

Social and Relationship Capital



Enriching Lives by Forging Lasting Relationships with Our Stakeholders

At Hindalco, we are committed to building endearing and enduring partnerships with multiple stakeholders. Our commitment to this is evident in our ESG-driven strategies and initiatives which aim to create long-term value while making a positive impact on society.

Strengthening our relationships with communities in proximity to our operations is an ongoing endeavour to enrich their quality of life, through value creation. Our activities are fully aligned with the United Nations Sustainable Development Goals (UN SDGs). By engaging with our value chain partners and customers besides building robust relationships and fostering an inclusive culture with a distinct focus on our stakeholders, we strive to enhance the trust and faith that they repose in us.

Focus Areas

Strengthening ties with communities	Fostering Customer Relationships	Responsible Supply Chain
-------------------------------------	----------------------------------	--------------------------

Key Highlights

Community Expenditure [#]	Lives Touched
₹136 cr.	2 million+
Number of Suppliers*	Procurement Spend
11,120	₹172,661 cr.

[#]Excluding pre-spends | ^{*}The details provided are for India Operations

Contributions to SDGs



Interlinkages with material topics and other capitals

Material topics

- ▶ Community Relations
- ▶ Supply Chain Transformation
- ▶ Compliance Management
- ▶ Market Presence

Capitals connected

- ▶ Financial Capital
- ▶ Manufactured Capital
- ▶ Human Capital

Key Risks and Opportunities addressed

R2	Supply chain risks
----	--------------------

Alignment with Strategic Priorities

SP-2	Value enhancing growth
SP-3	Strong ESG Commitment

Social and Relationship Capital

Investing in Our Communities

Our CSR Strategy

At Hindalco, our CSR initiatives are carried out under the aegis of 'The Aditya Birla Centre for Community Initiatives and Rural Development', and under Mrs. Rajashree Birla's auspices.

In alignment with the Group's Purpose to engage, uplift and empower the underprivileged, we have been working relentlessly to qualitatively impact the lives of the people in proximity to our plants.

From absolute poverty to meeting the basic necessities of life, from dependency to self-reliance, from societal backwardness to socio-economic progress, our efforts are aimed at bringing a humble sense of happiness.

The pursuit of UN SDGs ensures social equity and inclusivity. The principles of sustainable development are embedded into our policies, strategies, and practices.

Our Vision

To actively contribute to the social and economic development of the underserved communities in which we operate, lifting the burden of poverty and helping bring in inclusive growth. In so doing, build a better, sustainable way of life for the weaker sections of society and raise the country's Human Development Index.

This sets us on the path of economic prosperity, social well-being, and environmental resilience. Our CSR strategy is aligned with the UN SDGs and is geared to cater to the felt needs of the society. We work in the domain of healthcare, education, sustainable livelihood, infrastructure, and social reform, endeavouring to make a difference.



A social satisfaction survey is periodically carried out by an external agency to measure the impact of our CSR programs.

During the reporting year, Hindalco invested ₹67.89 Crore, while Novelis invested \$8.5 million equivalent to ₹68.58 Crore on community development projects. Additionally, we have also made contributions to several Trusts and charitable institutions of around ₹54.26 lakh in the reporting year. These contributions are made in alignment with our Code 'Corporate Principle and Code of Conduct'.

Hindalco	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Community Expenditure (₹ Crore)	48.65	53.99	55.04	67.89

CSR Spends (₹ Crore) on Focus Areas (FY 2022-23)



We infused ₹48.37 Crore in 9 identified aspirational districts of Odisha, Madhya Pradesh, Uttar Pradesh, and Jharkhand. At Hindalco, all our CSR beneficiaries belong to vulnerable and marginalised groups, whereas at Novelis majority of our spending goes to the underserved.

State	Aspirational Districts	CSR Spend in FY 2022-23 (₹ Crore)
Odisha	Rayagada	21.67
	Kalahandi	
	Koraput	
Madhya Pradesh	Singrauli	1.71
	Sonbhadra	17.28
Uttar Pradesh	Ranchi	7.71
	Lohardaga	
	Palamau	
	Latehar	

Hindalco is present in 10 aspirational districts. However, there was no CSR expenditure in Hazaribagh in FY 2022-23, due to closure of the mine.

Our unwavering commitment of doing larger good for the society is imbibed in our Company's spirit. Therefore, in the reporting year, 14.55 lakh beneficiaries were significantly impacted, whereas a total of 6.24 lakh lives were impacted at Novelis.

Social and Relationship Capital

Nature of CSR projects and supported beneficiaries

CSR Projects	Beneficiaries
Pre-school education	3,482
School education programme	29,308
Education support programmes	29,523
Vocational and technical education	184
School infrastructure	22,241
Preventive health care	279,480
Curative health care programme	134,372
Reproductive and child health	46,530
Quality/support programme	38,301
Health infrastructure	351,475
Agriculture and farm-based	41,712
Animal husbandry-based	22,609
Non-farm and skills-based income generation programme	22,236
Livelihood infrastructure	11,506
Natural resource conservation programmes and non-conventional energy	73,171
Rural infrastructure development	169,775
Institutional building and strengthening	3,749
Social security	1,715
Awareness programmes	46,183
Promotion of heritage/culture/sports	88,572
Support to development organisation	9,360
Social events	29,601
Disaster relief programmes	50

CSR Governance

We follow a bottom-up approach where communities identify the areas of social concern, and this guides our efforts. All our CSR projects adhere to the Board-approved [CSR Policy](#), which serves as a guiding document for planning, identifying, implementing, and monitoring CSR initiatives.

We have a robust and transparent governance structure in place to oversee the implementation of the CSR Policy.

The Corporate Social Responsibility Committee provides oversight for our social interventions.

The CSR Head of each of our Group companies reports to the Group Executive President (CSR, Archives & Legacy Documentation). Each of the manufacturing units has a CSR Cell.

The Business Director takes on the role of the mentor, while the onus for the successful and time-bound implementation of projects rests on the Unit Presidents and CSR teams under the oversight of the Group CSR Head.

Engaging with Our Communities

The community is consulted before planning any of the CSR activities. The process involves interacting with them and learning about their challenges and concerns.

Community Engagement Process



We conduct need assessment using Participatory Rural Appraisal. Based on this assessment, we formulate a detailed Annual Action Plan, which includes resource requirements and allocation across interventions and locations. It is then presented to the Board for approval.

We ensure the participation of local communities in the project implementation, with our CSR team regularly monitoring its progress.



Our regular engagement with communities helps us to understand their viewpoints on environmental and social impacts and mitigation measures.

A social satisfaction survey is periodically carried out by an external agency to measure the impact of the work done. Furthermore, the impact assessment study is also reviewed by the Board.

We operate from 73 production assets comprising 19 sites in India, 33 overseas locations and 21 mines. All our assets have undergone through a community consultation process before commissioning. As we are in the process of executing growth projects in our existing production assets, we engage with the community on a regular basis across all our production assets. Furthermore, there were no development projects in any new locations during the reporting year.

Our CSR Strategy for the New Plant at Silvassa

In 2021, we commissioned our new plant at Silvassa and started CSR interventions in nearby villages with a focus on Khanvel Gram Panchayat. A majority of the population here belongs to the tribal community.

Guided by our CSR policy, we adopted the following strategies to undertake projects near our plant location:

- Identifying the needs of the local community by undertaking a need assessment survey through an external agency, conducting field visits and consulting the key stakeholders.
- Engaging with Panchayati Raj Institution (PRI) members, government and non-government institutions, and relevant stakeholders and ensuring their participation in project implementation.
- Exploring the scope of collaboration with government, gram panchayat, other corporates, associations of industries, NGOs and academic institutions.
- Ensuring the consensus to work together through written communication and clarifying the roles and responsibilities of every agency or institution involved.

