC Meeting, New Ward Women Employee Meeting, Advocate/Legal Awareness sessions, Potluck, Medical Camp, Conference on

Wellness and Gynecologist sessions. Additionally, at our plants we conduct monthly meetings, breastfeeding awareness sessions and health camps. Our 'buy and build' strategy effectively balances attracting

women talent from the market with creating an ecosystem that nurtures and retains them. This includes policies such as sabbaticals for women and flexible work arrangements to assist new mothers in their transition back to work.

Case Study

Pantnagar Plant

At Ashok Leyland Pantnagar, we are committed to empowerment and transformation. Recognising the need for gender diversity after women workforce representation fell to 1.9 percent in FY 2019-20, we set a goal of 10 percent by FY 2025-26. We engaged with local communities through surveys, addressing safety challenges by implementing access-controlled women's washrooms and panic buttons. Our operational readiness included a Rapid Entire Body Assessment study, and we achieved zero incidents and 100 percent line efficiency within two months.



We have successfully launched three production lines dedicated to women at our Pantnagar, Hosur I, and SPU Foundry locations last year. Our women-centric trim line operates in two shifts, consistently surpassing targets and achieving a 90 percent adherence rate within a short period. This accomplishment exemplifies our strong commitment to being an equal opportunity employer.

We fully comply with the Prevention of Sexual Harassment (POSH) Act and maintain a robust grievance redressal system, ensuring that every Ashok Leyland location has an active Internal Complaints Committee. These measures, along with our merit-based talent development practices,

are the result of years of employee feedback and are designed to provide an equitable platform for all.

Our engagement extends through mentorship, panel discussions, personal branding, networking, and sensitisation sessions, all designed to support women's professional journeys. For those working night shifts, we provide doorstep transportation, hygienic restrooms, and a safe work environment with adequate lighting, security personnel, and an Internal Committee for support. We also offer dedicated canteen areas and medical facilities staffed by women doctors and nurses. Through these initiatives, we are not just advocating for gender diversity

and equality; we are actively embedding these values into our organisational culture.

On International Women's Day, we proudly honoured women entrepreneurs who have overcome challenges to achieve success, hosting exclusive 'Meet & Greet' sessions in Mumbai and Bengaluru, where inspiring self-made women entrepreneurs interacted with players from the Mumbai Indians Women's Team. We are also pleased to continue our commitment to women's cricket by extending our partnership as the principal partner of the Mumbai Indians Women's Team for the third consecutive year, reinforcing our dedication to supporting women in sports and beyond.



We strive to empower women in industries where they have been historically underrepresented through progressive policies, such as flexible work arrangements for returning mothers and an ‘Women centric Production Line’ at our Hosur facility.

As we celebrate women who break barriers, we remain committed to fostering diversity and creating an environment where women can thrive across all sectors.

Our commitment to equal opportunity is the foundation of our inclusive workplace ethos. Our corporate facilities

are thoughtfully designed to be accessible, accommodating the needs of our differently-abled employees. In FY 2024-25, we employed 12 permanent employees and 58 workers with disabilities as integral members of our team.

We uphold the right to freedom of association and collective bargaining with the utmost respect, ensuring that 100 percent of our workforce is represented under collective bargaining agreements. Our management maintains open dialogue with union leaders, regularly convening to align worker expectations and develop responsive action plans.

Furthermore, we prioritise transparent communication with our vendors through scheduled meetings, fostering a collaborative business environment. In anticipation of significant operational shifts, we provide our workers with a 15 to 21-day notice period, coupled with comprehensive discussions with employee representatives from various departments to facilitate a seamless transition. This approach underscores our dedication to employee engagement and shared decision-making, reinforcing our position as a responsible and responsive employer.



Employee Benefits

We are committed to creating a fulfilling work environment by offering a comprehensive suite of benefits and incentives. Every employee is supported with essential retirement plans, including a provident fund, gratuity, and the Employees' State Insurance Scheme of India. Our permanent staff enjoy extensive insurance coverage—covering health, life, and disability—as well as parental leave provisions (Paternity leaves: Seven days for normal delivery and 14 days for caesarean delivery). Our parental leave policy provides 24 weeks of maternity leave for mothers and up to two weeks of paternity leave for fathers. Additionally, adoption leave is provided to women employees for a period of 12 weeks. Additionally, we have established a Long-term Incentive Plan for a select group of senior executives and key talent. This plan is approved by the Board and outlines specific criteria related to business and financial

performance for identifying eligible individuals for nomination. This cash-based incentive is provided to select employees in addition to their regular compensation. For more details on our employee benefits, please refer to Pages 123 & 221 of our Annual Report for FY 2024-25.

Our holistic Well-being Programmes reflect our dedication to employee health, addressing physical, social, cognitive, and emotional aspects. Initiatives like workplace stress management, mental well-being sessions and health screening camps (including multi-specialty checkups, eye screening and pediatric consultations) underscore our focus on prevention and early intervention. We also introduced an app which is linked to the annual medical checkup for all our employees. We also conduct various sport activities to keep our employees engaged and fit. For retention and return-to-work rates, see Page 78 of our Annual Report for FY 2024-25.

Parental Leaves for FY 2024-25	Men	Women
Number of employees entitled to parental leave	4,886	392
Number of employees that availed parental leave	225	45
Number of employees who returned to work after parental leave ended	225	42
Number of employees who returned to work after parental leave ended that were still employed 12 months after their return	195	33

Our robust retirement benefit plan enhances financial security, adhering to the Payment of Gratuity Act, 1972, and ensuring a secure future through a well-structured gratuity scheme. Contributions are managed through trusts with the Life Insurance Corporation of India, and both employees and the Company contribute to the provident fund, reinforcing our commitment to long-term prosperity. Our obligations are backed by actuarial valuations, ensuring accuracy and reliability in our commitments.



Case Study

Sriperumbudur Foundry

We conducted a diversity drive for the women's forum, creating a safe space for our women workforce to discuss challenges, share experiences, and voice suggestions for improvement. This initiative fosters an environment where women employees feel confident and supported, with valuable feedback contributing to a better workplace.

Our engagement activities strengthen community connections, involving all employees in vibrant events, including celebrations for birthdays and festivals like Diwali, Christmas, and Holi. We also organise quarterly family visits and recognise dedication through the Employee Long Service Award and our Annual Sports Meet.

The UDVEG initiative is a key part of our training and development program, aimed at building



competencies for executives from the Nettur Technical Training Foundation (NTTF) stream. This meticulously planned training aligns with our foundry business, enhancing the learning experience. Additionally, we provide further training based on Training Needs Identification (TNI). We recently inaugurated our 13th technical training centre at Hosur-1, training over 4,200 channel personnel.

Talent Attraction and Retention

We recognise that our greatest strength lies in the diversity and talent of our workforce, and we are resolute in our commitment to cultivating an inclusive workplace that embodies respect, empowerment, and equal opportunity for all. We understand that fostering an inclusive environment is essential for creating a harmonious and thriving workplace where every individual feels valued and appreciated. Our dedication to embracing diversity spans all dimensions, including gender, age, ethnicity, and skill sets. As an equal opportunity employer, we prioritise

Diversity & Inclusion, ensuring our workplace is fair and unbiased, which positions us as a preferred employer for top talent in the industry.

We have implemented robust policies to uphold internationally recognised human rights, addressing critical issues such as discrimination, diversity, women’s rights, equal pay, and the disclosure of violations, all while ensuring non-retaliation. Our retention strategies are comprehensive, combining monetary rewards for outstanding performance with non-monetary recognition to foster loyalty and engagement.

Category of New Hires	FY 2024-25	
	Men	Women
Senior management	3	2
Middle management	46	4
Junior management	309	29

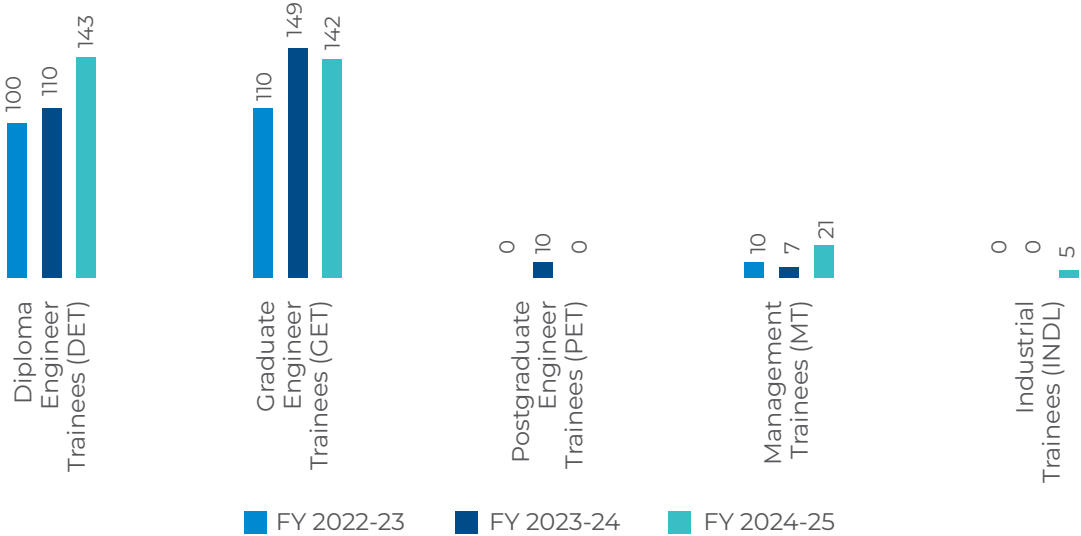
Category of New Hires	FY 2024-25		
	<30 years	30 - 50 years	> 50 years
Senior management	-	4	1
Middle management	1	49	-
Junior management	136	201	1

Our talent acquisition strategy is both proactive and strategic, with a strong emphasis on campus recruitment. We engage with top colleges at the start of the placement season, partnering with 30 educational institutions across India, including NITs and Tier I/II engineering colleges, to recruit interns. In FY 2024-25, we successfully hired 202 graduates and offered 217 internships across our offices and plants, with an average hiring cost of 20 Lakhs per annum. Our flagship training programme is designed to be engaging and enriching, equipping

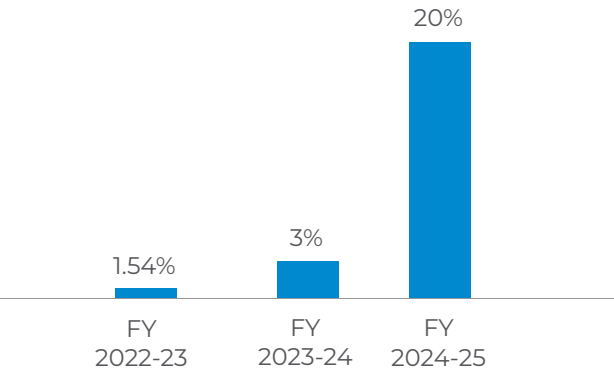
new graduates with the skills they need to become valuable contributors by the end of their training.

We are pioneers in the industry, having successfully integrated Artificial Intelligence (AI) into gamification-based assessments aligned with our competencies, as well as AI-driven video interviews that provide deeper insights into candidates' communication skills. All AI-based assessments are conducted in compliance with data privacy regulations and ethical hiring standards

New Trainees Hired



Internal Mobility



Internal mobility is also a critical aspect of our talent management approach.



We are committed to investing in our people, recognising that their growth is directly linked to our Company's success. To enhance employee retention, we have instituted a comprehensive strategy that includes competitive compensation packages for full-time employees (FTEs). This commitment has resulted in a low turnover rate of 7.86 percent for permanent employees and 5.52 percent for permanent workers, showcasing our success in creating a workplace where talent flourishes and chooses to stay.

Turnover numbers and rate for Employees for FY 2024-25

Category	Numbers	Rate (in Percentage)
Senior Management	23	8.98%
Middle Management	87	5.24%
Junior Management	294	9.12%

Turnover numbers and rate for Employees and Workers for FY 2024-25

Category	FY 2024-25		Rate (in Percentage)	
	Men	Women	Men	Women
Permanent Employees	377	27	7.87	7.74
Permanent Workers	249	0	5.57	0

Turnover numbers and rate for Employees and Workers for FY 2024-25

Category	Numbers			Rate (in Percentage)		
	<30 years	30 - 50 years	> 50 years	<30 years	30 - 50 years	> 50 years
Permanent Employees	83	246	75	10.06%	6.69%	11.75%
Permanent Workers	0	0	249	0	0	100%

Turnover rate of Permanent Employees and Workers (in Percentage)

Category	FY 2022-23			FY 2023-24			FY 2024-25		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent Employees	5.16	11.51	5.53	7.26	10.05	7.77	7.87	7.74	7.86
Permanent Workers	4.23	0.00	4.20	3.44	0.00	3.42	5.57	0.00	5.52

We firmly believe that our commitment to attracting and retaining exceptional talent is a cornerstone of our sustainability and success. We will continue to innovate and refine our practices to ensure we remain at the forefront of the industry as the employer of choice.

Remuneration

We are committed to fostering a workplace that values fairness, transparency, and inclusion. Equitable

pay is a foundational principle in our organisation, and we strive to ensure that compensation reflects role responsibilities, experience, and performance—irrespective of individual identity.

While we continue to monitor pay equity across the organisation, it is important to note that variations in workforce composition and the distribution of roles across functions and levels can influence aggregate remuneration metrics. For example, approximately 10 percent of our workforce is comprised of

individuals from diversity background, and their representation across different roles may vary. This context is essential when interpreting pay ratio data.

We uphold the principle of equal pay for equal work, and have embedded the following practices to support this commitment:

- Regular pay equity audits
- Transparent salary structures
- Development programmes aimed at enhancing

representation and career growth across all levels

We remain committed to advancing equity through data-driven insights, inclusive policies, and continuous engagement with our people.

For detailed disclosures, stakeholders may refer to Page 85 of our Annual Report for FY 2024–25, which presents comparative remuneration data across employee categories.

Ratio of basic salary and remuneration of women to men for FY 2024-25

Category	Ratios	
	Remuneration	Basic
Senior management	0.75	0.79
Middle management	0.80	0.88
Junior management	0.70	0.78

Remuneration and Key Managerial Personnel (KMP) Disclosure

Details regarding the remunerations, including variable compensation and long-term incentive plans for the Managing Director & Chief Executive Officer (CEO) and other Key Managerial Personnel (KMP), are disclosed in the Annual Report, in accordance with applicable regulatory requirements.

opportunities, including role rotations, action learning projects, and academic immersion using the VIBGYOR model. For the employees who are one level below the MD position, we provide bespoke, individual development and coaching, while employees who are two levels below the MD position, we conduct group experiential learning and action learning projects. Our recent settlement at the Bhandara Unit exemplifies our commitment to employee involvement and performance incentives, while our EAPs effectively address family, health, and emotional support needs.

Employee Assistance Programmes (EAPs)

Our Employee Assistance Programs play a vital role in fostering a supportive work culture by providing comprehensive support for employee well-being and professional development. These programs encompass financial, lifestyle, and retirement planning, while also prioritising safety, skill enhancement, and life management. We focus on identifying and developing senior and mid-level talent to ensure a continuous pipeline of leaders who can meet the organisation's future needs and goals. Our philosophy encompasses the mind, body, and soul, with an approach centered on expertise, in-depth familiarisation, and exposure.

