

SOCIAL AND RELATIONSHIP CAPITAL

Fostering Trust and Confidence



Contribution to SDGs



Interlinkages with Material Topics and other Capitals

Material Topics	Capitals Connected
Community Relations Supply Chain Transformation	Financial Capital Human Capital Manufactured Capital

Alignment with Strategic Priorities

- SP-2: Strong ESG commitment

As one of the largest non-ferrous metals companies in the world, our value chain spreads across geographies, interfacing with various stakeholders. We have a robust stakeholder engagement mechanism wherein we engage with communities, customers and supply chain partners to build strong, transparent and trust-based relationships with them.

We strive to contribute towards social and economic development of communities in which we operate. Our focus is also on enhancing India's human development index through sustainable upliftment of weaker sections of society. This forms the basis of choosing key focus areas for our community development initiatives.

We engage with our customers on a regular basis to understand their requirements. This helps us in improving products and processes for enhanced customer satisfaction. We also aim at developing safe and sustainable products. Our approach

with focus on operating our supply chain in a responsible manner has helped us in managing a complex supply chain involving 10,601 partners in a sustainable way. We closely monitor various aspects including human rights, environmental impact, and safety across the supply chain.

We value our relationships with stakeholders for their contribution in creating a long-term value aiming at sustainable business and prosperity. Following are the key focus areas which showcase our continuous momentum towards our stakeholders.

HIGHLIGHTS

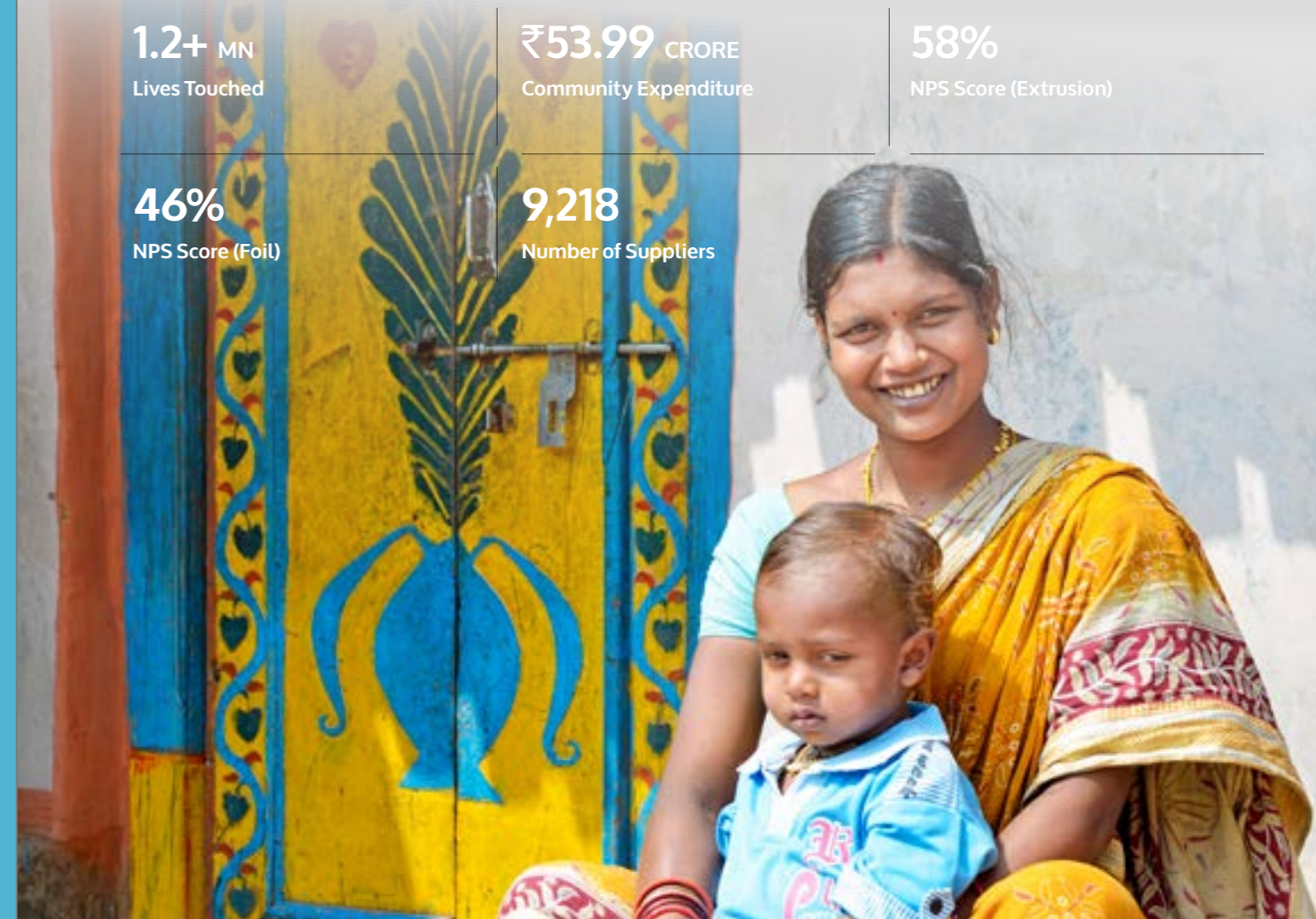
1.2+ MN
Lives Touched

₹53.99 CRORE
Community Expenditure

58%
NPS Score (Extrusion)

46%
NPS Score (Foil)

9,218
Number of Suppliers



Focus Areas

Community Initiative	Customer Connect	Responsible Procurement
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Community Development Initiatives

We believe community development is pivotal to responsible and sustainable business growth. Therefore, our CSR strategy adopts programmes aimed at long-term empowerment of communities through sustainable

livelihood, education, healthcare, infrastructure development and social reforms, contributing to the sustainable development goals (SDGs). Our CSR programmes are in line with business objectives and strategy is guided from the top, wherein the Board of Directors takes responsibility of

the CSR initiatives. Programs are aimed at metrics with a bottom-line impact such as increase in literacy rate, reduced mortality rate, and employment generation.