Community Grievance Mechanism

We regularly engage with our communities through meetings, surveys, trainings, workshops, need assessment and satisfaction surveys, CSR reports, newsletters, progress reports, social audit magazines, etc. to express their views on operational and project risks. In addition to this, our engagement helps in understanding their viewpoints on topics such as, preservation of cultural heritage and other environmental and social impacts and mitigation measures. Community consultations help us to shape our projects. We have developed a robust community grievance mechanism as part of our Standard Operating Procedures (SOPs). The document provides guidance to the units on resolving community grievances, if any, in a timely manner.

During the reporting year, 1,314 grievances were filed pertaining to community related concerns, wherein 54 were pending for resolution at the close of the year. In FY2021-22, 1,197 grievances were filed and 62 were pending for resolution at the close of the year. All the pending grievances received during FY 2021-22 were resolved during the reporting year.

All grievances from external stakeholders are attended by the CSR team. These are recorded in a grievance register. Wednesdays are earmarked for this activity. In the unlikely event of the grievance not being resolved, it is forwarded to the department or official concerned to be resolved at the earliest in any case not later than 48 hours.

Engagement helps in understanding viewpoints on topics such as, preservation of cultural heritage and other environmental and social impacts and mitigation measures.

Social and Relationship Capital



We are committed to protect, uphold, and acknowledge the rights, culture, heritage, values and traditions of Indigenous People.

Rehabilitation, Resettlement and Protection of Indigenous People

We are committed to protecting, upholding, and acknowledging the rights, culture, heritage, values and traditions of Indigenous People. We channelise our efforts towards minimising the repercussions that our future operational expansion may cause to the life and livelihood of Indigenous People.

We have a [Rehabilitation, Resettlement and Protection of Indigenous People Policy](#) in place,

which is developed based on the guidelines put forth by the National Rehabilitation and Resettlement Policy. We live by the obligations, whether statutory (as per the applicable laws) or voluntary (as elected by HIL), relating to Indigenous People.

Furthermore, we ensure that the resettlement is conducted in an effective, humane, collaborative, informed and transparent manner.

We also see to it that the physical and economic needs of the Indigenous People that arise because of the displacement are acknowledged, recognised and

catered to. Hence, we ensure entitlements for the displaced as early as possible and their requirements are fulfilled in a fair manner.

We have a dedicated grievance mechanism for physical and economic displacement. Our resettlement action plans are periodically audited. Currently, no social impact assessment studies are conducted in compliance with Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and there are no initiatives in place wherein Rehabilitation and Resettlement (R&R) is being undertaken.

CSR Focus Areas



Education

We believe in providing quality education for all, especially the underserved and vulnerable groups. We align our educational initiatives with 'SDG 4: Providing inclusive and equitable quality education and promoting lifelong learning opportunities for all' and developing a conducive learning environment for students.

Pre-school education, educational support programmes, vocational and technical education training, adult literacy programme and school infrastructure development are some of our key areas of focus.

During the reporting period, we supported over 84,738 students in rural areas through our educational programmes and initiatives.



Force for Good

40,000 student beneficiaries: infrastructure set up for the mid-day meal programme at Lohardaga

4,203 students supported in 92 Anganwadis and 27 Balwadis

9,752 rural students enrolled in 11 Aditya Birla Public Schools, 4 Aditya Birla Vidya Mandirs and 9 other supported schools

19,894 students from 116 schools received educational materials and uniforms

311 students received scholarships

295 malnourished children nurtured back to good health

183 ladies benefitted from 8 Adult Literacy Programmes

At Novelis, we focus on Science Technology Education and Management (STEM) education as a pillar of this initiative. Through this initiative, we have impacted 534,000 lives globally, in partnership with 'For Inspiration and Recognition in Science and Technology' (FIRST).

Social and Relationship Capital



Healthcare

We provide quality healthcare services which help reduce healthcare disparities.

During the reporting period, we undertook several healthcare programmes and initiatives aimed at improving accessibility to better healthcare services for vulnerable sections of the society.

Our healthcare projects include immunisation programmes, preventive and curative health programmes, medical and eye camps and tuberculosis treatment, among others.



Beneficiaries/Support Services

Running 5 hospitals, 27 dispensaries/clinics, supporting 12 government PHCs	239,445 patients received treatment in hospitals, dispensaries and clinics	2,248 medical camps organised benefitting around 97,421 people
34,829 mothers and children availed facilities of 23 Family Welfare Centres	49,553 children immunised	11,051 mothers given Antenatal/Postnatal Care
2,272 girls registered at 44 Adolescence Health Care Camps	29 Eye Camps organised; 391 intraocular operations performed	869 TB cases registered under our Tuberculosis Eradication Programme

PROJECT AROGYA: MOBILE HEALTH UNIT AND OTHER ALLIED HEALTH ACTIVITIES

To cater to the people of HiraKud in Sambalpur, we have set up a mobile health unit that provides primary healthcare services at the doorstep of the populace.

The mobile health van travels across 12 villages and dispenses basic medicines. It also offers a homeopathic centre. The healthcare service is beneficial for rural communities, especially for women, children and elderly people who will not have to travel far for medical facilities. The local people can avail

services in medicine, gynaecology, paediatrics, orthopaedics (including bone mineral density diagnosis), ENT, urology, dentistry, homoeopathy and physiotherapy in the special health camps conducted.

During the reporting year, health awareness sessions were organised for adolescent girls and specific health-related days were observed to educate people. Additionally, on the basis of disease pattern identification, mega specialist camps were organised quarterly across villages.

Outcomes of the initiative in FY 2022-23

- **11,188 patients** received primary health care services
- **835 patients:** homeopathic service
- **1,057 patients:** specialised OPD service at Community Health Centre
- **3,147 children** immunised
- **112 families** provided with family planning support

PROJECT NIRAMAYA: TOGETHER WE CAN BEAT THE ODDS

The need assessment survey in Khanvel Gram Panchayat and nearby villages revealed the pressing need to focus on improving the health of people affected by Sickle Cell Anaemia (SCA), an inherited disease marked by flawed haemoglobin.

We then conducted a desk review to understand more about SCA and its severity and interacted with sub-centres and sub-district hospitals to collate data. We also contacted district and state-level government officials to get information on interventions for screening, preventing and managing the disease in the area.

During the discussions, we also learnt the need for eliminating TB and leprosy from the district within a stipulated timeframe.

To help eradicate the disease, we designed the 'Niramaya' a thematic health project to work on TB, Leprosy and Sickle Cell Anaemia Management in PHC Rudana.

Geography*	TB Cases	Leprosy Cases	Sickle Cell Anaemia Cases
District Level	296	63	Trait: 17,236 Disease: 690
PHC Rudana	18	3	Trait: 2,011 Disease: 72

*Data as of November 2022; Source: Vinoba Bhave District Hospital, Silvassa, and Sub District Hospital, Khanvel.

In light of this initiative, Project Niramaya was launched. The team collaborated with the district health department, sub-district and PHC level officials, and engaged with the district panchayat president and local gram panchayat to ensure effective

coordination. To raise awareness of sickle cell anaemia, we conducted community transect walks, understood cultural and religious beliefs, and myths related to the disease and designed street plays in the local language. In addition, we extended

support to TB and Leprosy patients by providing them with nutrition kits. Since the inception of the project, 5 TB and 3 Leprosy patients have been recovered so far.

Social and Relationship Capital



Sustainable Livelihood

We believe that each individual should have the right to live a dignified life. We thus strive to empower individuals with a decent standard of living. Through our CSR interventions, we aim to provide income-generating opportunities and enable individuals and communities to lift themselves out of poverty.

During the reporting year, our key focus was on providing vocational and technical skill development training to people in rural areas, especially the youth, women and farmers.



Creating Value

1,533 people received vocational job-oriented skill training

2,042 people received technical skill training

8,241 farmers attended 188 farmers meetings

2,160 farmers provided with agriculture tools, seeds and fertilisers

21,793 women empowered through 1,660 Self-Help Groups

6,046 animals immunised in veterinary camps

In Brazil, Novelis has helped 1,900 cooperative members across 36 recycling cooperatives to provide sustainable livelihoods.

Water Positivity

Water conservation and optimum utilisation, within the fence and beyond, is one of the most important tasks before us.