The BLP - Next CxO programme (Succession programme) offers both group and individual



Women Centric Line in Pantnagar

Learning and Development

This year, our Learning & Development (L&D) initiatives at Ashok Leyland have been designed to foster a culture of continuous learning and growth. We aim to equip our employees with the skills and knowledge necessary to excel in their roles and drive organisational success. Over the past year, we have implemented targeted programmes to enhance leadership capabilities, technical skills, and personal development across various levels of the organisation. The L&D team has meticulously planned and executed these programmes to meet the specific needs of different employee groups, resulting in significant improvements in team performance, employee engagement, and overall organisational effectiveness. We believe that the growth of our employees is the cornerstone of our success and future expansion. Our training and development philosophy is anchored in the 70-20-10 principle, ensuring a holistic learning experience that integrates hands-on practice, collaborative learning, and formal education. With an average investment of approximately INR 5,873 per full-time employee, we are dedicated to fostering a culture

of continuous improvement and professional excellence, empowering our workforce to thrive in an ever-evolving environment.

Introducing the Gamified Learning Module on Ashok Leyland’s Values and Purpose – The PATHFINDER! This immersive experience is crafted to bring our core values to life through real-time scenarios, interactive challenges, and reflective choices. As champions of our culture, you are the first to embark on this journey before we roll it out to the wider audience.



Category	<30 years	30-50 years	>50 years	Male	Female
Senior Management	-	12.26	10.38	12.84	9.8
Middle Management	6.89	10.12	6.98	13.57	10.42
Junior Management	12.45	9.23	5.99	16.14	11.53
Workers (Permanent)	8.74	6.15	4.57	5.23	5.23
Workers (Non-permanent)	28.30	16.40	7.21	25.05	25.05

To date, we have engaged 3,415 unique learners, resulting in a total of 170,720 learning hours. This equates to an average of 3.6 person-days per learner for the financial year. We also conduct awareness training on various aspects such as safety, environment (energy, emissions, waste, climate, water, biodiversity, etc) and various other operational aspects to all our employees and workers.

Skill Development Centre at Hosur

At our Skill Development Centre in Hosur, we enhance employee capabilities through a variety of training programs, including technical skills such as fitting, welding, painting, and motor vehicle maintenance, as well as foundational training in assembly practices and safety. We utilise simulation models and Virtual Reality (VR) for engaging

learning experiences. To support our diverse workforce, training is delivered in vernacular languages through digital methods and interactive Process Kiosks. In collaboration with Kumaraguru College of Technology, we launched a Post Graduate program in Master of Technology Management (MTM). In FY 2024-25, we trained 1,187 associates and over 169 executives, reinforcing our commitment to skill development and organisational growth.

This year, we have implemented a variety of programmes tailored to meet the diverse needs of our employees across different levels and functions.

Leadership Trails

A two-day initiative aimed at managers of managers, focusing on partnerships, coaching, enabling execution, and achieving results. Its primary objective is to enhance managerial skills with a strong emphasis on continuous feedback, effective coaching, execution excellence, and team management. To date, 260 managers from various business units have participated, sharing valuable insights during Group Connect sessions that have enriched our understanding of key learning aspects and strategies for improving team performance.

Basecamp

A two-day programme designed for first-level managers, emphasising the importance of building trustful relationships and supporting career growth. A total of 494 employees have engaged in this programme, participating in activities that highlight the significance of trust and collaboration in achieving team success.

Situational Leadership

A one-day workshop targeted at Product Development executives, focusing on adaptive and agile leadership styles. Over 50 employees have participated, learning to adjust their leadership approaches based on team needs and situational demands.

HR Capability Program

This Program spans four days and is designed for HR executives, focusing on job evaluation and train-the-trainer techniques. 77 employees have participated, gaining hands-on experience in job evaluation and training best practices, along with sessions on effective communication and feedback.

Advanced Excel

A two-day training open to all business units, aimed at enhancing data analytics and dashboard-building skills. 600 employees have participated, learning to utilise advanced Excel features to analyse data and create interactive dashboards.



ELEVATE

This is a comprehensive nine-day programme conducted over four batches for Sourcing and Supply Chain executives, covering strategic topics such as value stream mapping, influencing, alternate fuels, and environmental, social, and governance (ESG) practices. A total of 110 employees have participated, engaging in both theoretical and practical sessions that allow them to apply their learning to real-world scenarios.



Leading Self

This is a six-day initiative aimed at operations executives, focusing on communication, emotional awareness, and collaboration. 50 employees have participated, enhancing their self-awareness and emotional intelligence through engaging activities and discussions.

Other Programs

We also offer a range of additional programmes aimed at fostering a growth mindset, enhancing personal branding, and developing storytelling skills. These include initiatives such as Serenity Now, business storytelling, and outbound sessions, which promote well-being and creativity while providing opportunities for team building and experiential learning. We conducted the culture scoring for our General Manager & above levels wherein individual reports were shared with the incumbents to IDP based on the 360-degree feedback. Also, value cascade module was introduced for Associates in regional languages (Hindi, Tamil).

Leadership Development

This year, our focus has been on ensuring the robustness of our identified talent pool up to N-3 levels. Successors for critical roles have been mapped under three development cohorts: Bespoke Development through Coaching or Individual Plans, Business Leadership Program and Technology Leadership Program.

Bespoke Development is a development journey for N-1/N-2 successors, where eight identified employees have been assigned coaches from CFI. This process involves self-assessment, 360-degree feedback, and the formulation of development goals, with regular feedback shared with their managers.

Business Leadership Program (BLP) focuses on twenty-four top talents identified for future CXO roles, with a 12-18-month development journey designed around the body-mind-soul philosophy. Participants underwent a Development Center to identify strengths and areas for development, a detailed development journey is crafted for individual and group development that includes personal mastery, resilience

building, academic immersion through IIM-Ahmedabad, other leadership development modules, mentoring by leadership and business projects.

The Technology Leadership Program (TLP), designed in collaboration with IISc and IIM-Bangalore, aims to empower our product development managers with advanced techno-managerial skills. Focused on fostering innovation and strategic thinking, the program prepares leaders for emerging challenges. In Q4 FY 2024-25, 25 executives successfully graduated from the TLP cohort.

AL-Emerging Leaders Program (AL-ELP)
The AL-Emerging Leaders Program (AL-ELP) is a transformative 12-month developmental journey designed to nurture and cultivate potential talent for leadership positions across our business units and functions. The FY 2022-24 cohort, comprising 28 participants, has successfully completed their training with IIM Ahmedabad, culminating in their graduation in April 2024. This program has significantly enhanced their job capabilities, equipping them

with the skills and insights necessary to lead effectively in a dynamic environment.

AL-Young Talent Program (AL-YTP)
Similarly, the AL-Young Talent Program (AL-YTP) is a comprehensive 12-month developmental journey focused on building functional excellence among emerging professionals. The FY 2022-24 batch of 20 participants has completed their training with XLRI, achieving remarkable outcomes, including savings of INR 1.81 Crore through innovative projects undertaken during their developmental journey. Their graduation in April 2024 marks a significant milestone in their professional growth, positioning them as valuable assets to our organisation.

Through these comprehensive initiatives, we are committed to nurturing our talent and ensuring that our employees are well-equipped to meet the challenges of the future, thereby driving the success of Ashok Leyland.



Technology Leadership Program (TLP)

Performance Evaluation

Our Performance Management System (PMS) is designed to align with our strategic goals, and build our philosophy of high-performance culture. In FY 2024-25, we ensured that all eligible employees participated in biannual performance reviews, reinforcing our commitment to excellence and continuous improvement. Leadership Key Result Areas (KRAs) now include ESG factors, reflecting our dedication to the Ashok Leyland Purpose.

We introduced a Values and Culture Scoring programme for leadership teams, featuring a comprehensive 360-degree evaluation to assess alignment with our core values. The feedback gathered informs strategic plans for leadership development.

To simplify our Talent and Performance Management System, we conducted a data-driven analysis of past performance process and outcomes to evaluate its efficiency and effectiveness, thereby identifying areas for improvement. In June 2024, we executed a goal-setting exercise, achieving 97.8 percent of goals set within designated timelines, and simplified goal forms to encourage meaningful discussions between managers and employees.

We partnered with the business to facilitate feedback conversations for Deputy General Managers (DGM) and above, using a structured process. We also completed mid-year review exercise in

November 2024 with 93.2 percent participation, focusing on developmental discussions.

Collaboration with the HR IT team allowed us to enhance the goal-setting process in the Anchor Darwin Box, making it more user-friendly. We are currently evaluating the annual appraisal process to identify further simplification opportunities, ensuring our performance evaluation system is both efficient and effective. Through these initiatives, we are committed to fostering a culture of accountability and continuous improvement, ultimately contributing to the success of Ashok Leyland.

Employee Engagement

Our employee engagement flourishes within a wellness framework that promotes job satisfaction through initiatives like the Fun@Work campaigns. On 17th February 2025, we launched the Hinduja One Voice employee engagement survey, which allowed employees to participate digitally. We achieved an engagement score of 3.92 out of 5, identifying key opportunity areas for creating a more



engaging workplace, including Recognition, Collaboration, Growth and Development, Job Satisfaction, Purpose, Happiness, Stress, and a High-Performance Culture. The management is committed to transforming these insights into meaningful actions.

To recognise outstanding contributions, we have established the AL Chairman's Awards as the highest form of recognition for individuals and teams that have significantly advanced Ashok Leyland's strategic goals. This year, we presented 52 AL Excellence Awards and 9 Hinduja Excellence Awards, along with 69 AL Value Awards. Additionally, Star Performer, Spot, Employee of the Month awards and rewards for individual search for



Chairman's Award

excellence (RISEi) are also given to our employees. In FY 2024-25, 25 percent of our employees received the RISEi awards. These initiatives underscore our commitment to fostering a vibrant, value-driven culture and reinforce our reputation as an exemplary workplace.

In our commitment to enhance operational efficiency and employee engagement, we are implementing key digitisation initiatives within HR. A primary project is the development of an HR dashboard that integrates data from various systems, providing real-time insights into employee metrics. We have also initiated the development of an Intranet platform, serving as a central hub for employees to access news, tools, and resources. This mobile-first solution will streamline communication and enhance engagement, featuring an interactive chatbot to automate HR inquiries. Through these efforts, we aim to create a more connected and efficient workplace.

We also conduct monthly townhall meetings, daily sunrise meetings, skip level meetings, plant head townhall meetings and head of the department meetings. These interactions help the employees to voice their requirements to the appropriate team, take proactive measures on grievances and understand the needs with regards to production and formulation of policies.

Human Rights

We uphold a stringent commitment to human rights laws, reporting zero violations, which reflects our dedication

to fostering an equitable workplace. All permanent and contractual staff have undergone human rights training, with 39.52 percent of permanent employees and 100 percent of workers participating. We aim to ensure that all our offices and plants are free from child labour, forced labour, and discrimination, thereby upholding the dignity and rights of our workforce. We have conducted a thorough evaluation of human rights compliance as an integral component of the terms of its long-term agreements dedicated to welfare.

Grievance Redressal

We focus on maintaining a fair workplace, successfully resolving all 45 working condition complaints and 28 health and safety complaints in FY 2024-25. We are committed to addressing all shareholder and customer concerns, with a focus on resolving any outstanding

customer issues. Our grievance redressal process is guided by the People Red Book and the POSH Policy, with particular attention given to cases of sexual harassment. Our enhanced whistleblower policy ensures safe reporting for employees and stakeholders, demonstrating our commitment to transparency, safety, and respect within a responsive and inclusive work environment.

To further support this commitment, we have launched an 'Ethics Hotline' that allows stakeholders to report concerns anonymously, ensuring their protection. Reports can be submitted via the hotline, a QR Code Web Portal, post, or email, and are subject to thorough investigation. Additionally, our Ethics Committee meets regularly to review whistleblower reports and determine appropriate actions.

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Ganesh Mani S
President; Chief of Operations

Our proactive approach entails meticulous oversight of our operational impact on key environmental parameters, including energy consumption, emissions, water stewardship, and waste management. The "Manthan 3.0" initiative, launched last year, focuses on achieving Operational Excellence across the Company with the goal of 'Zero Harm.' We are pleased to report significant progress, with a 46 percent reduction in occupational injuries in FY 2024-25 compared to FY 2023-24. Additionally, all manufacturing plants underwent assessments by the Confederation of Indian Industry (CII) regarding EHS process maturity, resulting in the achievement of 9 CII EHS awards (Gold - 5, Silver - 1 and Special Category - 3). AL Ennore was awarded the Tamil Nadu Green Champion Award by Government of Tamil Nadu.

Occupational Health and Safety

Our commitment to Occupational Health and Safety (OHS) is fundamental to our operational excellence, prioritising employee well-being. We have instituted a well-defined OHS mechanism in place which forms a part of our EHS policy. We are certified under ISO 45001:2018, ensuring our Health and Safety management system aligns with global best practices.

We adopt a proactive approach that encompasses several key elements. We conduct regular hazard identification and risk assessments (HIRA) to pinpoint potential hazards and implement effective risk mitigation projects. Our mass awareness campaigns feature monthly themes and daily safety communications to enhance employee awareness.

Additionally, we carry out routine audits and safety inspections to ensure compliance and identify areas for improvement. Our incident management process includes transparent communication, where we share incident reports and analyses to foster continuous improvement. We engage in daily discussions to review incidents, causes, and corrective actions, circulating

this information to all plants for appropriate action. Furthermore, we conduct monthly reviews at EHS council meetings to assess corrective actions and ensure horizontal deployment across the organisation.



Our comprehensive OHS programmes provide tailored training, emergency drills, medical checkups, provision of on-site ambulances and safety promotional activities, including:

Training Initiatives:

- Theme-based training for relevant stakeholders.
- Induction training at our Nalanda Skill Development Centre.
- On-the-job training and VR/IR training focused on fire safety and working at heights.

Safety Enhancements: Recent initiatives include replacing ladders with scissor lifts and scaffolds with boom lifts for safer maintenance, alongside the installation of rooftop safety controls. Also, we circulate EHS bites to all our employees and workers on a regular basis. We are in the process of developing a digital system that enables the employees to track their health and well-being.

Our emergency response plan is well-structured, featuring:

- **Emergency Response Team (ERT):** Clearly defined roles and responsibilities for managing emergencies.



P15 Engine Assembly Line at Hosur 1

- **Key Components:** Risk assessment, resource management, communication plans, evacuation procedures, and coordination with external agencies.
- **Preparedness Training:** Periodic mock drills for identified potential emergencies and first aid training for employees.

Worker involvement is essential for identifying workplace hazards and evaluating risks. We actively engage our employees through structured OHS committees that comprise worker representatives, facilitating open communication and collaboration. Additionally, we conduct regular training workshops and surveys to gather feedback and enhance our safety practices. Involving workers in incident investigations further strengthens our OHS policies, ensuring that their insights contribute to continuous improvement.

Looking ahead, we are committed to achieving Zero Harm, supported by a robust framework. We have over 100 safety trainers dedicated to enhancing safety practices across the organisation. Our risk prevention programmes include the implementation of daily safety messages and rigorous safety audits to maintain high standards. We are also embracing technology through digitalisation and VR training to improve our training and safety management processes. Furthermore, we are launching a Behaviour-Based Safety (BBS) programme, with 108 master trainers trained through a structured "Train the Trainer" programme, ensuring that our safety culture is deeply embedded within our workforce. During the reporting period, we faced a show-cause notice from the Directorate of Industrial Safety and Health, Tamil Nadu Government, related to a fatal incident at AL-Ennore, Chennai. We remain committed to learning from this experience and enhancing our OHS practices, ensuring that our workforce is safe and supported in every aspect of their work environment.