At our India operations, there are 105 project activities for 24 projects based on 5 focus areas. These development projects have undergone the process of

community consultation. Additionally, we have a total of 47 current production assets which have undergone our community consultation process.

Hindalco's Community Consultation Activity

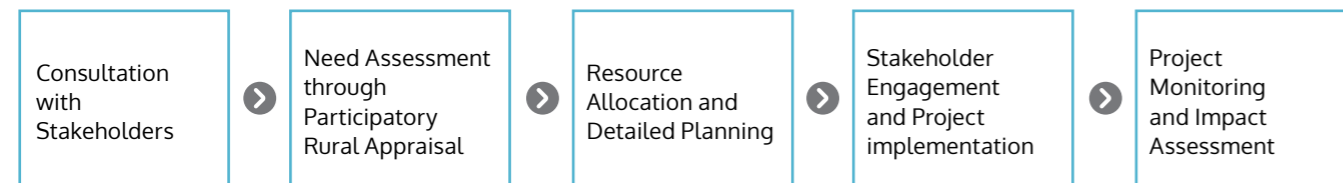


We have a structured Corporate Social Responsibility Policy, which supports our community stewardship approach. The policy acts as a guiding principle to engage with our communities regularly. We conduct baseline studies to assess the needs of our communities. This

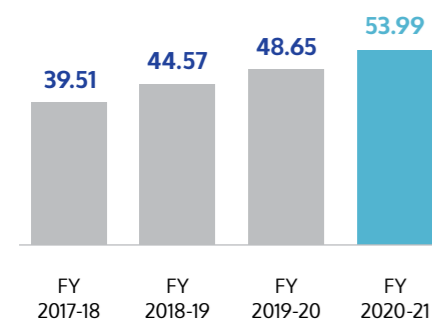
study is based on various parameters, such as health indicators, literacy levels, sustainable livelihood processes, population data - below and above the poverty line, and the state of infrastructure, among others.

We have designed and implemented various development programmes and projects based on the results of this study. To make these projects self-sustaining, we conduct capacity-building sessions for the communities and associated stakeholders.

Community engagement process



Community Expenditure (₹ Cr)



Our community expenditure for our India operations is ₹ 53.99 Cr. Further, our community expenditure for our Novelis operations has been provided below.

Type of Contribution	Total amount (in USD)
Cash contribution	3,778,338.99
Time: employee volunteering during paid working hours	424,315.8
In-kind giving: product or services donations, projects/ partnerships or similar	471,000
Management overheads	150,000

The percentage of total cost for charitable donations was 70% for Novelis whereas the percentage for total cost for community investment and commercial initiatives was 20% and 10% respectively.

OUR INITIATIVES



Education

Education is key to unlock the doors of opportunity and a lamp of wisdom to erase the darkness of poverty, and hunger. At Hindalco we believe in the power of knowledge and promote a learning environment for all through our initiatives. Pre-school education, educational support program, vocational and technical education training and infrastructure of the school are some of the key areas that we focus on as part of our education initiatives.

Through our education initiative we have supported 764 students with 15 Anganwadis and 837 students with 30 Balwadis. Under the Integrated Child Development Scheme (ICDS) we have

reached out to 64 malnourished children and helped nurture them into healthy children. We have a total of 5360 rural students in 10 of our Aditya Birla Public School and 1319 students enrolled at 7 of our Aditya Birla Vidya Mandirs that we run. This year we distributed educational material, sports, and dress material to 1881 students. We have offered financial support and scholarships to 126 students. To meet the shortage of teachers in the rural areas in government primary and secondary schools, we have sponsored 29 teachers. We have constructed 6 schools and repaired 13 school buildings. At several schools, sanitation facilities were constructed and drinking water facilities were set up.

An impact assessment study of CSR activities of Utkal Alumina International Ltd. carried out by NABARD Consultancy Services during FY 2018-19 for our education sector initiatives indicated the following impact. We could not carry out the impact assessment this year due to COVID-19.

5,360

Rural students are currently enrolled in 10 Aditya Birla Public schools

Key Performance Indicator	Unit	Baseline (FY 2010-11)	Impact (FY 2018-21)
Total literacy rate	%	37.74*	51.56**
Women literacy rate	%	22.51*	36.51**
School enrolment	%	92.06***	97.85**
School attendance	%	65	100#
School dropouts	%	4.75	2.65#

* Indicates 2011 census data.

** Indicates NABCONS study data, 2018

*** Indicates Child Tracking System Data of the operational Gram Panchayats, Odisha Primary Education Programme Authority, Government of Odisha, Bhubaneswar, 2009-10.