Towards providing assured irrigation, we have conserved 1.24 akh m³ of water by constructing 14 check dams, 5 ponds, 38 bundings, 3 watersheds, 27 rainwater harvesting structures and

repaired 2 irrigation channels to irrigate 1,000 hectares of additional land of 1,597 farmers in coordination with the Government. Consequently, farmers moved to cultivate cash crops and reap a rich harvest.

Infrastructure Development

Our infrastructure projects: connectivity, road repairs, community halls and assets, rest places, installation of solar

lights, construction of cement benches, water tanks and installation of piped water supply have bettered the lives of 182,000 people.

Novelis in partnership with Habitat for Humanity has launched an initiative to support and promote neighbourhood sustainability through increased recycling.



Social Reforms

For decades, we have been relentlessly raising awareness against social evils such as exploitation, inequality, and trafficking in the remote corners of India.

Our efforts are aimed at bringing about a change in the societal mindset. We advocate and support basic moral values, dowry-less marriage, widow remarriage, gender equality and organise awareness programmes on anti-social issues.

We also support financial literacy programmes across rural areas, by teaching women the fundamental concepts of financial literacy and income generation. Furthermore, we also aid people in disaster relief programmes.

All our efforts are aimed at bringing about a change in the societal mindset.



Support Services

13,791 people were provided with blankets

33 children saved from child trafficking

145 people supported through 4 orphanages

178 awareness camps organised on social issues

29 sports and 103 cultural events organised to promote rural sports and traditional culture

43 individuals benefitted through mass marriages

Social and Relationship Capital

RESHAPING LIVES: THE POWER OF PAPER PLATE ENTREPRENEURSHIP

With an aim to empower women in rural areas, Aditya Aluminium in 2019, adopted a self-help group (SHG) named Maa Ram Chandri from Rengali block in Odisha's Sambalpur district.

The group was later brought under the umbrella of Project Saksham. This group with 12 members, started making paper bags, with raw material (newspaper) collected from the Aditya township.

However, the SHG's paper bag-making initiative received a major setback during the pandemic owing to the unavailability of newspapers. To tide over the crisis, the Group took a loan of ₹1.5 lakh to set up a switched to making paper plate-making unit.

In 2022, the ban on 'single-use plastic' stoked new opportunities

for the SHG and it became a vendor for Aditya, supplying paper bags for sample collection.

SHG members displayed their wares in various government-sponsored fairs and earned good returns. They learnt to make paper plates and bowls and are supplying them to the local market and village social events.

This initiative has led to a 100% increase in seasonal income of up to ₹10,000 per month.

The SHG is now debt-free and is planning to scale up the business.



MUSHROOM CULTIVATION: THE GAME CHANGER

Mushroom cultivation started with one SHG member, as part of project Saksham, in FY 2019-20. Today, there are 95 SHG members cultivating mushrooms. The success of the pilot project with one woman led Aditya Aluminium CSR team to launch this experiment on a larger scale.

The CSR team adopted a woman SHG, and organised awareness and training sessions on the benefits of mushroom cultivation. This initiative was aimed at providing opportunities for SHG

members to generate income with high returns on investment.

Over the past three years, over 100 women have earned more than ₹1.5 lakh through mushroom cultivation. They invested between ₹1,500 to ₹5,000 and earned between ₹5,000 to ₹25,000 per season. The success of these women has enhanced their social stature, earned them respect in the community and brought more harmony and happiness to their households.

These women have gained more confidence and are now investing their own money to scale up and install spawn units and cold storage.

Mrs. Jaimini Kisan and Mrs. Leena Luhar of Tiliemal and Bomoloi villages are some of the earliest women to start mushroom cultivation.

Today, they are seen as successful businesswomen employing three to four women as per requirement for mushroom bed-making and watering.

CODING HER FUTURE: BUILDING A GATEWAY FOR GIRLS IN TECH

Students living in rural or economically disadvantaged areas do not have access to computers and the Internet.



Those who are keen to learn the basic and advanced computer courses can neither afford the courses nor do they have access to good facilities and tutors.

To overcome this shortcoming, Mahan's CSR team launched a Computer Coaching Centre at Barenia. The centre provided programming courses on CCOW, Tally, Diploma in Computer Applications (DCA), PG Diploma in Computer Applications (PGDCA) and basic computer skills. 24 girl students were selected and financially supported by Hindalco to boost their digital literacy skills. 50% of their course fee for PGDCA/DCA was waived off.

One of the major challenges in project implementation was convincing the local community to send their girl

children to the computer coaching centre. Our continuous efforts to persuade parents were successful, and they allowed their girl children to enrol at the centre. Our team organised tie-ups with affiliated universities (partners) to provide certifications to the students, a space for the coaching centre, a trainer, computers and study materials.

Of the 186 boys and girls who opted for the PGDCA course at the centre, around 90% are employed in nearby offices. This initiative has helped students become digitally literate and has enhanced their standard of living. Their success has inspired youth, especially girls to opt for these courses. The initiative has enhanced the literacy rate to 61.05% in the adopted villages.

INVESTING IN WOMEN'S DREAMS

Pramila Naik, 27, from Mallijharan, Kоди Pari in Odisha, wanted to supplement her household income after marriage. So, she started her tailoring shop at home. However, she realised the need for more varieties of sewing machines to serve distinct customer needs and earn a decent income. She learnt about Project Udyamee from her friends and approached the team for help.

Our project team from Utkal Alumina counselled and enrolled her in Udyamee. Pramila sought financial aid to expand her small unit.

Thus, our team assisted her with seed funds to scale up her business. She utilised the seed fund to buy an interlock machine and quality sewing material. Pramila now earns ₹8,000 per month.

The success of her venture has encouraged Pramila to expand her business further, for which she is looking to avail government schemes with the help of Project Udyamee. Pramila is extremely happy and grateful to Utkal Alumina and Project Udyamee team for giving her an opportunity to become financially independent.



Social and Relationship Capital

Empowering Local Communities

At Hindalco, we add value to local mining practices to serve the community, while maintaining our business growth. In accordance with this, we have implemented our Sustainable Mining Charter to empower the communities around our operational locations. The charter we adhere to embodies our commitment to enriching lives by fostering an integrated, equitable and sustainable growth model. We strive to create synergistic and symbiotic socio-economic value for the community, ensuring that our operations contribute positively to their well-being. Additionally, support the local community by offering training for local unemployed people to upskill them for work at our operations.

Localisation is an integral part of our business and CSR strategy. We adhere to the laws and regulations pertaining to employment of local people, including Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, and other prescribed local law, regulations or respective state governments. We have prioritised hiring of local people in our workforce at all levels. Currently, of the 31,411 locals employed at our operating sites, 53 hold senior management positions.



Localisation is an integral part of our business and CSR strategy.

Community Risk Management

At Hindalco, we are consistently working to minimise and mitigate the negative impacts of our operations on local communities.

All our operations are assessed for negative social and environmental impacts. Each manufacturing unit maintains a risk register that identifies potential risks to the community. We have a robust Enterprise Risk Management (ERM) process at all our manufacturing units.

The Corporate Risk Officer, Risk Coordinator and Risk Champions at each unit maintain the risk register and monitor mitigation plans. On its part, Novelis internally monitors the impacts on communities, especially from the environment, health, and safety perspective.

AROMA OF EMPOWERMENT

Ashish Singh Samant, 31, is a farmer from Podapadi village of Kashipur block in Odisha's Rayagada district. Owing to erratic rainfall in the region, Ashish was used to growing a single crop annually. The money from the sales was not enough to meet his family's needs. To supplement his income, Ashish would also operate a photo studio and, during wedding seasons, earn ₹10,000 per month.

Two years ago, he learnt about lemongrass cultivation from the CSR team of Utkal Alumina. Initially, he was hesitant to switch to any other crop, hence Utkal's CSR team connected him

to other farmers who had benefitted from lemongrass cultivation. Ashish got convinced and changed his mind. In the first year, he grew lemongrass on seven acres and on five acres the following year.