Our OHS efforts reflect our values and dedication to leading the industry in safety, achieving a 46 percent reduction in occupational injuries through our DERISK strategy and behaviour-based safety training, all overseen by an EHS Council chaired by a Board member. We are committed to continuous improvement in our OHS practices, ensuring a safe and healthy workplace for all employees.

Parameters	Category	FY 2023-24	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.12	0
	Workers (including Contractors)	0.11	0.15
	Only Contractors	0.19	0.12
Total recordable work-related injuries	Employees	1	0
	Workers (including Contractors)	8	10
	Only Contractors	8	5
No. of fatalities	Employees	0	0
	Workers	1	1
High consequences for work-related injury or ill-health (excluding fatalities)	Employees	1	0
	Workers	0	0
Number of Permanent Disabilities	Employees	1	0
	Workers	0	0

Case Study

Implementation of Safety Spotlight for EOT Crane

We encountered challenges with pedestrian crossings near crane operations and raw material cross-loading. To address these, we developed a safety spotlight for our Electric Overhead Travelling (EOT) cranes to highlight potential hazards and promote safe practices.

Key innovations include the safety spotlight serving as a visual alert system,

enhancing awareness among pedestrians and employees.

Benefits of this implementation include increased awareness of nearby crane activity, improved precision in crane positioning to reduce taper loading risks, and enhanced operator reference from the hook to the floor. This initiative has significantly improved safety in our crane operations, fostering a safer working environment.



Case Study

Hand and Finger Injury Reduction by 50% from FY 2023-24

In FY 2024-25, we launched an initiative to reduce hand and finger injuries by 50%. A comprehensive assessment identified 1,277 potential injury gaps, which we

addressed through control measures, achieving over a 60% reduction in such injuries. Key innovations included modified tools for block handling, spacers to prevent pinch hazards, and two-hand push button operations. We also installed light curtains on older

machines and provided cut level 4 gloves. Our efforts resulted in a 64% reduction in hand and finger injuries and a 63% reduction in overall injuries, significantly enhancing workplace safety and promoting safety awareness among employees.

Curtain Sensors implementation on machines



Before



After

New Tools Implementation for bolt tightening in chassis shop



Before



After



Hands-on Training on Engine Assembly

Empowering our Communities - Building Brighter Future

RTS and RTL beneficiaries in FY 2024-25
1,29,860
covering 1,357 schools

Mobile Medical Clinics:
Camps conducted -
2070
Beneficiaries -
1,30,934
individuals

25,000 people
across 4,000 households
impacted in Jal Jeevan
Initiatives.

We believe that sustainability and social responsibility are essential pillars of long-term business resilience and relevance. Our commitment goes beyond compliance; it is deeply rooted in creating meaningful, lasting change in the communities we serve. Central to this commitment is our vision of empowering children and enabling a brighter future for the next generation.

With the establishment of the Ashok Leyland Foundation brings us closer to our aspiration of positively impacting the lives of one million children. Our community development programs span across critical areas such as education, livelihood enhancement, community infrastructure, health, and environmental conservation. We focus on educational support for students, skill-building for youth, and awareness campaigns that address key social challenges. We also invest in water conservation and restoration, recognizing the importance of natural resources in uplifting communities. Additionally, we run programs to enhance public health and well-being in our areas of operation.

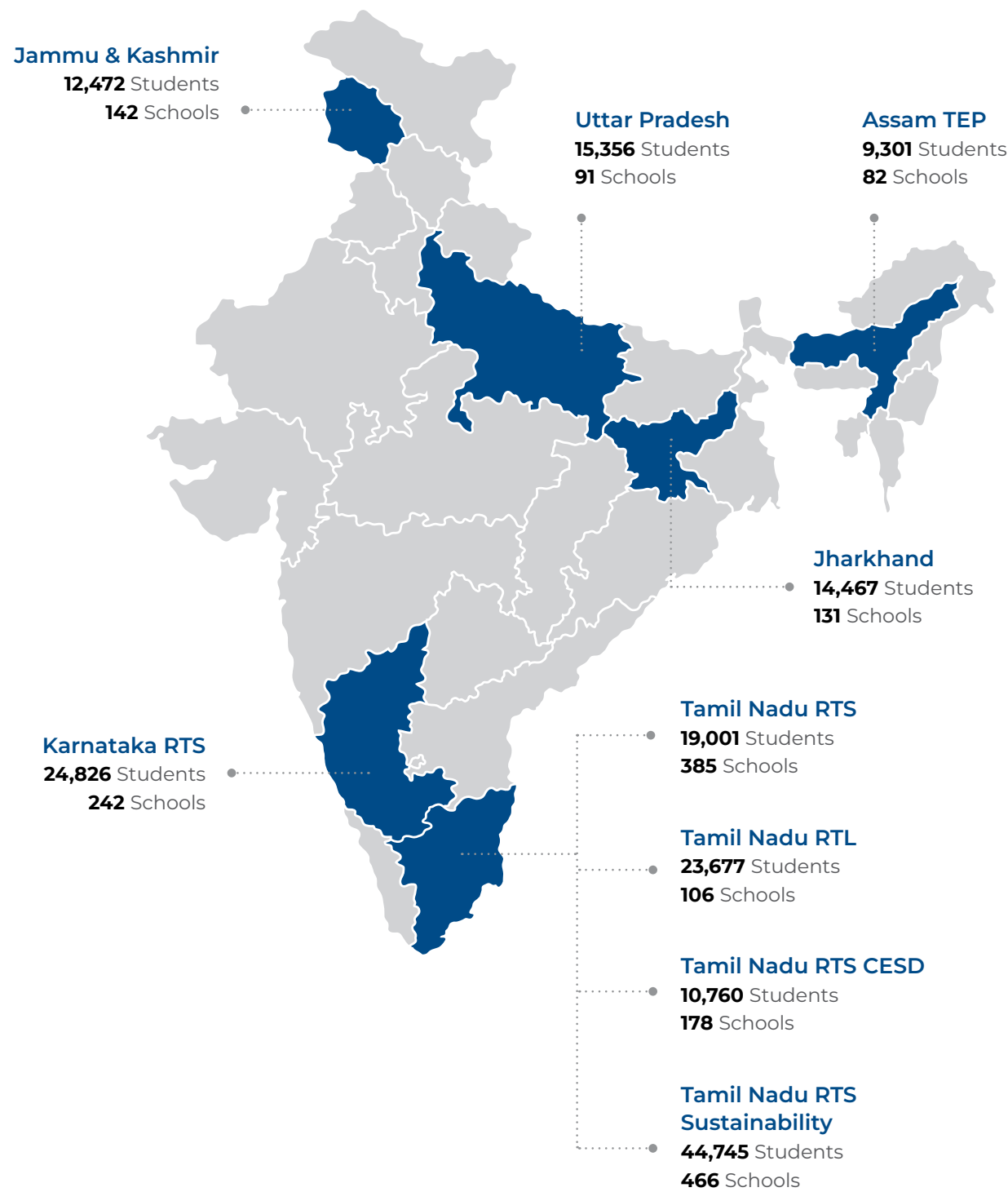
In line with Section 135 of the Companies Act, 2013, we have strengthened our Corporate Social Responsibility (CSR) framework. To give focused attention to these initiatives, we established the

Ashok Leyland Foundation in FY 2023-24—a wholly owned subsidiary registered under Section 8 of the Act. This dedicated arm is tasked with the execution of our CSR strategy and projects.

In FY 2024-25, we allocated INR 35.27 Crores towards Corporate Social Responsibility (CSR) initiatives—significantly exceeding the statutory requirements. This reflects our deep commitment to fostering inclusive growth and delivering meaningful, sustainable social impact. Our CSR programs are designed to address a wide spectrum of social and environmental challenges while aligning with the United Nations Sustainable Development Goals (SDGs).

Flagship initiatives such as the Road to School to Livelihood Program, Jal Jeevan Initiative and Mobile medical units which take basic healthcare to driver communities and underserved areas, exemplify our efforts to uplift communities and improve quality of life. At Ashok Leyland, we adopt a proactive and integrated approach to CSR—recognizing the interconnectedness of economic, environmental, and social dimensions. Our targeted interventions are aimed at delivering lasting value and building empowered, resilient communities. By going beyond compliance, we reaffirm our belief that corporate responsibility plays a vital role in nation-building and in shaping a better future for all.

RTS and RTL Reach



Road to School (RTS) Program – Empowering Rural Education and Holistic Development

The Road to School (RTS) Program is Ashok Leyland’s flagship education initiative designed to bridge learning gaps and foster holistic development for students in grades 1–8 across

rural and underserved regions in India. Rooted in the belief that education is a transformative force, the program integrates academic, co-scholastic, and wellness-based interventions, aligning with the United Nations Sustainable Development Goals (SDGs), particularly those focused on quality education, good health, and gender equity.

Case Study

Rise from Struggle to Excellence – Meenakshi’s Journey

In Udhampur, Jammu, Meenakshi, a Grade 6 student, struggled with foundational literacy and numeracy. Recognizing her learning gaps, RTS Resource Person Anil took focused action—applying engaging teaching methods and offering consistent support. With strengthened confidence and guidance, Meenakshi excelled academically, securing the top rank in her Grade 8 Summative Assessment within the Mounгри cluster. She also flourished in sports, representing her

school in volleyball and badminton at the district level. Her success exemplifies the transformative power of RTS and its impact on children’s lives.



Program Highlights and Interventions

The RTS Program’s holistic framework includes:

- Academic support focused on foundational literacy and numeracy (FLN)
- Art education and creative learning
- Physical education and structured sports activities
- Health and wellness sessions
- Community engagement to foster a supportive educational ecosystem

Academic Proficiency Outcomes (Grades 3–8):

- Tamil Nadu: 95% (Numeracy), 96% (Literacy)
- Karnataka: 67% (Numeracy), 68% (Literacy)
- Assam: 35% (Numeracy), 38% (Literacy)
- Jammu & Kashmir: 45% (Numeracy), 43% (Literacy)
- Uttar Pradesh: 57% improvement in foundational learning

Sports as a Catalyst for Growth

- Sports are integral to the RTS model, instilling discipline, teamwork, and confidence:
- Tamil Nadu: 12 students inducted into SDAT sports hostels; 2 represented the state in Kabaddi
 - Jammu & Kashmir: 465 participants, 1 student at the national level, 212 medals awarded
 - Karnataka: Learning showcase events held across 242 schools
 - Uttar Pradesh: Over 7,100 students participated in Khelo India-based sports sessions.

Empowering Women, Transforming Communities

(Aligned to SDG 8: Decent Work and Economic Growth)

Through the Road to School – Social Development Program, Ashok Leyland is driving meaningful social transformation in rural India by empowering women and strengthening communities.

Operating in 65 villages across Tamil Nadu’s Krishnagiri, Namakkal, Salem, and Thiruvallur districts, the initiative enables women to build sustainable livelihoods without having to migrate—bringing economic opportunity to their doorsteps.

Road to Livelihood Program (RTL): Nurturing Aspirations, Building Futures

(Aligned with SDG 4: Quality Education and SDG 8: Decent Work and Economic Growth)

The Road to Livelihood (RTL) program is designed to support students in grades 9–12 by equipping them with the knowledge, skills, and confidence necessary to transition smoothly from school to

sustainable career pathways. Through structured interventions like career counselling, digital literacy, spoken English, and adolescent wellness programs, RTL empowers students from rural and underserved backgrounds to dream big and pursue those dreams with purpose.

Case Study

A Stitch in Time Changes Lives

In many of these communities, women were eager to contribute financially but lacked access to formal employment or skilling opportunities. Recognizing this need, the RTS team collaborated with National Skill Development Corporation (NSDC), Jan Shikshan Sansthan, Balaji ITI, government ITIs, and local trainers. Women were offered training in tailoring, Aari embroidery, saree pre-pleating, beautician courses, and other home-based vocations. As of now, 747 women have enrolled, 374 have completed training, and are now earning an average of INR 3,000 per month. Remarkably, 189 of these women are mothers of students in RTS-supported schools—creating a virtuous cycle of empowerment and education.

This initiative is not only enhancing financial independence but is also inspiring a cultural shift. It strengthens families, uplifts self-esteem, supports children's education, and fosters local leadership among women.



Broader Impact Across States

The RTS Social Development Program operates in communities around RTS schools with a multi-faceted approach—raising awareness on education, hygiene, and child rights, and facilitating access to welfare schemes.

Tamil Nadu:

Reached 4.7+ Lakh community members. 838 women enrolled in skilling programs; 395 have begun earning, cumulatively generating INR 14 Lakh/month in household income.

Jammu & Kashmir:

Engaged 72,957 members; 37,832 successfully enrolled into various government schemes with support.

Uttar Pradesh:

Enabled over 100 Aadhaar enrollments/updates to facilitate school admissions. Held 300+ parent meetings and 73 mega PTMs, linking Aadhaar to welfare schemes such as scholarships and DBT.

What began as skill-building is now a movement—igniting resilience, self-reliance, and lasting impact across generations.

Case Study

From Thally to Triumph – Nandhini and Keerthana’s Journey

Nandhini and Keerthana, two spirited young women from Thally village in Tamil Nadu, epitomize what determination, community support, and timely guidance can achieve.

Nandhini, a student from PUMS Chakkalapalli and later GHSS Anchetty (an RTL intervention school), discovered her potential under the mentorship of the RTS and RTL teams. Encouraged by her teachers and supported by career guidance and NEET prep, she cracked the NEET exam and secured admission into MBBS at Thanjavur Medical College.

Keerthana, hailing from PUMS Pandurangandoddi, was equally driven. Guided by her teachers and inspired by her brother Madevan—an RTL alumnus now pursuing MBBS—she cleared NEET and

secured admission into BDS at Tagore Medical College, Chennai.

Both girls overcame socio-economic barriers and were supported with counselling, mentorship, and motivation by teachers, HM, and project staff—showcasing the collective strength of the RTS–RTL ecosystem.



RTL Program Highlights for FY 2024-25

- **Digital Literacy:** 23,191 students trained in digital skills
- **Career Counselling:** 7,463 students undertook psychometric assessments and received personalised guidance
- **Adolescent Wellness:** 21,806 students attended sessions on menstrual hygiene and substance abuse by volunteer doctors

- **Spoken English Summer Camps:** In collaboration with The Hindu STEP Program
- **Career Guidance Melas:** Conducted across intervention schools

As a result, **85 percent of Grade 12 students in FY 2024-25 have enrolled in higher education aligned with their interests**, demonstrating the success of RTL in creating informed, confident, and future-ready youth.

Jal Jeevan: Empowering Communities through Water Initiatives

(Aligned with SDG 6: Clean Water and Sanitation & SDG 5: Gender Equality)

Water resource management has been a cornerstone of Ashok Leyland's CSR efforts since 2020. In partnership with Hinduja Foundation and other group companies, we are working to build sustainable water systems across vulnerable regions, notably in Alwar (Rajasthan) and Nainital (Uttarakhand). Our integrated approach focuses on supply-side enhancement, demand-side conservation, and institutional capacity building to create long-lasting impact. In Rajasthan alone, the initiative spans 1 district, 2 blocks, and 12 villages, impacting 25,000 people across 4,000 households. Many families previously spent hours each day collecting water from over 50 meters away, affecting their ability to earn a livelihood. The 2024–25 interventions have significantly improved this situation.