Impact assessment study conducted by Xavier Institute of Social services Ranchi at Dahej in 2016-17



ABPS Rayagada, Odisha



Healthcare

Healthcare is the necessity and healthy community is the reflection of our strength. Healthcare is our key focus area and during the pandemic and nationwide health emergency, we stood as a strong and flexible supporting partner to assist people in providing the best possible medical support.

Preventive Health Care Program	Curative Health care program	Mother and Child Care	Health care Infrastructure Program	Jeevan Mitra Seva Yojana (Ambulance facility)
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More than 47,000 beneficiaries were reported through more than 1450 healthcare camps. In addition, we also organised 765 health awareness and nutrition awareness camps. Our healthcare projects include eye camps, dental check-ups, tuberculosis camps and general health counselling. Our touch points are in excess of 10,000 families. We organised 2 eye camps and operated 157 Intraocular lens (IOL). Through this camp, 368 prospect cases were attended. We also treated 57 cases of Tuberculosis. 23 seasonal disease

(malaria and Diaphorrea) camps were organised wherein 5890 cases were attended. Additionally, 2000 mosquito nets were also distributed among the people.

We run 4 Hospitals, 19 dispensaries and clinics and 26 family welfare centres. Moreover, 1,52,265 patients benefitted through these hospitals, dispensaries, clinics and family welfare centres. We were also able to impact 7250 mothers through our mother and child healthcare support. 1630 expecting

mothers were motivated and facilitated for institutional delivery through our family Welfare Centre. Around 1,64,127 children were immunised against polio and 11,596 vaccinated against other life killing diseases.

This year we installed 24 handpumps and repaired 264 handpumps and dug wells. Pipelines and borewells that provide access to water benefitted 20 of our villages. Up until now, we have set up 23 RO plants in our villages.



Social Reforms

This has been our unrelenting battle for decades. We are engaged in 10 states where our CSR work has made a difference. The percentage of below poverty line families has dropped significantly. We organised 325 social awareness camps on various topics which saw a participation of more than 14,000 people. We created awareness against child labour, child marriage, women abuse, dowry and illiteracy. We extended our support by conducting and participating in cultural programmes and sporting events.

We have also focused on training SHG members on managerial, conceptual, financial literacy and various income generation methods. A special mention must be made of the "Kosala Livelihood and Social Foundation", a not-for-profit

company. This subsidiary of Hindalco has been spawned to mentor women in the art of making textiles including sarees from Kosa silk, thereby, reviving the ancient Kosa silk art form of Chhattisgarh.



Sustainable Livelihood

We acknowledge our responsibility for the local communities and are regularly working to make them self-reliant through our efforts. The livelihoods of our communities mainly depend on farming and agricultural activities. We make them aware about modern techniques of farming. We foster collective growth of these farmer groups by conducting farmer camps, where they share their knowledge on procurement of inputs and economies of scale. The graphic below shows what is covered in the training program. These trainings build capacity of the community members and provide them with a source of livelihood. During the reporting period, we organised trainings for more than 1783 youths We also provided Technical Skill Training to 2028 youths. We also supported 1976 SHGs and its 25150 members with financial literacy, managerial and conceptual training to start businesses on their own.

Motor Repairing	Shoemaking	Carpentry	Poultry
Bag making	Electronic Goods Repairing	Sanitary napkin-making	

In addition, 6706 farmers were provided agriculture tools, seeds, fertilisers and insecticides. Consequently, we organised 369 camps which were attended by 9700 farmers. As many as 22,302 cattle were immunised in veterinary camps. Out of these, 592 cattle were artificially inseminated and 2754 cattle were treated.



Infrastructure

Infrastructure development plays a pivotal role in the Sustainable Development of society and community, which is why it is one of our key focus areas. Proper road connectivity and infrastructural amenities have been perennial concerns for the rural population. The graphic below shows where we pitch in to develop infrastructure:

Building Village Approach Roads	Culverts	Panchayat Bhawan	Ponds
Check Dams	Bus Stop	Rural House	

This year we constructed 20 roads and repaired 17 roads benefitting the lives of more than 70,000 people. Ensuring water positivity is one of the most important tasks before us. Water conservation and water harvesting structures are our mainstay and so far so far we have developed 46 rain water harvesting structures. Towards better irrigation and infrastructure development, we built 10 check dams, repaired 12 existing ones, excavated 16 ponds and constructed 2 culverts. There are nearly 64 farmer clubs that are functional at our Company. Towards better ecology, we sponsored 93 vermin compost tanks to provide manure and encourage organic farming.

Project Swawlambh CSR Initiative for Skill Development and Livelihood Generation

To empower local women by providing livelihood generation skills by imparting sewing training in Ambheta Village, Hindalco has started sewing classes for the women of Dahej village to enhance their sewing skills. Through this program, a six months training program was designed and provided to the women on sewing skills with the theoretical and practical exposure with an aim to empower women.

The progress was monitored by a professional trainer. 1395 women from 8 villages have received training under the initiative and 100 women have started earning a living by stitching garments.

Due to the sewing training Neelamben from Ambheta village who was earlier dependent on their families for their financial needs have now become self-

reliant and more confident. During the COVID-19 lockdown, Neelamben supported her family through her skills and livelihood which was a proud moment for her.

Project Sugandha The Aroma of Lemon Grass Oil

Enhancement of livelihoods of 250 farmers in a sustainable manner by introducing lemon grass cultivation along with its oil extraction.