As part of our CSR programme, Utkal Alumina helped Ashish and 246 other farmers to switch to lemongrass. Our CSR team supported them by providing quality saplings, paying for ploughing costs, manure, fertiliser and special pump sets for irrigation. In some instances, the Utkal team mobilised government funds to establish large river base lift irrigation

facilities that brought enough water to the fields. A Farm Producers Group was formed, where farmers discussed ways to increase yield and improve the quality of produce.

Ashish is now earning ₹160,000 per annum by cultivating lemongrass four times a year, which has helped him double his income. He is today in a better position to save money for his future needs and secure his future. Ashish's success has encouraged other farmers in the locality to adopt lemongrass cultivation as a means of livelihood.

SUSTAINABLE FARMING: CULTIVATING OPPORTUNITIES FOR PROSPERITY

Ugri Majhi, 39, a farmer from Naktiguda in Odisha's Rayagada district was cultivating only upland low-duration paddy and ragi on his land. With no other source of income, traditional farming was the only medium to earn a living. However, the introduction of Wadi cultivation came as a boon for him.

Project WADI was undertaken to develop a climate-resilient agri-horti-silviculture system in clusters. It supported the plantation of cashew and mango trees on nearly uncultivable land or wasteland and provided a sustainable livelihood.

It aimed to improve the quality of life of 500 tribal farmers (424 landholders with wadi orchards and 76 landless families with goat rearing) and increase their income within three to six years. This initiative was rolled out in 17 villages of Kashipur block in Rayagada.

Before the project began, an exposure visit was arranged for farmers to nearby areas to understand the work involved. Numerous awareness sessions were organised. Majhi and other farmers were taught methods to improve productivity and quality and replicate sustainable agriculture prototypes.

The success that farmers like Majhi achieved motivated other farmers to adopt intercropping and become more open to experimentation and innovation.

Today, Ugri Majhi now earns a minimum of ₹120,000 annually by growing cashews and mangoes. His efforts have earned him the appreciation of government officials and other farmers. Project Wadi has helped transform the lives of 76 landless families by equipping them to take up goat-rearing. Each of these families now earns an income of at least ₹30,000 per year.

Social and Relationship Capital

Customer Centricity

At Hindalco, our customer-centric approach is rooted in our commitment to enriching lives.

We actively seek to understand and meet customer expectations, aiming to not only achieve customer satisfaction but also create lasting positive impacts. With our global customer base spread across numerous countries, we place a strong emphasis on delivering products of exceptional quality and unparalleled experiences that enhance the lives of our customers.

We regularly engage with our customers to understand their needs, preferences, and concerns. Our structured approach to customer engagement involves communication through e-mails and regular meetings, customer satisfaction



surveys, social media platforms and grievance mechanisms. We are dedicated to continually improving our products and processes and fostering a long-term relationship with them.

We actively seek to understand and meet customer expectations, aiming to not only achieve customer satisfaction but also create lasting positive impact.

Throughout the reporting year, we made several efforts to foster customer-centricity and customer satisfaction. This was done through:

Enhancing Customer Experience

We strived to enhance customer experience and maintain a strong Net Promoter Score (NPS).

Ensuring Reliable Supplies

We ensured an uninterrupted year-round supply for our customers, whether large or small. Furthermore, even during the pandemic, we were able to ensure a regular supply of products to our customers despite supply chain challenges and demand disruptions.

Work on Quality Complaints

Reduction and faster resolution of customer complaints was the top priority. We aimed to reduce the number of complaints by improving the quality of our products.

Timely Deliveries

Improvement in the delivery process and shortening the delivery duration continue to be the primary focus of our operations.

Going forward, our focus on enriching lives will be reflected in our commitment to improving our market share while delivering an enhanced customer experience.

We plan to leverage new product segments and explore the potential of exporting to a profitable rods market.

For our aluminium operations, we are focusing on downstream operations and transforming from a manufacturing company to a manufacturing solutions provider.

In our chemicals business, we have digitalised our order-taking systems using Ekaayan and Oracle platforms.

Moreover, we have realigned our sales team structure from a geography-based to a product application-based approach.

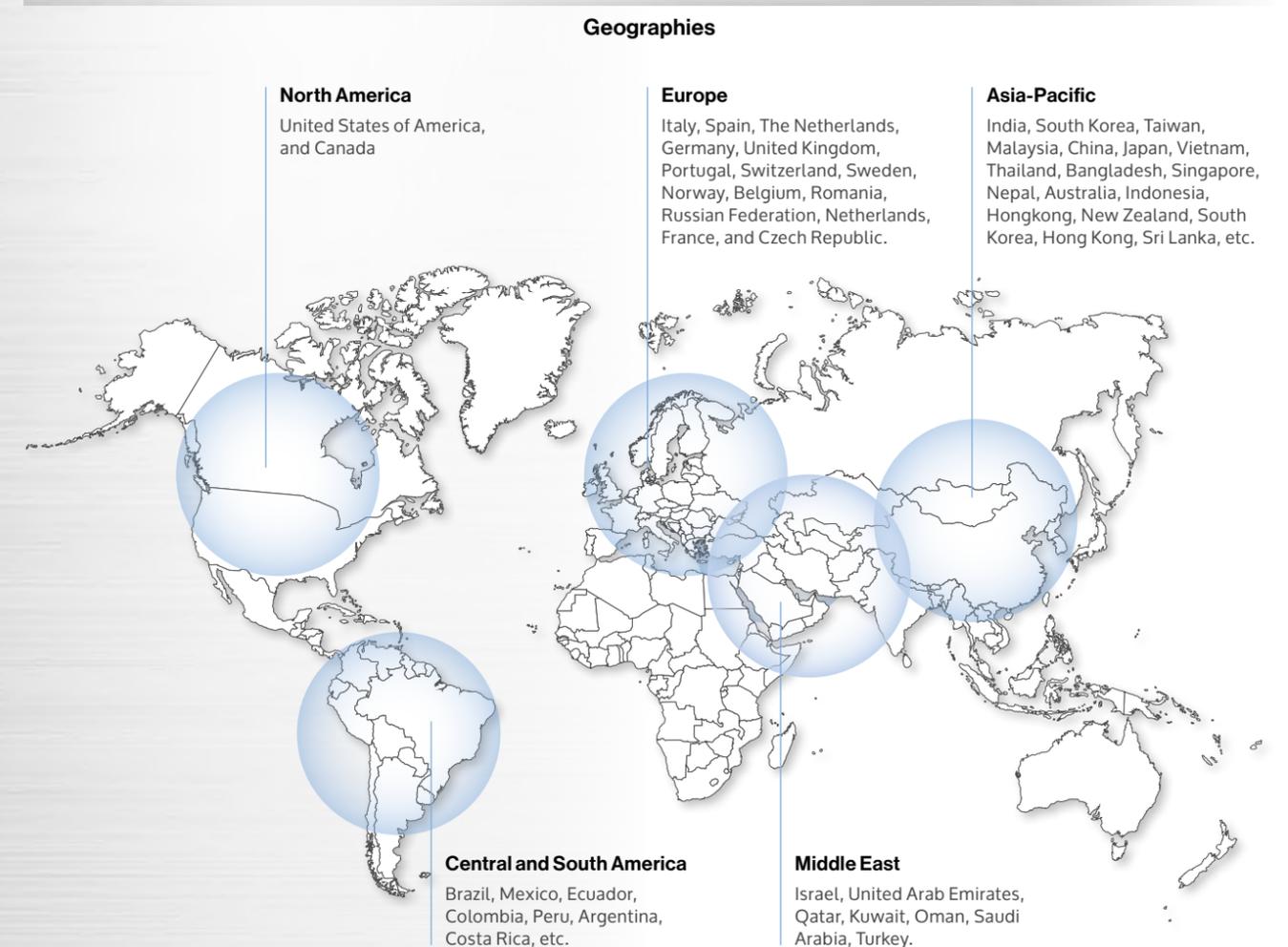
This has led to a substantial increase in technical support to customers through new product development and co-development of new grades. Herein, the terms are negotiated with respect to volume, technical specifications, input prices and product performance.