Key Outcomes from FY 2024–25

- 43 Rooftop Rainwater Harvesting (RRWH) systems installed for individual households
- 3 Community RRWH systems installed, benefiting 8 habitations
- 23 percent of small/medium farmers and 77 percent of landless agricultural workers benefited
- Farm Ponds, Borewell/Tubewell recharge, Sanitation coverage – collectively benefitting 3 lakh people

Transformational Impact

Women Empowerment:

- 800+ women trained as community water champions, leading awareness drives
- Increased income opportunities through saved time and doorstep water access
- Health and Hygiene:
- 80 percent of children and women protected from waterborne illnesses due to improved water quality

Community Ownership:

- For every INR1 invested by AL, the community contributed INR 1.10 – indicating strong participation and sustainability

Government Convergence:

- Seamless integration with PMKSY, National Horticulture Mission, and Crop Insurance Programs

Through Jal Jeevan, we are not only addressing water scarcity but also enabling livelihoods, women's empowerment, and health security, creating ripple effects across entire communities.

Women Empowerment & Water Sustainability: Creating Impactful Change at the Grassroots

(Aligned with SDG 5: Gender Equality | SDG 6: Clean Water and Sanitation | SDG 8: Decent Work and Economic Growth)

Case Study

Empowering Women through Enterprise: Sujal Mahila Mahasang

The Sujal Mahila Mahasang, a women-led society registered under the Societies Act, has emerged as a powerful force in enabling sustainable livelihoods.

- 1,401 families were connected to government social security schemes, offering financial stability.
- A Food Processing Unit run by 8 women achieved a turnover of INR 4.52 lakhs, with a net profit of INR 30,700. A Tailoring Unit with 13 members and 12 machines recorded INR 80,000 in turnover and a net profit of INR 8,000.
- Extending their impact, the society identified unemployed educated youth and facilitated skill training. As a result, 4 youth were trained, and 3 secured jobs in Noida, marking the start of their livelihoods.

Ashok Leyland's commitment to empowering women and building resilient communities continues to bear fruit through grassroots entrepreneurship, social security, and water conservation initiatives.

Water Conservation in the Himalayas: Rejuvenating Springs with Solar Integration

In the Gaula riverbed region of Uttarakhand, water scarcity threatens daily life. Ashok Leyland's initiative targets spring rejuvenation and water access efficiency for remote Himalayan villages.

- 45 springs treated, restoring 2.32 crore litres of water for 4,359 people across 15 villages.
- 25 Rainwater Harvesting Systems contributed an additional 7.5 lakh litres, benefiting 1,390 people.
- A solar lift system ensured efficient distribution of water to upland areas.
- 10 water filters (50L capacity each) installed in schools, ensuring safe drinking water for children.
- Total outreach: ~38,000 community members.

Recognition & Accolades

Our commitment to inclusive development received prestigious recognitions:

- Chairperson's Award, The Hindu Business Line Changemaker Awards – Road to School Initiative

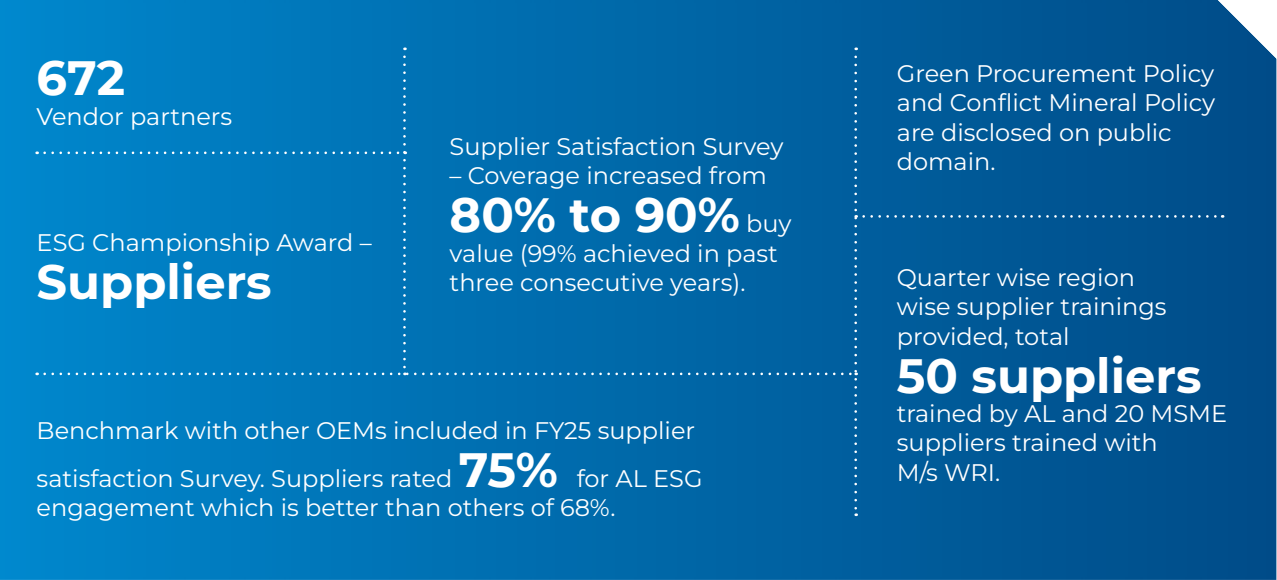
- Mother Teresa Award for Corporate Citizen of the Year 2024 – Road to School & Road to Livelihood
- Recognized by Government of Tamil Nadu under the Namma School, Namma Ooru Palli initiative for its contributions to public education.

Together, these efforts reflect our vision of empowering communities through integrated, inclusive, and impactful initiatives.

As part of our Community Connect and CSR initiatives near our manufacturing units, we regularly engage with underprivileged children through thoughtfully planned activities. These include day-out programs with children from nearby orphanages and deprived backgrounds, offering them enriching experiences such as visits to the zoo, parks, and malls during their summer vacations. Our employees also conduct awareness and personality development sessions for school students in the vicinity, encouraging their growth and participation through fun games, festival celebrations, and shared meals. These initiatives foster joy among the children and strengthen their emotional connection with our organisation's values and commitment to community well-being.



Building a Robust Supplier Ecosystem



Ashok Leyland has cultivated a resilient and future-ready supplier ecosystem, recognising that suppliers play a critical role not only in operational efficiency but also in advancing long-term strategic goals. Our procurement strategy is designed to foster a dependable and agile supply chain that remains closely aligned with customer expectations and market dynamics. We engage with suppliers as collaborative partners, encouraging them to embrace sustainability frameworks that mirror our own ESG commitments.

Key suppliers, both domestic and global, are elevated to strategic partner status and are integrated into Ashok Leyland's systems and processes. This integration enhances transparency, consistency, and shared accountability across the value chain. The Sourcing Council plays a central role in identifying competitive sourcing opportunities, optimising cost structures, nurturing supplier innovation, assessing country specific and sector specific risk and actions planned. It also governs areas such as vendor capital investments, pricing, and new product co-development.

In line with our commitment to achieve net zero emissions by 2048, we actively monitor supplier performance metrics such as delivery timelines, quality benchmarks, and sustainability practices. This comprehensive approach ensures that Ashok Leyland's supplier ecosystem remains robust,

adaptive, and aligned with our broader vision for responsible and sustainable growth.

Driving Excellence in Supply Chain Management

At Ashok Leyland, our approach to supply chain management is rooted in a commitment to operational excellence, sustainability, and long-term value creation. Our supply chain team actively works to strengthen supplier capabilities through initiatives focused on Quality excellence, cost optimisation, import substitution, increased local procurement, capacity building, and strategic technology partnerships. We are also integrating digital tools to enhance transparency, responsiveness, and efficiency across the value chain. Environmental and social considerations are embedded into our sourcing practices to ensure alignment with national regulations and global best practices.

Our operations are guided by five core values — Trust, Agility, Innovation, Customer Centricity, and Partnership — collectively known as "The Ashok Leyland Way." These values are not only integral to our internal culture but also extend to our supplier relationships, as outlined in the Ashok Leyland Supplier Code of Conduct. We expect our suppliers to uphold these standards in every aspect of their operations.

To drive consistent improvement, we establish and monitor supplier-specific Key Performance Indicators (KPIs) annually. These include metrics on sustainability, cost efficiency, inventory accuracy, lead time, capacity and workplace safety. New suppliers undergo rigorous screening processes that incorporate environmental and social criteria. Through ongoing collaboration and evaluation, we ensure responsible, ethical, and high-performing supply chain operations.

New Supplier Evaluation Process

All new suppliers are systematically assessed through a structured evaluation aligned with the Plan-Do-Check-Act (PDCA) methodology to ensure compliance with our standards. The evaluation begins with a detailed screening using a Supplier Evaluation Checklist that covers environmental, social, and economic performance indicators. Key assessment parameters include production capabilities, delivery reliability, quality of governance, environmental responsibility, legal compliance, labour and human rights practices, workplace health and safety, and process efficiency. This comprehensive review ensures that new suppliers are not only capable of meeting our operational expectations but also align with our values on sustainability and ethical business practices.

Supplier Network Overview

We ensure traceability and transparency through regular system tracking and third-party

validations across EMS, OHSAS, IATF, financial, and sustainability systems.

Ashok Leyland's strong supplier ecosystem recorded total business spends of INR 25,483 Crore. Of this, INR 1,235.21 Crore was with MSME vendors. Among them, 51 vendors hold MSME certification as production vendors, with a business spend of INR 72.20 Crore. Our engagements are governed by a General Purchase Agreement that establishes a transparent, collaborative framework aimed at mutual value creation. This agreement encourages suppliers to innovate and continuously improve their products to meet evolving customer expectations,

while also ensuring compliance with environmental and safety regulations. This network underpins our commitment to inclusive, sustainable supply chain growth.

Supplier Assessment

The Supplier Code of Conduct at Ashok Leyland sets forth the eco-friendly and ethical standards that our suppliers are expected to uphold, specifically in the realms of environmental, social, and governance (ESG) practices. This code delineates the expectations and obligations of our suppliers, ensuring alignment with our mission to revolutionise lives and enterprises through our leadership in mobility solutions.



As part of our ongoing commitment to sustainability, we actively engaged our supplier partners during key events such as the Annual Strategic Partners Meet, the Supplier Summit, ESG championship competition and A&B panel meetings. These platforms allowed us to highlight our ESG progress and clearly communicate our evolving requirements. We shared key performance indicators (KPIs) related to supplier screening, ESG assessment, and development to ensure transparency and alignment.

We also introduced a comprehensive ESG assessment template, designed to capture relevant supplier data and help evaluate their performance across environmental, social, and governance parameters. Beyond assessments, we played a proactive role in educating our suppliers on the benefits, on site assessment, daily EHS bites and implementation of renewable energy. As a result of these efforts, forecasting suppliers have already adopted solar energy solutions, marking a significant step toward a greener value chain.

Q-Quest Initiative: ESG Integration and Supplier Engagement

In FY 2024-25, the Q-Quest initiative was strengthened with the formal inclusion of ESG parameters into the supplier evaluation framework. A pre-assessment was initiated for select suppliers to integrate ESG considerations early in the engagement process. For new suppliers, ESG assessments are now part of the induction stage, with discussions held with the Head of Part Development and

NPQ to align assessments with upcoming RFIs. A comprehensive check sheet and scoring criteria have been finalized to standardize evaluations. Over a 10-month period, ESG assessments were also embedded into the certification process for identifying and recognizing Champions among 20 key suppliers. Additionally,

more than 40 new suppliers across India were successfully onboarded as Supplier Partners of Ashok Leyland through joint Supplier Evaluation Audits conducted in collaboration with the Quality and Sourcing teams. This effort enhances supplier alignment with our sustainability goals and operational excellence standards.