This is an initiative towards livelihood generation in villages in rural and hilly areas around Utkal Alumina International Limited (UAIL) that focusses on educating the farmers and creating awareness on economic agricultural practice of lemon grass. In the year 2019-20, Project Sugandha was introduced with the unique idea of an alternative and attractive livelihood for the farmers by cultivating lemon grass. The aim is to introduce an invasive economic crop pattern in the traditional agricultural practice which suits the climatic and edaphic factors of the area.

We arranged a number of visits to the lemon grass cultivated fields along with demonstration of the crop cultivation at Andirakanch on 20 acres of land belonging to 12 farmers, subsequently 70 farmers agreed to cultivate lemon grass on 80 acres of land.

Meanwhile, nine micro river lift irrigation projects and two river lift irrigation projects were sanctioned



with continuous follow ups with Odisha Lift Irrigation Corporation (OLIC), district and local authorities by our UAIL team which has been a silver lining in the success of the project.

Furthermore, Hindalco has developed a local entrepreneur and supported him to establish an oil extraction unit at a nearby village Jogiparitunda while facilitating the traders of lemon grass oil by purchasing at a price ranging from ₹ 1,070 to ₹ 1,230 per kg. The village received a hand full of money from its first and second harvest. The company has planned to bring another 200 acres of land under lemon grass along with two more oil extraction units in the FY 2021-22.

We were able to achieve a significant impact wherein 162 acres of land was covered under cultivation by 111 farmers of 16 villages. These lands were traditionally used for mono crop only in rainy season earlier. In addition, 128 acres of land brought under irrigation and 1992 human days of work created for daily wage laborer.

We have seen a positive outcome of our project since 1918 Kg of oil was produced by 79 farmers with an earning of ₹ 21,00,800 in FY 2020-21 and 24 local unemployed persons got employment in two oil extraction units.

Project SAKSHAM Sanjivini – The Spices of Western Odisha

Hindalco's CSR initiative to Promote Spice Processing Unit as an income generation activity (IGA) among marginalised womenfolk has led to the formation of self help group (SHG) "Sanjivini Producer Group" to support 26 Women of Naikpada Model Village. Our capacity building initiatives for the self help group involves supporting and encouraging women to start their own bank accounts and enable them to have a source of livelihood. Aditya SHG's coordinators have started working on Self Reliance Strategy that is our approach for the Project SAKSHAM in which SHG members will invest in the IGA to ensure that they have ownership. The SHG has decided to start processing turmeric. The group processed the turmeric manually from an identified vendor by procuring 500 kg and then identified one grinding mill at Rengali. After grinding turmeric, they started selling it in the local market and witnessed a surge in demand.

They are about to procure chilli from Bamra which is also identified by the government of Odisha as one spice for Sambalpur region that will be promoted through government aid. The outcome has been 30% household were directly impacted positively through the SHG. Now each member can earn 15000 by processing 5 quintals of raw turmeric.

In addition, Odisha Livelihood Mission recognised and registered them as Producer Group and will provide ₹ 2.5 lakh subsidy. We are taking steps to expand the IGA into other spices after purchasing a grinding machine and launch a local brand as entrepreneur.



A tailoring SHG - Part of Project Saksham

At Hindalco we have identified many operations with significant actual and potential negative impacts on local communities. Utkal, Lohardaga and Muri Mines are identified in this category.

Our focus is to identify stakeholders who are being impacted and identify players in the ecosystem who will partner to mitigate the negative impacts like Government, NGOs, and CBOs. To create employment opportunities, skill trainings are being organised for youths in partnership with government schemes. To mitigate water scarcity and water pollution, water tests are being conducted to check the water quality and take corrective measures to free water from impurities by putting bleaching powder and promoting ground water recharge through watershed and rainwater harvesting system.

We have a mechanism to track the progress of these mitigation plans through our grievance record system which are reviewed periodically, the challenges are discussed and the corresponding solutions are developed.

We are focusing on creating positive long-term sustainable impact. One important win-win strategy is to create livelihood opportunities through best agricultural practices, skill development, enterprise development, promotion of MSMEs and thus impact the overall quality of life of people in the community. This will be achieved through small targets in short and medium term and result in a net larger impact in the long term.

COVID-19 and Hindalco's Community Relationship:

Our dedicated CSR team members were on field meeting BDO, CMO, CDMO and communities to ensure that nutrition kits, hand wash, and masks were being distributed to everyone in need. Relentless awareness camps were conducted to create awareness among health workers and community alike about the virus. We answered queries and provided solace and empathy to people who panicked. We have supported the government in containing the spread of the virus by providing state of the art health equipment to government health facilities. We have upgraded our healthcare facilities and converted them into dedicated COVID-19 care units. The pandemic has reinstated the necessity of good lifestyle to ensure healthy living and focus to upgrade health infrastructure for self-reliance and going forward we will focus more on health initiatives with holistic and inclusive approach.

Kosa Silk Value Chain Rejuvenation Project at Gare Palma Mines

Reeling and weaving of Kosa (tussar) silk has been an ancient art form of the Dewangan community residing in the Chhamp district of Chhattisgarh. But due to lack of innovative designs, access to urban markets and inadequate income of the artisans, this heritage art form has been endangered. We undertook an initiative with the vision of realising the full potential of Kosa silk artform and ensuring that it claims its rightful position in the domestic and global markets. Through this initiative, we aim to create sustainable livelihood opportunities and improve the income levels of reelers and weavers by two times, in the next five years.