The details of our markets and customer base are provided in the table below. Moreover, the details of our products can be accessed through our website, www.hindalco.com/

Going forward, our focus on enriching lives will be reflected in our commitment to improving our market share while delivering an enhanced customer experience.

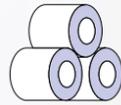
Markets Served (Aluminium and Copper)				
Automotive and Transport	Building and Construction	Defence	Electrical and Electronics	Industrial Application
Consumer Durables	Railways	Alternate Energy	Pharmaceuticals, Beverage Cans and Packaging	

Markets Served (Chemicals)				
Water Treatment Chemicals, Soaps, Fertilisers	Flame Retardants	Ceramics	Refractories	Abrasives



Social and Relationship Capital

Aluminium Business – Key Customers



Offerings

At Hindalco, our diverse product range includes high-quality aluminium products for various industrial applications.

Primary Applications

- Ingots (used in the production of castings in auto and electrical applications)
- EC wire rods (used for the production of cables and ACSR and AAC conductors)
- Billets (used mainly to produce extrusions and forgings)

Foil Applications

- Flexible Packaging
- Pharmaceutical
- House foil/Semi Rigid containers

Extrusion Applications

- Automotive
- Industrial machinery
- Defence
- White goods
- Electronics
- Constructions

Flat-rolled Applications

- ACP stocks
- Circles (used in pressure cookers and non-stick cookware, milk cans, and medical cylinders)
- Closure stock
- Clad and finstock
- Foil stock
- Litho stock
- Hard alloys
- HR plates (used in electrical busbars and ducting, tanks, ships, boats, defence, aircraft etc.)
- Building sheets
- General engineering products

Transport Solutions

- Lightweighting applications and solutions in commercial and personal mobility segments

Precision Fabricated Applications

- Automotive application
- Building and construction

Markets Served

Automotive and Transport: Used in making automobile components such as brakes, transmission, suspension, noise vibration harness, steering knuckle, truck body fabrication, cooling and exhaust systems, automobile heat exchangers and registration plates, structural, and decorative beadings.

Building and Construction: Used in roofing, doors and windows, facades, formwork, structural applications, ceilings, grills, hardware, shutters, ladders, etc. It is also used in building and construction as it is resistant to corrosion.

Defence: Used for assault bridges, main battle tanks, missiles, weaponry systems, boats, etc.

Electricals and Electronics: Used in power generation and transmission, cables and conductors, lamp caps, cable wraps, marine applications, light reflectors, heat sinks, solar panels, insulation, etc.

Industrial Applications: Used in textile spindles, hydraulic pumps, actuators and cylinders to valves, industrial machinery components, printing, etc.

Pharmaceuticals and Packaging: Used in various packaging applications like can bodies, closure caps, kitchen foils, tagger foil, pharmaceuticals, etc.

Consumer Durables: Used in pressure cookers, cookware, air conditioners, fans, refrigerators, etc.

Alternate Energy: Used in solar and wind energy applications

Commercial Vehicle Offerings: Light weighting markers solutions in the form of aluminium alloys, CV bodies such as articulated semi-trailers, truck bulkers, last mile e-mobility cargo boxes and railway freight wagon superstructures.

Personal Mobility: Components like bus bars, handlebars, frames and battery boxes.

Copper Business – Key Customers



Offerings

Our diverse range of copper products includes the following:

Power Industry

- Conductors for transformer
- Generators and power equipment
- House wire cable and power cable

Consumer Goods

- Winding Wires
- Cables or Home Appliances
- Pumps and Motors

Constructions

- Piping
- Earthing
- Plumbing
- Building wires

Automotive Industry

- Wiring Harness
- Casting Components
- Motors

Electronics

- Specialised wires
- Copper foil
- Circuit boards

Markets Served

Automotive and Transport: High-purity copper wire harness systems are used to carry the current from the battery throughout the vehicle, which includes lights, central locking, onboard computers, satellite navigation systems, etc.

Electrical Equipment: Used in cables, transformers, motors, busbars, alternators, and generators, as well as in-home applications such as heat exchangers of air conditioners and refrigerators, etc.

Railways: Used in pantographs, switchgear, braking systems, motor windings, commutator bars, and large and small service stations. Copper is used extensively in signalling systems.

Wire and Cable: Used in building wires, communication cables, coax cables, power cables, specialised cables, and industrial cables. Copper is a perfect metal for the wire and cable sector due to its high electrical conductivity, ductility, and tensile strength.

Chemical Business – Key Customers



Offerings

At Hindalco, our alumina and chemicals business majorly serve as a feedstock for the manufacturing of other chemicals. Our offerings comprise manufacturing and distribution of specialty aluminium hydroxide and specialty alumina products.

Our upstream range of activities includes the procurement of material such as bauxite, natural gas, furnace oil, and lime.

Calcined Alumina

- Ceramics
- Refractories
- Polishing
- Flame retardants

Alumina hydrate

- Coarse alumina hydrate: Water treatment chemicals (aluminium sulphate (alum), PAC (Poly Aluminium Chloride), zeolite, aluminium fluoride, glass, etc.)
- Fine alumina hydrate: (fillers in paper and in sheet moulding compounds, dough moulding compound etc.), flame retardants and suppressants in cables and composites

We have developed a high-grade alumina SMA4 for US refractory customers. Based on the technical requirement provided such as specific surface area, particle size distribution, soda content, etc. the desired property was derived.

Social and Relationship Capital

Novelis – Key Segments

Novelis operates integrated, technologically advanced rolling and recycling facilities in North America, South America, Europe, and Asia. The Company offers sustainable and innovative manufacturing solutions to various sectors mainly comprising manufacturing and construction, healthcare, consumer staples, real estate, materials, and utilities.

Offerings at Novelis

- Aluminium sheet and plate material for fuselage and wing structure components
- Automotive aluminium sheet
- Flexible tubes
- Heat exchangers
- Industrial goods
- Painted products
- Technical foil products
- Electric vehicle battery enclosure
- Aerospace
- Commercial plate
- Tipperlite
- Tooling and moulding
- Lightweight electric vehicle battery enclosure
- Producer of aluminium beverage can sheet
- Recycler of used beverage cans

Novelis Specialties aluminium applications in

- Architecture and Construction
- Food and Pharmaceutical
- Signage and Printing
- Transportation
- Commercial and Consumer

At Novelis customer solution centre, we are closely working with our customers to introduce a roll forming line for the development of high-strength aluminium auto components. Furthermore, our recently launched can customer solution centre will serve as an innovation hub for aluminium beverage packaging.

Markets Served

Aerospace: Aluminum's high strength-to-weight ratio, energy efficiency, and high resistance to extreme temperatures make it an ideal material to manufacture aircraft.

Automotive: Novelis' Advanz™ and Fusion™ product portfolio includes high-performing alloys ideal for inner applications such as decklid and door inners and other closure inner panels. Novelis is the leader in auto body sheets used for making BIW-light, durable vehicles.

Beverage packaging: Produce recyclable, lightweight aluminum sheet used to make aluminum beverage cans, bottles, and cups. Novelis is a leading buyer and recycler of used beverage cans (UBCs) globally.

Specialties: Novelis offers a wide range of products under specialties aluminium such as AL: sust™, G77Ac, SSL BF, etc.



Novelis operates integrated, technologically advanced rolling and recycling facilities in North America, South America, Europe, and Asia.

Customer Satisfaction

To gain a comprehensive understanding of customer perceptions regarding our products and services, we follow a mix of bottom-up and top-down approach across our respective businesses.

We have conducted various studies and surveys to gauge customer satisfaction. Through the NPS survey, we conduct a detailed cross-functional analysis of customer feedback and try to assess customer perceptions in depth.

For aluminium and chemicals businesses, we conduct NPS surveys through a top-down approach. We engage a B2B specialist market research agency to carry out a double-blind Net Promoter Score survey.

For aluminium, the survey is generally conducted biennially for our Primary, FRP, Extrusion and Foil businesses. In the bottom-up approach, the NPS rating is received from customers through our dedicated call centre and is captured in a system-driven 'Mission Happiness' platform.