Polyhose Quality Quest Summary



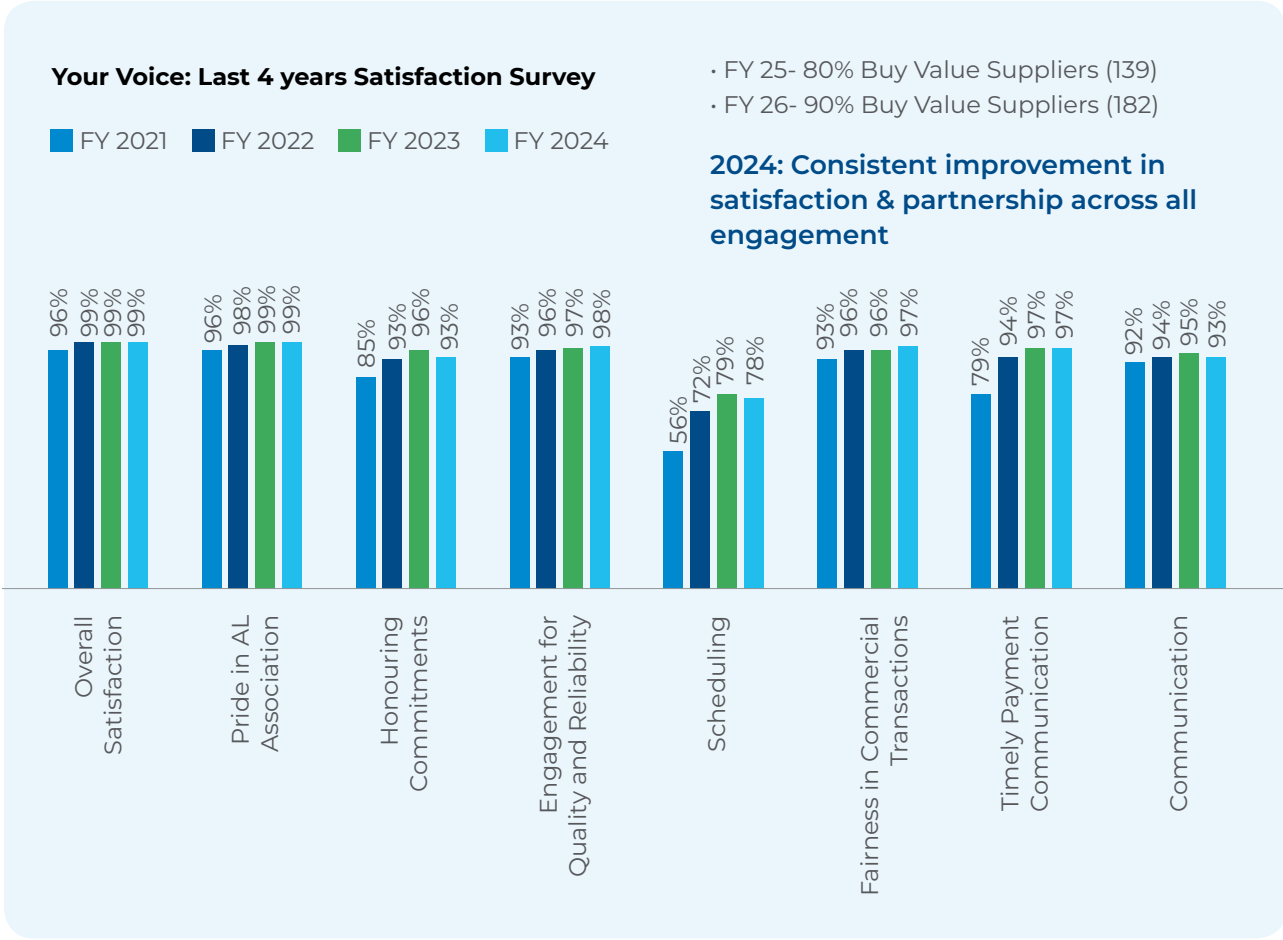
Enhancing Supplier Engagement

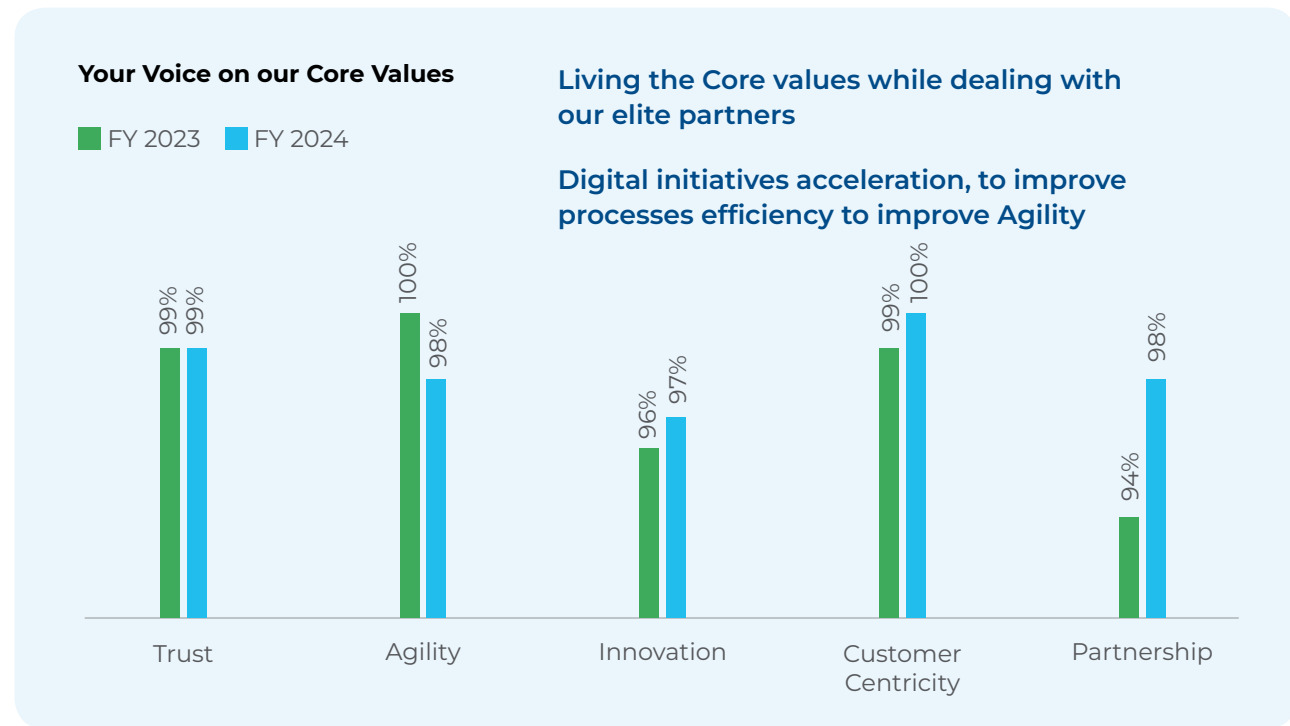
At Ashok Leyland, we recognize that strong supplier partnerships are fundamental to sustainable and inclusive growth. To nurture long-term, collaborative relationships, we have developed structured engagement platforms such as the Supplier Summit and Strategic Partners Meet, which facilitate knowledge exchange, alignment on strategic goals, and open dialogue. Additionally, we circulate a monthly communication dashboard to share performance metrics and encourage continuous improvement. We ensure timely grievance redressal, provide updates on new initiatives, and actively seek supplier feedback to enhance mutual value creation.

In FY 2024-25, we conducted the BRSR Core Assessment for 101 suppliers, helping evaluate their ESG readiness. Benchmarking with leading OEMs is currently underway to identify areas for improvement. We also finalized key ESG-related policies, including the Green Procurement Policy which promotes environmentally responsible sourcing by prioritizing eco-friendly materials,

sustainable suppliers, and resource-efficient products to reduce environmental impact across the procurement lifecycle ([Green-Procurement-Policy](#)) and the Corporate Conflict Mineral Policy, ensuring responsible sourcing by avoiding the use of conflict minerals (3TG) originating from the Democratic Republic of Congo or adjoining countries linked to human rights violations. ([Conflict-Mineral-Policy](#))in consultation with our suppliers. To build ESG awareness, we hosted a session showcasing best practices, engaging over 50 supplier participants. Furthermore, we enhanced our analytical dashboard capabilities to improve data-driven decision-making and visibility into supplier performance. These efforts underscore our commitment to creating a responsible, transparent, and future-ready supplier ecosystem.

The Head of Sourcing and Supply Chain holds primary responsibility for the implementation of this policy. At AL, we ensure that all relevant stakeholders are made aware of the seriousness of sourcing conflict minerals from conflict-affected and high-risk areas. In the event of any breach





of these guidelines, suppliers or employees are expected to report the matter in writing to the respective Business or Functional Heads.

Supplier Satisfaction

Ashok Leyland conducts an annual Supplier Satisfaction Survey as part of its commitment to fostering strong, collaborative, and transparent supplier relationships. In FY 2024-25, the company observed consistent improvements in supplier satisfaction and partnership quality across all engagement parameters. The survey revealed an impressive overall supplier satisfaction score of 99 percent, reflecting Ashok Leyland's proactive approach to supplier engagement and responsiveness to feedback. Notably, the company achieved a perfect score of 100 percent in customer centricity, underlining its dedication to placing suppliers and partners at the core of its operations. Ashok Leyland continues to uphold its core values of integrity, collaboration, and excellence in every interaction with its elite supplier base. Furthermore, the company accelerated its digital transformation initiatives to enhance process efficiency and agility, making supplier engagement more seamless and technology driven. These efforts not only strengthen long-term supplier relationships but

also contribute to overall supply chain resilience and performance.

Capacity Building and Training Awareness

Ashok Leyland is deeply committed to enhancing supplier capabilities through structured training and capacity-building programs. As part of this initiative, 10 MSME suppliers have successfully registered and qualified for the MCLS (MSME Competitive Lean Scheme) program by the National Productivity Council benefiting from a subsidy of up to 95 percent on training fees. The next batch of 10 MSMEs is currently undergoing the qualification process. In collaboration with WRI India, several training programs have been completed or planned, including ESG Awareness Sessions at Coimbatore, Ennore, and PNR, as well as specialized modules on MCLS and Material Flow Cost Analysis (MFCA). These trainings aim to elevate suppliers' technical and strategic capabilities.

The benefits of these engagements are far-reaching. They include improved resource optimisation, space utilization, enhanced quality, reduced rejection rates, greater awareness of ESG principles, and increased productivity and

profitability. Suppliers are introduced to Industry 4.0 tools and digital empowerment strategies, enabling faster order turnaround and waste reduction. The Supply & Sourcing Chain (S&SC) team also conducts awareness programs on Ashok Leyland's ESG initiatives, SEBI mandates, BRSR requirements, and digital tool adoption. Additionally, the ESG Expo connects suppliers with internal experts, external consultants, and service providers specializing in renewable energy, safety, and resource efficiency.

Digital Interventions in Supply Chain

ALPS: Supplier Interaction – Fragmented communication and limited visibility into vendor concerns hinder sourcing efficiency. The ALPS Supplier Interaction tracking dashboard addresses this by tracking interactions, capturing improvement opportunities, and monitoring issues with closed-loop tracking. In FY 2024-25, it facilitated 30,000 supplier interactions and identified 15,000 improvement points.

Invoice Automation - Rising supplementary invoices create inefficiencies in a manual SAP process, leading to delays and errors. The automation of this process simplifies steps, reduces manual calculations, and enables vendor payments via QR codes on invoice annexures. Consequently, turnaround time for invoice processing has decreased from 30 days to 7 days, with over 7,500 supplementary invoices generated from more than

200 vendors by February 2025. Further five more digital projects initiated to enhance value chain efficiency.

Driving Supply Chain Sustainability Forward

In FY 2024-25, we took decisive steps to deepen our engagement with suppliers by aligning them more closely with Ashok Leyland's ESG vision. As part of this effort, we initiated the Supplier Code of Conduct sign-off process to ensure all suppliers formally commit to ethical, responsible, and sustainable business practices. Each critical supplier has been assigned a dedicated champion from our Supply & Sourcing Chain (S&SC) team, who acts as a liaison to guide and monitor ESG integration. New significant supplier registrations were captured on the Updapt portal, and the Supplier BRSR Core Assessment for FY 2024-25 was rolled out to benchmark ESG maturity. We also began implementing ESG Performance Boards at supplier sites to track progress, and introduced the ESG Championship Award, which will recognize top-performing suppliers based on their ESG performance in FY 2024-25..

During the year, we identified 101 significant suppliers based on business value across the Proprietary, CFBF, SM & NM, and Steel domains. For FY 2025-26, this scope was expanded to include FBVS suppliers, raising the count to 109, representing 77.5 percent of total purchase value.

Enhancing Supplier Performance

In FY 2024-25, we conducted our annual Supplier Satisfaction Survey, engaging with 180 of our key supplier partners to gather valuable feedback on our collaboration and performance. Their insights enabled us to identify specific improvement areas and take focused actions to address concerns and strengthen our partnerships. Building on the previous year's progress, the FY 2023-24 survey included two new evaluation parameters: Future Vehicle Readiness and Digital Connect. We received exceptionally positive responses, with scores of 98 percent and 99 percent respectively, reflecting our suppliers' strong alignment with emerging automotive trends and digital integration efforts. The survey resulted in the identification of six key action items aimed at further enhancing supplier engagement and support. Of these, three initiatives have already been successfully implemented, while the remaining five are on track for execution during FY 2024-25, reinforcing our commitment to continuous improvement and supplier excellence.

Sustainable raw material

Ashok Leyland Limited encourage to use and buy recycled and environmentally preferable products. Our procurement decisions have major socio-economic and environmental implications, both locally and globally. Our aim is to enhance sustainability

performance and minimise Environment, Social and Financial risks within Ashok Leyland Limited Supply chain, Procurements and Services. We believe that when everyone in the Ashok Leyland Limited is working toward this, we can:

- Strengthen the markets for such products.
- Divert more materials from the solid waste stream.
- Promote both human and environmental health.

We also collaborate with external stakeholders our best practices for sustainable raw material and moving towards localization from imports. Also change to difficult source to good sources. We took conflict mineral policy one of the key criteria during

supplier assessment and restricting our supplier partners to avoid buy RM from conflict zones such RAMSAR sites in India and Congo regions internationally. We do have Green Procurement Policy and Conflict mineral policy. We do taken up ROHS with suppliers to avoid substances considered harmful and in their presence in the product limited to specific maximum concentration values, such as Lead and Mercury. During our supplier capability assessment (Q-Quest initiative) and New supplier evaluation audits we emphasis on above mentioned policies.

We also monitoring recyclable plastic consumption along with steel Aluminium and copper.



Chassis Assembly at Hosur 2

Collaboration with Value Chain Partners

At Ashok Leyland, our commitment to achieving Net Zero by 2048 is rooted in transparent data practices, renewable energy adoption, and deep collaboration across our value chain—including suppliers, customers, and dealer partners. With Scope 3 emissions accounting for 99 percent of our total GHG footprint, building a low-carbon, future-ready ecosystem is essential.

Data Transparency:

To strengthen ESG data visibility and accountability, we have implemented a digital ESG management system via the Updapt platform across Ashok Leyland and its subsidiaries. This system streamlines data capture, enhances reporting accuracy, and integrates ESG metrics into our core business decision-making processes.

Renewable Energy Push:

Recognizing the need for affordable clean energy solutions, we have partnered with Hinduja Renewables to launch a renewable energy initiative aimed at lowering supplier emissions and improving long-term cost efficiency. Plans are underway to extend this model to our dealer

network, reinforcing clean energy adoption across our value chain.

Sustainability Platforms:

Our engagement with global platforms such as LeadIT and SteelZero strengthens our role in shaping a just and sustainable industrial transition. These partnerships support knowledge-sharing, co-creation of decarbonization strategies, and acceleration of green technology adoption.

Collaboration on Decarbonisation:

We are actively working with steel suppliers to develop marginal abatement cost curves and align their emissions reduction pathways with our Net Zero roadmap. Additionally, we are piloting initiatives such as EV corridors, closed-loop systems, and cluster-based logistics models to decarbonize logistics and operations.

Through these integrated efforts, Ashok Leyland is driving collective progress toward a sustainable future—anchored in data integrity, clean energy, and value chain collaboration.

Customer Engagement

Ashok Leyland MHCV ranked **No. 1 in Sales Satisfaction Index (SSI)** and retained **No. 2 position in Customer Satisfaction Index (CSI)**.

Topped the Dealer Satisfaction Study (DSS) for MHCV, as conducted and published by FADA (Federation of Automobile Dealers Associations).

Achieved a significant leap in LCV customer satisfactions scores done through Premonasia survey, moving from **No. 3 to No. 2 in both SSI and CSI**.

In the FADA Dealer Satisfaction Study, **LCV segment ranked No. 1**, scoring +17 points above the industry average.

Active users in LEYKART – **2.32 Lakh**

ELITE by Ashok Leyland – **200** customers onboarded.

Re-AL - Onboarded **11,725** pre-owned vehicle users.

14,758 mechanics benefitted from on-site training vans

858 women drivers trained during FY25 LMV at Ashok Leyland Driver Training Institutes

AL DTIs carried out **726** Road safety programs

National Campaigns:

- **SCV AC Focus** Campaign (April & May 2024)
- **BADA DOST LNT Launch** – Chalo Apne Taav Main - 3 in One Campaign – Dumdaar -Samajhdaar - Shandaar
- **DOST XL launch** - Xtra Large Dosti, XTRA Large Kamaayi
- **BADA DOST i5 Launch** - Super 5 ka Fayada
- **Dil Se Shukriya** campaign - Pioneer in Cab Over Engine Design Campaign
- **DOST + XL Best Sub 3 Ton Pickup**

SAATHI – Premium Entry level mini truck (Power of 15 campaign)

Our continued success is built on the foundation of innovation and a deep-rooted commitment to enhancing the customer experience—not just for today, but with a forward-looking approach that ensures value creation well into the future. At the heart of our philosophy lies our guiding principle, "Koi Manzil Door Nahin," which captures the essence of our unwavering dedication to exceeding customer expectations, regardless of the challenges or distances involved.

This belief drives us to consistently place our customers at the core of our strategies. We proactively engage with them through regular interactions and feedback sessions to gain a nuanced understanding of their evolving needs. At the same time, we conduct thorough market analyse to stay ahead of industry trends and shifts in customer preferences. By merging these insights, we design products and services that



are not only relevant but also tailored to address the specific requirements of each customer. Our objective is clear: to translate customer aspirations into tangible, outcome-driven solutions that inspire loyalty and satisfaction.

This customer-centric approach has yielded measurable results. We successfully reclaimed the top position in the bus segment, affirming our

market leadership and the trust placed in us by our customers. Similarly, our strategic efforts in the ICV truck category led to a two percent increase in market share, showcasing our ability to identify and capitalize on growth opportunities through focused outreach and product alignment.

Our regional engagement initiatives have also played a pivotal role in our success. We conducted eight M&HCV Regional Expos at strategic locations across the country and witnessed a footfall of over 15,000 customers. These events served as dynamic platforms for dialogue, showcase of new innovations, and reinforcing relationship-buildings. They also offered invaluable insights into customer expectations and enabled us to demonstrate the tangible benefits of our products and solutions.

In the M&HCV (Medium & Heavy Commercial Vehicle) segment, we significantly expanded our network, reaching a total of 1,051 touchpoints—a robust 11.5 percent growth since FY 2023-24. Notably, half of these new additions were concentrated in the North and Central regions in FY 2024-25, areas identified as key growth drivers. Furthermore, approximately 17 percent of the volume came from the newly launched 108 outlets, underlining the importance of strategic network expansion in driving market penetration.