As part of our initiative, we addressed various challenges by focussing on specific areas viz. Product Design Innovation, Value Chain Integration, and Developing Market Linkages by collaborating with Kosala Livelihood and Social Foundation to develop a design for the urban market, integrated the entire value chain and undertook training and brand establishment activities along with market linkage development.

Owing to our efforts, currently we have received our first order worth J 8 Lakhs for producing 96 sarees and a fabric of 120 meters. Additionally, we secured orders for more than 400 combination boxes generating employment for 20 to 25 weavers for 50-60 days which amounted to an average income of ₹ 21,000 per weaver. An order of ₹ 5 Lakhs for sourcing gift items for our Hindalco Women Conclave has also been received.

We were able to establish a thriving eco-system encompassing the entire value chain (cocoon farmers, reelers, weavers, ancillary activities). We will be able to create sustained livelihood opportunities for ~800 weavers and alternative livelihood opportunities for 750 weavers by FY 2025-26.



CUSTOMER CONNECT

Throughout our journey at Hindalco, we strive to meet the expectations of our customers in each business area. Our efforts are backed by clear policies, rules, and well-structured mechanisms. On our path of transformation towards a reliable organisation, we streamline our customer-centric processes to build long-term relationship with our customers.

Our customer centricity initiatives and projects thrive to meet the requirements of our customers. Involving our top management team in reviewing these initiatives and projects ensures long-term value creation for our stakeholders. We focus on the following key dimensions of customer centricity at Hindalco.



Our Customers

Our geographical footprint is spread across 48 locations with 15 locations in India and Novelis' facilities is spread across four regions, 33 operating locations, and truly gives us the ability to leverage our global scale and footprint to serve our largest global customers. For us, proximity to our customers is important and that is an advantage because we are the only

Aluminium flat roll product player with production units across all four major continents. We are well positioned to capture the demand we see in this marketplace over the next five years.

Our Sustainable Products

To develop and nurture a sustainable business, we constantly focus on innovation, excellence, and quality in all

the products that we develop. Keeping long-term reliability in mind, our Research and Development team designs and develops our products considering the inherent characteristics of the metals we produce. Properties of Aluminium such as high recycling potential, light weight and high malleability make it suitable for varied applications. This represents our approach towards developing products with low emissions intensity during their lifecycle.



Our customers-Aluminium

We have launched new innovative partnerships like Alumobility, to work with our customers to enable the continued adoption of Aluminium solutions. Our customer segment in the Aluminium business include:

- **Primary:** Power & Cable, Extrusions and FRP secondary segment, Chemicals
- **FRP:** B&C, Automotive, Durables, Industrial and Electrical

- **Extrusions:** B&C, Automotive, Electrical, Industrial and Defence
- **Foil:** Pharma, Food, Cigarettes, Household and Hotels & Restaurants (HORECA)

Aluminium Business

We have shifted to the Net Promoter Score (NPS) model (from the Customer Satisfaction model adopted in the past) to better understand customer needs and collate specific actionable customer feedback. To effectively process

customer feedback and develop action plans across the business, we use both a top down and bottom up approach. The top down surveys are conducted for each of the businesses in Aluminium every alternate year. The data is analysed and discussed with the business teams and specific action plans for implementation are drawn up based on this.

SBU	NPS received in FY	Top-Down NPS score	Next Survey Planned in FY
Extrusion	FY2020-21	58%	FY2022-23
Foil	FY2020-21	46%	FY2022-23
FRP	FY2019-20	29%	FY2021-22
Primary – Ingots	FY2019-20	59%	FY2021-22
Primary – Wirerod	FY2019-20	64%	FY2021-22

Our Customers-Copper

- **Power Industry:** Manufacturers of Conductors for Transformers, Generators & Power equipment, House wire Cables & Power Cable.
- **Automotive:** Manufacturers of Wiring Harness, Casting Components, motors
- **Constructions:** Manufacturers of Piping, Earthing, Plumbing, Building wires
- **Railways:** Manufacturers of Overhead conductors, internal wiring, Signaling Cables
- **Consumer Goods:** Manufacturers of Winding Wires, Cables or Home Appliances, Pumps & Motors
- **Electronics:** Manufacturers of Specialised wires, Copper foils, Circuit boards.

Markets served by Hindalco are **Automotive and Transport** Copper plays an instrumental role in the automotive industry. Various components such as alternators, motors,

actuators, and the wire harness system depend on high conductivity which is superbly offered by Copper. More Copper will be needed as automotive electrical developments increase awareness, safety, comfort, and automation.

Consumer Durables

Consumer durables such as air conditioners and refrigerators utilise Copper tubes as heat exchangers because of its excellent thermal conductivity and heat dissipation property. The cathode ray tubes present in televisions as well as magnetron used in a microwave oven are made of Copper. Copper is used extensively in wiring and contacts for mobile phones, televisions, and computers. Copper is used in microprocessors and heat-sinks. Being an energy efficient metal, Copper and its alloys find various applications in electronics.

Electrical Equipment

Copper finds a plethora of applications in the electrical industry because of its highest electrical conductivity

among other commercial metals. In addition to its excellent electrical and thermal conductivity, Copper has ideal mechanical properties and can be easily fabricated. More than half of the Copper produced is used for electricity. The important uses include power generation and transmission of electricity. It is used in cables, transformers, motors, bus-bars, alternators, generators, to provide electricity throughout the country, safely and efficiently.