During the reporting period, we achieved a Net Promoter Score (NPS) of 80% for copper operations and 75% for chemicals business. For our aluminium business, details are as follows:

SBU	NPS Received in FY	Top-Down NPS Score	Next Survey Planned in FY
Primary Ingots	FY 2021-22	64%	FY 2023-24
Primary wire rods	FY 2021-22	75%	FY 2023-24
Flat Rolled Products	FY 2021-22	47%	FY 2023-24
Extrusion	FY 2022-23	65%	FY 2024-25
Foil	FY 2020-21	46%	FY 2023-24

During the reporting period, our Novelis operations received a customer satisfaction score of 90.20% as compared to 86% in FY 2021-22.

Furthermore, we are employing various techniques to nurture our relationships and focusing on business activities driven by customer input to consistently maintain high levels of NPS. We aim to enhance customer service by prioritising customer-centric initiatives and digitising various processes for improved efficiency.

Social and Relationship Capital

Customer Grievance Redressal

In the process of enhancing customer experience, we are migrating to a Digital Customer Service (DCS) platform from the existing customer relationship management (CRM) platform. The concerns and grievances of customers are logged in DCS. Each complaint has a Turn Around Time (TAT) and defined escalation matrix, which helps track and resolve the complaints in a timely manner. Each email contains brief details of the complaint, which enables proper root cause analysis, and corrective and preventive action, ultimately enabling more efficient resolution.

We received 38 complaints during the reporting year, whereas 44 complaints were received during FY2021-22 for our chemicals business. All the complaints received have been closed.

To improve customer experience, feedback received from the customers is analysed and inputs are incorporated into our processes. Data analytics and insights have played a key role in reducing the occurrence of repeated complaints. During the reporting year, we did not receive a single complaint on breach of customer privacy or loss of customer data. This applies to complaints received from outside parties and regulatory bodies and is substantiated by Hindalco.

Product Health and Safety

At Hindalco, we consider the manufacturing of safe and dependable products integral to our business. We ensure compliance with the quality requirements when using any chemicals in the manufacturing of our products. Furthermore, for our specialty alumina products we share Material Safety Data Sheet (MSDS) with our customers.

Our specialty Alumina products fall under the non-hazardous category. Furthermore, we also share MSDS with our customers and ensure the safe use and disposal of products.

We serve both Business to Business (B2B) and Business to Customer (B2C) segments and ensure adherence to the mandated standards. Henceforth, 100% of our products are assessed for health and safety impacts. During the year, there was no reported incident of non-compliance concerning product health and safety norms and standards.

Additionally, in the past two financial years, there were no incidents of non-compliance concerning advertising and marketing communications, information or labelling of products.



At Hindalco, we consider the manufacturing of safe and dependable products integral to our business.

Responsible Value Chain

Our suppliers form an integral part of our value chain, spanning across the globe. We encourage them to adhere to ethical and sustainable practices in line with our Supplier Code of Conduct. We strive to develop and maintain strong relationships with them, thereby contributing to our success and building a competitive edge in the market.

A substantial portion of our raw materials are procured from India. Moreover, our supplier network spreads across 44 countries, including China, US, Mexico, Netherlands, Finland, UK, France, Poland, Sweden, Spain, Germany, Italy, Singapore, Dubai, Armenia, Japan, Togo, Chile, Guinea, Peru, Brazil, Canada, Japan, Australia, Indonesia, and South Africa.

Procurement Spend

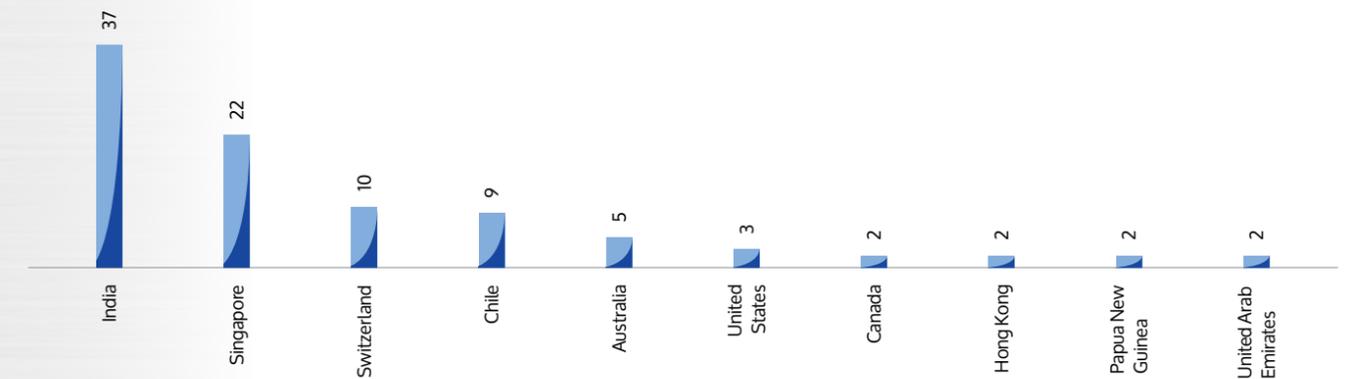
Our total procurement spend for Hindalco during the reporting period was ₹57,000 Crore. For Novelis, our total procurement spend was \$14.4 billion which accounts for ₹115,660.80 Crore.

Responsible Sourcing

We are committed to a responsible supply chain and undertake initiatives to create awareness among our suppliers. We have procedures in place for sustainable sourcing. During the reporting period, 100% of our inputs were sourced sustainably. Around 2.5% of our input materials were sourced directly from MSMEs/small producers and 37% from within the district and neighbouring districts.



Hindalco's Procurement Spend (FY 2022-23) from Top 10 Countries (%)



Procurement Spend from Other Countries	
Japan	2%
Kuwait	1%
Cyprus	1%
Bahrain	0.47%
Saudi Arabia	0.34%
Germany	0.16%
China	0.12%
Netherlands	0.05%
Finland	0.05%
Thailand	0.05%

Procurement Spend from Other Countries	
United Kingdom	0.04%
Malaysia	0.03%
Republic of Korea	0.02%
France	0.02%
Malaysia	0.02%
Italy	0.01%
Mexico	0.01%
Lithuania	0.01%
Austria	0.01%
Poland	0.01%

	Procurement Spend (₹ Crore)	% of Spend
Indian Suppliers	21,213	37%
International Suppliers	35,787	63%

Social and Relationship Capital

Supplier Code of Conduct

Our Supplier Code of Conduct (SCC) is developed based on global best practices encompassing safety, health, environment, human rights and labour, ethical and fair business practices.

The SCC is aimed at creating a positive impact on sustainable business practices across our value chain. We ensure that purchasing practices are continuously reviewed in alignment with several ESG practices.

Key focus areas from our Supplier Code of Conduct

Compliance with all applicable laws and regulations

Business Ethics

Anti-corruption/ Bribery

Labour and Human Rights

Occupational Health and Safety

Environment

Development of High Quality and Safe Products

Fair Treatment to Employees and Suppliers

Sustainable Practices

Verification of Supplier's Compliance



We also encourage our suppliers to develop their own sourcing policies and standards in line with international standards.

All our suppliers, vendors, contractors, consultants, agents, and other providers of goods and services are expected to adhere to the SCC.

Suppliers are expected to have necessary systems to minimise the impact of their operations and products on the environment and maintain compliance with government regulations. Furthermore, suppliers are asked to uphold fundamental human rights and comply with International Labour Organization (ILO) standards on human rights, as laid down in our SCC. They are further encouraged to provide a safe workplace, free from any form of discrimination and harassment.

We expect our suppliers to maintain safe working conditions at their operations by continuously identifying potential hazards, evaluating risks, and establishing control measures to reduce health and safety risks in compliance with our SCC.

We also encourage our suppliers to develop their own sourcing policies and standards in line with international standards. We prompt our suppliers to create awareness and provide training to their employees and contractors on risk precautions and emergency measures. In alignment with this, we are also planning to conduct trainings for company's buyers on their roles in supplier ESG programme in the coming years. This will also equip our team to conduct second party assessments. We conduct periodic assessments for our supply chain partners to check their conformity to the SCC.