In the LCV (Light Commercial Vehicle) category, our network grew by 106 additional points, alongside 1,491 net additions under the Ashok Leyland Trained Technician Tertiary Network (ALTT). This expansive reach ensured greater accessibility and support for our customers, contributing to heightened satisfaction and loyalty.

We achieved the highest-ever revenue from our M&HCV spare parts division this year, marking a 23 percent increase over the previous year—underscoring our strong response to the rising demand for dependable aftermarket services.

Our LCV customer engagement continued through the execution of 5,924 customer meets, a 20 percent increase over the previous year, and 10,431 SAS camps, which grew by four percent. We also enhanced technical capabilities across our network by training 3,856 technicians nationwide—a 30 percent rise—ensuring that our service delivery remains consistent and of the highest standard.

We recently inaugurated our state-of-the-art Uptime Solution Centre in Chennai, a future-ready facility designed to revolutionize the aftersales landscape by leveraging advanced diagnostics and analytics to ensure maximum fleet utilization for customers across India. We also expanded our Technical Training Centres to a total of 13 with new facilities established at Chandigarh and Hosur. In FY 2024-25, over 10,000 personnel were trained through classroom sessions and 14,000+ mechanics were trained via 15 on-site training vans. We also conducted job fairs at key to support our channel partners with trained manpower. Recognizing the need for continuous learning, we also introduced e-learning modules through the Disprz platform, ensuring our channel manpower has access to training anytime, anywhere.

Into Digital Interventions

Innovative digital initiatives like the LCV Bandhan ticketing system, launched in November, have already seen over 300 customer issues resolved efficiently. The Ask AI platform, developed to support technical queries and diagnostics, has received over 1,100 hits—empowering teams with quick access to technical information, circulars, and diagnostic checklists. Additionally, the launch of the Parts 365 app for LCVs underscores our commitment to digital enablement and 24/7 parts accessibility.

Ashok Leyland is revolutionising aftersales service with Dhruv, setting new industry benchmarks in vehicle uptime and customer experience. Dhruv reimagines every aspect of the customer service journey. We are digitizing workshops to optimise processes and enable faster turnaround times. We have also onboarded a development partner for the Workshop app. We are also looking at developing a smart, all-in-one Customer app to streamline fleet management, service bookings, and customer support for seamless operations. We are also curating value-added services like on-site service and an exclusive rewards program, delivering unmatched convenience and efficiency for fleet owners and drivers. Under this initiative, a pilot for Warranty Empowerment is also underway.

For our channel partners, we have implemented a comprehensive incentive policy built on a multi-metric evaluation framework. Key performance attributes—such as sales volume and revenue, process compliance, administrative and financial discipline,

and operational hygiene—are carefully assessed to determine incentives for dealers and distributors. The incentives are also linked to customer satisfaction scores and 24x7 workshop operations, reinforcing our core value of customer centricity. To further embed this culture across the ecosystem, mechanics are incentivized for attending to breakdowns during non-standard hours, ensuring prompt and customer-focused service delivery at all times.

iALERT: Smart Fleet Management Redefined

The **iALERT telematics system** is a transformative solution that brings real-time fleet intelligence to customers, dealers, and Ashok Leyland teams. With more than **1.7 Lakh vehicles** equipped with iALERT, this platform plays a critical role in enabling proactive maintenance and operational visibility. The system allows users to **track vehicle locations in real-time**, monitor performance, and stay updated on various vehicle health parameters.

A key feature is **early error detection**, which alerts users to potential issues before they escalate, thereby minimizing downtime and enhancing safety. With the rollout of **iALERT 3.0**, advanced features such as **air leak detection** and **idler bolt loosening alerts** have been introduced. These enable our service engineers to take proactive actions, benefiting customers by preventing mechanical failures and providing invaluable insights for continuous vehicle design improvement.

In FY 2024-25, iALERT adoption surged significantly, with 70 percent of existing users opting for multi-year subscriptions, reflecting growing customer satisfaction and the system's relevance in daily operations. Automated dashboards now capture issues within the first 1,000 kilometers of vehicle usage, allowing for faster feedback to design teams and reducing the time from concept to market.

Project SAKHI is a collaborative initiative by SIDBI, ASDC, and Ashok Leyland's Driver Training Institute (DTI) in Burari, focused on empowering women through skill development and employment opportunities. In FY 2024-25, Ashok Leyland trained 201 women as EV cab drivers, with over 95 successfully placed – marking a significant step towards inclusivity and economic empowerment.

Ashok Leyland remains the only OEM with a pan-India network of 17 advanced Driver Training Institutes, having trained over 25 Lakh drivers and facilitated employment for more than 30,000, reinforcing its commitment to road safety and skill development.

Driver Training Institutes (DTIs) received the FICCI Road Safety Award for the third consecutive year, recognizing their continued excellence in road safety initiatives.

Uptime Solution Centre

Inaugurated in September 2024, the Uptime Solution Centre is a centralized, state-of-the-art facility designed to enhance vehicle uptime through advanced prognostics and diagnostics support. With Pan Indian Coverage, It ensures timely and effective assistance across regions. Since its inception, the Centre has resolved over 4,000 diagnostic tickets, and provided prognostic support for more than 11,600 vehicles across 6,500+ customers. Demonstrating a strong commitment to responsiveness, the Centre maintains a 90 percent response rate within 30 minutes, with 53 percent of cases resolved within 4 hours and 67 percent within 24 hours.

Spare Parts Division: Expanding Reach and Trust

The Spare Parts Division has made remarkable strides in FY 2024-25. With parts penetration at 46 percent and parts availability at 96 percent, Ashok Leyland continues to ensure that parts are both accessible and reliable. Ashok Leyland Exclusive Parts Stores network expanded by 80 new outlets, bringing the total to 734 stores, significantly enhancing service support across regions.

A strong emphasis on authenticity and trust led to 63 anti-counterfeit raids, resulting in the seizure of over 4,000 counterfeit parts, safeguarding vehicle integrity and brand reputation. The company has also onboarded 44,000 active mechanics across the country to ensure that skilled service is available to customers nationwide

The Mechanic Club initiative continues to foster loyalty and well-being among partners. In the Platinum category, 998 scholarships were granted to mechanics' children, while over 1,254 family insurance policies were issued. In the Gold category, 3,466 health insurance policies were provided, and

698 mechanics received formal training at Ashok Leyland's Technical Training Centres (TTCs).

LeyKart & Re-AL: Digitizing Parts Fulfillment and Vehicle Exchange

Leykart, Ashok Leyland's flagship digital platform for parts procurement, now serves 2.3 Lakh users, including 41,000+ new users added in FY 2024-25. The platform processed 12,700+ orders, with a gross transactional value of INR 11.1 Crore during the fiscal year. The app offers a seamless experience for purchasing spare parts, supported by 3D technology and credit ordering facilities for dealers.

Integrated within LeyKart is Re-AL, a dedicated feature for trading used commercial vehicles. This commission-free platform facilitates easy upgrades for customers by allowing them to exchange older vehicles for new Ashok Leyland models. In FY 2024-25, Re-AL successfully onboarded 11,725 users and listed 1,657 vehicles, helping to boost both customer satisfaction and vehicle renewal rates.

Elite by Ashok Leyland

Elite by Ashok Leyland is a loyalty rewards program exclusively for customers of Ashok Leyland's Medium & Heavy-Duty Commercial Vehicles in India. Eligible members earn "LeyCoins" for transactions at Ashok Leyland authorized AL channel partners, which can be redeemed for services, products, and partner privileges via the ELITE mobile app or website. Membership is pre-assigned based on spending, and governed by strict terms

including non-transferability,
limited validity, and AL's
discretion over modifications.

Parts 365 App

The **Parts 365 App** is a comprehensive digital solution designed to streamline spare parts management for channel partners and stakeholders. It offers real-time visibility into **primary and secondary sales**, enabling efficient tracking of demand and distribution. Users can monitor **order and float status**, check **price queries**, and access **dealer and warehouse stock** data instantly. This integrated platform ensures faster decision-making, improved inventory control, and enhanced operational



transparency across the entire spare parts supply chain.

AL Care

ALCARE, a comprehensive mobile app designed to elevate customer service experience, has evolved into a trusted companion for fleet owners, managers, and drivers—offering a one-stop solution for seamless vehicle maintenance and service management. With over 3.5 Lakh users and 3.3 Lakh vehicles onboarded, ALCare reinforces our commitment to customer-centric innovation and digital sustainability. With a host of features, such as multi-language functionality, ALCARE ensures accessibility across diverse user groups. It has been awarded the ET Now Award for Exceptional Customer Experience. Explore more at <https://alcare.ashokleyland.com/>.

Digital Content Generation – The Future

AL is embracing the power of digital content and influencer marketing to engage effectively with its target groups across diverse markets. During the launch of DOST XL and BADA DOST LNT at VVC, 17 key influencers from Tier 1, 2, and 3 cities were invited, resulting in over 204 minutes of content and a combined follower base of 7.5 Million. Similarly, the SAATHI campaign at VVC featured 15 influencer teams, comprising 26 individuals, with a collective subscriber base of 8.3 Million—spanning across West, North, and Central India with five teams each. Further amplifying its digital presence, the SAATHI initiative at Auto Expo generated significant buzz, with content from five

influencers producing 10 videos that garnered over 50,000 views within just one week.

Branding the Sustainable Mobility

Ashok Leyland continued to reinforce its leadership in sustainable mobility with the launch of a diverse portfolio of alternate energy vehicles in the fiscal year, including BOSS 14T Electric, BOSS 18.5T Electric, AVTR 55T Electric, AVTR 2822 CNG, AVTR 3522 CNG, AVTR 4622 LNG, and AVTR 3522 LNG—each designed to meet evolving customer needs while supporting the transition to cleaner mobility. Building on this momentum, BillionE Mobility placed a landmark order for 180 electric trucks, and the first batch of AVTR 55T Electric and BOSS Electric trucks was flagged off from Ashok Leyland's

Corporate Office in October 2024, marking a significant milestone in the company's green mobility journey.

To further strengthen stakeholder confidence in our green mobility initiatives, Ashok Leyland hosted over 60 prominent financiers and insurance companies at our Technical Centre at Chennai. The event showcased the company's advancements in alternate fuel technologies, including Battery Electric Vehicles, e-TIRAN (Electric terminal tractor), CNG trucks, and a Fuel Cell Bus. This engagement highlighted Ashok Leyland's commitment to innovation and its readiness to lead the future of commercial mobility.

Ashok Leyland is committed to building a holistic environment by actively engaging with stakeholders across the commercial vehicle ecosystem.

The company organized eight M&HCV Regional Expos in key cities—Delhi, Mumbai, Bangalore, Hyderabad, Kolkata, Jamshedpur, Raipur, and Bhubaneswar—drawing over 15,000 enthusiastic visitors. These expos provided a platform to connect directly with customers, showcase new products, and strengthen regional presence. Furthering customer engagement, Ashok Leyland participated in Prawaas 4.0, hosted by the Bus & Car Operators Confederation of India (BOCI), where it showcased the GARUD 15M—India's first front-engine, multi-axle bus chassis—marking a significant milestone in the country's commercial vehicle industry. The company also conducted multiple stakeholders meets, including a dedicated session for tipper operators at the Technical Centre in Chennai, reinforcing relationships with key industry influencers.

As part of its commitment to diversity and inclusivity, Ashok Leyland hosted prominent women transporters at Chennai under the "Women in Transport" initiative. This program celebrated the growing role of women in shaping the future of logistics and mobility and underscored the company's efforts to foster equitable participation across the industry. For its channel partners, Ashok Leyland conducted the Samrat Tournament, a comprehensive Rewards and Recognition program for channel manpower across Sales, Service, and Spare Parts functions. The competition progressed through Regional, Zonal, and National rounds, culminating in the crowning of four winners as Samrats. This initiative not only celebrated



excellence but also strengthened engagement across the network. Demonstrating care for the driver community, Ashok Leyland introduced the Sarathi Suraksha Policy—an Unnamed Group Personal Accident Insurance policy exclusively for drivers of Ashok Leyland M&HCV vehicles. The policy provides coverage of up to INR 10 Lakh per chassis for accidental death, permanent or partial disability, and includes benefits such as accidental hospitalization and

a special education bonus for drivers' children. This initiative reflects the company's deep commitment to the welfare of those who keep India's transport ecosystem moving.

ATL – “Chalo Taav Mein” – A Holistic 360° Campaign

Ashok Leyland launched a robust ATL campaign titled “Chalo Taav Mein” from March to May 2024, aimed at driving widespread awareness for the new Bada Dost across India, with

a strategic focus on North and East markets. The campaign successfully achieved a reach of 9 Million in P1 and P2 markets, surpassing the planned 8 Million, and secured 35 percent premium spots and positions—well above the industry standard of 25 percent. Additionally, value-added promotions worth INR 56 Lakhs were secured, enhancing brand presence. The campaign resulted in notable uplifts in brand metrics: a 2.5 percent increase in brand awareness among 14.2 Million people, a 1.1 percent lift in ad recall among 9.48 Million viewers, and a 3.6 percent increase in action intent among 12.2 Million individuals. On digital platforms, the IPL campaign alone reached 59 Million users with a frequency of 3+, delivering 116 Million completed views—twice the expected performance.

Across other digital channels, the impact was equally significant. Google campaigns delivered 21,000 clicks with a 15 percent CTR, outperforming the five percent planned. On Meta, 31 Million video views were achieved—four times the planned reach—with 121 Million impressions. YouTube Million a staggering 92 Million video views, five times higher than projections, supported by 116 Million impressions. LinkedIn added further momentum with 1 Million video views and 2.6 Million impressions.

This all-encompassing 360° campaign created strong engagement across traditional and digital platforms, delivering enhanced brand recall, greater awareness, and improved purchase intent for Bada Dost.





ANNEXURE



INDEPENDENT ASSURANCE STATEMENT to the Management of Ashok Leyland Limited.

Ashok Leyland Limited, Corporate Identity Number L34101TN1948PLC000105, (hereafter mention as ‘Ashok Leyland’ or ‘the Company’) commissioned DNV Business Assurance India Private Limited (“DNV”, “us” or “we”) to conduct an independent assurance of its non-financial sustainability disclosures in its Sustainability Report (hereafter referred as ‘Report’) for Financial Year (FY) 2024-25.

Scope of Work and Boundary

The agreed scope of work is a Limited Level of assurance of non-financial sustainability disclosures in the Report for the reporting period 01/04/2024 to 31/03/2025. The reported topic boundaries of non-financial sustainability performance are based on the materiality assessment as mentioned in ‘Stakeholder Engagement and Materiality Assessment’ section of the report, covering the Company’s operations and reporting boundary as brought out in the section ‘About this Report’ of the report.

Based on the agreed scope with the Company, the boundary of limited level of assurance covers the performance of Ashok Leyland’s operations that fall under the direct operational control of the Company’s legal structure in India, as mentioned in the section ‘About this Report’ of the report.

Reporting Criteria and Standards

- “With reference” to requirements of Global Reporting Initiative (GRI) standards 2021
- Business Responsibility and Sustainability Reporting (BRSR) framework of the Securities and Exchange Board of India (SEBI)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

Assurance Methodology/ Standard

DNV carried out assurance engagement in accordance with DNV’s VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV’s VeriSustain™ Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV’s VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; ISO 14046 - *Environmental management - Water footprint - Principles, requirements, and guidelines*, to evaluate disclosures wrt. Greenhouse gases and water disclosures respectively.