Railways

Copper is indispensable to the development of electrical locomotives. The modernisation and expansion of the railway network in India is a continuous exercise requiring large amounts of Copper and certain Copper alloys for the overhead electrification. There is also a considerable use of Copper in signalling systems, besides all the miscellaneous needs for pantographs, switchgear, brake systems, motor windings, commutator bars, large and small service stations.



Aleris acquisition allowed entry into premium aerospace plate and sheet market

Wire and Cable

Copper is extensively used in building wires, communication cables, co-axial cables, power cables, specialty and industrial cables. Copper's high

electrical conductivity, ductility and tensile strength make it an ideal metal in the wire and cable industry.

Hindalco produces LME grade Copper cathodes, continuous cast Copper rods in various sizes, and precious metals like gold and silver. Birla Copper's brands, Birla Copper and Birla Copper II, are



recognised for their high purity and consistent quality in the domestic as well as global markets.

Our Copper business has adopted both bottom up and top down NPS practice. Through Bottom up practice, the regular feedback and NPS rating is received from customers through our dedicated call Centre and is captured in a system driven Mission Happiness platform. Feedback received from the customers is analysed and inputs are incorporated

into our processes by involving cross-functional teams at plant and zonal levels. Action plans are prepared with timelines, and these are implemented, reviewed, and monitored on a timely basis. Following this, we communicate the same to our respective customers accordingly to close the loop.

To improve customer experience, we ensure that feedback received from customers is analysed and relevant actions are taken. We have a structured

approach on customer engagement through periodical visits by cross functional teams to customer locations and regular interactions with customers. As part of these meetings, management officials visit customer premises and interact with shop floor employees. There are several modes through which we interact with customers.

Events like cluster meets, dealer meets, and new product launches are also organised to improve customer interactions. Owing to our diverse portfolio of product offerings and wide customer base spanning sectors from pharmaceutical sand packaging to automotive and transport, it is essential that all our products comply with local and international product regulations, including codes, service information and labelling. Emphasising on the health and safety aspects of our products, we ensure all our products are assessed for further improvements in aspects related to these areas. All our products meet the compliance requirements of the markets, including those related to Environment and Health & Safety (EHS). During FY 2020-21, there was no incidents of non-compliance concerning marketing communications, product and service information or labelling. All our products comply with local and international regulations concerning product and service information and labelling.



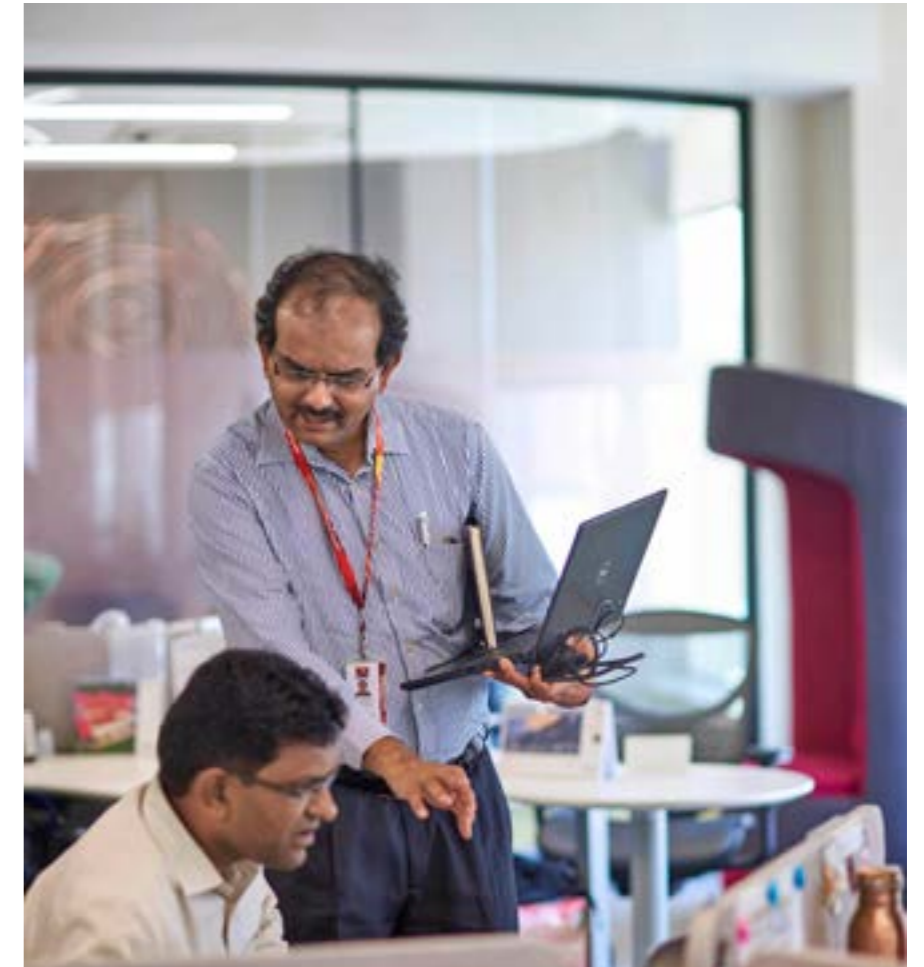
Smelter 1- Anode casting area at Birla Copper, Dahej

SUSTAINABLE VALUE CHAIN

Aditya Birla Group understands the importance of building a sustainable supply chain for the growth and sustenance of businesses. We recognise the importance of developing a strong relationship with suppliers and building their capabilities which will improve the Group's performance.