Integrating ESG Into Our Supply Chain

Executive management oversees the implementation of supplier ESG programmes and ensures alignment of the Company's vision with ESG strategies. Of the total Tier-1 suppliers, we have identified 103 suppliers as 'significant'.

Our 'significant suppliers' are classified in terms of business relevance and ESG impacts to Hindalco.

We have a systematic supplier screening approach to identify significant suppliers.

Our suppliers undergo screening on environmental, social, governance, and business relevance aspects (such as price competitiveness, quality, and response time). Furthermore, in the screening process for significant suppliers, we take into account risks for negative environmental, social, and governance impacts related to a country's political, social, economic, environmental, or regulatory situation. Once, we have identified risks in the supply chain post-screening, the suppliers are rated and categorised into:

- **Identified Vendors:** Those willing to do business with our Company.
- **Empanelled Vendors:** Those eligible to undertake trial orders.
- **Approved Vendors:** Those who are finally selected and approved post-performance evaluation.

We have set minimum ESG requirements that suppliers must comply with to access tenders or be selected for contract awarding. In case of failure in achieving these requirements, the suppliers are excluded from contracting. Suppliers with better ESG performance are preferred for contract awarding by applying a minimum weight to ESG criteria. We lay special emphasis on adherence to human rights which also forms part of business agreements and contracts. Moreover, we continuously review the

purchasing practices of suppliers to ensure their alignment with SCC and avoid any potential conflicts with ESG requirements. Suppliers who are not able to meet expectations within a set timeframe are excluded from the list of Potential Suppliers until they become eligible. On the contrary, suppliers with better ESG performance are preferred by including a specific weight to ESG criteria in supplier selection and contract awarding. At Novelis, we have created a structured team of our employees to formally address responsible sourcing.

During the reporting year, 467 suppliers, including all our new suppliers, were screened using environmental and social criteria.

Supplier Assessment Process

We assess our suppliers to obtain information on their practices in order to measure and monitor their performance. Supplier assessment helps in increased performance visibility and aligns customer and supplier business practices and risk mitigation. We conducted a supplier desk assessment, where a questionnaire was shared with suppliers for verification of evidence. They were requested to provide information and supporting evidence on their ESG policies, practices, performance, and public disclosures. This information was then reviewed, verified, and analysed through on-site supplier visits using industry-best standards and methodologies.

Vendor assessment and due diligence of high-spend suppliers are conducted via an independent third-party to ensure the effective implementation of Hindalco's supplier ESG programmes. These assessments also consider if statutory dues have been deducted and deposited by the value chain partners.

During the reporting year, 467 suppliers were assessed wherein 34 (7%) of them, were identified as having significant potential environmental impacts followed by the provision and support in corrective and preventive action plans. One supplier was identified as having significant actual and potential negative social impacts. After the assessment, the relationship with the supplier was terminated. These assessments also included our significant suppliers, wherein we assessed 64 (making up to 62%) of them against the target of 100%. These suppliers contribute to 56% of the total procurement spend. The assessment comprises ESG parameters such as sexual harassment, discrimination at the workplace, child labour, forced labour or involuntary labour, wages, health and safety, workplace conditions among others. There were no suppliers which were identified with substantial actual/potential negative impacts. Furthermore, no suppliers were terminated who were identified with substantial actual/potential negative impacts.

Supplier Network at Hindalco

Type of Supplier	Absolute Number of Suppliers	Amount Spend (₹ Crore)	Number of Suppliers Assessed	Share of Total Procurement Spend (%)
Total number of Tier-1 suppliers	11,120	57,000	467	100%
Total number of significant Tier-1 suppliers	103	51,319	64	90%

During the reporting year, the share of procurement spend on coal accounted to be 14%. Considering Hindalco India and Novelis operations, the total Tier-1 supplier base is 19,409 suppliers. Out of these, 717 suppliers are identified as significant Tier-1 suppliers. During the reporting period, we carried out business of ₹149,448 Crore with Tier-1 suppliers, of which 66% was with significant Tier-1 suppliers. In addition to this, we have also identified 217 significant non-Tier-1 suppliers for Novelis operations.

Social and Relationship Capital

Supplier Evaluation and Risk Assessment

We perceive the risk assessment of suppliers as a crucial component of resilience in rapidly evolving market conditions. We have a supplier risk assessment process wherein suppliers are evaluated before onboarding and biennially post-selection. The assessment is based on parameters such as health and safety, environmental management, labour management, human rights, statutory compliance, financial attributes, and market dependency. We also conduct scenario analysis to identify potential risks along the entire supply chain, basis which the evaluation parameters are updated. ESG aspects are given around 25% weightage in the overall assessment of the suppliers.

The rating is further calculated for each supplier based on the score received in the vendor assessment process. Basis their rating, they are classified into high, medium, or low risk. The low rating of suppliers impacts their business opportunities/relationship with us.

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

** Suppliers categorised as high-risk stand to lose the opportunity to receive inquiries or business from Hindalco.

During the reporting period, 60 new suppliers were screened for ESG risks. 0.3% of total suppliers were classified to be at high-risk. We are committed to providing the required training and support to high-risk suppliers (with a score less than 2.5) and help them improve their risk rating.

For suppliers with a good score (over 4), we plan to conduct physical and virtual audits. During the reporting period, we conducted due diligence on 62% of our significant suppliers. By 2024, we further aim to conduct due diligence on 100% of our significant suppliers, with whom we have had business relationships for the past two years.

We maintain an enterprise risk register for the central procurement supply chain. We have identified key risks associated with supply chain disruption comprising social, economic, environmental geopolitical logistics, infrastructure, financial, strategic and operational risks.

We conduct a root cause analysis and identify the Company's objectives that the risk has a bearing on and assess the risk's likelihood and severity score. Based on the increasing order of scores, the risk is categorised as green, yellow, amber and red.

Post-risk categorisation, we establish a mitigation plan to reduce risk score. Execution of the mitigation plan is evaluated every month.

We interact with our suppliers and vendors on a regular basis through emails and meetings, vendor assessment and review, supplier audits, training workshops and seminars, and stakeholder engagement surveys. We have a grievance mechanism for suppliers to raise their concerns and issues proactively. We regularly track and monitor if there are any complaints or concerns from them and take necessary actions for the same. In the past two financial years, there have been no complaints filed from suppliers and our logistic partners.

During the reporting year, we conducted a vendor meet to apprise our business partners on Hindalco's policy, our commitment towards the integration of sustainability in the supply chain and our expectations to take up the collaborative approach towards achieving our sustainability commitments. Around 116 senior delegates from 85 businesses across the 11 countries, covering the most of our significant supplier base attended the meet.



We interact with our suppliers and vendors on a regular basis.

Logistics

Logistics in Hindalco encompasses every aspect of goods movement - from production to delivery to the final customer, including waste handling.

Given the geography of our facilities, the raw material sources and the markets that we serve, the logistics function deals with a formidable challenge with large volumes of commodities to be transported over long distances.

Our logistics verticals

-  Road Logistics
-  Railways
-  Shipping
-  Warehousing
-  Digitalisation



Logistics is managed centrally by the corporate logistics function, which is categorised into five verticals viz. Road, Railways, Shipping, Warehousing and Digitalisation.

These verticals standardise and streamline logistics operations across all our plants, allowing them to gain a competitive edge through volume-based play and effective planning and coordination.

The logistics team connects multiple unit logistics, from mines to marketing, allowing us to broaden our presence across the country and strengthen our push for operational excellence and cost leadership.

At Novelis, the global logistics network includes Road, Rail, Ocean and Air transportation.