Basis of our conclusion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Ashok Leyland. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company’s business and its key stakeholders.
- Reviewed the disclosures in the report. Our focus included general disclosures, GRI topic specific disclosures and any other key metrics specified under the reporting framework.
- Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements.
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall

Our competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2024-25, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.



- responsibility of monitoring, data collation and reporting the selected material GRI disclosures.
- DNV audit team conducted on-site and remote audits for corporate offices and sites (refer Annexure II). Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting as defined in the assessment criteria.

Our Conclusion:

On the basis of the assessment undertaken, for GRI disclosures as mentioned in Annexure I, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, as per the above reporting criteria.

Principles as per DNV VeriSustain™ Protocol (V6.0)

1. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders. The Report explains the materiality assessment process carried out by Ashok Leyland which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for Ashok Leyland's business. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability. The Report brings out the stakeholders who have been identified as significant to the Company, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness

3. Responsiveness

The extent to which an organization responds to stakeholder issues. The Report adequately brings out the Ashok Leyland's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

4. Reliability/Accuracy

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems. The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our on-site and remote assessments with Ashok Leyland's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction. Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

5. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported? The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness. Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

6. Neutrality/Balance

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone. The Report brings out the disclosures related to Ashok Leyland's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.



7. Sustainability Context

This addresses the requirement related to the presentation of the organization's performance in its own sustainability and general business context, i.e. a local, regional and international context. The Report outlines how the Company monitors and evaluates its impacts across local, regional and global sustainability contexts. It reflects the Company's efforts to align its performance with broader societal needs and planetary boundaries to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context.

Responsibility of the Company

Ashok Leyland has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. Ashok Leyland is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Ashok Leyland and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which is intended, not to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,	
Sarkar, Chandan Digitally signed by Sarkar, Chandan Date: 2025.09.23 17:02:24 +05'30'	Sharma, Anjana Digitally signed by Sharma, Anjana Date: 2025.09.24 11:22:50 +05'30'
Chandan Sarkar Lead Verifier	Anjana Sharma Assurance Reviewer
Assurance Team: Mohanakrishnan R, Jas Sahib Singh Chadha, Poornachander Maratha	

23/09/2025, Bengaluru, India.

Inherent Limitations
DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations: • The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions. • DNV has not been involved in the evaluation or assessment of any financial data/performance of the company. DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company. • The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance. • Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement. • The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance. • The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement. • The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement. • Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters. • The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

Annexure I

GRI Disclosures assured for limited level of assurance:

- GRI 2: General Disclosures 2021
- GRI 3: Material Topics 2021 – 3-1, 3-2, 3-3
- GRI 204: Procurement Practices 2016- 204-1;
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3;
- GRI 206: Anti-competitive Behavior 2016 – 206-1;
- GRI 302: Energy 2016 – 302-1, 302-2, 302-3, 302-4, 302-5;
- GRI 303: Water and Effluents 2018 – 303-1, 303-2, 303-3, 303-4, 303-5;
- GRI 305: Emissions 2016 –305-1*, 305-2**, 305-3***, 305-4, 305-5, 305-6, 305-7;
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3, 306-4, 306-5;
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3;
- GRI 402: Labor/Management Relations 2016 – 402-1;
- GRI 403: Occupational Health & Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 413: Local Communities 2016 – 413-1, 413-2;
- GRI 418: Customer Privacy 2016 – 418-1.

Notes:
*Scope 1 GHG emissions are calculated based on emission factors and GWP from 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report , World Resources Institute (WRI), and World Business Council for Sustainable Development (WBCSD).
**Scope 2 GHG emissions are calculated based on emission factors in Central Electricity Authority, Govt. of India (CEA Version_20.0): Grid Emission Factors - Weighted Average Emission Rate (Incl RES), including cross-border electricity transfers which is 0.727 kgCO2 per kWh.
***Scope 3 GHG emissions is calculated for Category 4, 5, 6, 7 and 9 as per GHG Protocol. Scope 3 GHG emissions are calculated based on the emission factors sourced from the Intergovernmental Panel on Climate Change’s (IPCC) Sixth Assessment Report, World Business Council for Sustainable Development (WBCSD), and GHG Protocol.

Annexure II

Sites selected for audits

S.no	Site	Location
1.	Corporate Office (remote audit)	Chennai
2.	India offices (onsite audits)	Hosur 2 Automotive Plant Hosur 1 Automotive Plant Ennore Foundry Ennore Automotive Plant
3.	India offices (remote audit)	Bhandara Automotive Plant

Glossary of Abbreviations

AC	Air Conditioner	DGBR	Director General of Border Roads
ADAS	Advance Driver Assistance System	DPU	Defect Per Unit
ADDA	Advanced Digital Driver Assist	DSE	Dealer Sales Executive
AI	Artificial Intelligence	DSM	Dealer Sales Manager
AL	Ashok Leyland	DTI	Driver Training Institute
ALCOB	Ashok Leyland Corporate Building	EHS	Environment Health and Safety
ALMPES	Ashok Leyland Manufacturing Process Evaluation System	ELP	Emerging Leader Programme
ALPHA	Ashok Leyland Hyper Automation	EMS	Environmental Management System
ALSM	Ashok Leyland Sales Manager	ERM	Enterprise Risk Management
ALVES	Ashok Leyland Vehicle Evaluation Standard	ESG	Environmental, Social and Governance
API	Application Programming Interface	ETP	Effluent Treatment Plant
APS	Advanced Problem-Solving Projects	EV	Electric Vehicle
ARAI	Automotive Research Association of India	FICCI	Federation of Indian Chambers of Commerce and Industry
ASSOCHAM	Associated Chambers of Commerce and Industry of India	FLN	Foundational Literacy and Numeracy
AVTR	Airborne Video Tape Recorder	FY	Financial year
BEV	Battery Electric Vehicle	GCC	Gulf Cooperation Council
BLDC	Brushless DC motor	GCW	Gross combination weight
BMTC	Bangalore Metropolitan Transport Corporation	GET	Graduate Engineer Trainee
BOM	Bill Of Materials	GHG	Green House Gases
BPI	Business Process Improvement	GJ	Giga Joules
BPS	Basic Problem-Solving Projects	GPA	General Purchase Agreement
BRSR	Business responsibility and sustainability report	GPPL	Global Project Priority List
BS	Bharat Stage	GRI	Global Reporting Initiative
CBU	Completely built-up units	GRSG	The Working Party on General Safety

CEO	Chief executive officer	GTVS	The Working Party on General Safety
CFC	Chlorofluorocarbon	GVW	Gross Vehicle Weight
CFO	Chief financial officer	HCV	Heavy Commercial Vehicles
CGB	Certified Green belt	HDPE	High-density polyethylene
CII	Confederation of Indian Industry	HECU	Hydraulic Electronic Control Unit
CMVR	Central Motor Vehicles Rules	HIRA	Hazard Identification and Risk Assessment
CNG	Compressed Natural gas	HMV	Heavy Motor Vehicles
COSO	Committee of Sponsoring Organisations of the Treadway Commission	HP	Horsepower
CPPS	Cab Panel and Press Shop	HR	Human Resource
CRCA	Cold Rolled Closed Annealed	HSD	High-Speed Diesel
CSI	Capital Sum Insured	IATF	International Automotive Task Force
CSO	Change Speed Operation	IC	Investment Committee
CSR	Corporate Social Responsibility	ICV	Intermediate commercial vehicle
CTO	Chief Technology Officer	IEX	Indian Energy Exchange
CV	Commercial Vehicles	IIT	Indian Institute of Technology
CVP	Customer Value Proposition	INR	Indian Rupees
DA	Dissolved Acetylene	IO	Insertion Order
DC	Direct current	IPCC	Intergovernmental Panel on Climate Change
DEI	Diversity, Equity and Inclusion	ISAE	International Standard on Assurance Engagements
ISO	International Organisation for Standardization	ORT	On-road trials
ISQ	Indian Society for Quality	PCB	Pollution control Board
IT	Information Technology	PD	Product Development
ITC	Income Tax Credit	PESO	Petroleum and Explosive Safety Organisation
IUCN	International Union for Conservation of Nature	PFMEA	Process Failure Mode Effect Analysis
KAM	Key Account Manager	PM	Particulate Matter
KG	Kilogram	POSH	Prevention of Sexual Harassment
KI	Kilolitre	PPE	Personal Protective Equipment
KM	Kilometre	PTA	Parent-Teacher Association

KNOW	Knowledge on Wheels	PVC	Polyvinyl Chloride
KPI	Key Performance Indicators	QSA	Qualified Security Assessor
KWH	Kilowatt hours	RDF	Refuse-Derived Fuel
LCV	Light Commercial Vehicles	RHD	Right Hand Drive
LDI	Lean Direct Injection	RMC	Risk Management Committee
LEAD	Leverage Analytics to Drive Decisions	RPA	Robotic Process Automation
LEAPS	Learning Enhancement and Practice	RTL	Road To Livelihood
LEED	Leadership in Energy and Environmental Design	RTO	Regional Transport Office
LHD	Left Hand Drive	RTS	Road To School
LMV	Light Motor Vehicle	RVSF	Registered Vehicle Scrapping Facility
LNG	Liquefied natural gas	SAARC	South Asian Association for Regional Cooperation
LPG	Liquid Petroleum Gas	SCV	Small Commercial Vehicle
LTS	Long Term Settlement	SEA	Supplier Evaluation Audit
MD	Managing Director	SEBI	Securities and Exchange Board of India
MDV	Medium Duty Vehicle	SEE	Social, Economic and Environmental
MHCV	Medium & Heavy-Duty Trucks	SIAM	Society of Indian Automobile Manufacturers
ML	Machine Learning	SPM	Suspended Particulate Matter
MOU	Memorandum of Understanding	SQF	Sealed Quench Furnace
MPAS	Mission Package Application Software	STC	State Trading Corporation
MSME	Micro and small enterprises	STP	Sewage Treatment Plant
MT	Metric Tonne	STU	State Transport Utility
MTO	Make to Order	TC	Technology Committee
MW	Megawatt	TDS	Total Dissolved Solids
NCCRD	National Centre for Combustion Research and Development	TCO	Total Cost of Ownership
NCERT	National Council of Educational Research and Training	TQBM	Total Quality for Business Management
NGRBC	National Guidelines on Responsible Business Conduct	UN	United Nations

NMMS	National Means cum & Merit Scholarship Scheme	UNGC	United Nations Global Compact
NPI	New Product Introduction	VBCL	Vishwas Bus and Coach Limited
NRC	Nominations and Remuneration Committee	VOC	Volatile Organic Compounds
NRS	Naval Regimental system	VVC	Vellivoyal Chavadi
NVG	National Voluntary Guidelines on Social, Environmental and Economic	WBCSD	World Business Council on Sustainable Development
NVH	Noise Vibration and Harshness	WRI	World Resource Institute
OBD	On-Board Diagnostics	XLRI	Xavier School of Management
ODS	Ozone Depleting Substances	YTP	Young Talent Programme
OEM	Original Equipment Manufacturer	ZWL	Zero Waste to Landfill
OHS	Occupational Health and Safety		

Materiality Table

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Resource Optimisation and Operational Eco-Efficiency		
Impact 1: Increased Investment of switching to renewable energy To achieve self-sufficiency and lower emissions, transitioning to renewable energy sources such as solar (Group Captive, rooftop), wind, or green hydrogen is crucial. Although beneficial for long-term sustainability, this shift necessitates substantial upfront investment.	Negative	Actual
Impact 2(i): Reduced cost due to improved Energy Management Energy management requires conducting energy audit to establish a baseline and then optimising energy consumption by leveraging technology. This leads to energy efficiency, which means using less energy to accomplish the same task. Decreasing energy intensity has a lasting beneficial effect on both the economy and the environment. Ashok Leyland operates energy-intensive Foundry and Automotive divisions.	Positive	Actual
Impact 2(ii): Cost incurred due to inefficient Energy Management Energy management entails establishing a baseline with an energy audit and then using technology to optimise energy use, enhancing efficiency, and sourcing energy from renewables. Without proper monitoring of an energy intensive industry, a company could negatively affect both the economy and the environment.	Negative	Actual
Impact 3: Increasing Green House Gas Emissions In the automotive manufacturing sector, significant emissions stem from the extensive energy consumption required for vehicle production, which includes energy-intensive processes like painting, machining, welding, and foundry work, as well as the logistics of transporting raw materials and finished products. The procurement of raw materials from the supply chain and the end-use of products by customers also contribute to emissions, leading to a sizeable release of greenhouse gases (GHG) into the environment.	Negative	Actual
Impact 4: Reputational damage Stakeholders are becoming more conscious of climate change, especially given the substantial emissions from the automotive industry. This heightened awareness could harm a company's brand value and reputation provided; the Company is not acting on safeguarding the environment. A tarnished reputation might affect product sales and diminish the brand's value.	Negative	Potential
Impact 5: Availability of water, particularly in areas of water stress Manufacturing facilities need substantial amounts of water for various processes including painting, machining, foundry operations, cooling, dust suppression, cleaning, and temperature regulation. Companies that cannot ensure a consistent water supply may experience interruptions in production. Furthermore, as manufacturing capacity expands, the demand for fresh water rises, leading to increased costs for water procurement, particularly in certain manufacturing locations.	Negative	Potential

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Impact 6: Implication of carbon tax Implementing carbon pricing may initially have a negative financial impact on a company due to increased costs. Nevertheless, this effect is expected to be short-term, as measures taken to reduce emissions will eventually lead to lower emissions and, consequently, a reduced carbon tax over time.	Negative	Actual
Impact 7(i): Cost incurred to be complaint with existing and emerging regulations As global regulations on carbon emissions become more stringent, companies will need to make infrastructural modifications and switch to alternative energy sources to stay competitive in both domestic and international markets. These adjustments will also result in increased compliance costs.	Negative	Potential
Impact 7(ii): Cost incurred to be complaint with existing and emerging regulations With stricter global carbon emission regulations, companies will need to adapt their infrastructure and energy sources to comply with these rules to maintain their marketability in both current and international markets. The presence of such regulations will compel companies to undertake initiatives and enhance their systems to meet these regulatory standards.	Positive	Potential
Impact 8: Increase in water use efficiency and resource management through the water management initiatives Ashok Leyland is actively reducing its freshwater usage by focusing on the 3Rs: reducing, reusing, and recycling water. The company has adopted effective water management practices, including rainwater harvesting, sewage treatment plants (STPs), and achieving zero effluent discharge at its manufacturing sites. Additionally, Ashok Leyland has constructed water bodies within its factories to collect rainwater and replenish groundwater levels. These efforts have enabled the company to achieve a water positive status. The water management measures not only positively influence the local environment but also provide long-lasting infrastructure benefits, ensuring a sustainable impact for years to come.	Positive	Actual
Impact 9: Pollution of water resources by improper treatment of wastewater Releasing inadequately treated effluents into water bodies leads to pollution, which degrades the quality of both surface and groundwater resources	Negative	Potential
Impact 10: Value creation from waste The waste generated in automobile manufacturing can be repurposed as by-products in other industries, making sectors like steel production more resource efficient. Mining tailings can be transformed into valuable by-products, hazardous waste can be utilised in co-processing within the cement industry, and non-hazardous waste such as ferrous and aluminium scrap can be recycled in Ashok Leyland's Foundry and Ashley Alteams, respectively. Utilising automotive waste in this way offers cost savings and environmental benefits to the company. These practices, when maintained over the long term, can have a lasting and positive impact, which is reversible if the measures are consistently applied.	Positive	Actual