We are working with suppliers on improving their processes and practices. This is a priority for the Group and is integral to our commitment towards Responsible Stewardship of our operations. Furthermore, external factors will affect the supplies of our raw materials, equipment end components over time and maintaining a robust and viable supply chain is vital to the sustainability of our businesses.

During the reporting period, we were associated with 9,218 supply chain partners. Moreover, to ensure effective environment footprint management, we are trying to incorporate Environment Management Systems at our suppliers' businesses. 100% of suppliers are ISO 14001 certified. We focus on strengthening our local economy. Our transportation and logistics segment greatly contribute to the same. While most of our suppliers are from India, we also have suppliers from countries like China, US, Mexico, Italy, Singapore, Japan, Togo, Chile, Peru, Brazil, Canada, Australia, Indonesia and South Africa. Our total procurement spent for the current reporting period is at 27,442.82 Cr, which aided us in providing indirect local employment and income to our suppliers.

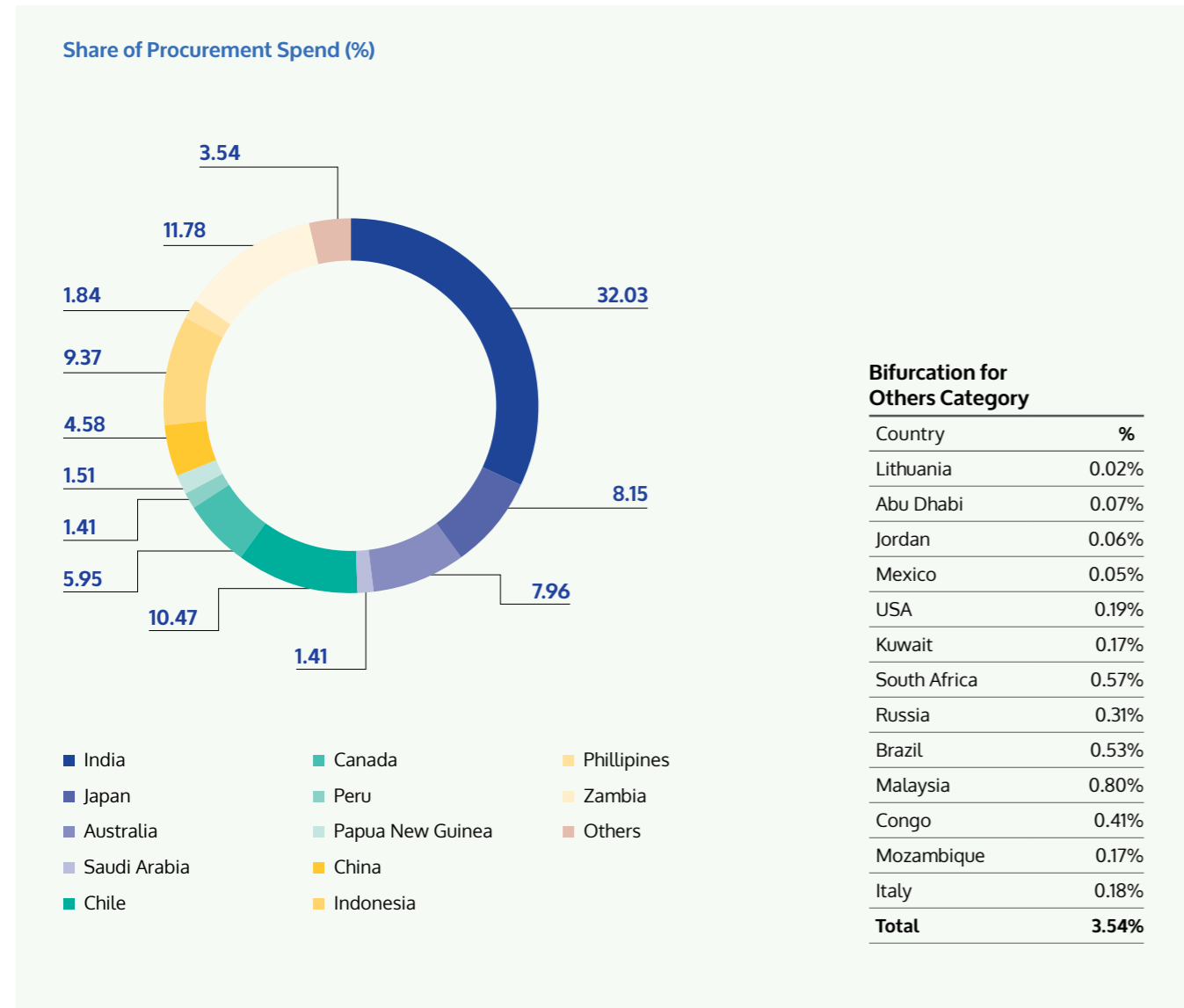


Supplier Network

Type of Supplier	Absolute Number of Suppliers	Amount Spend (₹ Cr)	Supplier Assessed	Supplier Assessed through comprehensive methods	Share of Total Procurement Spend
Total Tier-1 Suppliers	9,218	12,746.25	1,128	48	100%
Critical Tier-1 Suppliers	1,804	11,334.43	276	42	89%
Critical non-Tier-1 Suppliers	0	0	0	0	0%