	Verticals	Number of Partners
Hindalco	Finished goods transportation	75
Road Logistics	Alumina and Fly ash	50
	Bauxite/coal (individual transporters under Association)	~650
Railways	Finished goods transportation	2
	Inward and Outward goods including wastes (alumina, bauxite, coal, CP Coke, Lime, FO, FG, caustics, bauxite residue fly ash)	1
Shipping	Shipping lines	15
	Custom Housing Agent (CHA)	6
	Freight Forwarder (F&F)	9
	Stevedores	4
Warehousing	Inspection Agencies	5
Digitalisation	Service Providers	11
	Partner Organisations	12
Novelis		
Number of partners		100+

Social and Relationship Capital



Assessment of Logistics Partners

All logistics partners are onboarded through functional assessment of the capabilities and expertise of the vendors, followed by detailed techno-commercial evaluation. Contracts are then awarded to the best technical and commercial composite. Our screening criteria are based on various parameters such as relative expertise, experience and feedback from market and competition, past and ongoing performance, compliance to ethics and code of conduct, and accuracy of services provided, among others. These are further used for onboarding or renewal of contracts with logistics partners.

We also ensure that there is no child labour or forced or compulsory labour or other human rights-related indicators practiced across our value chain. Thus, these human rights requirements also form part of our business agreements and contracts.

During the reporting period, we terminated four transporters for their serious negligence of operational and ethical practices.

During the reporting year, all our logistic partners were assessed for environmental as well as social impacts comprising sexual harassment, discrimination at the workplace, child labour, forced labour or involuntary labour, wages, health and safety, and workplace conditions among others.

At Novelis, vendor performance is tracked through a balanced scorecard, measuring operational performance, safety, sustainability, and pricing competitiveness.

Moreover, several metrics and certifications such as EPA smart way, MPG benchmarking, average age of the fleet, empty mile reduction and payload optimisation are a part of the assessments.

All logistics partners are onboarded through functional assessment of the capabilities and expertise of the vendors.

Geopolitical Risks and Challenges

At Hindalco, we ensure that rising geopolitical uncertainty does not impact our operations. Hence, we onboard logistic partners based on fixed contract agreements to ascertain that our operations are not affected due to volatility in market demand and supplies.

However, during unforeseen situations, such as COVID-19, we ensured that the Bill of Lading (B/L) was released at discharge ports of other countries as India was under complete lockdown. As a result, we encouraged the shipping division to enhance our conventional process and set up a procedure to receive B/Ls through other countries.

Digitalisation at Logistics

Road

Finished goods dispatched from aluminium and copper units and warehouses are digitally tracked through Global Positioning System (GPS) devices in vehicles. This enables us to provide real-time visibility to customers as well as sales and marketing. The tracking portal is integrated with Enterprise Resource Planning (ERP) system to provide visibility at a micro level. The same data is archived and subjected to analytical tools and processes to develop interactive real-time dashboards. This helps monitor and intervene in logistics KPIs and the performance and efficiency of logistics partners.

Vehicles with minerals like bauxite and coal in certain sectors are also tracked through GPS to monitor driving efficiency, shortage and theft and other logistics parameters.

Rail

Hindalco-owned rakes like Bogie Tanker Alumina Powder (BTAP) are fitted with solar-powered GPS devices for tracking



and asset management. The data from CRIS (Centre for Railway Information System) is also ported to monitor and intervene in Rail KPIs such as TAT, demurrage, underloading, overloading, punitive charges, dead freight and utilisation of rakes.

Warehouse

Our 17 external warehouses are monitored in real-time to observe adherence to safety, turnaround time of vehicles, provision and utilisation of PPEs by workforce and tracking of external

visitors if any. Furthermore, to increase productivity and accuracy of inventory and operation, we are in the process of implementing the Oracle Warehousing Management System to serve our end customer in a more better way.

Shipping

During the reporting year, we conducted a pilot test to track containers. We also performed a Proof of Concept (POC) test to generate electronic bills of lading and ensure touchless transactions.

FUELLING RESILIENCE IN THE FACE OF COAL CRISIS

One of the most critical raw materials used in our operation is coal. Due to recent disruptions in coal supply, the government prioritised coal supply to commercial power plants. Because of this, the quantity of auction D.O. was also reduced by 65% and rake allotment to the non-core segment was brought down by Indian Railways. As a result, trucks poured into every mine, driving up freight expenses.

In May 2022, coal stock at each unit in the Renukoot cluster was reduced to 5 to 6 days. Similarly, coal inventory in other units of Hindalco was hovering

around the critical level, while at the Utkal unit, it bottomed down to 1-2 days. To lift the allotted 65% quantity on time, we increased the base freight price subject to the timely lifting of the (D.O) quantity. Additional incentives were provided to transporters for lifting the allocated quantity 7-10 days prior to D.O. dates.

Buoyed by the urge to obtain maximum incentives, transporters started to complete the lifting of coal 10 days prior to the due date.

Consequently, a large number of trucks started getting deployed to Hindalco as compared to other parties. As a result, collaboration at mines improved and the stock of coal at all plants reached a sustainable level.

We ensured that none of the D.O.s failed, and the sanctioned quantity was lifted 7-10 days prior to the expiry of D.O. dates for all units of the Renukoot cluster. Actual transportation costs ended up being higher than the P&B, but we ensured that none of our power plants were shut down due to the unavailability of coal.

Social and Relationship Capital

Policy Advocacy

At Hindalco, we follow a structured approach towards public policy advocacy across all our operating locations. All our initiatives focus on collaborating with our stakeholders with a common goal of maximising value for them. Our advocacy efforts take cognizance of concerns and challenges of our stakeholders and hence our goal is to work on practical and win-win solutions for them in the advocacy journey. As part of our policy advocacy efforts, we engage with multiple stakeholders such as industry associations cutting across various sectors, think tanks, governments and regulatory authorities etc. The purpose of such collaborations is to contribute towards innovation and R&D efforts, and knowledge sharing with respect to industry best practices.

All our advocacy initiatives are driven in a structured manner, with the Policy Advocacy Head overseeing all initiatives at the Head Office headquartered in Mumbai. In the case of function-specific efforts, respective heads of functions collaborate on various aspects such as the Chief Sustainability Officer on matters related to climate change and environment, the mining team on sustainable mining efforts and R&D teams on sustainable new product development and marketing teams on light-weighting solutions. Through this structured and collaborative approach, we ensure a better alignment of policy advocacy efforts with our strategic priorities. As an oversight on overall policy advocacy efforts, the Risk Management and ESG Committee takes a review on critical advocacy issues on a regular basis and these matters are communicated to the Board through this committee.

Through our associations, we advocate for the cause of environment restoration, sustainable mining, climate-action related activities and sustainability best practices.

To bring about a transformation across the ecosystem, we consistently engage with forums such as FICCI and CII to share and exchange ESG driven best practices. Presently, amongst others, we are working in collaboration with the Aluminium Association of India for backfilling of abandoned stone quarries and mines. In furtherance to that, we are also carrying out an eco-restoration activity in one of these mine allocations.

Our advocacy efforts are aligned with the Paris Agreement. In light of this, we work in collaboration with research institutions on matters such as utilisation of bauxite residue in road construction, or manufacturing of lightweight wagons, lightweighting solutions for commercial and personal mobility among others.

Our Key Associations

We have been associated with reputed trade associations and industrial bodies. Some of them are:

Aluminium Association of India	Indian Primary Copper Producers Association
Aluminum Association, USA	Indian Electrical and Electronics Manufacturers' Association
Automotive Research Association of India	International Aluminium Institute
Confederation of Indian Industry	International Copper Association
European Aluminium Association	Maharashtra Chamber of Commerce, Industry & Agriculture
Federation of Indian Chambers of Commerce & Industry	Primary Copper Producers Association
Federation of Indian Export Organisations	Winding Wire Association

These initiatives not only aid us in reducing emissions but also contribute to our efforts of limiting the average global temperatures to well below 2 degree Celsius. Some of these ESG-driven efforts also help in nurturing our inter-industry partnerships and aid in improving our ESG performance.

There were no corrective actions taken or underway due to any anti-competitive conduct based on adverse orders from regulatory bodies. During the reporting year, there were no political contributions. Details related to charitable donations are covered under the CSR section of the report.

We contributed ₹1.08 Crore towards our affiliated trade associations which primarily consisted of annual subscription fees.