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Human Rights		
Impact 1(i): Ensuring equal treatment and opportunities for all employees A secure work environment is essential for the well-being of employees, which in turn contributes to the overall productivity of the organisation. Conducting regular assessments of human rights ensures that all individuals are treated equally within the company.	Positive	Actual
Impact 1(ii): An unsafe workplace can lead to a decline in employee well-being, which may result in unequal treatment and limited opportunities for staff within the organisation. Failing to provide a safe workplace can significantly harm employee well-being, which in turn negatively impacts their productivity. Regular human rights assessments are crucial to guarantee that all employees receive equal treatment within the organisation.	Negative	Actual
Impact 2: Reputational damage & Regulatory non-compliances Permitting child labour and forced labour within the workforce can result in breaches of statutory regulations. Additionally, any instances of child labour or forced labour occurring throughout the value chain can damage the organisation's reputation and lead to violations of legal requirements.	Negative	Potential
Training and Education		
Impact 1: Investment in training and skills development Skilled employees are valuable to an organisation. Employees who are trained, particularly in cross-functional areas, enhance the overall turnover and productivity of the company, making them even more beneficial assets.	Positive	Actual
Impact 2: Increased Cost to the Company due to Training and Development for the Employees Investing in training, education, and industry-recognised certifications can raise a company's expenses. Programs aimed at enhancing employee skills, especially leadership development initiatives for executives, can boost their market competitiveness. Consequently, this necessitates improved employee retention strategies that offer added value, ensuring that the newly acquired skills are effectively utilised within the company.	Negative	Actual
Labour Management Relationship		
Impact 1: Provision of fair wages Establishing appropriate wages is crucial for providing both women and men employees and their families with a decent standard of living and income. It also ensures the sustainability of businesses that generate employment for these workers	Positive	Actual

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Impact 2: Worker's rights and collective action		
The rights of workers to unionise and engage in collective action are essential for advocating and enhancing working conditions in their sector, including aspects related to occupational health and safety, wages, and job security. These rights also promote public discourse on the governance and practices of the sector, foster cooperative efforts towards a fair transition, and help to decrease social inequality. Ashok Leyland supports these rights through its Long-Term Settlement (LTS) process	Positive	Actual
Recruitment and Talent Retention		
Impact 1(i): Increased rate of Employee retention		
Employee satisfaction and retention are key factors that influence the efficiency and productivity of supplier operations. Organisations can enhance these aspects by providing training to workers in the value chain, among other efforts. Higher employee satisfaction leading to better retention can reduce recruitment costs, as fewer new hires are needed to replace departing staff. Moreover, when employees remain with an organisation, skills and expertise are retained, which can lead to increased productivity and, consequently, reduced production costs.	Positive	Potential
Impact 1(ii): Declining employee satisfaction leads to low retention rates in the organisation		
Employee satisfaction and retention are crucial for the overall efficiency and productivity of a company's operations. A lack of employee satisfaction can lead to higher recruitment costs due to a low retention rate, which can negatively impact the organisation's image and make it challenging to attract new hires. Additionally, retaining employees allows an organisation to preserve skills and expertise, which contributes to increased productivity and lower production costs.	Negative	Potential
Impact 2: Better employee relations		
Positive employee relations play a significant role in advancing corporate social responsibility initiatives within companies. When employees recognise that their work contributes to the greater good, they are more motivated to excel in their roles, leading to higher productivity, improved retention rates, and other beneficial outcomes.	Positive	Actual
Impact 3: Improved internal company culture		
Employee engagement can enhance the internal atmosphere of a company. The culture of a company, while more abstract, encompasses the attitudes and behaviours of the business, its leaders, and its employees. Corporate social responsibility (CSR) activities, such as volunteering and fundraising events, can foster a positive internal culture, which in turn can boost engagement levels, retention, and recruitment. Our purpose, "Transforming Lives and Businesses through Leadership in Mobility," guides our actions, and we have identified five core values: Trust, Agility, Innovation, Customer Centricity, and Partnership. Embodying these values is what shapes our culture, known as "The Ashok Leyland Way."	Positive	Potential

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Customer Relationship and Satisfaction		
Impact 1: Operational costs related to dealing with cybercrime, fines, and penalties		
The frequency of information security breaches has increased over the past decade. With the growth of cloud computing, online marketplaces, and digital payments, safeguarding customer data privacy is crucial. Cyberattacks can lead to various negative consequences for an organisation, including increased operational costs and reputational harm. Ashok Leyland has a comprehensive Information Security Policy based on ISO 27000 standards, which thoroughly addresses data integrity issues.	Negative	Actual
Impact 2: Higher customer retention		
In the B2C sector, the rate at which customers are retained is linked to their level of satisfaction. Studies indicate that a 5 percent boost in retention can lead to a profit increase of up to 75 percent, with the actual impact varying by industry. This effect is short-term and reversible, as a high customer retention rate will persist only as long as active efforts are made to keep customers engaged and satisfied.	Positive	Actual
Business Growth and Profitability		
Impact 1: Impact of economic performance due to commodity price variation		
Global geopolitical events or natural calamities can cause commodity prices to fluctuate, affecting an organisation's economic performance by reducing profit margins or leading to customer loss due to increased costs. To counteract this, Ashok Leyland launched the Mission 12 Initiative (M12), a thorough cost optimisation programme aimed at delivering better value to customers. The goal of M12 is to reduce the Bill of Materials (BOM) cost by employing a mix of commercial strategies and design improvements.	Negative	Potential
Impact 2: Impact on lending and borrowing due to currency value fluctuation		
Currency exchange rate fluctuations can significantly influence an organisation's economic value creation and stakeholder interest, especially concern lending and borrowing activities. Ashok Leyland emphasises sourcing components domestically and aims to minimise the proportion of imported parts to mitigate the impact of such currency volatility.	Negative	Potential
Cybersecurity		
Impact 1: Operational costs related to dealing with cybercrime, fines, and penalties		
The incidence of information security breaches has been increasing over the past decade. With the advent of cloud computing, online marketplaces, and digital payments, it has become critical to maintain the privacy of customer and employee data. Cyberattacks can lead to various negative effects on an organisation, including increased operational costs and damage to its reputation. Ashok Leyland has established a comprehensive Information Security Policy based on the ISO 27000 series of standards, which thoroughly addresses the protection of data integrity.	Negative	Actual

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Corporate Governance		
Impact 1: Anti-Competitive Practices Engaging in anti-competitive practices can put small producers at a disadvantage, making it difficult for them to cover costs, earn a living income, or pay their workers, leading to economic marginalisation and livelihood risks. Ashok Leyland could influence anti-competitive behaviour in its direct operations, for instance, by colluding with potential competitors. Large organisations that procure supplies from small producers might exploit information asymmetry and market fragmentation, restrict the suppliers' options and potentially engaging in practices that limit competition.	Negative	Actual
Impact 2: Securing interest of stakeholders Corporate governance safeguards the interests of a company's stakeholders by aligning management incentives with those interests. While a corporate governance strategy can be designed for the long term, stakeholders' interests will be maintained only if the strategy is actively executed, making its impact long-term but reversible.	Positive	Actual
Impact 3: Anti-Corruption Practices Anti-corruption measures are the strategies an organisation employs to prevent involvement in corrupt activities. Corruption heightens the risk of adverse effects on workers and communities and diminishes government income. Companies that participate in corrupt practices may gain an unfair competitive edge in the marketplace.	Negative	Potential
Impact 4: Regulatory Compliance Regulatory compliance involves ensuring that your company and its employees adhere to all relevant laws, regulations, standards, and ethical norms that pertain to your organisation and its industry. Ashok Leyland is committed to meeting both existing and forthcoming regulations.	Negative	Actual
Sustainable Supply Chain		
Impact 1(i): Supply chain management to minimise the risks. Conducting sustainability assessments of key suppliers ensures they are not involved in practices that are legally questionable or harmful to the environment or society. Additionally, adopting green supply chain practices helps in minimising risks associated with regulatory changes and climate changes.	Positive	Actual
Impact 1(ii): Inefficient supply chain management leads to higher risks Without assessing critical suppliers, an organisation may remain oblivious to its suppliers' practices. Assessments are crucial to verify that suppliers are not involved in illegal, environmentally harmful, or socially detrimental activities. Inefficient supply chain management can consequently escalate risks for the organisation.	Negative	Actual
Impact 2: Improved reputation and investment attraction Companies with green supply chains that actively evaluate key metrics of their suppliers are seen as accountable. Such companies often enjoy a stronger reputation and are more likely to attract investment by demonstrating responsibility that extends beyond their own operations.	Positive	Potential

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Community Development		
Impact 1: Brand recognition Community outreach programs conducted by companies help raise consumer awareness about the company's ability to meet its social responsibilities. As consumers become more informed about the impact businesses can have on their communities, they are increasingly making more mindful purchasing decisions. Consequently, consumers may prefer to support companies with a strong history of fulfilling their social responsibilities. Ashok Leyland's commitment to transforming lives through mobility is exemplified by its new brand tagline: 'Koi Manzil Door Nahin,' which underscores its dedication to going beyond boundaries.	Positive	Potential
Impact 2: Investor Relations Adopting development strategies positively influences investors' perceptions and the perceived value of a company.	Positive	Actual
Occupational Health and Safety		
Impact 1: Reduction in lost time injury Decreasing lost time injuries has a positive and long-term effect, but this impact is subject to change based on fluctuations in investments towards Occupational Health and Safety (OHS), making it a reversible impact.	Positive	Actual
Impact 2: Reduced cost associated with accidents and incidents Every accident results in the loss of assets and human workforce. It is imperative for the company to commit to the objective of creating a workplace that is free from injuries and promotes the health of both employees and contractors.	Positive	Actual
Impact 3: Capacity building to improve health and safety by risk awareness and zero-harm culture A skilled workforce requires effective training and capacity building to increase awareness of occupational health and safety hazards and risks. Developing these capabilities can lead to a reduction in unplanned stoppages and associated costs resulting from accidents and incidents. As a company adopts sustainable solutions and introduces new technologies and regulations, such as those involving ammonia and hydrogen, proper handling becomes crucial to mitigate significant health and safety risks to seafarers, ships, the environment, and communities. Therefore, capacity-building workshops related to OHS are essential for fostering a zero-harm work culture throughout the value chain.	Positive	Actual

Material Topic and Impact	Positive/ Negative	Impact (Actual/ Potential)
Product Stewardship		
Impact 1(i): Product Safety and Innovation		
Companies that excel in innovation are more likely to experience growth and resilience, enhancing their competitive advantage in the market and responding more adeptly to the evolving needs and demands of society. Disclosing research and development (R&D) expenditures and activities allows companies to demonstrate their commitment to sustainable solutions and efficient production, signalling their preparedness for future challenges.	Positive	Actual
Impact 1(ii): Increased cost incurred due to Product Safety and Innovation		
Innovative companies are well-placed for expansion and adaptability, which bolsters their market competitiveness and enables them to meet the shifting needs and demands of society. When companies are transparent about their R&D investments and initiatives, they illustrate their role in fostering sustainable and circular business practices, positioning themselves as forward-thinking. However, guaranteeing product safety and ongoing innovation requires significant financial investment, which can result in increased costs for production and innovation.	Negative	Actual

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GRI 406: Non-discrimination 2016 (Material Topic)	406-1	Incidents of discrimination and corrective actions taken	Inclusion: Beyond Equity and Safety, Annual Report: BRSR	86-100
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Inclusion: Beyond Equity and Safety	90
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Inclusion: Beyond Equity and Safety	100
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Inclusion: Beyond Equity and Safety	100
GRI 413: Local Communities 2016 (Material Topic)	413-1	Operations with local community engagement, impact assessments, and development programs	Empowering our Communities - Building Brighter Future	105-111
	413-2	Operations with significant actual and potential negative impacts on local communities	Empowering our Communities - Building Brighter Future	105-111

GRI Standard/ Reference	Indicator Details	Disclosure Details	Chapter/Section Name/ Statements	Page No.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Building a Robust Supplier Ecosystem	112-117
	414-2	Negative social impacts in the supply chain and actions taken	Building a Robust Supplier Ecosystem	112-117
GRI 416: Customer Health and Safety 2016	416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Engagement	120-125
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Engagement Annual Report: BRSR	SR Pg - 120-125 AR Pg - 100-102
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labeling	Customer Engagement Annual Report: BRSR	SR Pg - 120-125 AR Pg - 100-102
	417-2	Incidents of non-compliance concerning product and service information and labeling	Annual Report: BRSR	120-125
	417-3	Incidents of non-compliance concerning marketing communications	Customer Engagement Annual Report: BRSR	SR Pg. - 120-125, AR Pg. - 101
GRI 418: Customer Privacy 2016 (Material Topic)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Engagement Annual Report: BRSR	SR Pg - 120-125 AR Pg - 100-102

UNGC Principle: Mapping

UNGC Principle	Statement	Reference
Human Rights		
Principle - 1	Businesses should support and respect the protection of internationally proclaimed human rights	99-100
Principle - 2	Make sure that they are not complicit in human rights abuses	99-100
Labour		
Principle - 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	90
Principle - 4	The elimination of all forms of forced and compulsory labour	100
Principle - 5	The effective abolition of child labour	100
Principle - 6	The elimination of discrimination with respect of employment and occupation	100
Environment		
Principle - 7	Businesses should support a precautionary approach to environmental challenges	48-49
Principle - 8	Undertake initiatives to promote greater environmental responsibility	52
Principle - 9	Encourage the development and diffusion of environmentally friendly technologies	55-73
Anti-Corruption		
Principle - 10	Businesses should work against corruption in all its forms, including extortion and bribery	86-88

BRSR Core: Mapping

Attribute	BRSR Core Parameter	Chapter	Page No.
Green-house gas (GHG) footprint	Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Business Responsibility and Sustainability Report - Principle 6	30 of 41
	Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		
	GHG Emission Intensity (Scope 1 +2)		
Water footprint	Total water consumption	Business Responsibility and Sustainability Report - Principle 6	28 - 29 of 41
	Water consumption intensity		
	Water Discharge by destination and levels of Treatment		
Energy footprint	% of energy consumed from renewable sources	Business Responsibility and Sustainability Report - Principle 6	27 - 28 of 41
	Total energy consumed		
	Energy Intensity		
Embracing circularity – details related to waste management by the entity	Plastics (A)	Business Responsibility and Sustainability Report - Principle 6	30-33 of 41
	E-Waste (B)		
	Bio-Medical Waste (C)		
	Construction and Demolition Waste (D)		
	Battery Waste (E)		
	Radioactive Waste (F)		
	Other Hazardous waste. Please specify, if any. (G)		
	Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)		
	Total (A+B + C + D + E + F + G + H)		

Attribute	BRSR Core Parameter	Chapter	Page No.
Embracing circularity – details related to waste management by the entity	Waste intensity per rupee of turnover (Total waste consumed/Revenue from operations)	Business Responsibility and Sustainability Report - Principle 6	30-33 of 41
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations		
	For each category of waste generated, total waste disposal by nature of disposal method		
Enhancing Employee Wellbeing and Safety	Spending on measures towards wellbeing of employees and workers – cost incurred as a % of total revenue of the company	Business Responsibility and Sustainability Report - Principle 3	16 of 41
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)		19 of 41
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	Business Responsibility and Sustainability Report - Principle 5	25 of 41
	Complaints on POSH (sexual harassment)		26 of 41
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India	Business Responsibility and Sustainability Report - Principle 8	37 of 41
	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost		38 of 41
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	Business Responsibility and Sustainability Report - Principle 9	40 of 41
	Number of days of accounts payable	Business Responsibility and Sustainability Report - Principle 1	12 of 41
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties Loans and advances & investments with related parties	Business Responsibility and Sustainability Report - Principle 1	12 of 41



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