Breakdown of our procurement spend is as follows:

	Procurement spend (₹ Cr)	% of spend
India	8,791.22	32.03%
International Suppliers	18,651.60	67.97%



Supplier details for our Novelis operations

Type of Supplier	Absolute Number of Suppliers	Share of Procurement Amount Spend
Total Tier-1 Suppliers	14,806	100%
Critical Tier-1 Suppliers	66	0.40%
Critical non-Tier-1 Suppliers	81	0.50%

Supplier Code of Conduct



The Aditya Birla Group's goal is to procure sustainable goods and services that represent the best price, quality, delivery, and technological offering. Every Aditya Birla Group Company shall therefore endeavour to:

- Ensure compliance to the local, national, and international legislation within the supply chain adherence to the ABG Code of Global Business Ethics and Compliance Standards and conformance to the ABG sustainability Framework requirements.
- Create a supply chain that is resilient and viable amidst risks and opportunities potentially arising from the external legal, technical, environmental, and societal megatrends as part of our business future-proofing programme.
- Build capability within the supply chain and work towards creating best-in-class supply chain solutions.
- Adhere to the principle of traceability to the origin of goods throughout the supply chain.
- Promote resource conservation, use of alternative materials and renewable energy, water stewardship, safety, health, respect for human rights and elimination of child and forced labour across the supply chain.
- Influence our suppliers to adopt the Aditya Birla Group Sustainability Framework policies and standard and encourage the development of an equivalent management system throughout the supply and value chain.
- Actively communicate and disclose our approach and achievements to the suppliers.



Hindalco's suppliers are quantitatively assessed against their ESG performance.

In order to ensure a sustainable value chain, we work closely with our supply chain partners. All our supply chain partners are expected to abide by the Supply Chain Code of Conduct. All suppliers and vendors undergo a periodic assessment with respect to the Code of Conduct. We also encourage our suppliers to develop their environment and social management systems.

We observed that, during the reporting period, none of our suppliers were penalised or terminated for violation of labour practices or any negative impact on environment or society.

Supplier Evaluation & Risk Assessment

We have a supplier risk assessment process at Hindalco wherein suppliers are evaluated before on-boarding and every two years post selection, they are evaluated on parameters around health and safety, environmental awareness, labour management and human rights, statutory compliance, financial attributes, and market dependency. These are in line with our strategy to create a resilient and viable value chain. A similar assessment is conducted for suppliers of Novelis. We also conduct scenario analysis to identify key risk indicators along the

entire supply chain basis which the evaluation parameters are updated. Based on risk assessments each supplier receives a score which determines their risk rating and gives an overview of prevalent risks. Basis their rating, they are classified into High, Medium or Low Risk. Suppliers who score less than 2.5 in the sustainability risk assessment are classified as High-Risk suppliers. They lose an opportunity to receive inquiries or business from Hindalco. According to the most recent vendor assessment conducted in FY 2018-19, 38% of our critical suppliers scored below 2.5 and further we aim to reduce such suppliers by 3 to 5% by FY 2023.

At Novelis, in order to identify risks, CSR indicator is also received from Dun and Bradstreet for all suppliers with accepted Duns number, and Conflict Minerals confirmation is obtained from critical suppliers annually. The findings play a major role in shaping our sourcing strategy.

We have been assessing an increasing number of suppliers with the ESG criteria and ensure compliance. Additionally, we have detailed questionnaires to assess the compliance of the supplier to the ESG criteria. The most recent vendor assessment conducted in FY 2018-19 showed an increase in the percentage of supplier compliance from 40% in FY 2016-17 to 67%.



Cargo carrying vehicles move in and out of the captive jetty at Birla Copper Dahej. Vendor management, a subset of Risk Management, minimises risks to business disruption.

Risk Rating

Risk Rating	Category
Less than 2.5	High Risk Supplier (Development Needed)
2.5 to 3.24	Moderate Risk Supplier (Acceptable-Action may still be required)
3.25 to 5.00	Low Risk Supplier



Launch of Hindalco's Aluminium bulker

COVID-19 and Supply Chain at Hindalco

During the lockdown, our established transportation by trucks, mine operations of our suppliers, vessel movements were highly impacted. We identified the new and alternative modes of transportation for the supply of solid coal tar pitch and Aluminium fluoride. Also, due to our strong relationship with our suppliers, we managed to either divert, swap or delay the shipments, which enabled us to avoid blockages of working capital. We believe that business and non-business relations with supplier play an important role in times of crisis.

Our Key Associations

We have been associated with some of the reputed trade and industrial bodies. Some of the associations are as follows:

- Aluminium Association of India
- Confederation of Indian Industry
- Winding Wire Association
- Federation of Indian Chambers of Commerce & Industry
- International Copper Association India
- Indian Copper Development Centre
- Maharashtra Chamber of Commerce, Industry & Agriculture
- Automotive Research Association of India
- Indian Electrical and Electronics Manufacturers' Association
- Primary Copper Producers Association

Additionally, during FY 2020-21, we contributed ₹ 1.41 lakhs towards various trade associations, industry associations and business associations in the form of their membership fees. No political contribution or charitable contribution

have been made towards any means of bribery or corruption during the reporting period. We did not make any contributions to or expenditures to political campaigns or organisations, lobbying, trade associations, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation.