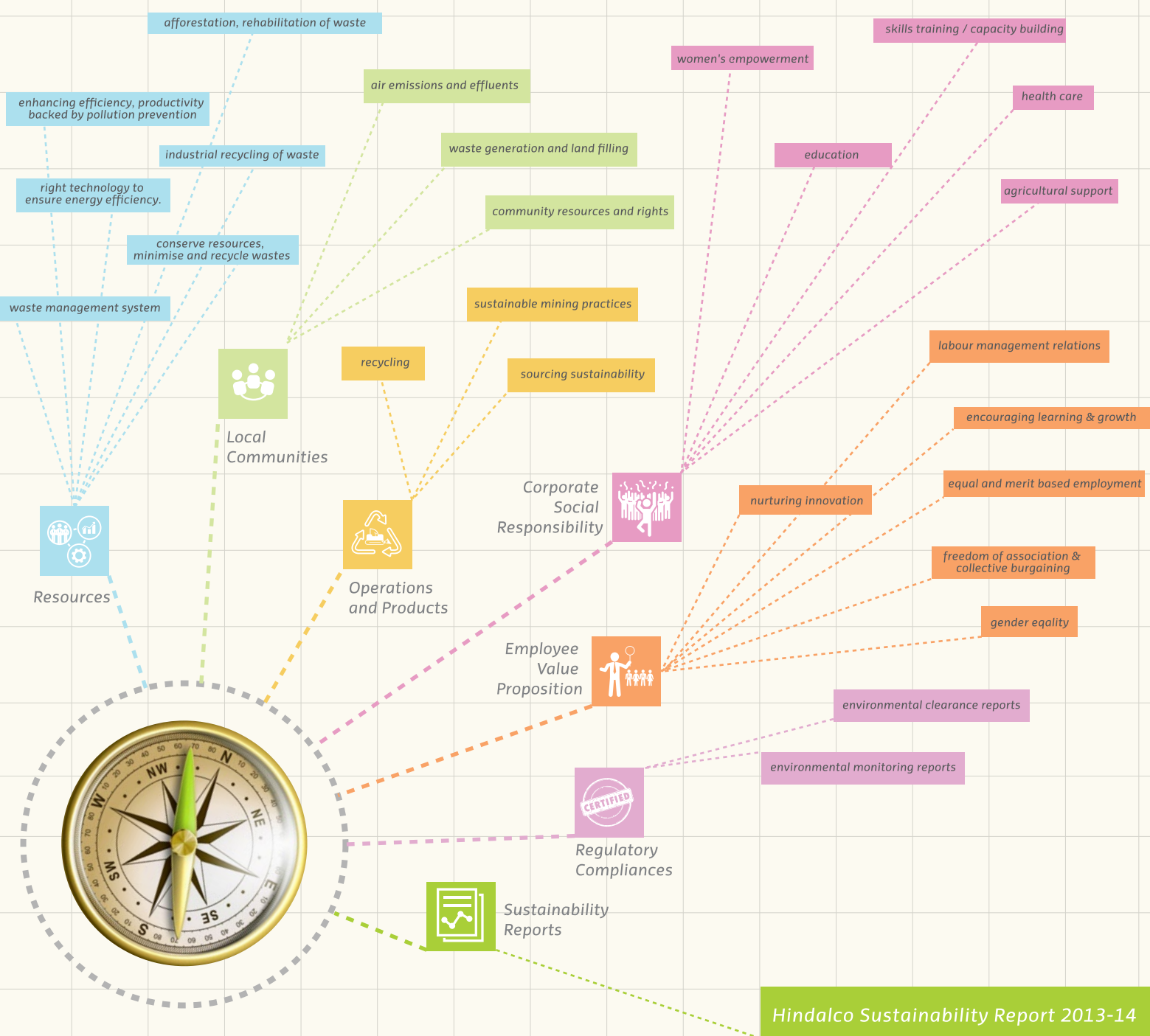


STEERING

SUSTAINABILITY



Hindalco Sustainability Report 2013-14

Steering Sustainability



Hindalco has adopted Sustainability as a key operating principle of its business model, envisioning to become a leading metals company by 2017 with sustainable business practices across its global operations, balancing its economic growth with environmental and social interests. The foundation for this has been laid by the implementation of sustainable policies, systems and processes. The maturity of these policies, systems and processes have been realized in the form of future proofing and risk mitigation of its operations.

The sustainability reporting activity is to enhance our communication mechanism with the stakeholders, by bringing in a higher degree of transparency and understanding of our business processes. The sustainability strategy at Hindalco is based on our commitment to protect the future interests of our stakeholders and enable a sustainable development of our society. The initiatives, therefore, are in line with business practices that engage our workforce, develop the community around us and generate value across our business ecosphere.

We have utilized the GRI G3.1 guideline to define our report Boundary with the objective of covering our entities in the value chain. The entities covered are those over which we have control and/or significant influence and/or which have significant impacts in context of sustainability.

Accordingly, our report Boundary includes Hindalco, India – Aluminium, Hindalco, India – Copper, ABML and Novelis. The information on Novelis is drawn from their sustainability report. Relevant data pertaining to newly commissioned units like Utkal Alumina International Limited, Aditya Aluminium and Mahan Aluminium have been included in this Report.

Our sustainability roadmap is aligned to Aditya Birla Group's Sustainability Roadmap, namely, Responsible Stewardship, Stakeholder Engagement and Future Proofing by creating and sharing value. Our motive is to attain these objectives by effective, continuous and significant improvements in terms of our emissions, energy consumption, resource efficiency, environmental conservation and natural resource management.

At Hindalco, we strive to effect this change by innovation and transformation of our business, and steering sustainability with our strategy.

This is the fourth sustainability report from Hindalco, for the period April 2013 to March 2014, based on Global Reporting Initiative (GRI) G3.1 guidelines. It reports our sustainability values and puts out a blueprint of how we will move ahead.

CONTENT

1. ABG Sustainability Vision	02
2. Hindalco – Sustainability Vision & Policy	03
3. From the Managing Director	04
4. Our Presence	06
5. Governance	17
6. Materiality and Stakeholder Engagement	22
7. Steering Sustainability	
a. Economic Performance	24
b. Resource Stewardship	31
c. People and Diversity	45
d. Safe Work Culture	53
e. Transparent & Ethical Business Practices	61
f. Delivering Value along the Life Cycle	65
g. Engaging Communities for a better future	72
8. Awards	81
9. Assurance Statement	84
10. GRI Content Index	88
11. Business Responsibility Report	97
12. Glossary	99





ADITYA BIRLA GROUP

1. ABG Sustainability Vision

By 2017, the Aditya Birla Group endeavours to become the leading Indian conglomerate for sustainable business practices across its global operations, balancing its economic growth with environmental and societal interests.

Kumar Mangalam Birla
Chairman
Aditya Birla Group





INTEGRITY
Honesty in every action

COMMITMENT
Deliver on the promise

PASSION
Energized action

SEAMLESSNESS
Boundary less in letter and spirit

SPEED
One Step Ahead Always

Sustainability Vision

By 2017, Hindalco endeavors to become a leading metals Company for sustainable business practices across the global Operations, balancing its economic growth with environmental and societal interests.

Hindalco Sustainability Policy

We, at Hindalco Industries Ltd, a leading non ferrous metals business globally, will strive for excellence in sustainable processes, products and practices to create long term value for all our stakeholders, while conserving resources, protecting environment, nurturing our people and enhancing societal wellbeing.

D. Bhattacharya

21.11.2012

HINDALCO INDUSTRIES LIMITED

3. From the Managing Director

Dear Stakeholders

I am happy to share with you Hindalco's Fourth sustainability report titled "Steering Sustainability".

Hindalco today is a global metals business with presence across 5 continents, 11 countries with operations spanning aluminium and copper value chain. The business is at an inflexion point with greenfield projects ramping up to full capacity that would result in over 100 % increase in production and sharp jump in revenues. The global scale and scope of our operations and the deep engagement that we have with various stakeholders make holistic approach to sustainability as imperative.

This report highlights our sustainability performance, focus, and management practices followed, considering various economic, environmental and social aspects. Sustainability today is a well defined business practice at all levels of our operations as we strive to accomplish highest social, ethical and environmental standards.

Stakeholder Engagement

Both Aluminium and Copper are widely used metals with bright consumption prospects. Structural factors such as urbanisation and rising consumerism in emerging economies along with deeper reach with focus on equitable growth have resulted in strong growth for these base metals. The recent emphasis on greenhouse emissions have brought in new game changing concepts such as light weighting in the automobile industry further augmenting the consumption growth. Our business is geared to ride on these changing patterns and today boasts of a de-risked portfolio through a strong accent on conversion business.

By virtue of being the only integrated aluminium producer in India, we also have a strong commitment towards product development. We have developed several pioneering applications



in the Indian context and Novelis is the global leader in FRP space.

Our sustainable growth has to be founded on robust business growth of our partners. Accordingly, our supply chain and marketing teams are geared to understand their expectations, build awareness & capacity and collaborate.

Resource Sustainability

Sustained access and availability of resources is critical to our business. Hindalco follows holistic approach to address the multi-dimensional facets of resource sustainability throughout the value chain. As we continue to serve the increased demands of the society for sustainable metals, we recognize the limited availability of resources and impacts of resource extraction. Our strategy is to have a good mix of captive sources as well as long-term sourcing arrangement based on long term cost and sustainability parameters. Our mining practices, regeneration activities and community engagement are aimed at minimising the environmental impact with a focus on improving socio economic life.

Improving operational efficiencies, adoption of technological advances are important for efficient use of raw materials. We believe systems

and work practices are critical in conserving resources, energy & environment and ensuring health & safety.

Recycling Initiatives

Aluminium is a 100 % recyclable metal and does not degrade in quality on recycling. Our wholly owned subsidiary Novelis presently uses 50 % of input in the form of recycled scrap a sharp jump from 39 % during the last year. It also announced the commercial debut of Evercan™ high recycled-content aluminium beverage can sheet. Novelis has invested in major recycling initiatives, including advanced equipment and technology to process diversified scrap. Even our Copper business has a focused approach on recycled material and during 2013-14 successfully recycled 4.41 % of the scrap generated in the process.

Environmental Stewardship

Along with the resources, water and energy conservation is a major focus area for us. Aluminium smelting is an energy intensive process. Our research and development efforts are aimed at electricity and water conservation and a significant investment in new technologies has gone into reducing specific consumption of power. Our Energy policy targets to improve energy efficiency through various measures while benchmarking our performance with global peers.

We have diligently acted by setting up zero discharge systems, water harvesting, recharging the ground water etc. We aim to augment this by adopting improved approaches of integrated water resource stewardship.

We have also made significant investment in setting up our greenbelt management program, developing plantations and afforestation. The greenbelt development has led to the arresting of fugitive emissions and control dust pollution.

Several of these measures along with our thrust on renewable energy, focus on increasing recycled aluminium and contribution to weight reduction initiatives in automobiles and other transportation segments should help in decreasing the carbon foot print.

Work Place: Ensuring Health and Safety

For safety at work place and prevention of accidents, the thrust is on Employee Involvement and continual improvement by putting in place structured integrated management systems and deployment of various training programs across the organization to imbibe safe practices and improve awareness of our employees on the aspects of safety and to ensure a “zero harm” work environment.

Contributing to Communities

We continue to maintain our thrust on inclusive growth as we believe in triple bottom line accounting and trusteeship management concept. We have carried out several projects aimed at development of neighbouring communities and society. Our focus areas are health care, education, sustainable livelihood, infrastructure and social reform. We work intensively in 690 villages and 35 urban slums in proximity to our company's 17 manufacturing units across 16 districts within 10 states in India. In 2013-14, we reached out to a rural population of nearly 35 lakh in proximity to our manufacturing units and held 2,334 medical, health and family welfare camps, reaching out to 1,68,088 villagers. A total of 2,44,245 patients used our hospitals, dispensaries and clinics.

This report objectively captures our continuing progress on various sustainability initiatives and highlights our approach to stakeholder engagement and commitment to accountability and transparency. As our business expands in the coming years, it is imperative that we broaden and deepen our engagements with all stakeholders, reiterating our commitment towards long term sustainability and inclusive growth.



D. Bhattacharya

4. Our Presence



Hindalco Industries Ltd, the metals flagship company of the Aditya Birla Group is the world's largest aluminium rolling company and endeavours to be one of the most cost-efficient and environmentally conscious aluminium and copper producers in the world.

Hindalco Industries Ltd, includes Hindalco India, Novelis our 100% subsidiary and Aditya Birla Minerals Ltd (ABML), where we have 51% ownership.

Hindalco Industries Ltd, is publicly traded on the Bombay Stock Exchange, National Stock Exchange of India Ltd, and Luxembourg Stock Exchange. Novelis, is a privately held company and Aditya Birla Minerals Ltd (ABML), is traded on the Australian Stock Exchange. Our aluminium portfolio spread across the globe embodies the entire value chain with operations ranging from bauxite mining, alumina refining and aluminium smelting to downstream processes and products including rolling, extrusions, foils, recycling along with Captive Power Plants (CPP) and coal mines. Our copper business yields copper cathodes, continuously cast copper rods, while also recovering precious metals and other byproducts utilized in the production of fertilizers.



Dahej Copper Complex



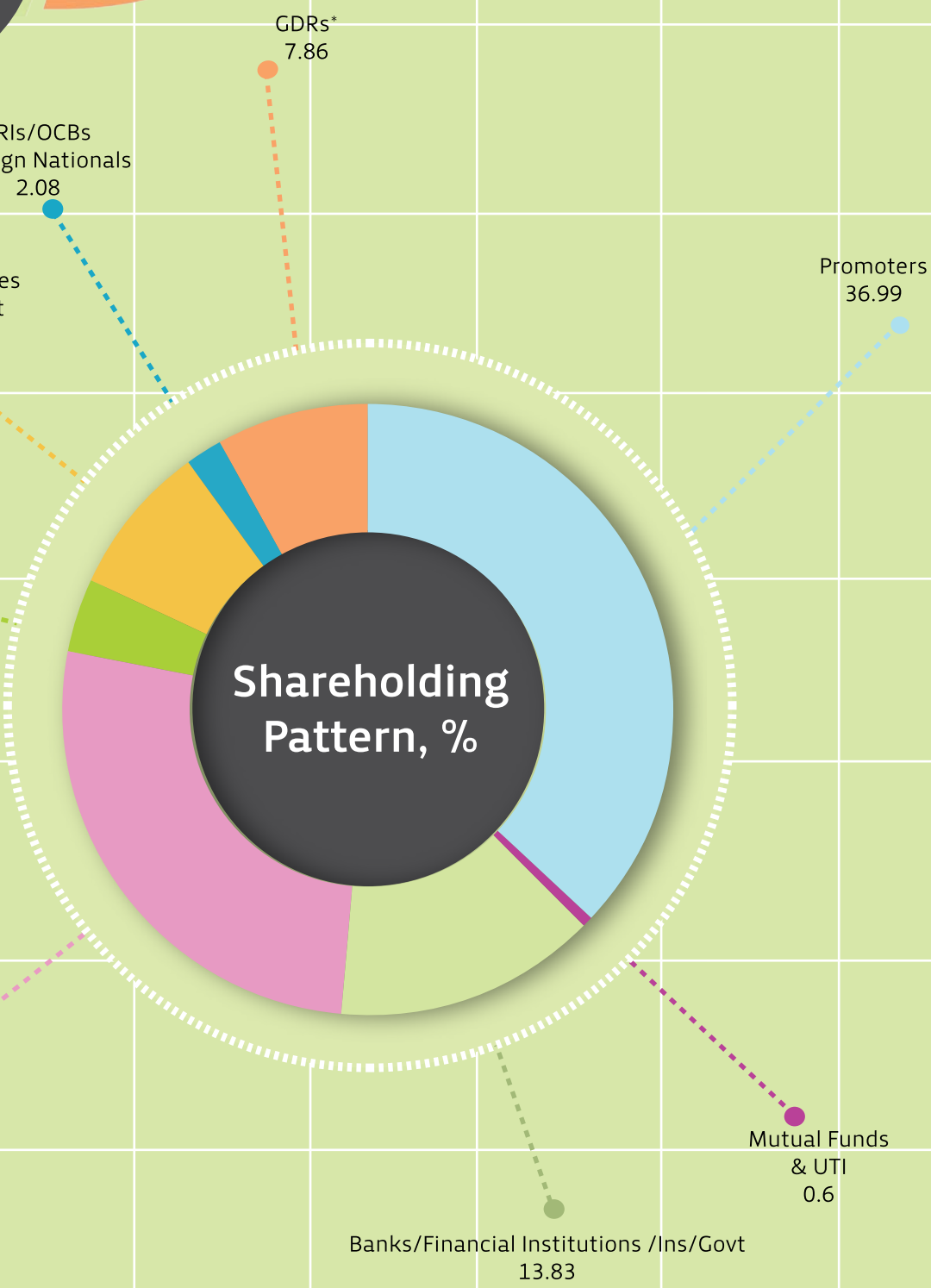
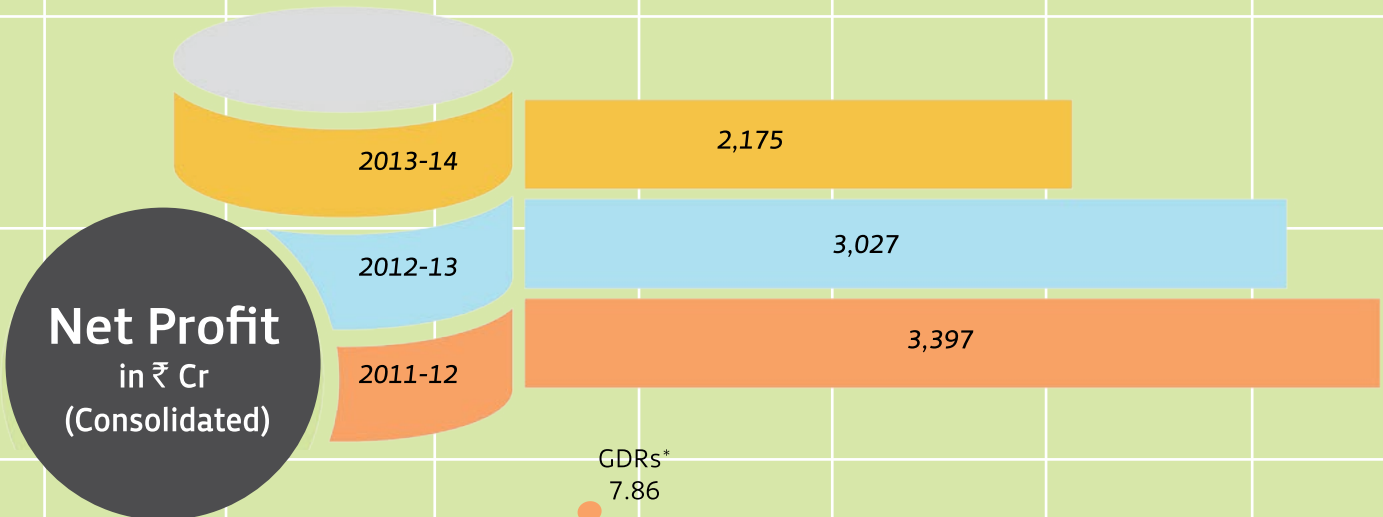
Taloja Plant

With a workforce of about 34,000 representing more than 15 nationalities, Hindalco has 51 units in 11 countries. Three Greenfield projects (Mahan Aluminium, Utkal Alumina and Aditya Aluminium) became operational during 2013-14 and ramping up adding to the growing capacity of Hindalco.

Our Flat Rolled Products facilities at Hirakud and Mouda are being developed to produce world class products such as can body stock and ultra-thin gauge foils respectively, which would enhance our product portfolio and could redefine the Indian aluminium market.



Renukoot Complex



Hindalco, India – Aluminium

Business Category	Installed Capacity	Performance in 2013-14	Path to Sustainability
Alumina	3.0 Million T	1.6 Million T	Value-added special products
Aluminium Metal (Primary)	1326 kT	613 kT	Strengthening value added special products
Captive Power Generation	3009 MW	10,133,573 MWh	Self-reliant and effective power generation
Flat Rolled Products	380 kT	240 kT	Creating sustainable supply chain
Aluminium Extrusions	44 kT	38.5 kT	Fulfilling customer demand
Aluminium Foils and Converted Products	18 kT	9.72 kT	Provide packaging solution

Hindalco, India – Copper

Business Category	Installed Capacity	Performance in 2013-14	Path to Sustainability
Cathode Copper	500 kT	Copper Cathode : 329.53 kT Copper Cast Rods : 145.09 kT	Value added Products Waste to Wealth
Sulphuric Acid	1470 kT	1085.84 kT	
Phosphoric Acid	360 kT	104.94 kT	
Fertilizers (DAP and Complexes)	872 kT	DAP-229.34 kT	

Greenfield and Brownfield Projects

Utkal Alumina Refinery

The alumina refinery, along with a 90 MW captive co-generation plant at UAIL, a 100% subsidiary of the Company, is under ramp up. Utkal produced around 277 kT of alumina in FY2014. The UAIL feeds alumina to the Company's smelters. Utkal alumina sources bauxite from the world-class Baphimali deposit in close proximity.



Aditya Aluminium

The first metal from the 360 KTPA Aluminium smelter along with a 900 MW captive power plant identical to the Mahan Aluminium project, has already been tapped. The project ramp up has commenced.



Mahan Aluminium

This 360 KTPA Aluminium Smelter, along with 900 MW captive power plant, at Bargawan, Madhya Pradesh is ramping up. In FY14, Mahan produced over 54 kT of aluminium metal.



Hirakud FRP

The Hirakud FRP project that has been commissioned is the first and only facility that will have the capability to produce can body stock in India. This project involved relocation of some equipment from a closed facility of Novelis.



Mouda Foil

Mouda foil facility is operational and is expected to deliver world-class foils that can be exported to developed markets.



Novelis, Aluminium

Novelis is the world's largest manufacturer of rolled aluminium, producing an estimated 14% of the world's total aluminium rolled products. Headquartered in Atlanta, Georgia, USA, with 25 operating facilities in four continents, Novelis is a direct subsidiary of Hindalco Industries Ltd. The Company has its clients in various sectors including automotive, beverage can, and high-end specialties such as electronics and architecture. It is also the world's largest recycler of aluminium. The Company is almost entirely an aluminium converter, rather than an aluminium producer. In FY14, 46% of the aluminium that went into the products was recycled aluminium; which is in line with the recycling goal of 80% by 2020. In 2013, Novelis introduced first of its kind, independently

certified, high-recycled content aluminium beverage can sheet – evercan™. The product made its commercial debut with Red Hare Brewing Company announcing ... it would package its craft beer exclusively in cans made of Novelis' evercan sheet.

During the year 2013, Novelis has also expanded recycling capacity in all of their operating regions – including the construction of a new recycling center in Nachterstedt, Germany, commissioned in June 2014. The new facility will be the world's largest and most advanced aluminium recycling center that will firmly solidify Novelis' position as the largest recycler of aluminium in the world.



Yeongju Plant, South Korea

Message from Novelis CEO

At Novelis, we are relentlessly focused on achieving our vision to lead our industry by producing the most innovative, technologically advanced, low carbon aluminium flat rolled products on the market. Accomplishing this demands much more than business as usual. It requires us to pioneer a fundamentally new way of thinking and operating. It also requires a willingness to not only embrace disruption within our own company, but also to create it in our industry and the markets we serve.

This new way of operating entails shifting our business model from a traditional linear approach to an increasingly closed-loop one. This shift will enable us to accelerate and capitalize on the sustainability potential of aluminium as a lightweight, infinitely recyclable metal – and to dramatically reduce the embedded carbon in our products. It demands to apply our industry leading research and technology capabilities to create the product innovations needed to close the loop. And, in an increasingly energy- and carbon-constrained operating environment, we are convinced it will be a key source of competitive advantage for our company – and for our customers.

At the core of our company's transformation is our unprecedented target to use 80% recycled inputs by 2020, compared to 33% three years ago. This target has implications for nearly every aspect of our business – from the basic design of our products and our portfolio mix, to the structure of our supply chain and our relationships with our customers. By the end of our 2014 fiscal year (FY14), we had reached 46% recycled inputs, putting us firmly on track to achieve our interim goal of 50% by 2015.

Our shift towards a closed-loop and low-carbon approach is also requiring us to engage



and partner with a broader and more diverse set of stakeholders, to challenge and inform our thinking and to advance shared objectives that cannot be achieved on our own. FY14 also marked the commercial debut of evercan™ – the world's first independently certified, high-recycled content aluminium beverage can sheet – The product is a technical breakthrough and represents a huge step forward in enabling aluminium to realize its full sustainability potential.

We have made great strides and filled in many of the unknowns – though certainly many challenges and uncertainties remain. In the process, we've also rocked the boat, at times seeking to move faster or more aggressively on sustainability than some of our stakeholders. But I am firmly convinced that the transformation Novelis is leading is what society wants – and what the planet and the global economy need – and that it will be the key driver of our company's long-term success.

ABML

Aditya Birla Minerals (ASX: ABY) is an Australian based copper mining company with operations in Western Australia and Queensland. ABML conducts copper mining and exploration activities at the Nifty Copper Operations in the Great Sandy

Desert, Western Australia and the Mt Gordon Copper Operations near Mt Isa, Queensland. Copper concentrates produced from its copper mines are shipped to Hindalco Industries Copper Smelter in India.



Message from ABML MD



The FY 14 was another challenging year for ABML on the macro-economic front as well as operationally. With the languishing commodities sector, and slowdown of economic growth across the emerging markets, the overall economic growth at ABML was underwhelming.

We, however, are taking various initiatives on cost rationalization and operational efficiency

improvement, which largely offset the continued inflationary pressure on the Australian resource industry.

Our company's top most priority is safe resumption of mine operations, due to the unforeseen sinkhole incident that occurred at the Nifty operations at the end of the year. We have decided to resume the operations only after establishing safe conditions. The company is proceeding with all necessary steps to be taken to ensure the safe restoration of the same in the earliest possible timeframe subject to DMP's approval, while adhering fully to its commitment to safe and sustainable operations.

As a result of relentless safety awareness initiatives and continuous review and upgrade of the Occupational Health and Safety policies and procedures with a sharper focus on training, the safety record of the company continued to enjoy above average industry benchmark.

The company has also continued its exploration activities, which are critical for improving the resource base and these activities has yielded encouraging results.

With the continuous support and encouragement of shareholders and dedication of our employees we will continue to operate successfully.

5. Governance



To achieve a strong, responsive and sustainable future, an all inclusive governance structure needs to be in place. Hindalco is committed towards the adoption of best governance practices and adhering to it in the true spirit. Our governance practices are a product of self-desire reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our governance philosophy rests on five basic tenets i.e., accountability of the Board towards the Company and our shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all stakeholders as well as transparent and timely disclosures.

The Company strives to continually improve the quality of disclosures on the Board composition and its functioning, remunerations paid and level of compliance with various Corporate Governance Codes.

5.1 The Board

In the year 2013-14, Hindalco had a Board comprising of 11 Directors – 9 Non-Executive Directors of which 6 are independent Directors. The Directors are -

Non-Executive Directors

Mr. Kumar Mangalam Birla
 Mrs. Rajashree Birla
 Mr. A. K. Agarwala
 Mr. M. M. Bhagat
 Mr. C. M. Maniar
 Mr. K. N. Bhandari
 Mr. N. J. Jhaveri
 Mr. Ram Charan
 Mr. Jagdish Khattar
 Mr. M Damodaran

Executive Directors

Mr. D. Bhattacharya – Managing Director
 Mr. Satish Pai – Deputy Managing Director/
 Whole time Director

The Board constitutes of various committees upholding a broad set of governance principles,

delegating management authority to the Chief Executive within the defined limits. The Board assesses risks that are imperative to sustainable development and their management.

5.2 Compliance with Corporate Governance Guidelines

Hindalco is completely compliant with the requirements of the prevailing and appropriate Corporate Governance Code as applicable in India. Clause 49, of the Listing Agreement with Indian stock exchanges requires that, if the Non-Executive Chairman of the Company is the promoter, then at least half of the Board of Directors of such Company should consist of Independent Directors and we are in compliance with the same. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies where they hold Directorships. All the Directors have periodically intimated about their Directorship and Membership in various Boards/Committees of other companies. The same is within the permissible limits as provided by the Companies Act, 1956 and Clause 49 of the Listing Agreement.

5.3 The Board Committees

The Board has constituted following Committees of Directors to manage and monitor the activities falling within the respective terms of reference:

Audit Committee



Investor Grievance Committee



Corporate Social Responsibility Committee



5.4 Executives' Committee



5.5 Committees in Operational Units



5.6 Our Governance Framework

The Board works within purview of the framework described in its governance principles. It describes

the Board's role, its operation, commitment towards executive management and the main tasks of its committees. The details are available on the corporate governance section of our Annual Report (Page No. 17). During this financial year, we reviewed the terms and scope of the policy.

5.7 Governance Practices

1. Board

Governance Principles, committees of Board and executive; and Aditya Birla Group values and policies are guided by the Board.

2. Integration/Values

Our Company values, reflected through our aspirations, ensure we conduct business ethically and with integrity. Hindalco has adopted The Code of Conduct for Board of Directors and Senior Executives, which clearly define how values are to be incorporated in the day-to-day operations and control.

3. Certificates

We have a practice of obtaining certification at regular intervals from various executives regarding compliance with regulations, policies, laws etc. with a specific mention on the remediation plan on deviations, if any. This enables the Company to focus on areas demanding special attention. The business Heads go through a rigorous exercise to verify the operational effectiveness of our internal controls throughout the Company and that our businesses are compliant with our financial and non-financial policies, standards and mandated practices.

Our respective departments design, implement and monitor systems, policies, procedures and guidance to improve and sustain all aspects of our performance. These control processes are subject to internal audits to imbibe sensitivity towards the essence of compliances, which in our system are non-negotiable.

The Company always has a system based approach to business risk management. Backed by strong internal control systems, the current management framework of the Company consists of the following elements:

5.8 Our System of Internal Control

5.8.1 Risk Management System

The Board has a robust system for internal audit and corporate risk assessment and mitigation. The Board is responsible for maintaining a sound system of internal control and delegates the establishment and maintenance of this system to

the concerned executives. Management systems, organizational structures, processes, standards and behaviors are all components of Hindalco's system of internal control.



5.8.2 Steering Committees for Compliance

Steering Committees comprising of executives with requisite expertise were formed to oversee

compliance of statutory obligations by plants and mines. The Managing Director effectively monitors the functioning on a monthly basis for all units. Audit on Compliance is also carried out by external agencies.

Sustainability Structure

Sustainability Board

The Board monitors the progress on Sustainability initiatives and reports the same to the Managing Director on quarterly basis.

Hindalco, as a responsible Company, endeavours to embed sustainable business practices in its global operations from mines to market, balancing its economic growth with environmental and societal interests. We consider it extremely important that we minimize our impact on environment, and we understand the intrinsic linkage between economic growth and environment protection.

The sustainability processes are governed by the Board through its sustainability committee and is supported by commitment from the apex level management. We embrace a top-down approach that boosts efforts and ensures an efficient functioning, aligned to sustainable development. The Sustainability Board ensures formulation and implementation of our sustainability strategy and also reviews the sustainability performance of the Company.

Working Committee (WCSH)

The Committee leads the sustainability initiative further in respective business/units by providing requisite training in each unit and preparing the annual sustainability report.

Unit Level Teams

The Unit level teams coordinate the sustainability initiatives & data management within the unit and provide information to WCSH.

6. Materiality and Stakeholder Engagement

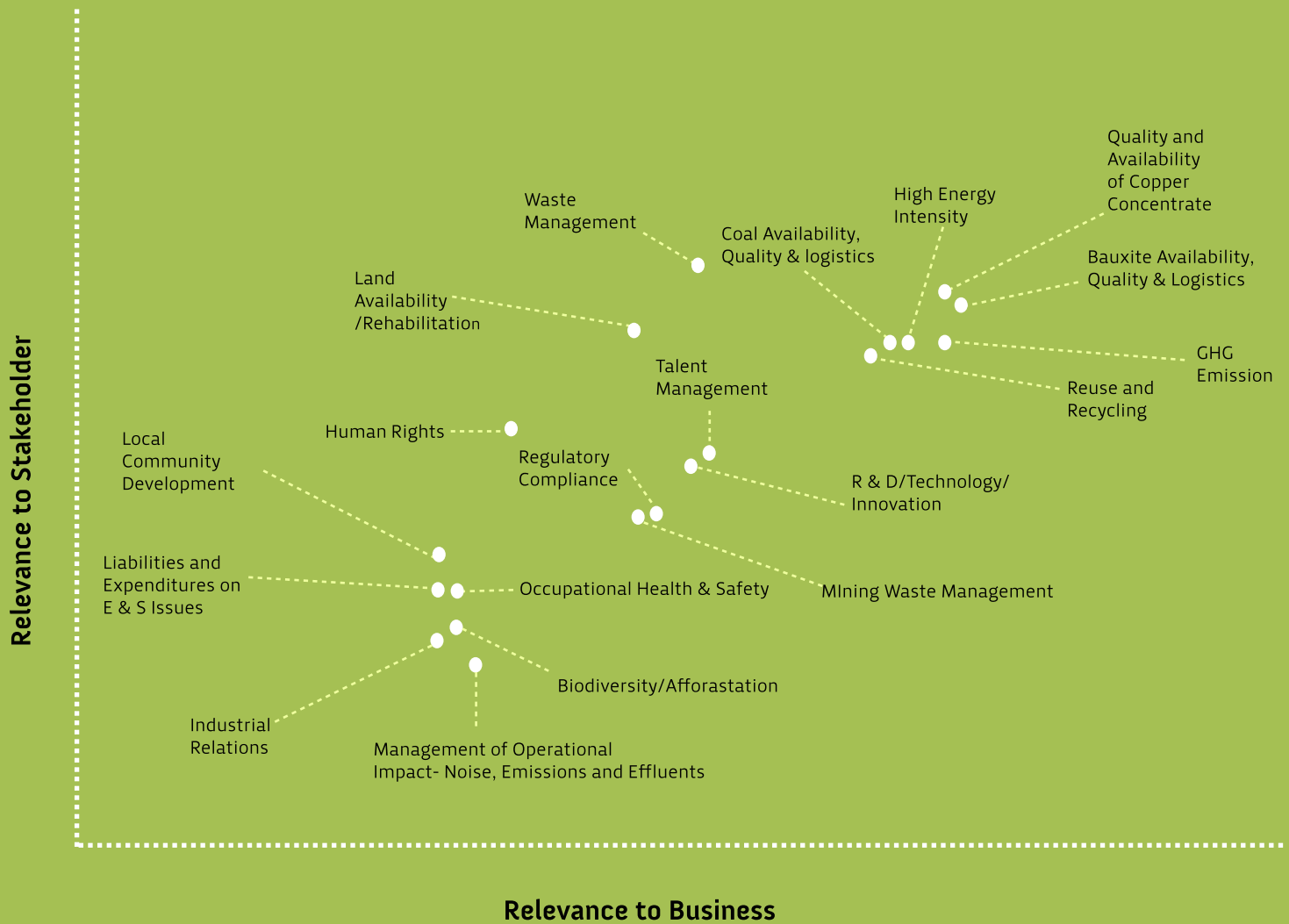


The management of Hindalco, based on the feedback from Operating Units, reviewed the Materiality Issues affecting the businesses and stakeholders. These issues were then discussed with different business representatives for their inputs and for incorporation into the business processes.

Hindalco, along with its subsidiaries Novelis

and ABML, has a significant presence along the Aluminium and Copper value chain. The materiality issues are considered to adhere to the sustainability aspects and expectations of the stakeholders.

The following graph portrays the materiality matrix highlighting the relationship of the material issue to the importance to business as well as the stakeholders.



6.1 Sustainability Rationale & Stakeholder Engagement

Hindalco strives to attain this balance in its processes by overall engagement and development of a collaborative solution. The Sustainability Board at Hindalco has developed a roadmap for the sustainable functioning of the entity, and continually works upon reviewing and energizing this effort.

The Board holds regular reviews on the status of the actions being undertaken. The aim is to attain an overall engagement platform for our stakeholders including our customers, suppliers, vendors, communities, regulators, shareholders, investors and industry associations.

The process is being streamlined and is growing towards a well-structured mechanism. We hope to understand the concerns of our stakeholders for our business and disclose the issue in coming years.

7. Steering Sustainability

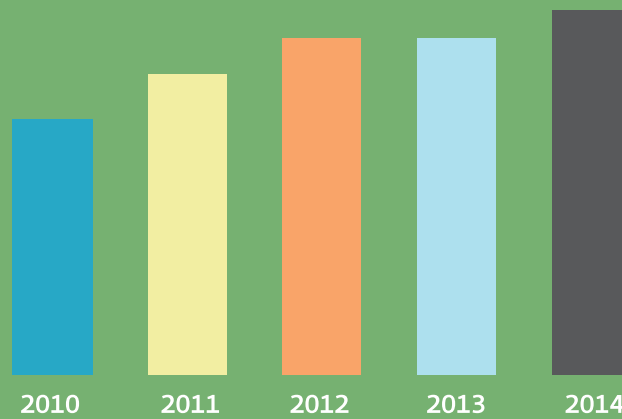
a. *Economic Performance*



Economic Performance 2013-14

Despite the slowdown of metals markets and decrease in demand, Hindalco has delivered a commendable performance

Annual Revenues



In 2013 -14 , Hindalco standalone posted a revenue of \$ 4,609 million

\$1.5 Billion or ₹9,303 Cr

EBITDA Posted by Hindalco in 2013-14



EBITDA (in \$ Billion)

1.50



₹28.73
Cash EPS
(Consolidated)



\$14.5 Billion
Total Revenue
(Consolidated)



\$14.03 Billion
Net Fixed Asset
(Consolidated)

Hindalco Industries Ltd., as a responsible company and the flagship entity of the Aditya Birla Group, endeavours to embed sustainable business practices in its global operations from mines to market, balancing its economic growth with environmental and societal interests. We consider it extremely critical to minimize our impact on environment, and understand the intrinsic linkage between economic growth and environment protection.

Hindalco has developed policies, roadmap and implementation plans for sustainable development of business and has projects in pipeline for minimizing environmental impact during manufacturing, as well as minimizing the environmental impact in applications of our products, to ensure long-term environmental sustainability of the business.

Steps are taken on an annual basis to improve practices in the areas of environmental compliance, water, emission and effluent

management, improved waste management and to initiate development of technologies for creation of value from waste.

At Hindalco, we deliver products for the most technologically demanding applications in sectors including automotive, defence, construction, infrastructure, consumer durables, packaging and electronics to name a few. We add value to a wide variety of businesses and are working towards being a sustainable company while doing the same.

We do not believe that financial performance alone be the measure of a company's sustainability. A sustainable business has to generate, distribute and balance the value amongst all stakeholders and the value has social and environmental dimensions in addition to economic. It is the overall creation of value and its balancing amongst stakeholders, and contribution to the society is what defines our sustainability.

7.a Economic Performance

In FY 2013-14, we had a robust consolidated revenue of about USD 14.5 billion (INR 87,695 crore) and EBITDA of USD 1.5 billion (INR 9,303 crore).

Considering the slowdown of the metals markets and the decrease in demand, the performance is commendable.

Economic value generated	Hindalco - India - Aluminium US\$ Million	Hindalco - India - Copper US\$ Million	Hindalco - India - Corporate US\$ Million	Novelis US\$ Million	ABML US\$ Million
Revenues- a) Net sales by business	1,661	2,951	-	9,767	294
b) Revenue from financial instruments (includes cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets)	9	12	104		19
c) Revenues from sale of assets include physical assets and intangibles	1	(1)	61	16	0

Economic value distributed	Hindalco - India - Aluminium US\$ Million	Hindalco - India - Copper US\$ Million	Hindalco - India - Corporate US\$ Million	Novelis US\$ Million	ABML US\$ Million
Operating costs – Payments to suppliers, non-strategic investments, royalties, and facilitation payments	1,435	2,770	(13)	8,468	186.92
Employee wages and benefits Total monetary outflows for employees (current payments, not future commitments)	191	18	14	846	69.38
Payments to providers of capital - All financial payments made to the providers of the organization's capital	-	-	-	-	-
a) Dividends to all shareholders	-	-	40	Nil	-
b) Interest payment made to providers of loans	286	8	98	278	1.48
c) Any other short-term borrowing	-	-	108	208	-
Payments to government					
a) Tax (corporate, income, property, etc.)	-	-	45	120	-
b) Related penalties paid at the international, national, and local levels.	-	-	-	-	-
Community investments – Voluntary contributions and investment of funds in the broader community (includes donations)	0.23	0.021	0.09	3.29	0.058

Economic Value retained	Hindalco - India - Aluminium	Hindalco - India - Copper	Hindalco - India - Corporate	Novelis	ABML
Economic Value Retained	EBIT = Million US\$ 154.40	EBIT = Million US\$ 155.06	PAT = Million US\$ 233.64	Adjusted EBIT-DA: \$885 million FY14 Net Income attributable to common shareholder: \$104 million	-

7.a.1 Financial Implications of Climate Change

In keeping with the current discussion on national Greenhouse Gas (GHG) emission reduction targets, we are focusing on the climate change risks due to our business, due to possible mitigation obligations and impact of climate change on our physical assets and operations. Government of India, through National Action Plan on Climate Change (NAPCC), has articulated a voluntary commitment to reduce GHG intensity by 25% by the year 2020.

About 5 of our units (Renukoot, Hirakud, Belgaum, Muri and Taloja) come under the Perform, Achieve and Trade (PAT) Scheme initiated by the Govt. of India to mitigate the GHG emissions by major industries and also improve effectiveness and efficiency. The units of Hindalco are working to comply under this scheme by improving energy efficiency in the operations. Our risk management committee also is working on developing a system to analyze the risks of climate change on our business. The risk management system has considered climate change risks and is developing a mitigation and adaptation plan accordingly. Novelis in USA and ABML are also being subjected to relevant carbon taxes as applicable in the respective geographies.

A. Novelis

Increased concern over climate change has led to new and proposed legislative and regulatory initiatives, such as cap-and-trade systems and additional limits on emissions of GHGs in the

geographies where we operate. New laws enacted could directly and indirectly affect our customers and suppliers (through an increase in the cost of production or their ability to produce satisfactory products) of our business (through an impact on our inventory availability, cost of sales, operations or demand for the products we sell), which could result in an adverse effect on our financial condition, results of operations and cash flows. Compliance with any new or more stringent laws or regulations, or stricter interpretations of existing laws could require additional expenditures by our customers, our suppliers or us. Also, since we rely on natural gas, electricity, fuel oil and transport fuel to operate our facilities, any increased costs of these energy sources because of new laws could be passed along to our customers, suppliers and us, which could also have a negative impact on our profitability.

7.a.2 Benefit Plan Obligation

At Hindalco, we have long term benefit plans for our employees, for their economic well-being. In India, we are governed by

- Relevant Government Rules and Regulations
- Labour Management Agreements in case of Unionised employees

Provident Fund and Pension/Superannuation are defined contribution schemes and only gratuity is a defined benefit scheme for our purpose.

Short term Employee Benefits are recognized as expenses, as and when these accrue. Long term Employee Benefits and Post-Employment benefits, whether funded or otherwise, are recognized as expenses based on actuarial valuation at the year-end.

Defined Benefit Plan Obligations	Hindalco - India - Corporate (US\$ million)	Novelis (US\$ million)
Present value of Defined Benefit Obligations at the beginning of the year	84.78	1,815
Current Service Cost	5.85	56
Past Service Cost	-	
Interest Cost	6.67	70
Curtailment Cost / (Credit)	-	(8)
Settlement Cost / (Credit)	-	
Plan amendments	-	(94)
Actuarial (Gain) or Loss	3.86	(20)
Benefits paid	(2.79)	(60)
Others		48
Present value of Defined Benefit Obligations at the end of the year	98.37	1,807

Novelis

Novelis has pension and other post retirement plans (OPEB) in 10 countries (Canada, France, Germany, Italy, Malaysia, South Korea, Switzerland, UK, US and Brazil). Most of these pension schemes are defined contribution plans for new hires since 2005 and mostly defined benefit plans for employees who joined prior to 2005. The programs vary by country reflecting the national pension policy. OPEB plans include retiree medical in the US, Canada and Brazil and retiree life insurance in the US and Canada.

We account for our pensions and other postretirement benefits in accordance with Accounting Standards Codification 715, Compensation – Retirement Benefits (ASC 715). Liabilities and expenses for pension plans and other postretirement benefits are determined using actuarial methodologies and incorporate significant assumptions, including the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age, and mortality). These assumptions bear the risk of change as they require significant judgment and they have inherent uncertainties that the management may not be able to control.

The actuarial models use an attribution approach that generally spreads the financial impact of changes to the plan and actuarial assumptions over the average remaining service lives of the employees in the plan. The principle underlying the required attribution approach is that employees render service over their average remaining service lives on a relatively smooth basis and therefore the accounting for benefits earned under the pension or non-pension postretirement benefits plans should follow the same relatively smooth pattern. Changes in the liability due to changes in actuarial assumptions such as discount rate, rate of compensation increases and mortality, as well as annual deviations between what was assumed and what was experienced by the plan are treated as actuarial gains or losses. The gains and losses are initially recorded to "Other comprehensive income" and are subsequently amortized over a period of 15 years or less, which

represent the group's average future service life of the employees or the group's average life expectancy.

The most significant assumption used to calculate pension and other postretirement obligations is the discount rate used to determine the present value of benefits. The discount rate is based on spot rate yield curves and individual bond matching models for pension and other postretirement plans in Canada, United States, United Kingdom, and other Euro zone countries, and on published long-term high quality corporate bond indices in other countries with adjustments made to the index rates based on the duration of the plans' obligations for each country, at the end of each fiscal year. This bond matching approach matches the bond yields with the year-to-year cash flow projections from the actuarial valuation to determine a discount rate that more accurately reflects the timing of the expected payments. The weighted average discount rates used to determine the pension benefit obligation were 4.0%, 3.9%, and 4.4%, and other postretirement benefit obligation were 4.1%, 3.8% and 4.2% as of March 31, 2014, 2013, and 2012, respectively. The weighted average discount rate used to determine the net periodic benefit cost is the rate used to determine the benefit obligation at the end of the previous fiscal year.

As of March 31, 2014, a 0.5% increase in the discount rate, assuming inflation remains unchanged, would result in a \$ 127 million decrease in the pension and other postretirement obligations and a \$ 13 million pre-tax decrease in the net periodic benefit cost in the following year. A 0.5 % decrease in the discount rate as of March 31, 2014, assuming inflation remains unchanged, would result in a \$ 138 million increase in the pension and other post-retirement obligations and \$ 13 million pre-tax increase in the net periodic benefit cost in the following year.

The long term expected return on plan assets is based upon historical experience, expected future performance as well as current and projected investment portfolio diversification. The weighted average expected return on plan assets was 6.3 % for 2014, 6.4 % for 2013, and 6.7 % for 2012. The expected return on assets is a

long-term assumption whose accuracy can only be measured over a long period based on past experience. A variation in the expected return on assets of 0.5 % as of March 31, 2014 would result in a pre-tax variation of approximately \$ 6 million in the net periodic benefit cost in the following year.

Local Presence

Our business spread across vast geography and involving different stakeholders, takes us to work with a variety of suppliers and vendors. We currently do not have any policy on local suppliers. We believe in conducting business with a globally competitive vendor, who can consistently deliver quality. It is imperative to ensure our quality and for us to deliver our services diligently. We however, do encourage our local suppliers and contribute to their development and capacity building. This has acted as a cost optimization measure and gives us greater control over our supply chain. Close engagement with our suppliers who are also our neighbours benefits us in the short and long term. We currently have no tracking mechanism to measure the percentage spent on procuring locally. However, we can contend it to be a significant amount. We are in the process of recording such figures in the coming years.

Similar to our vendor management, we do not have any preferential policy for local resources in our recruitment process. We consider education, training in relevant fields and experience while recruiting people, who best fit our requirements. We currently do not have the data regarding the percentage of local hires at significant sites of operation. However, we are working to incorporate a system to feed in the numbers. We abide by stipulated regulations as directed by the local authorities while recruiting. We however, have standardized wages system and pay minimum wages as prescribed by the local authorities. We do not discriminate on the basis of gender and therefore, irrespective of gender, the same remuneration is offered for any given position.

Indirect Economic Impact

As a part of our Corporate Social Responsibility (CSR), we work on developing the local regions where we operate. We work on overall growth and create a positive impact on the society leading to a sustainable development. Through our CSR engagement, we work in the fields of healthcare, education, sustainable livelihood projects, infrastructure development and social reform. The impact of our CSR activities is discussed further in the “Engaging Communities for a better future” section.



7. Steering Sustainability

b. Resource Stewardship



Resource Stewardship

Hindalco has undertaken a holistic approach to address resource sustainability



Sustainable Mining

Hindalco has presence around the globe in different countries



Recycling

Our subsidiary, Novelis is enroute a target to reach 80% recycled raw materials



Almost 99% of the energy utilised at Hindalco is captive



Greenbelt management practiced to reduce pollution and conserve environment



Majority of our units are zero-discharge sites



Emission intensity is consistent despite addition of capacity



Emissions are monitored to ensure ambient air quality



Responsible waste management to ensure zero harm to environment



BIO diversity management plan for 5 mining sites developed

7.b Resource Stewardship

Resource sustainability in the minerals and metals sector is a key challenge. We have undertaken a holistic approach to address the multi-dimensional facets of resource sustainability, which reflects the material issues faced by us throughout the value chain. Starting from sustainable mining practices to ensuring long-term access to our raw material requirements, we ensure that our approach is sustainable and takes into account stakeholder interests. While we continue to serve the increased demands of the society for sustainable metals, we also understand that operational efficiencies and technological advances are important towards efficient use of raw materials. For ensuring resource sustainability, we have defined management responsibilities, systems and performance indicators for each of the resources.

In India, our captive bauxite mines in Jharkhand, Chhattisgarh, Maharashtra and Odisha provide the raw material to our alumina refineries located at Belgaum in Karnataka, Muri in Jharkhand, Utkal in Odisha and Renukoot in Uttar Pradesh. The objective is to seek continual improvement in our environmental performance through sustainable mining practices such as:

- Management systems and assessment tools
 - Impact identification and assessment,

baseline studies, action plans for biodiversity protection

- Management of mining waste, sustainable ore extraction and processing
- Water resources management
 - Preserving natural water bodies, addressing water scarcity, reducing water pollution, and supporting competing uses
- Mined area rehabilitation and closure.

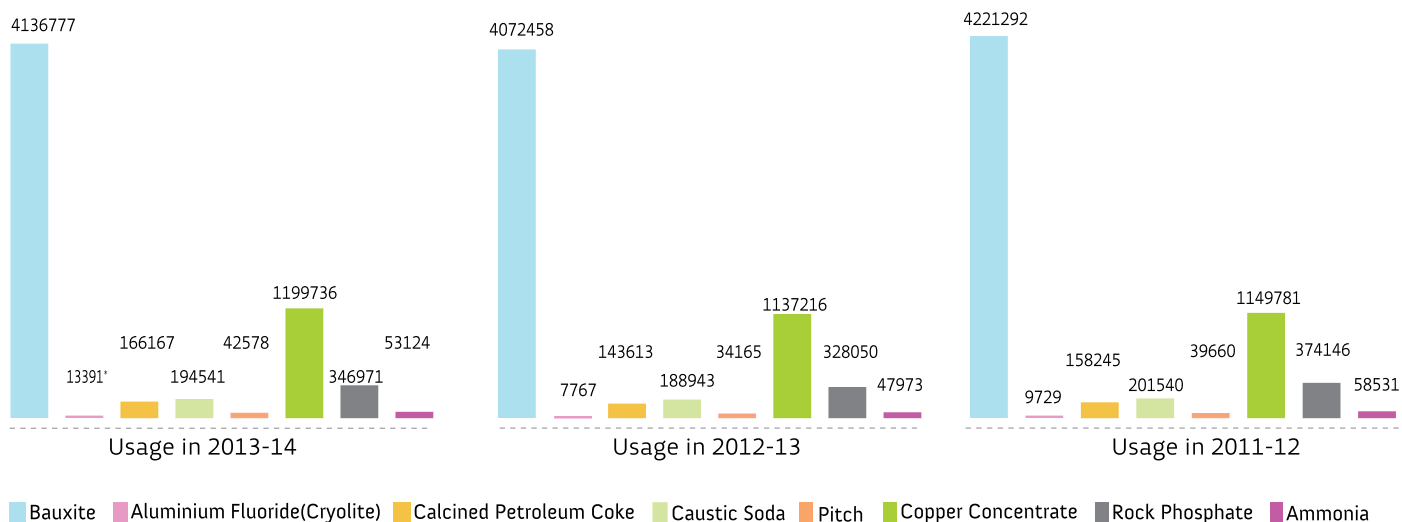
While captive mines form a major part in meeting the ore requirements in the aluminium sector, we also source a part of our requirements from other mines globally. In case of copper, our subsidiary ABML with mines in Nifty and Mt Gordon, Australia provides for 30% of the copper concentrate requirements for our copper smelter at Dahej, Gujarat, India. Our strategy has been to have a good mix of captive sources as well as long-term sourcing relationships with raw material suppliers based on productivity, cost and sustainability parameters. We do not have any artisanal or small scale outsourced mining activities.

We believe that efficiency and collaboration throughout the supply chain is essential in responding to the risk of raw material scarcity. We enter into long-term supply agreements to source our key process materials such as coal tar pitch, carbon anodes, and cryolite so as to reduce the risk of operational disruptions.

7.b .1 Materials Usage

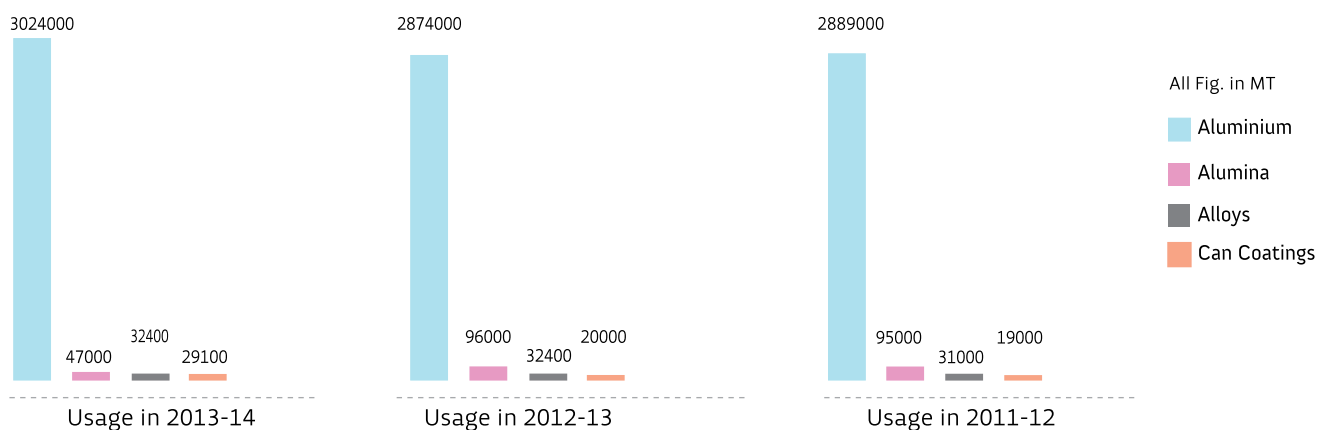
Hindalco – Aluminium and Copper

All Fig. in MT

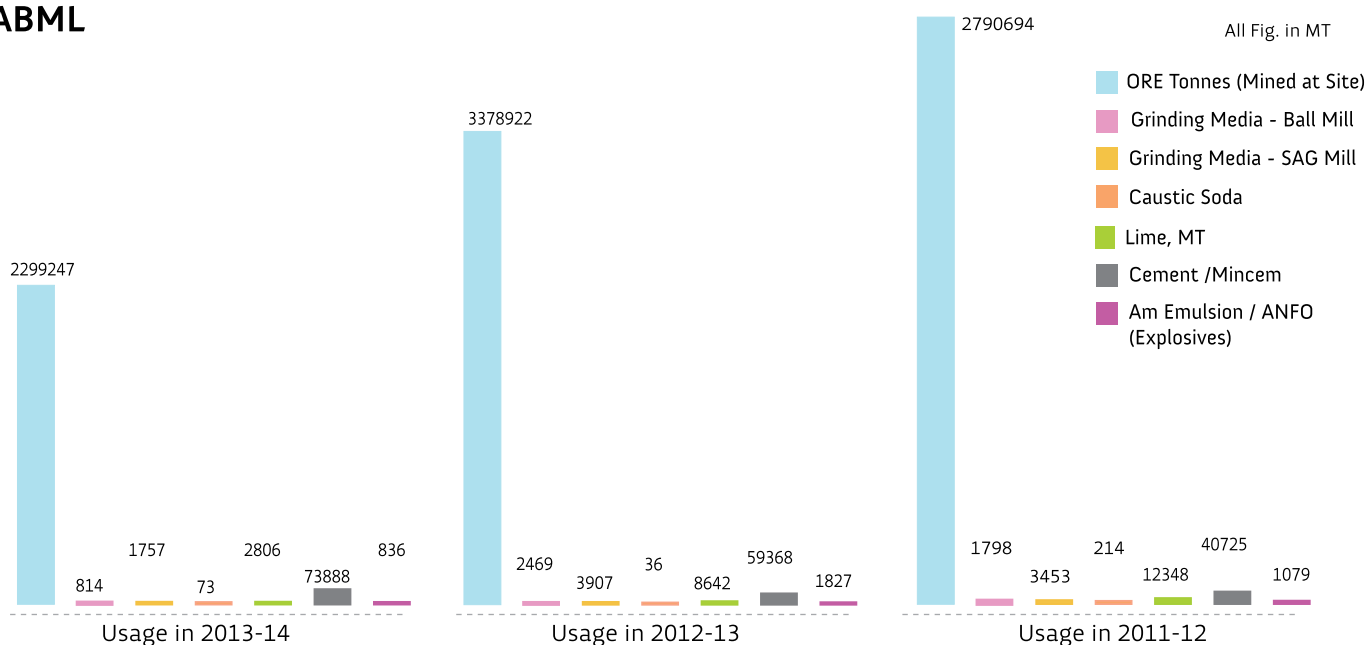


*Increased consumption due to commissioning of new projects

Novelis



ABML



7.b.2 Recycling

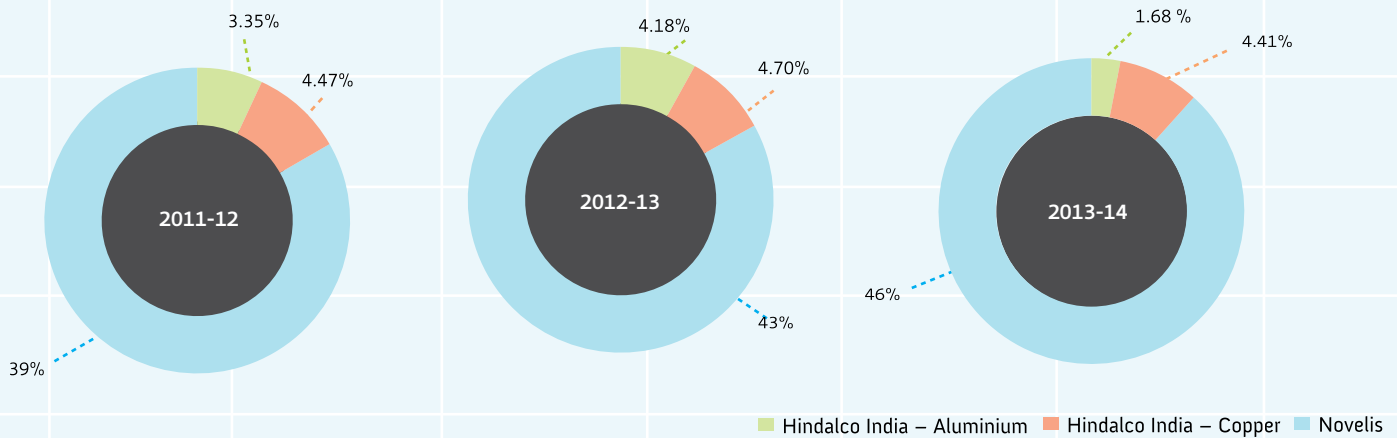
Recycling of aluminium and copper greatly reduces energy and environmental impacts and closes the material loop thus contributing to Resource Sustainability. Aluminium can be recycled multiple times without degradation in quality. Aluminium recycling requires 95 percent less energy than virgin metal.

Hindalco utilizes the waste generated in the form of scrap in the manufacturing process. Added to this, Hindalco is attempting to bring the used metal back from the customer. Considering Hindalco's product portfolio and markets, the efforts and achievement are promising start to harness the recycling potential of aluminium in the markets and

geographies of Hindalco. There has been a slow but steady increase in the amount of recycled metal, which is coming into the production process and we hope to see a significant amount of growth in the near future.

Novelis, has taken major initiatives in reaching its target of reaching 80% recycled input material by 2020. In 2013-14, Novelis recorded 46% recycled input material, keeping it well on track to achieve its target. It also announced the commercial debut of evercan™ high recycled-content aluminium beverage can sheet. Novelis has invested in major recycling initiatives, including advanced equipment and technology to process diversified scrap inputs, which will enable the company to achieve recycled content of 50% in its products by 2015.

Percentage of Scrap Recycled



7.b.3 Energy

Hindalco, being a manufacturing and process – oriented industry has a high energy footprint. Energy management, therefore, forms an integral part of the key focus areas for the business. Energy intensity is one of the material indicators for Hindalco’s business sustainability. Significant amount of our power requirements are met through our captive power plants. The energy produced by captive power plant is utilized for our aluminium and copper plants.

Hindalco is focused more aggressively than ever before to set benchmark standards in the utilization of energy and the use of alternate forms of energy. Our definitive energy policy, along with robust Energy Management Organization structure, provides guidelines to channelize efforts towards improving energy efficiency. Each unit with its trained professionals follows a Top Down & Bottom Up approach to mobilize & implement energy saving measures. Walk-Through & detailed Energy Audits, Quality Circles, WCM Committees, Energy Conservation Month, Suggestion Scheme are some among many efforts at Plant level towards energy efficiency. Through Suggestion Scheme employees are encouraged, recognized & suitably rewarded to come up with energy savings ideas. All these measures ensure increased participation across the hierarchy.

Each unit of Hindalco has dedicated Energy Cells with Energy Manager / Energy Auditor Certified by “Bureau of Energy Efficiency”. This workforce is responsible for planning energy conservation initiatives, track latest technological developments in the field of energy conservation and to explore Renewable & Eco-friendly sources of energy.

They review and recommend suggestions for implementing such initiatives with the objective of increasing Energy productivity and reducing the impact on environment.

The Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India has introduced PAT (Perform, Achieve & Trade) Scheme that sets mandatory target of energy intensity for identified units for the period 2012-15. Five units of Hindalco are covered under the PAT Scheme. Under this scheme companies achieving Specific Energy Consumption lower than the target set for FY 12-15 would be eligible for tradable E-Certificates where as those unable to achieve would have to buy Certificates or incur penalties. To generate E-Certificates and thereby move closer to our goal of attaining high energy efficiency standards (SEC ranging from 89.07 GJ/T to 88.50 GJ/T for Al & 10.45 GJ/T to 10.06 GJ/T for Cu), the Company has put dedicated teams to monitor and implement measures.

Hindalco, and its subsidiaries are continuously working to reduce the energy consumption in our operations. We are implementing energy-saving programs for all our processes and monitoring the consumption consistently. We are installing latest energy saving technologies wherever possible to conserve energy. For details regarding the steps taken for energy conservation, kindly visit Hindalco’s Annual Report 13-14, Director’s Report (Annexure B).

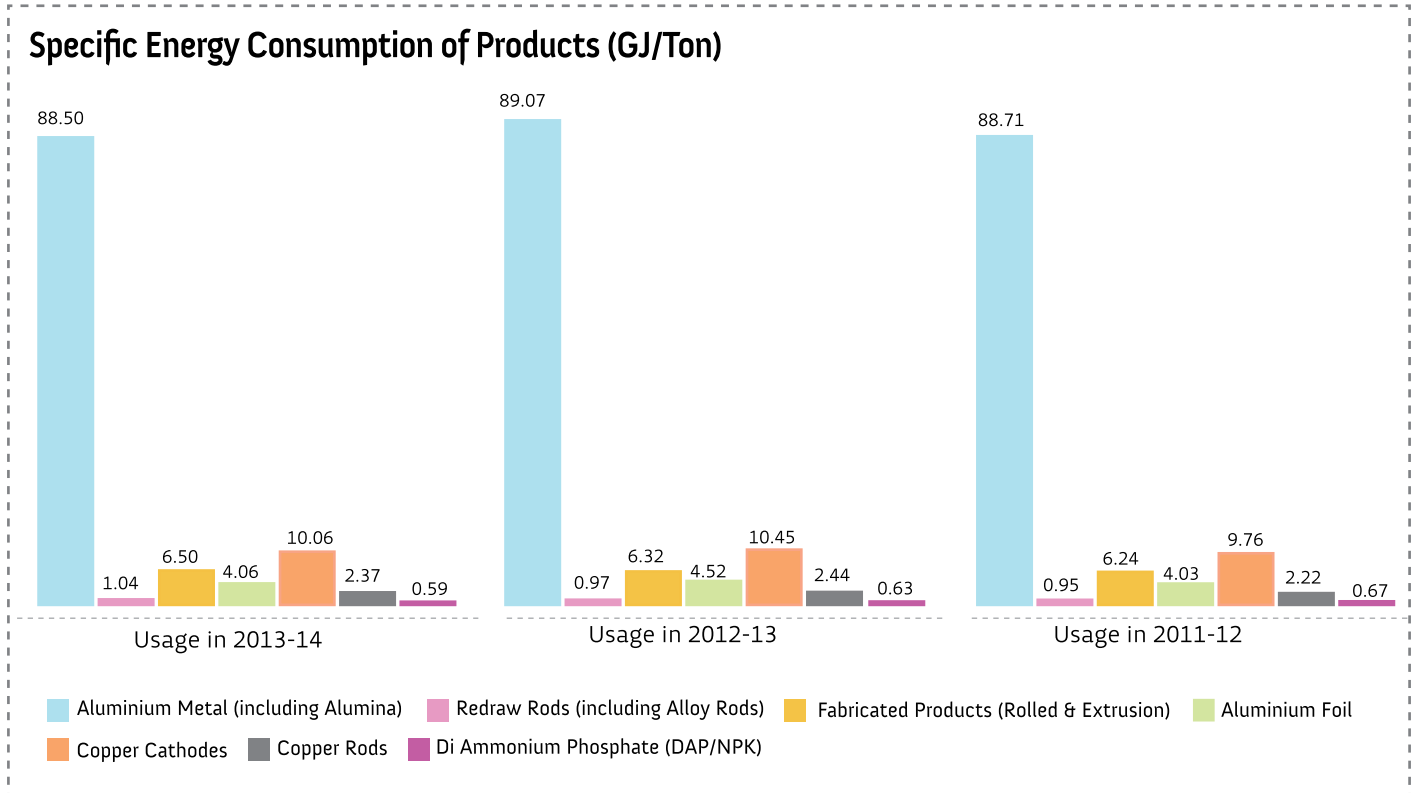
Novelis, our 100 % subsidiary, has taken up energy intensity target, to reduce their energy intensity by 39% by 2020 from their FY 07-08 average baseline. By the end of FY 14, Novelis’ energy intensity has decreased 24% compared to the baseline, where in FY 14 alone they managed to decrease it by 5%.

7.b.3.1 Direct Energy

We use multiple sources of energy in our operations according to the need and availability of the source and with a specific focus on procuring clean energy. Hindalco's direct energy consumption in FY 13-14 was 161.15 million Giga-Joules (GJ). Out of this, a Hindalco Aluminium account for 149.03 million GJ,

and Copper is at 12.12 million GJ. The direct energy consumption for Novelis in FY 13-14 was 19.52 million GJ.

The spike in direct energy consumption by Hindalco Aluminium was due to the addition of capacity this year. Three Greenfield projects have increased the total output of Hindalco by adding to the direct energy consumption.

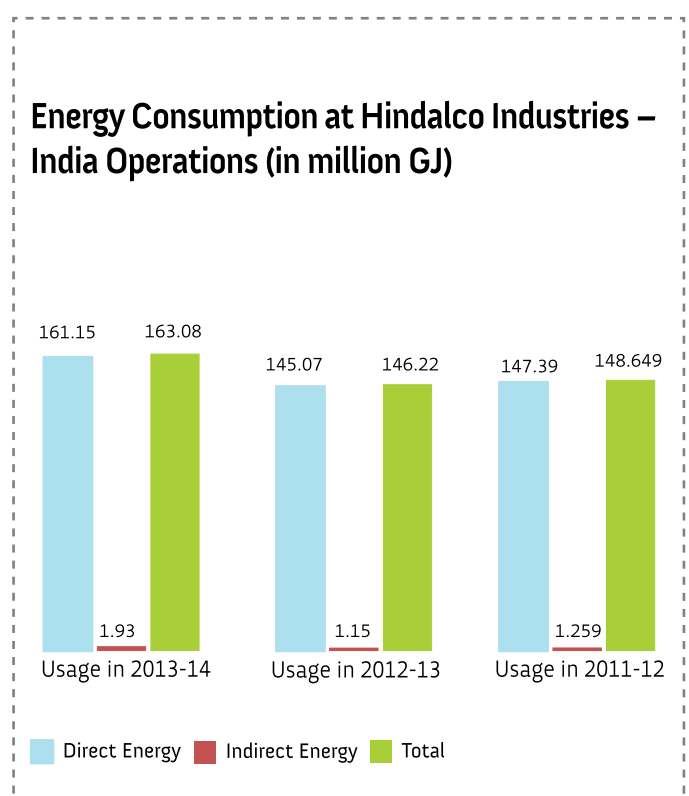


7.b.3.2 Indirect Energy

Indirect energy includes the electricity sourced from the grid and steam procured for the Alumina production process. The indirect energy acquired for Hindalco constituted about 1.20% of the total energy consumption at Hindalco Industries.

The indirect energy consumption of Novelis for 2013-14 was 7.961 million GJ, which is about 7% lower than its indirect energy consumption in 2012-13. The decreased energy consumption is in line with their 2020 target.

ABML has managed to reduce their energy consumption by 23%, where in the total consumption amounted to 1.924 million GJ. The indirect energy produced at ABML is about 2.03 % of the total energy consumed.



7.b.3.3 Greenhouse Gas Emissions

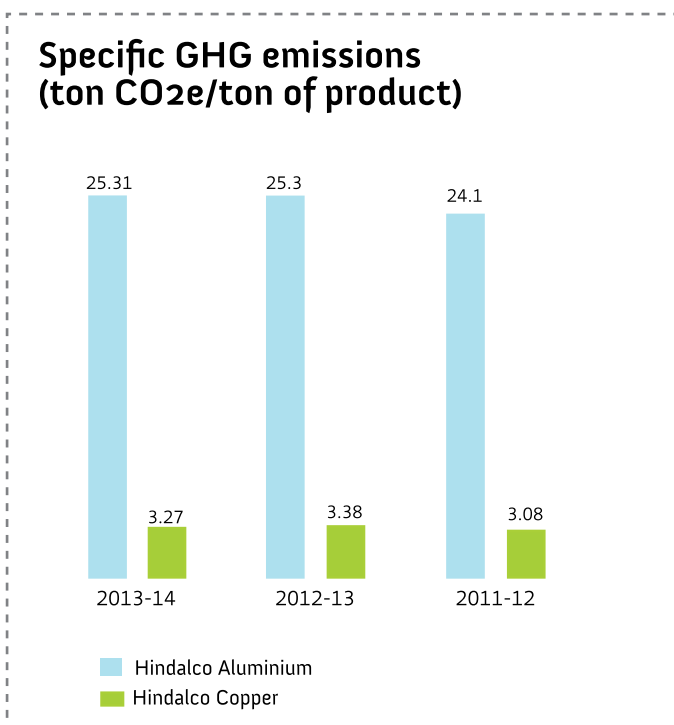
Hindalco, with a vertically integrated manufacturing chain structure has multiple sources of emissions. The sources include primary energy production and consumption at the captive coal power plants, smelter operations, purchased energy and both purchased & generated steam emissions. Hindalco tracks the GHG emissions from Scope 1 and Scope 2

currently. A mechanism is being planned to track and report Scope 3 emissions in the future.

The total Scope 1 emissions of Hindalco Industries for 2013-14 stood at 16.15 million tons CO₂e, whereas the Scope 2 emission for the same period is 0.43 million tons CO₂e. The increased emissions are a result of the capacity addition. However, Hindalco has been able to reduce the emission intensity marginally in spite of the additional capacity and operations.

GHG emissions at Hindalco Industries (million tons CO₂e)

Operations		2013-14	2012-13	2011-12
Hindalco Aluminium	Scope 1	15.086	13.458	13.566
	Scope 2	0.423	0.254	0.275
Hindalco Copper	Scope 1	1.070	1.058	0.992
	Scope 2	0.007	0.008	0.023
Novelis	Scope 1	1.023	1.139	1.153
	Scope 2	0.839	0.923	0.844
ABML	Scope 1	0.082	0.100	0.096
	Scope 2	0.006	0.004	0.005



Novelis have managed to reduce their GHG emission intensity by 4% in 2013-14 and have reduced their absolute GHG emissions by 17% since their baseline (FY 07-09 average). The reduction in emissions is attributed to the reduced purchases of primary aluminium by Novelis. Also, the reduced emissions are seen significantly in FY14 through energy-efficiency efforts and switching from fuel oil to natural gas.

ABML has managed to cut down a sizeable amount of their GHG emissions, with a decrease of 18% over the previous year. A remarkable decrease in the emissions has been from the Scope 2, which has reduced from 36,601 MT to 6,011 MT, showing a reduction by a massive 84%.

7.b.4 Environment Management

In our business, managing environment is a continual effort to improve performance. Hindalco, through consistent interventions in the technology i.e., introduction of state-of-the-art technologies & equipment, introduction of new environment monitoring systems and adaptation of best practices and stringent targets, strives to traverse this ascending curve.

Barring a few, our other manufacturing units practice ISO-9001:2008 (QMS), ISO-14001:2004 (EMS) and OHSAS -18001:2007 (OHS) Management Systems. Plant level environment management personnel work in close coordination with our corporate environmental management team and our corporate legal monitoring department to ensure implementation of pollution prevention measures and compliance with all applicable regulatory requirements. In 2013-14, the design, development and implementation of an Integrated Management System covering environmental (and quality) performance has been completed at the Mouda facility; and work is in progress at the Hirakud Flat Rolled Products, Aditya Aluminium and Mahan Aluminium operations.

Hindalco continues to be a member of the TERI Business Council for Sustainable Development (BCSD), a national level body having initiatives in climate protection, emission reduction and efficient use of resources; so as to be fully aware of the state-of-the-art industry practices in the field of environment & energy management.

7.b.4.1 Novelis

Novelis, is in the process of transforming the business model from a traditional linear one to a closed-loop and low-carbon model, driven by the ambition to reach 80% recycled input by 2020. Recycled aluminium avoids 95% of the energy use and greenhouse gas emissions associated with primary aluminium production. Consequently, Novelis believes that realizing the full sustainability potential of aluminium depends on the industry decreasing its reliance on primary aluminium by shifting toward recycled

aluminium as the predominant input. Doing so will dramatically reduce Novelis' and the industry's carbon footprint, as well as production costs, and increase the security of supply.

When Novelis reaches the target of 80% recycled inputs, it will eliminate 10 million metric tons of GHGs from the aluminium production chain cutting its absolute Scope 1, 2 and 3 emissions by half.

As part of its effort to become the low-carbon leader in the industry, in 2014, Novelis joined the World Wildlife Fund (WWF) Climate Savers Program, an exclusive initiative of the WWF to encourage companies reduce their operational carbon footprint and act as agents of change within their sphere of influence. Following a rigorous review of Novelis' strategy, policies and commitments related to carbon, the WWF accepted Novelis into the program making it the only metals company to be accepted to date.

7.b.5 Water

Hindalco, for its mining and manufacturing operations, draws significant amount of water from variety of sources. These sources also have other anthropogenic and ecological competing uses and impacts. In view of this, water management is accorded highest priority at Hindalco, and significant measures are taken to optimize and reduce the consumption of water continually. We adopt two pronged approach to address water resource risks and management:

- Protect/Augment existing water sources or/ and create new water sources/storages
- Reduce/Recycle/Reuse water

Accordingly, most of our manufacturing units have adopted zero discharge concept by setting up state-of-the-art facilities to increase processing, reuse and recycle of waste water.

At the Belgaum Alumina plant, the process wastewater from the plant is channelized into the holding lagoon/pond. The holding pond acts as a natural water harvesting and settling tank. The water from this pond is then reused in the plant. Quantity of water recycled in 2013-14 was 680 m³/day (30 % increase in the quantity recycled over last year).

At Birla Copper, Dahej, a new sewage treatment plant based on Membrane Bioreactor Technology was installed and commissioned this year. Membrane Bioreactor Technology offers operational and economic advantages compared to conventional wastewater treatment plants.

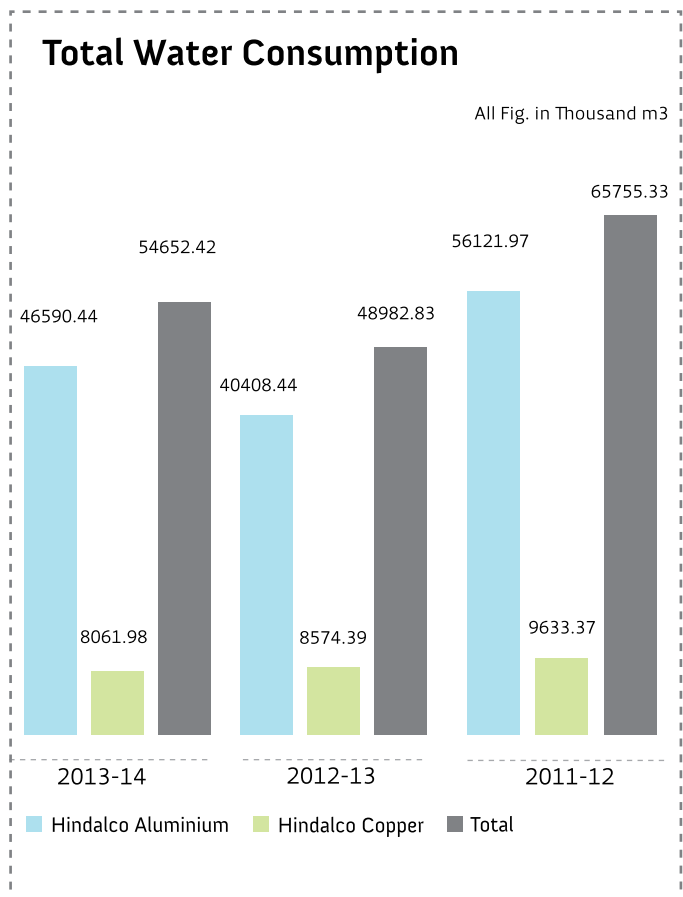
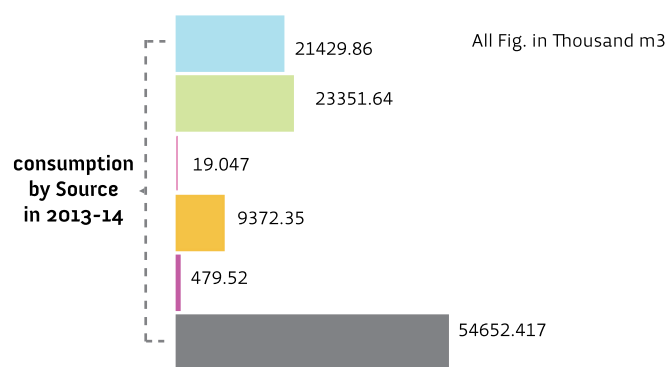
At the Renukoot Complex, all industrial and domestic effluent streams are treated to bring water quality well within the state Pollution Control Board norms. All treated effluent and some domestic effluent is recycled back for process and horticulture use. At Renusagar, a state-of-art effluent treatment plant, sewage treatment plant, and ash water recovery plant are in operation and all treated effluent is reused in plant operation as well as for horticulture.

The green field complex at Aditya Aluminium, Odisha has provided opportunity to reconfirm our commitment to environment by adopting the best available practices for water management. In view of the environmental stipulations in the industry-clustered region of Jharsuguda/Sambalpur/Ib-valley region in Odisha, and restriction on water intake from Hirakud Dam, measures have been taken to recycle, reuse & recover the wastewater. In addition, state-of-art facilities have been built for the treatment of storm water in four months of monsoon to prevent ground water contamination.

In addition, the Aditya Aluminium complex has taken up state-of-art environmental practices such as rain water storage capacities of guard ponds (65000 cum) for 7 days storage; common sewage water treatment plant for smelter and power plants and a separate sewage treatment plant (under construction) for townships to facilitate the reuse of treated water for dust suppression, gardening etc; setting up a high concentration slurry disposal system for disposal of fly ash and bottom ash with low water intensity; and extensive rain water harvesting scheme under implementation in township to recharge the ground water aquifer.

Our Muri plant that suffered from water scarcity in recent past, has adopted recycling of treated water from the effluent treatment plant to alumina production process, leading to zero effluent discharge from the plant. Through

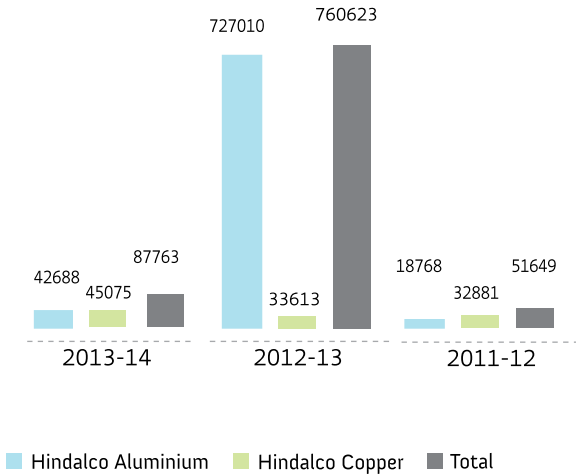
continuous efforts, Muri Plant has brought down the consumption of fresh water by 11% over the previous year.



The current water consumption at Hindalco has increased over the previous year due to the increased capacity addition of our Greenfield projects. The water consumption has increased by about 12% over the past year.

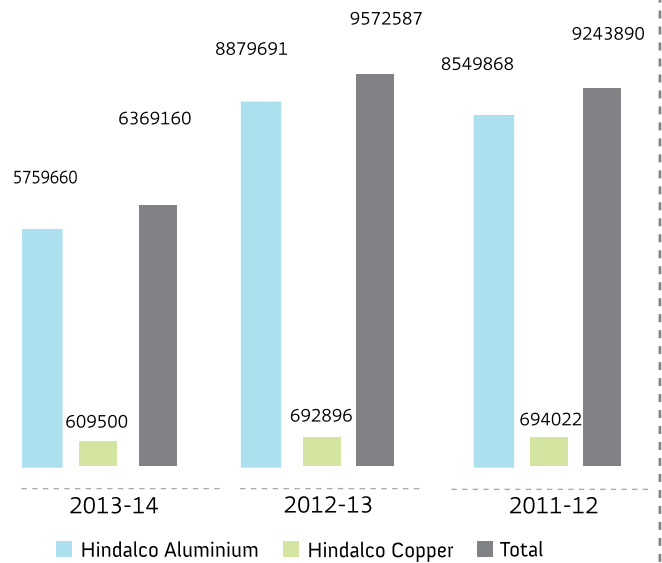
Effluent Discharged

All Fig. in m3



Water Recycled

All Fig. in m3



The percentage of water recycled at Hindalco Aluminium and Copper this year stand at 12.3% and 7.6% respectively.

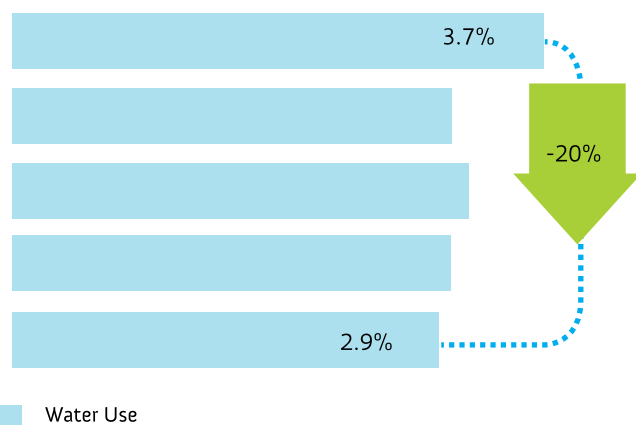
7.b.5.1 Novelis

Novelis has comparatively lower water intensity in its processes when compared to other manufacturing industries. However, optimization of consumption is important due to global water scarcity.

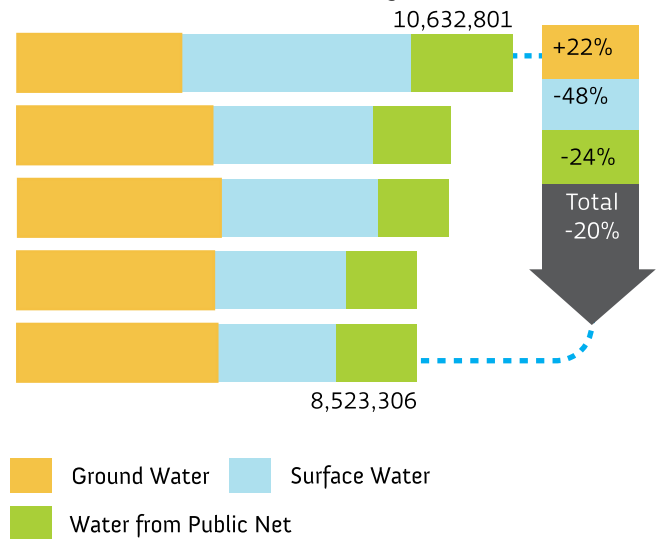
Novelis has set a goal to reduce water use intensity by 25% by 2020. As of the end of FY14,

compared to the baseline (2007-09 average), Novelis has reduced water use intensity by 20%, which puts it on track to achieve the 25% goal. In FY14 alone, there was a decrease in water use intensity by 4%. From FY13 to FY14, absolute water usage was relatively flat; however it is down 20% since the baseline.

Water use Intensity (in m3/MT FRP sales)



Water Withdrawals (in m3)



The progress to date, in part, is due to water efficiency improvements throughout the operations, including: establishing cleaning practices and schedules for cooling towers, regularly cleaning and inspecting boilers, repairing

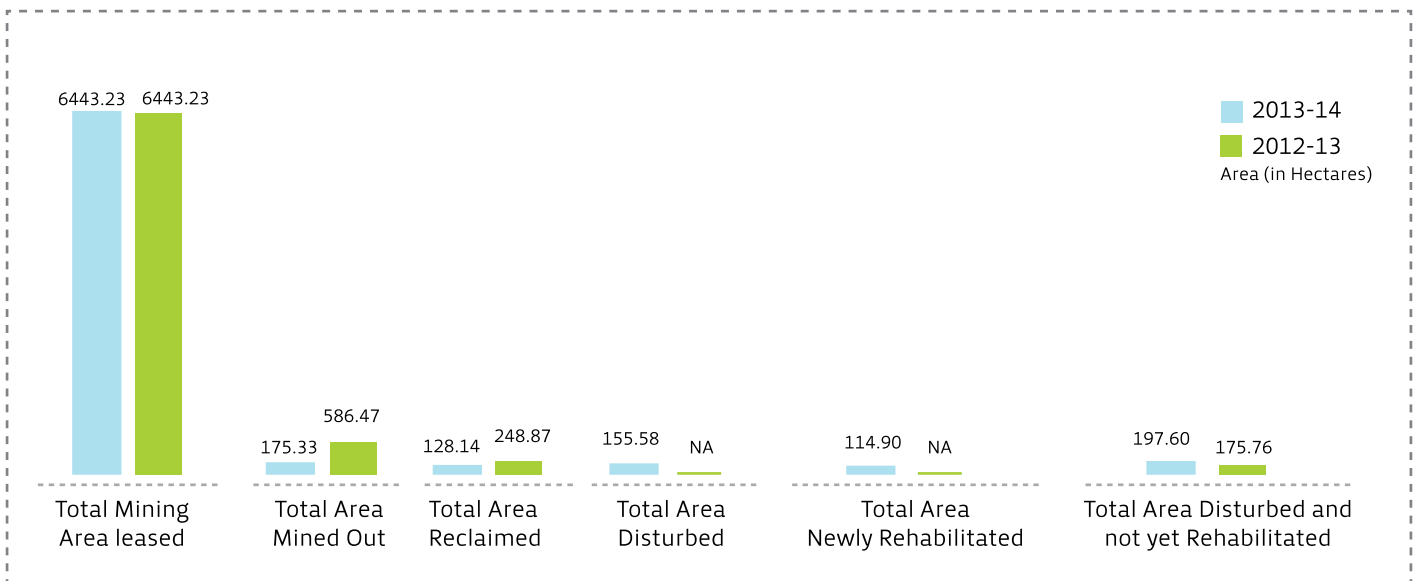
leaking water pipes, upgrading to chemical feed systems for water treatment, installing metering and valving systems, and installing temperature monitoring to control cooling operations.

7.b.6 Biodiversity

Hindalco operates in diverse ecosystems and understands that impacts caused by its operations need to be minimized and a strong focus must be on conservation of the environment.

Keeping in line with the environment clearance conditions of our mines, Hindalco has set up facilities to ensure protection of bio-diversity. The mine lease areas are being fenced to restrict trespassing from and to the adjoining forest areas. Massive plantation activities are

carried out around the mine lease area that will attenuate noise impact, reduce dust pollution, increase green cover, retain soil cover and reduce soil erosion. The mine lease area has garland drains and dykes for reduction of spoil intrusion in water bodies. Restoration of mine area is being carried out with proper slope, drainage and plantation of appropriate native species. A volunteer task force is formed for patrolling the forests in collaboration with local forest department. We cooperate and assist activities by the local forest regulator and developer in conservation.



A total of 5 sites, Durgamwadi, Dhangarwadi, Samri, Tatijharia and Kudag, were identified that require biodiversity management plan. For each of these sites, ecology/wildlife conservation plans have been developed which the concerned forest regulator and developer has approved.

The biodiversity conservation plans primary focus is—

- To provide a comprehensive plan covering all forms like genetic, species and ecosystem diversity.

- To provide awareness programme highlighting the importance of wildlife.

- To establish inventory of flora and fauna in the area.

- Special efforts for conservation of plant/animal species affected by the project.

To maintain a sustainable approach between mining activities and biodiversity conservation.

7.b.6.1 Greenbelt Management

Green belt development and maintenance is an important activity to ensure the quality of air in our various manufacturing sites and in the colonies. In Aditya Aluminium, Lapanga, Orissa, greenbelt development plan & scheme was an integral part of the overall project plan that resulted in planting of around 93,000 plants inside the smelter & CPP complex. A plant-nursery is under development for 140,000 plants inside the factory premises for greenbelt development. Efforts are being made to conserve the local biodiversity by means of transplantation from degraded site to a green belt site.

Under the green belt strengthening initiative, the Belgaum site has developed plantations over 2.5 hectares (ha) with local species; over 8000 saplings of cloned Nilgiri were planted during the year. Hirakud FRP Brownfield plant developed 2.96 ha with 2,400 trees. Hirakud

smelter complex has developed a green zone with 61,080 trees. A green belt with a sprawling 117 ha nurtured with 340,000 trees, lends a unique ambience to the Dahej copper complex. Watering of green belt near Effluent Treatment Plant (ETP), Water Treatment Plant (WTP) and water reservoir area are done using treated effluent from main ETP and sewage treatment plant. Green belt helps to arrest fugitive emission and control dust pollution. It also acts as a windbreak and provides aesthetic value.

At the Muri Alumina plant, over 5,000 saplings of Seesham, Neem, Banyan, Chatni, Ashok, Saagwan and 1,000 cuttings of rose have been planted. A dedicated water line of about 450 mtr length has been installed to use plant wastewater for this belt. In the abandoned residual waste disposal area in Muri, a rose & Tulsi garden has been developed. The green belt developed in the abandoned area acts as a medium of filter of pollutants, improves the quality of air and the aesthetic beauty of the surrounding area.

Mines pose a unique problem and opportunity for greenbelt development. In the mines associated with Renukoot complex, over 28,000 trees have been planted during 2013-14. In certain reclaimed area, cultivation of potato, maize, raagi is also being tested.

7.b.6 Emissions and Waste

7.b.6.1 Emissions Management

In order to address climate change, we make all efforts to mitigate GHG emissions at most of our units and operations. Most of our units monitor and measure direct and indirect GHG emissions. At Hindalco, it is a prevalent practice

to monitor and control non GHG emissions to ensure no harm to the environment. To monitor the ambient air quality, at the boundary and in the vicinity of the plants, most of the units have installed continuous automatic ambient air quality monitoring stations. Such installations are legally mandatory as per the environmental clearance conditions and also help in proactively monitoring any deviations in ambient air quality on account of any plant disruptions.

Some of the steps taken at out plants to monitor and control such non GHG emissions include -

The Hirakud Smelter has installed state-of-the-art instrument for on-line monitoring of fluoride concentrations in the stacks to ensure monitoring of any process disruptions and to enable initiation of immediate corrective action to control any emission from the smelter.

Renusagar Power Plant has initiated installation and commissioning of state-of-the-art belt pipe conveyer system for transportation of coal from National Coalfields, Krishnashilla mines to our power plant. This eco-friendly technology not only minimizes the need to destroy forests for building ground transportation system, but also minimizes any coal dust emission arising out of conventional coal transportation.

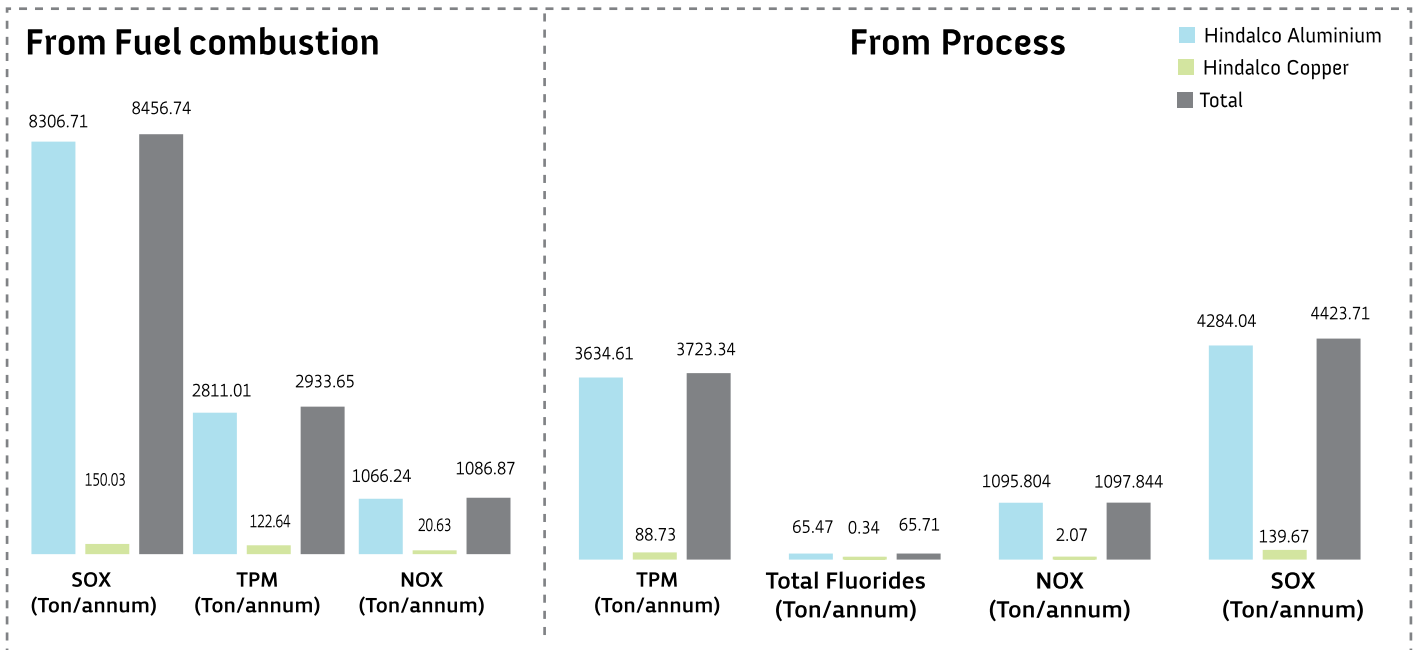
In the new calciner and boiler at Muri Alumina plant, an electrostatic precipitator with cyclone systems and state-of-the-art process monitoring & control systems have been installed to control emission quality. Also, a continuous online emission monitoring system has been installed.



7.b.6.2 Air Emissions

Hindalco tracks air emissions in order to consistently work towards reducing our impact on the environment and the society.

The air emissions monitored in the reporting year are as below.



Novelis has reported its total non GHG air emissions of 4,168 MT in 2013-14. The number is almost 26% lesser than what was recorded the previous year i.e. 5,647 MT.

Ozone Depleting Substances – Hindalco / Novelis Operations

ODS	Amount (Tonnes)
R22	0.3489
R12	0.71
R134A	0.005
R407	0.045
Novelis-ODS	1.6
Novelis CFC	0.09

7.b.6.3 Waste Management

Hindalco, as a part of its sustainability endeavor has set up a platform program called value-from-waste.

A number of projects to explore the potential to unlock value from process wastes, have been undertaken. The projects are at concept or pilot stages and are likely to deliver a pipeline of value-from-waste technologies over 3-4 years.

It is an established alumina industry practice to discard the red mud (bauxite residue) in residue ponds. In Belgaum alumina plant, the bauxite residue has been sent to the cement industry for the last few years.

During the year 2013-14, 60,000 metric tons of red mud was given to various customers for reuse in their process. The granulated slag from our copper smelter plants in Dahej is an inert Ferro-silicate compound and has been used for road construction in place of sand for the

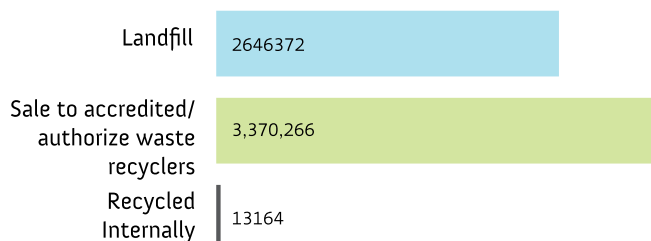
surface layer of the road. The slag is also used in civil construction work and also as a source of abrasive material for sand blasting applications in place of river bed sand. Phosphogypsum from the phosphoric acid plant contains calcium sulphate and other minor constituents. Besides the established application of this phosphogypsum waste in cement and in production of Plaster of Paris, gypsum boards, etc, thus offering an alternative to natural gypsum, other novel application for the use of phosphogypsum as soil conditioner in salty lands has been explored with the Gujarat Agriculture University and was

approved by the Director of Agriculture, Govt. of Gujarat during the year. Renukoot plant has pioneered the recycling of spent pot lining to produce cryolite for its internal consumption requirements.

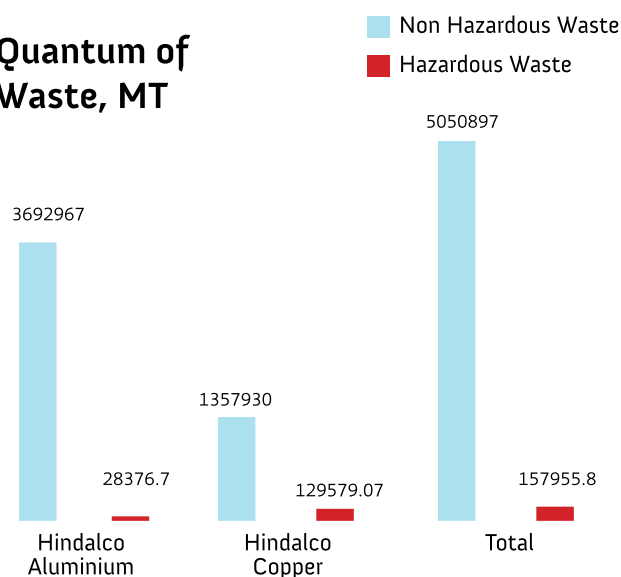
The waste generated at Hindalco consists of both hazardous waste and non-hazardous waste. The disposal mechanism is dependent on the kind of waste and there is strict adherence to the laws of the local pollution control board.

Non-hazardous waste would include bauxite residue, granulated slag, aluminium dross, wooden scrap, canteen waste etc.

Waste Disposal by Destination, MT (Hindalco India Operations)



Quantum of Waste, MT



The non-hazardous waste generated at ABML mainly consists of tires, conveyor belts and mill liners. The tire and conveyor belts are either recycled or buried on site with the approval of the local regulators. The mill liners are all recycled for further use.

At ABML, the Hazardous waste is in the form of Tailings and Acidic mine water. A total of 790,045 MT of tailings were generated at the two sites of ABML, Mt. Gordon and Nifty. The tailings are disposed at regulated Tailings Storage Facilities at both the sites.

The acidic mine water is stored in the Esperanza Open Pit at Mt. Gordon. As of 31st March 2014, the amount of mine water in storage was at 4,164 ML. ABML treats the mine water as per the local regulation and releases it as per the local court order. In 2013-14, about 326 ML of mine water was treated and discharged.

7.b.6.3.1 Novelis

Novelis, meanwhile has managed to recycle 77% of all the waste it generated in FY14. They generated a total of 273,519 MT of waste material which is about 16% higher than last year due to the construction activity as a result of capacity addition. A major reason for this is because of higher dross and non-dross waste.

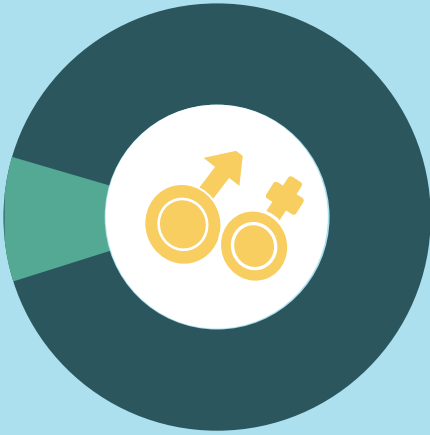
Novelis has a goal of zero waste to landfill by 2020. To accomplish this, they are working diligently to reduce waste generation and find feasible recycling solutions for wastes that currently have limited markets. In order to develop solutions for these wastes, both operational and research and development experts have been engaged.

7. Steering Sustainability

c. People & Diversity



People and Diversity



Hindalco - India - Employee classification by category



Employee Engagement



90 %
Employee covered by collective bargaining



708635.50
man hours training provided



6.5%
Women representation in management staff

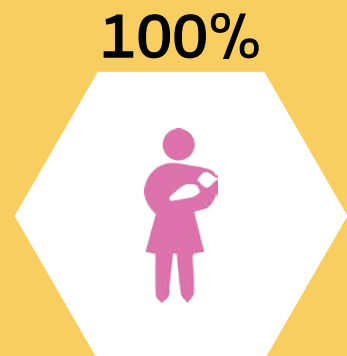
Salient Points



Hindalco abides by UNGC Principles



management & staff provided training opportunities



Who took maternity leave were reinstated

7.c People & Diversity

7.c.1 Human Capital

Hindalco has a global workforce operating in 11 countries having 51 units with a workforce comprising of over 15 nationalities. Hindalco India's employee strength in 2013-14 was 23,330. Novelis, has an employee count of 11,410 and ABML with 445 people.

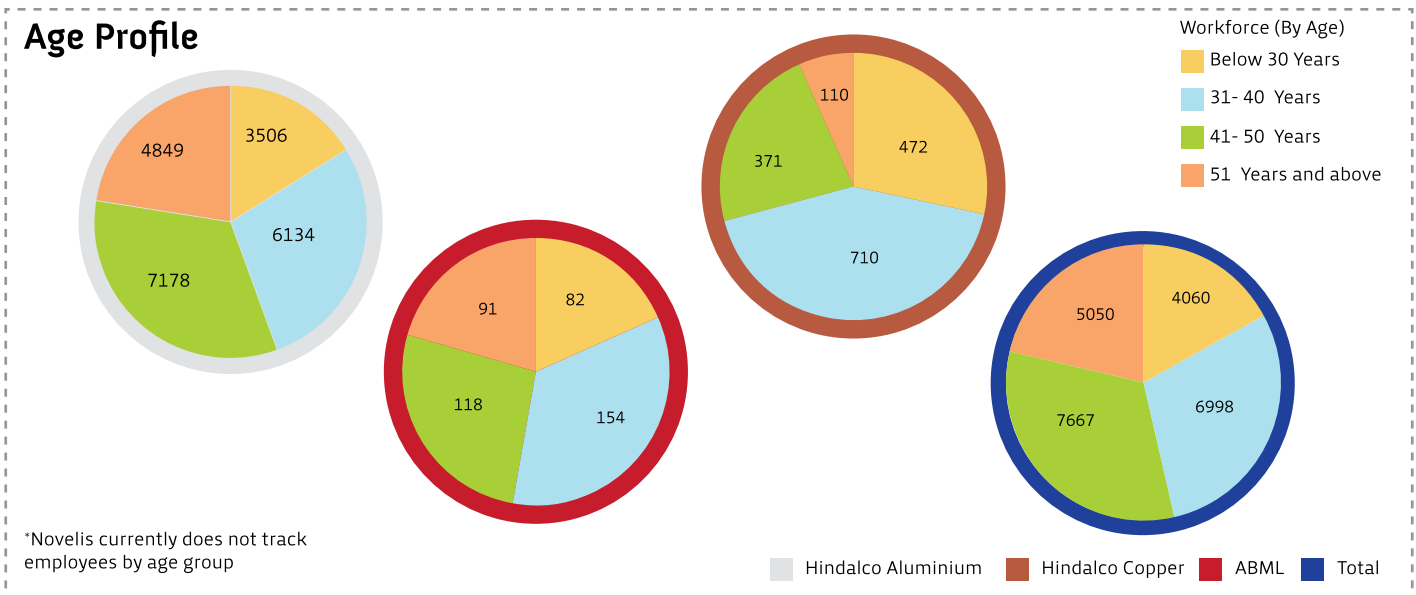
Hindalco is a multi-ethnic and multi-competency group operating in diverse business functions. At the core of our diversity policies is the recognition that teams comprising employees from different cultures and backgrounds contribute valuable understanding of complex international markets and deliver better results. We provide an equal and merit based employment opportunity to all employees and applicants without regard to

race, colour, religion, gender, age, disability or any other protected status in recruitment, hiring, compensation, promotion, training, assignment of work, performance evaluation and all other aspects of employment.

We, at Hindalco promote diversity and inclusion in our hiring process to ensure a cohesive environment. In the year 2013-14, 2094 new employees were hired into the organization. Hindalco India had an employee turnover rate of 4.36% in 2013-14, decrease in the rate shows higher employee satisfaction.

ABML had hired 49 people in 2013-14, while 87 employees left the organization. The number mentioned also includes the personnel who have retired from the firm.

Our specific job requirements necessitate that need of employing contractual workforce for various functions as well as for ongoing projects.



More than 90% of the workforce is covered under the provision of collective bargaining. At ABML, the provision is extended to 71% of the employees. The employee agreements provided cover this

clause ensuring no violation of labour rights. Ample freedom is provided to the employees to form unions and represent themselves.

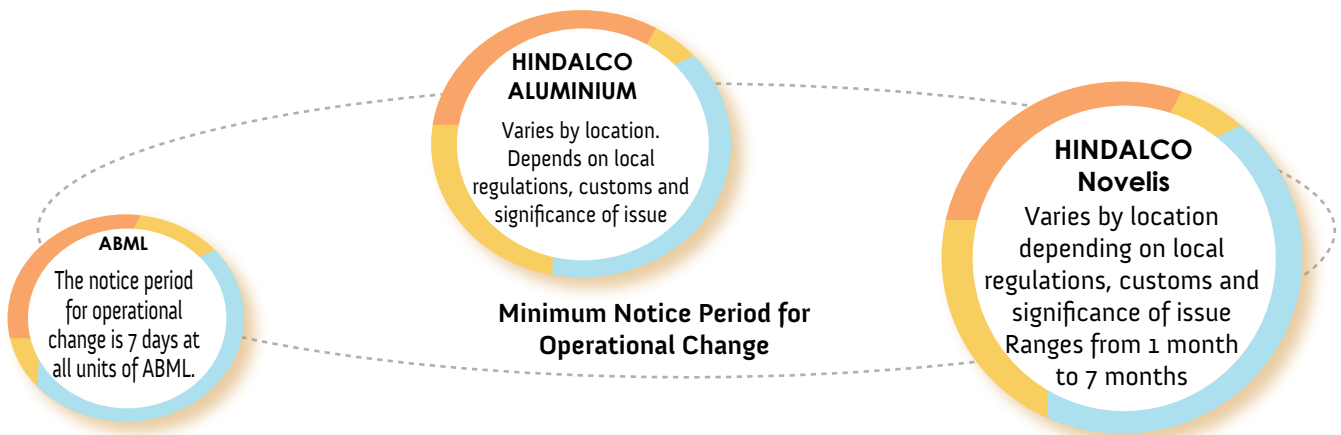
Women represent about 6.5% of the management staff.

Manpower Details – Permanent	Hindalco Aluminium	Hindalco Copper	Total
Total Manpower Strength (Management, Staff and Labour)	21667	1663	23330
Number of Management Staff	3231	454	3685
Number of Local Management Staff including Diploma Trainees	3001	Nil	3001
Number of Unionized Employees (including Subordinate Staff / OG, permanent workmen, Temporary Workmen)	15435	1209	16644

New Employee Hired	Hindalco Aluminium	Hindalco Copper	Total
New Employees Hired	2018	76	2094
Management Cadre	628	25	653
Unionized Cadre	1390	43	1433
Male Employees in Management Cadre	614	23	637
Female Employees in Management Cadre	14	2	16

A total of 9 employees availed the maternity leave in 2013-14. All of the employees were reinstated back into the organization post their

maternity leave period. No employee left the organization, after the maternity period.



7.c.2 Labour Relationship Management

Employees are the true assets of any organization and and, at Hindalco, this fact is very well understood and diligently incorporated into its strategy and business decision making process. Our people are engaged as equal partners in the process of driving Hindalco in a smooth functional manner contributing in strategy formulation, communication, execution, planning and growth.

Hindalco’s strategic objective combined with the dedicated contribution of its people has propelled it to a global metal & mining hub. Hindalco, in fact is among the top 5 global metal majors and is growing day by day. To sustain this growth, we have identified Strategic HR areas as KRAs for senior leaders and management as a whole. Championing employee engagement through proactive measures is a key focus area. The Aditya Birla Group, of which Hindalco is the flagship company drives the HR values and has been amply rewarded.

Hindalco has established HR Alignment & Integration at the Business Level. HR Vision, Mission, Objectives and Strategy have been formulated in alignment with Business Vision and Mission. We have aligned our recruitment in line with our requirements pertaining to the manpower as well as imparting induction training to assimilate them within the Hindalco family. Our people have enabled the continual expansion of capacity, the successful induction of new technology, the introduction of innovative practices for sustained success, and the introduction of best practices that span our entire operations.

Long-term wage agreements and annual bonus settlements at units are landmarks towards achieving business results and industrial relations. These have resulted in developing a relationship of trust, faith and credibility. Our Long Term Settlements cover aspects such as compensation and wages, health & safety (Safe Work Practices and use of PPEs), productivity improvements, cost reduction, outsourcing of identified processes. These are discussed by

means of a charter of demands from unions and management. We have also started focusing on behavioural based safety aspects.

We strongly prohibit child labour and ensure there are no occurrences of child labour or forced labour. We strictly adhere to the provisions within the local laws are regulations regarding child labour and forced labour.

For better understanding and communication, a dialogue process is institutionalized in our operations. Some communication mechanisms include –

- Open door policy related to grievance handling that enables employees to approach their Managers for prompt redressal of grievances.
- Structured communication meets at the unit, department and functional level.
- HR awareness sessions across the locations during roll out of new policies.

- Group HR Portal Poornata is a widely used medium across the organization for all the HR policies and related issues.
- Other forms of communication i.e; Notice boards, Display boards, Newsletters at the unit and department level.
- Seniors interface with the junior level employees to discuss daily performance issues, success stories, and other business challenges. Skip level meetings are also held.
- Mass media communications, like Cable Television/DTH are deployed by the Company at some of our units, have a wider reach. At business level, we have two quarterly journals namely, 'E-metal' and 'Full Circle' and a marketing newsletter, 'Al Track' to share business/ related information with our employees.

7.c.3 Performance Management and Compensation



The employee appreciation and benefits program are aligned to support our business strategy and to ensure cohesive growth for both the employee and the business. Employees who provide their best to the company are rewarded accordingly.

Benchmarks are established on industry standards to ensure fair, competitive and rewarding remuneration. Performances are measured both at individual and unit level. Wages, benefits and bonuses for employees that are covered under

unions are determined by collective bargaining agreements at their respective locations.

Our benefits and bonus program is not just limited to monetary rewards, but also include development opportunities and grooming assistance to develop them into future leaders.

The effectiveness of the Performance Management System is achieved through following steps:

- Annual Planning and Budgeting exercise at the organizational level
- Communication of the Business goals at the function/unit level
- Cascading down of business/function/department goals into individual KRAs & Goals
- Individual KRA and Goal Setting by mutual consent between the individual and his immediate superior

- It is ensured that the individual goals are in line with the business goals
- Mid-year review, course correction and gap meeting if any
- Annual Performance review, feedback and counseling

Any revision in compensation is communicated to managers and supervisors through communication sessions at each location, followed by letters addressed to individuals. The wage structure at Hindalco follows statutory provisions keeping well above the minimum wages limit. We strictly adhere to all applicable labour laws on compensation such as Provident Fund and Minimum wages. There is no discrimination on the basis of gender while compensating the employees.

Benefits to Employees – Hindalco Industries – Aluminium & Copper

Benefits	Staff & Workmen	Temporary/Casual Workmen	Contractor's Workmen
Canteen Facilities	Yes	Yes	Canteen Allowance
Mediclaime Insurance – Employee & dependents	Yes (For management staff only)	Yes (under ESI Scheme)	No
Residential Accommodation	Yes	No	No
Nishchint	Yes (For management staff only)	No	No
Group Personal Accident Insurance	Yes (For management staff and Non ESI workmen)	Group Insurance in lieu of EDLI scheme	No
Medical Reimbursement	Yes (for Non ESI workmen)	No	No
Housing Loan	Yes	No	No
Scholarship – Educational Support	Yes	No	NO

7.c.3.1 Novelis

Novelis actively engages its employees in all possible aspects to have an active, responsive and well performing workforce. Novelis conducts annual performance evaluations, which provides valuable performance feedback and helps the employees grow and advance in their career. Collectively, such evaluations help keep employees focused on how they can contribute to the success of the business, which helps to propel the whole organization forward.

In FY11, Novelis established a corporate-wide sustainability target regarding employee evaluations. The goal for 2020 is that 100% of eligible employees will be receiving annual performance feedback. In FY14, it was observed that there were regional variations in what was defined as a performance review – especially for non-management employees working on the shop floor. In FY14, it was clarified and the definition was tightened up. As per the new standard, it was determined that 46% of employees received performance reviews in FY14, including 100% of the managers.

Finding qualified engineers and scientists, in particular, is an ongoing challenge. To attract the best candidates, the global HR team has launched an employee referral program, called Novelis Connects, as a way to reward existing employees for bringing new employees into the company. It has been observed that referrals by existing employees tend to be better cultural fits, stay longer and are more successful at Novelis. All salaried employees are eligible to participate in Novelis Connects, and if a referred candidate is hired, the current employee earns a monetary reward.

Once employees are onboard, the aim is to help them further develop their skills and leadership abilities through the extensive talent management programs. Novelis is working to develop a world-class leadership development program that is global in scope, with consistent, high-quality offerings across regions and departments.

7.c.4 Grooming for Growth

Hindalco, being a technology focused organization, learning and development of its employees is critical. The learning and development function is well ingrained in the overall HR function and is synergistic with the business objective. The strategy aims at equipping its people across all Units with business-linked knowledge, technical and behavioural learning events. For managers and the talent pool, Hindalco works closely with 'Gyanodaya' – Aditya Birla Group's Learning University and as per the needs people are nominated to other learning institutes / professional bodies for professional development.

We have professionally qualified and experienced training professionals who are well equipped to impart training in technical as well as skill development programs that are a part of the learning plan specifically designed for every unit of our operations. External faculty also imparts training on certain aspects. Employees are also sent for external trainings based on the training needs identified and specific job requirements.

The learning and development process followed by us is as follows:

- Competency mapping of employees
- Identification of gap between required and actual competency level
- Training Needs Identification
- Plan for Training of Employees
- Conduct Training programme
- Effectiveness Evaluation of training provided
- Updating competency matrix based on evaluation.

The programmes are a mix of functional, technical, behavioral, leadership and training etc. A group of internal and external trainers are used for conducting the programmes. Apart from the structured classroom training, opportunities are provided to our identified young talent, key &

critical position holders & identified successors, to work in value added projects, cross functional assignments etc.

The effectiveness of the training programmes is monitored through on the job performance, pre & post-tests, feedback from immediate superiors, performance review etc. based on type & nature of training (skill/ knowledge). We conduct mentoring for new employees including graduate engineer trainees by identified mentors for overall development. The training man-days vs. targets are monitored at unit level and to further ensure that the training programmes are organized as per the plan. To support learning programmes, we are utilizing E-learning services provided by the Group. Across the plants, we have Management/Technical Libraries that contain the latest management/technical journals, books and research papers both in physical form as well as in soft form. We have dedicated personnel to maintain the services and offer highest value to all our customers and employees.

Few of our units provide a myriad of opportunities to employees across grades for their learning and development, one such initiative is “learning avenues to all”, wherein the following levels of education are provided through tie ups with professional institutes:

- AdityaGyan Path – An initiative that helps workmen of non-core areas to acquire requisite knowledge into the core area

- ITI Level training – This involves 8 weeks of rigorous training of unskilled workmen.
- ITI To Diploma Engineering – Experienced ITI workmen undergo 4 months training in technical aspects.
- BS process / power engineering from BITS Pilani– Technical diploma & BSc. graduates obtain a degree in engineering discipline.
- MBA from IMT/Symbiosis – Platform for our executives to further hone their managerial expertise
- On line MBA from Universities 21 for managers
- Workers Development Programme– Awareness training for 7 days to workmen on different aspects like overall Aluminium, Operation, Marketing, Finance, Environment, HR, CSR, Yoga etc.

Our Functional Heads have participated in the Group’s P&L Leadership Programme – “The Cutting Edge” – The objective of this programme is to prepare our high-performing functional heads to take on P&L Roles. Similarly, our executives have also gone through “Step Up” and “Turning Point” programmes. The aim is primarily to prepare departmental heads and functional heads for their next stage of career development.

No. of man-hours for training

Parameter	Hindalco – Aluminium	Hindalco Copper	Total	Average per employee	ABML	Average per employee
Management Staff (man-hours)	294,089.5	29,350	323,439.5	51.82	350	13
Unionized employees (man-hours)	370,926	14,270	385,196	24.95	5413	13

All employees of Hindalco Industries (Aluminium & Copper) are covered under the annual performance review system. It is conducted to promote growth

and development of the employees to higher echelons of life.

7. Steering Sustainability

d. *Safety Work Culture*



Safe and Fair Work

Safety Performance



50-50 %

staff and workforce in
Safety Committee

Employee covered by
collective bargaining



246648

man hours training provided



1-15 %

Workforce representation in
E&OHS committee

Salient Points

Fatality - 1



Permanent Employees

LTI - 25



Permanent Employees

Minor Injuries - 92



Permanent Employees

7.d. Safety Work Culture

7.d.1 Occupational Health & Safety

The Occupational Health and Safety (OHS) of our employees is the fundamental prerequisite for Hindalco's business. The onsite safety of personnel extends also to contractors, vendors and visitors.

We have multi-leveled functional teams to monitor and improve the safety system and performance. A Corporate Safety Policy is in place to lay directive on the imperatives of operational safety. A top of the line, safety board to monitor safety performance across all the locations is in place. It includes the Deputy Managing Director, Business Heads and select Functional Heads (Chief People Officer, Head – Corporate Projects, Head – Technology and Corporate Safety Officer).

Functions of the Safety Board :

1. Monitor safety performance
2. Initiate and support new corporate safety initiatives
3. Suggest actions to reward/reprimand actions
4. Standardize good safety practices.

We conduct monthly discussions with Safety Officers on OHS performance, actions initiated, abnormalities identified and eliminated.

Safety Pledge At Hindalco

We, the employees of HINDALCO INDUSTRIES LIMITED, solemnly affirm that we for the benefit of Ourselves, Our company, Our society and Our nation will follow all the Environment, Health and Safety rules of our company and will do everything possible to prevent all types of incidents, accidents and losses.

Hindalco Corporate Safety has undertaken a systematic study to identify common types of accidents in Hindalco and initiated multiple actions i.e., -

1. Correction in systems and processes such as revised work permit

2. Safety audits of plants using Inter-unit Resource or external experts as required
3. Enabling training programmes
4. Regular communication on safety
5. Sharing of incident investigation reports with all safety officers.

The safety process at Hindalco includes aligned systems for organized workplace, ergonomic design of workplace, equipment & process safety analysis, regular employee health check-up, quantification of safety e.g. use of personal protective equipment (PPEs), safety training hours and number of safety observations.

7.d.2 Environment Occupational Health & Safety Committees

We have a formal Joint Environment Occupational Health & Safety (EOH&S) Committee for Safety, Hygiene and Pollution Control at our facilities having representation from both Management and Operatives. This committee receives information on EOH&S through interaction, observations and formal inspections. The Committee meets at a defined frequency to discuss on issues related to EOH&S, actions to be taken for improving EOH&S performance.

Departmental Safety Committee often supports this committee. Points discussed and actions planned in the Joint EOH&S Committee Meetings are communicated to all concerned.

The proportion of total workforce represented in formal joint management - worker health and safety committee in different units range from 1 - 15 %. The safety committee is equally represented by both the staff and the workforce to ensure appropriate conduct and management at the unit.

Illustrated below are the safety performance indicators at various Hindalco operations:

7.d.3 Safety Performance

At each operations site, we monitor the safety performance parameters such as: Safety performance at Hindalco Aluminium,

Copper, Hindalco – Greenfield projects, ABML – Australia and Novelis. Safety performance of Contract Employees at Hindalco

(Aluminium, Copper & Greenfield), Safety performance of Contract Employees at Novelis and ABML.

7.d.3.a Safety Performance at Hindalco–Aluminium

Attributes	Permanent Employees		
	2011-12	2012-13	2013-14
Total no. of lost time accidents (Reportable Accidents)	34	18	24
Total no. of fatal accidents	2	5	1
Total no. of man-days lost	12961	30770	6710
Accident Frequency Rate	0.75	0.39	0.57
Accident Severity Rate	295.53	660.00	157.97
Total no. of Minor Injuries (Non-reportable Accidents)	146	106	91
Total no. of Near Misses	2056	2185	2674

7.d.3.b Safety Performance at Hindalco – Copper

Attributes	Permanent Employees		
	2011-12	2012-13	2013-14
Total no. of lost time accidents (Reportable Accidents)	1	0	0
Total no. of fatal accidents	0	0	0
Total no. of man-days lost	3	0	0
Accident Frequency Rate	0.26	0.00	0.00
Accident Severity Rate	0.79	0.00	0.00
Total no. of Minor Injuries (Non-reportable Accidents)	15	51	1
Total no. of Near Misses	5	109	74

7.d.3.c Safety Performance at Hindalco – Greenfield Projects

Attributes	Permanent Employees		
	2011-12	2012-13	2013-14
Total no. of lost time accidents (Reportable Accidents)	0	1	1
Total no. of fatal accidents	0	1	0
Total no. of man-days lost	0	6000	25
Accident Frequency Rate	0.00	0.34	0.19
Accident Severity Rate	0.00	2057.91	4.87
Total no. of Minor Injuries (Non-reportable Accidents)	0	0	0
Total no. of Near Misses	25	18	971

7.d.3.d Safety Performance at Novelis

Attributes	Permanent Employees		
	2011-12	2012-13	2013-14
Novelis Employee Injury or Illness Rate, cases/200000 Hours	0.59	0.6	0.99
Occupational Disease Rate (ODR), cases/200000 Hours	NA	NA	NA
Novelis Employee Lost Days Rate (LDR), cases/200000 Hours	110.15	10.79	0.68
Novelis Employee Lost Time Injury Rate , cases/200000 Hours	0.22	0.20	NA
Absentee Rate (AR), cases/200000 Hours	NA	NA	NA
Novelis Fatalities, cases	2.00	0.00	0.00

7.d.3.e Safety Performance at ABML

Attributes	Permanent Employees		
	2011-12	2012-13	2013-14
Total no. of lost time accidents (Reportable Accidents)	22	41	2
Total no. of fatal accidents	0	0	0
Total no. of man-days lost	133	96	148
Total Recordable Injury Frequency Rate (TRIFR)	13.80	19.70	2.28
Lost Time Injury (LTI) Rate	3.80	6.70	168.82
Total no. of Minor Injuries (Non-reportable Accidents)	307	313	106
Total no. of Near Misses	40	50	24

7.d.3.f Safety Performance of Contract Employees at Hindalco (Aluminium, Copper & Greenfield)

Attributes	Contract Employees		
	2011-12	2012-13	2013-14
Total no. of lost time accidents (Reportable Accidents)	50	25	28
Total no. of fatal accidents	8	8	8
Total no. of man-days lost	48891	48931	49567
Accident Frequency Rate	0.34	0.18	0.32
Accident Severity Rate	331.94	360.18	567.29
Total no. of Minor Injuries (Non-reportable Accidents)	463	352	82
Total Man-hours worked	147.29	135.85	87.39

7.d.3.g Safety Performance of Contract Employees at Novelis

Attributes	Contract Employees
	2012-13 (APR-MAR)
Novelis Fatalities, cases	0.00

7.d.3.h Safety Performance of Contract Employees at ABML

Attributes	Permanent Employees
	2012-13 (APR-MAR)
Total no. of lost time accidents (Reportable Accidents)	0
Total no. of fatal accidents	0
Total no. of man-days lost	0
Total Recordable Injury Frequency Rate (TRIFR)	0.00
Lost Time Injury (LTI) Rate	0.00
Total no. of Minor Injuries (Non-reportable Accidents)	30
Total no. of Near Misses	NA

7.d.4 Fatality

Hindalco has a strict policy and mechanism for the safety of its employees. However, in 2013-14, we have had unfortunate incidents leading to the deaths of 9 personnel, including contract employees. Hindalco is continuously taking corrective measures to prevent such incidents and working to improve the safety conditions of

the workmen. We are working towards a 'Zero harm' objective to ensure no casualties occur due to our work conditions.

7.d.5 Safety Training

To ensure the OHS of our employees, we conduct awareness programs and training sessions for employees and their families against various diseases, hygiene methods etc. Some of the important steps taken to improve health of our employees are –

- Periodic medical check-up for employees to identify both occupational and life style disease.
- Based on the medical reports, further consultations with concerned specialist to ensure appropriate medical treatment to the affected employees. Records of all such examinations are maintained at Operational Health Center (OHC)/Dispensary/HR Departments.
- Awareness programmes for employees and family members and community for prevention and management of life style diseases such as Cardiac Problems, Hypertension, Diabetics and communicable diseases such as Malaria, TB and HIV Aids. Information on managing health is disseminated by the OHC.
- Compliance with applicable Health and Hygiene Yoga / Meditation are also introduced to the employees and their families to ensure sound health.
- Novelis maintains several education and training programmes relative to occupational disease. Programs include but are not limited to: 360 wellness intervention, exercise/health care club reimbursement, on-site medical clinic. Counseling is offered to the employees through the NOHERA process and/or Health 360. NOHERA, contains measured workplace and employee exposures to all type of agents (chemical, physical, ergonomic and biological). The data is compared to company specific OELs and if the results are > 50 % of the OEL, actions are taken to mitigate the risk.

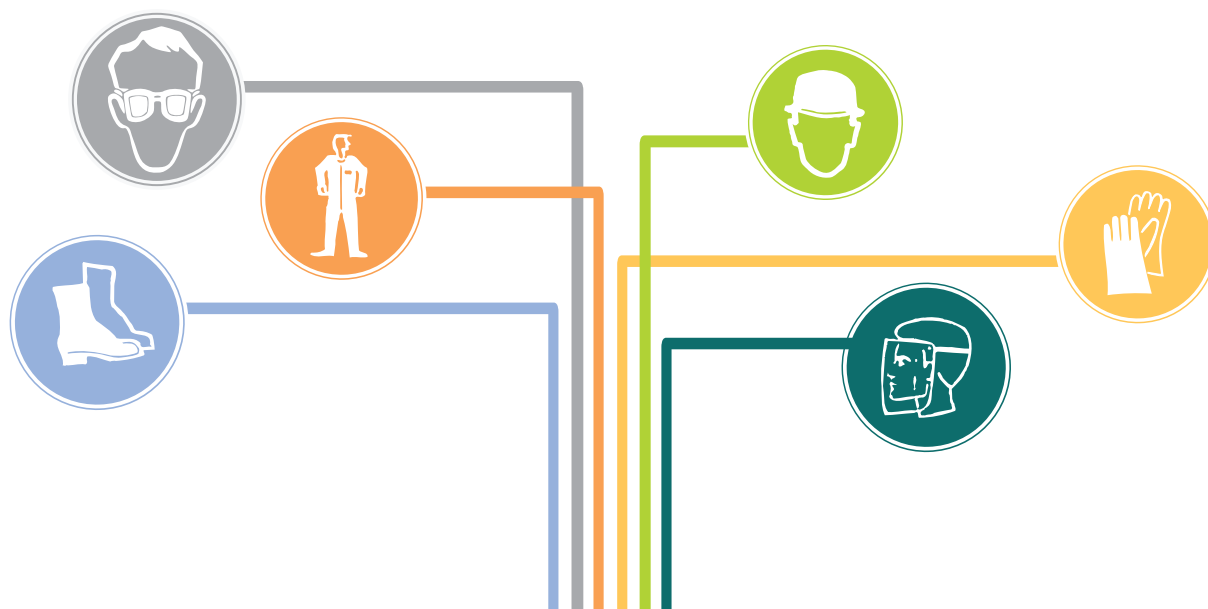
Safety Training Sessions for Employees at Hindalco (all operations) in 2013-14

Parameter	Hindalco- Copper	Hindalco- Aluminium	ABML	Novelis
Number of Employees	1663	21667	445	9795
Numbers of Man-hours of Training	13008	228227	5413	**
Man-hours per capita	7.8	10.53	12.16	**
No. of Mandays (1 Manday = 8 man-hour) of training per employee	1	1.3	1.59	**

** We currently do not have systems in place to aggregate all of this global data. We plan to have systems in place to gather this type of information in the next 3-4 years through the implementation of SAP.

We believe that workplace can be safe if workers endeavor for it. Accordingly, safe workplace and healthy environment are made part of the agreements signed with trade unions. The extent of measures to be followed is dependent on the location of the plant. The major aspects these

agreements focus upon include –
 Behavioural Based Safety aspects
 Personal Protective Equipment
 Adherence to Safe Work Practices etc.



7. Steering Sustainability

e. Transparent & Ethical Business Practices



Transparency & Ethics

OUR VALUES



INTEGRITY
Honesty in every action



COMMITMENT
Deliver on the promise



PASSION
Energized action



SEAMLESSNESS
Boundary less in letter and spirit



SPEED
One Step Ahead Always



100%
Employees adhere to code of conduct



0%
Cases of Forced or Child Labour



100%
Of units assessed for corruption and bribery

Our Business Practices



Equal Opportunity
Employers



UNGC
compliant operations



Community
Development

7.e Transparent & Ethical Business Practices

Hindalco, along with its subsidiaries Novelis and Aditya Birla Mineral Ltd (ABML) commits itself to the values of Aditya Birla Group, which are embedded into our management structure. The values of the group act as the guiding principles in conducting our business. Our core values - INTEGRITY, COMMITMENT, PASSION, SEAMLESSNESS and SPEED guides us towards business excellence while staying ethical and true to our business objectives.

The code of conduct is strictly adhered by all the employees. All the new employees while joining Hindalco, are given an orientation on group values and made aware of the code of conduct. We are in the process of setting up a formal stakeholder engagement and grievance redressal processes

Hindalco strictly stands against any form of child labour and forced labour. We currently do not operate in any region considered to have significant risk of human right violation. We are in the process of setting up screening mechanisms for our significant suppliers, vendors and other business partners to identify concerns regarding human rights.

As a principle and practice, we do not discriminate in employment or any other opportunity, based on caste, religion, region, gender and age. Under the current mechanisms i.e., whistle blowing, no cases of discrimination were recorded. The security personnel are trained at the time of joining regarding the organizational policies and procedures to ensure adherence to human rights.

7.e.1.1 Novelis

Novelis is strictly committed to the cause of human rights recognition and acting in good faith with good corporate governance. In FY13, to ensure that our employees act in accord with these commitments, we updated our Employee Code of Conduct and distributed to all employees. In April 2014, all office-based employees were required to complete an online training module on the Code of Conduct. For employees who work on the manufacturing floor or who do not have regular access to a computer,

classroom style trainings will be administered in the first and second quarters of FY15. The trainings are designed to ensure that everyone fully understands the Code and their role in upholding it.

Novelis has also developed a Suppliers' Code of Conduct which provides guidelines for how the suppliers are expected to conduct business in an ethical and responsible manner. Suppliers will be required to provide Novelis with an affirmation that they have read and understand the Novelis Supplier Code of Conduct and agree to adhere to its provisions. Novelis will monitor compliance through supplier self-assessments conducted via questionnaires and surveys. In addition, in instances where there is a reason to believe a supplier may not be in compliance with the Code, Novelis will conduct supplier audits and inspections. In addition, the Code is being built into the procurement processes such that the Code will be part of the contract agreements for all new suppliers.

In FY14, the Code was rolled out to our key global suppliers. By the end of the year, Novelis had received signed affirmations from 60% of those suppliers. In FY15, the Code will be distributed to the remaining global and regional suppliers.

Also, Novelis remains a signatory to the United Nations Global Compact. As such, Novelis commits to align the operations and strategies with universally accepted principles in the areas of human and labor rights, including child and forced labor, as well as the environment and anti-corruption.

7.e.1.2 ABML

ABML employees are expected to follow the Code prescribed by Hindalco/ABML regarding the different aspects of human/labour rights, discrimination and indigenous people rights. ABML follows all the necessary local regulations and laws and ensure zero non-compliance on its part. ABML has one of its sites under formal agreement, Maroochydore, where the operations have been agreed upon with the indigenous communities.

7.e.2 Anti-Corruption and Anti-Bribery

The Code of Conduct followed by Hindalco prohibits corruption and bribery of any kind. All employees are made aware of the company's position on corruption and bribery. The employee code of conduct and the Group values are the primary vehicles for training in anti-corruption policies and procedures. During such training, while elaborating on Code of Conduct, corruption and bribery in practical situations is explained.

All our business units are analyzed for risk related to corruption. All the Company's operating units are included in the Enterprise Risk Assessment. Acts of Corruption, violations of Foreign Corrupt Practices Act, violations of Company's Code of Conduct are all the factors considered while spreading awareness. We have whistle blower mechanism in place, which potentially can uncover instances of bribery and corruption. No cases of corruption were recorded in the reporting year.

In order to maintain a clean working culture, we also do not support or encourage or lobby with any political party or the government. Our subsidiaries, or we don't make any kind of financial contributions to any local political parties. We do public policy advocacy through industry and other associations.

7.e.3 Public Policy

We support good market practices, and understand that a competitive environment leads to overall growth of the market. Therefore, to encourage our fellow competition, we stand categorically against monopolizing the market or getting involved in any anti-competitive behaviour. We are the founding member of the Aluminium Association of India and have subscribed to the International Aluminium Association. Being a part of such forums gives us a platform for sharing of our best practices towards a constructive growth atmosphere.

For effective stakeholder engagement, we have tied up with TERI Business Council for Sustainable Development and are part of the CII Western Region Sustainable Committee. Such organizations help in the development of effective policies for overall growth and development.

Novelis has a Sustainability Advisory Council set up in FY 12, which helps them effectively guide in their sustainability endeavours. The committee consists of highly respected subject experts and leaders whose experience is solicited for critical analysis of the sustainability movement at Novelis.

Novelis is looking into organizations such as Ceres, As You Sow, The Container Recycling Institute and others not only for their expertise, but also to enable the Company to be more engaged in policy issues. In particular, the focus is on policies relating to climate change and end-of-life recycling, which will be key to achieve strategic goals.

7.e.4 Compliance

We believe in positive approach to compliance i.e., proactively identifying applicable regulations and complying with not just letter but spirit of regulation. The leadership at all operational and business units drive compliance with all applicable regulations. Hindalco, including Novelis and ABML had no cases of non-compliance and thus has not paid any fines or penalty.

In Hindalco, for monitoring compliance to all legal requirements, a compliance committee headed by the Deputy MD is in place. The committee reviews the compliance to legal requirements on monthly basis.

Web Based Compliance Tools – In order to continuously monitor and track the compliance activity of our units, we have adopted a new web based compliance tool. The system serves a monitoring mechanism which generates monthly reports to keep track of the compliance requirements at all our units.

7. Steering Sustainability

f. Delivering Value Along the Life Cycle



Delivering Value Along the Life Cycle

Hindalco generates value to its business by engaging with its stakeholders across the value chain



Research & Development

ABSTC & HIC promote technology, innovation



Our Motto

Technology & Innovation for Business Excellence



Engagement platforms-PRIDE, POLESTAR, Think tank meeting



Customer Relationship Management



Engaging with Local Suppliers for Economic Value Generation



Supplier Relationship Management Online Engagement portal



Aluminium

low carbon, energy efficient & long life cycle products



Recycling to reduce energy & resource consumption



Overall engagement generates value for all stakeholder

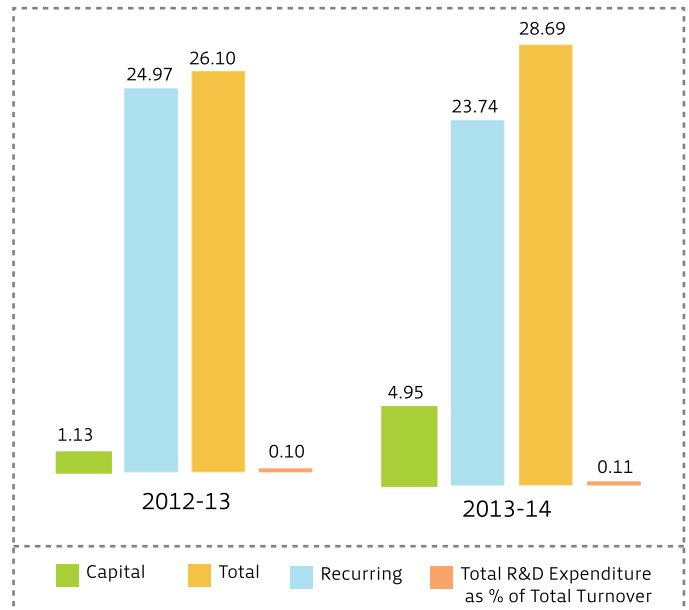
7.f Delivering Value Along the Life Cycle

Hindalco believes in delivering economic, environmental and social value along the value chain besides improving shareholder value. Continuous technological improvement is a critical part of enhancing value. Capacity building, working and co creating with suppliers and customers enable technology improvement and also improve value delivery and distribution along the value chain.

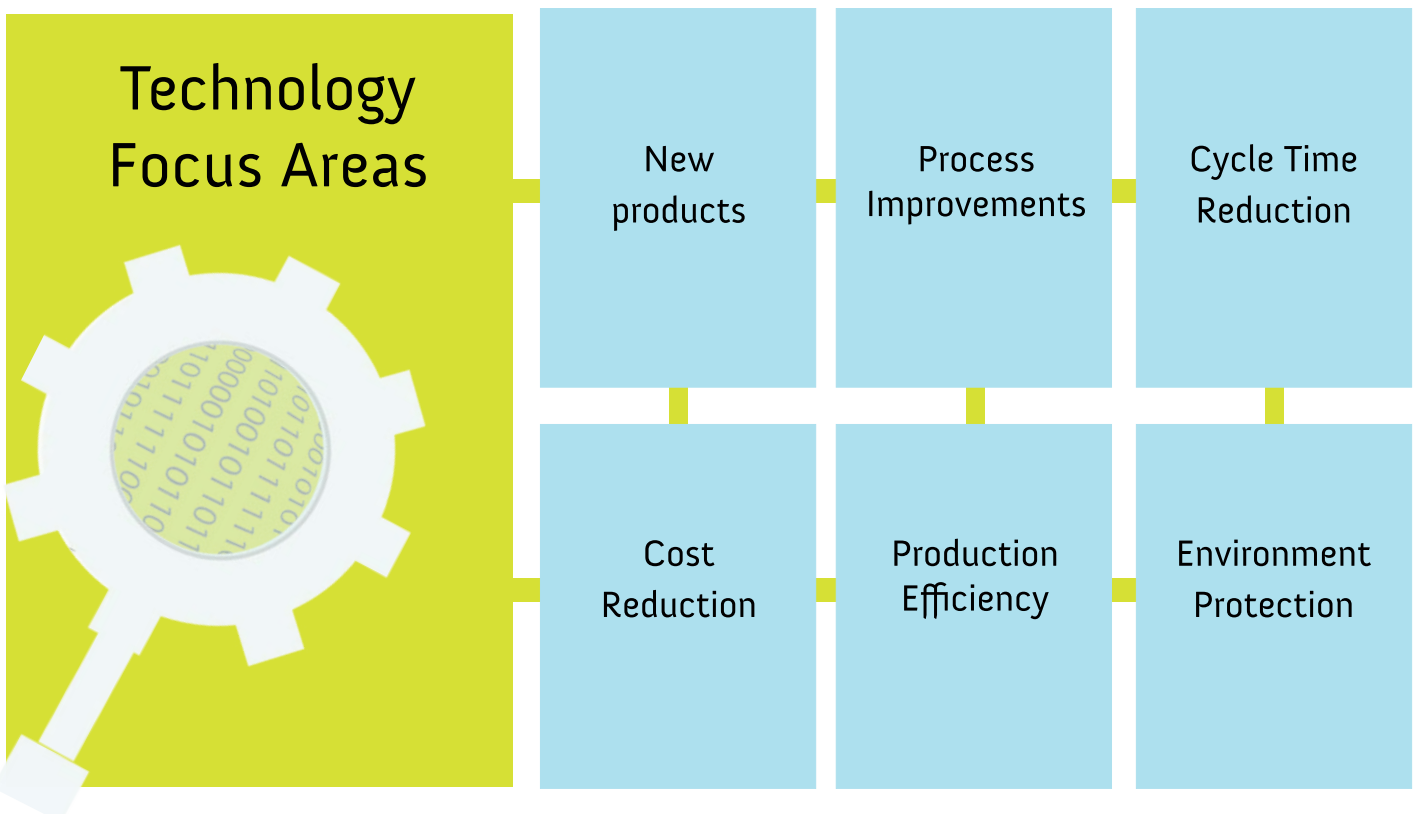
The technical units/R&D teams focus on improvements in technology through tracking, in-house process development and engineering improvement, interaction with suppliers, engagement with consultants, as well as reward programs. Research-intensive assignments are chartered to the Aditya Birla Science & Technology Centre (ABSTC), and Hindalco Innovation Centre (HIC) coordinates the work, or the units engage with suitable external domain experts, suppliers and customers.

For development of key competencies in metals and mineral engineering, R&D including experimental facility, software tools etc., Hindalco India Operations has been spending approximately ₹ 25 – 30 Crore annually on R&D.

Hindalco invests in the development and adoption of latest technology into its processes. We have multiple sources and levels of advancements in technology usage. A wide



portfolio of products requires the presence of different technologies under the same roof. For the long term benefit and sustenance of our business, we consistently upgrade our processes, include state-of-the-art equipment, work on cutting costs and environmental footprint and explore newer application possibilities. Thus, our technology motto, "Technology & Innovation for Business Excellence".



At Hindalco, the onus of technology is to support business strategy. Every decision taken for implementation on advanced technology drives towards the achievement of business objectives. The interrelationship between the two is shown below -

Strategy	Supporting Technological steps	Specific support
To be one of the most cost efficient producer of Al/Cu where commodity prices are governed by cyclic LME – Deriving max benefits during up cycle as well as the down cycle	<ol style="list-style-type: none"> 1.Technological advancement for low cost Al production. 2.Aluminium smelting by low carbon, energy efficient and environmental friendly process. 3.Generation of environmental friendly, efficient, low cost power. 	<p>Alumina: Identification of suitable flocculants to handle “difficult-to-settle” bauxite.</p> <p>Smelters: Installation of state-of-the-art in new baking Furnace to reduce furnace oil consumption from 75 Liter/MT to 55 Liter/MT.</p> <p>Power Plant: Modification of Super-heater in Boiler for enhancing Boiler efficiency.</p>
To be a market leader and low cost downstream player as a hedge against the cyclic nature of the upstream Al commodities business	<ol style="list-style-type: none"> 1.Product Development 2.Product for newer markets 	<p>Development of different types Alumina for ceramic, fire retardant and filler applications.</p> <p>Developed capability for supply of cylinder stock for LPG as per European norms.</p> <p>Development of Foil Stock of alloys AA8079, AA8006, AA8021 and AA1145 for US Customers.</p>
Sustainable Development	<ol style="list-style-type: none"> 1.Reduction in GHG emissions 2.Reduction of specific energy consumption 3.Conservation of ecosystem 4.Conservation of natural resources 5.Recycling 	<p>Installation of light energy saving devices.</p> <p>Installation of 4000 kVA capacitor to improve power factor.</p> <p>Maintenance of Zero Discharge to environment.</p> <p>Commissioning of ETP/STP system, RO Plant.</p> <p>Reuse of bottom broken and rejected baked anodes.</p>

Innovative and disruptive business models and technologies are impacting the market every day and companies need to adapt to this trend to stay competitive. We at Hindalco, are also making an effort to encourage such innovative ideas in our business. Some of the initiatives include –

- Think Tank Meeting - Young engineers are provided opportunities to interact with the unit leadership and are encouraged to take up innovative projects. A specific forum for such interaction is the Think Tank Meeting chaired by the unit head.

- Innovation Assessment Tool - A tool has been created for objective assessment of ideas valuing various facets of innovation.
- PRIDE - ‘Performance Recognition in Delivering Excellence’ is a platform institutionalized at Hindalco for displaying efforts to deliver excellence in all areas
- POLESTAR - This initiative by Hindalco management provides an opportunity to have a critical relook at the business in view of the ever-changing global economics and

encourages the management team in each business to capture value, minimize cost and improve performance.

The demand for sharing and disclosure of information on environmental and social impacts and value is growing. We did not have any complaints or regulatory violations with our products until now. We are, however contemplating a review for our products along the life cycle to get a better understanding of the relevant health and safety impacts.

7.f.1 Supplier Relationship Management

Supply chain is the critical link connecting an organization's inputs to its outputs. Effective supply chain management ensures reliable business activity. Hindalco with a multi-level engagement for its business works closely with its suppliers to ensure higher productivity and low carbon products.

We have an online engagement system for our suppliers—a common platform for all our suppliers to engage with us. The online platform is effective in engaging with the suppliers to work towards continuous product improvement. This portal, referred as the supplier relationship management (SRM), is a mechanism by which we are engaging with the suppliers in real time. It is not only a grievance redressal system but promotes transparency and presents an opportunity for collaboration with the suppliers. The portal acts as a knowledge sharing platform, where we discuss different issues with the suppliers and work towards a common beneficial solution.

The supplier engagement is carried out at the plant level by all the plants of Hindalco. To encourage and motivate our suppliers towards performing better, reward programs are held. The rewards promote practices of quality management and innovation among the suppliers. The event is attended by all tiers of suppliers, management personnel from Hindalco giving an opportunity for interaction between all the concerned stakeholders.

In an effort to generate value for the local economy and create positive economic impact,

Hindalco engages with local suppliers. We are in the process of setting up a mechanism to capture the degree and the type of local suppliers we are engaging with and will make best efforts to engage with more of the local suppliers after appropriate capacity building wherever necessary. However, we do not compromise on the quality of our products and our reputation, and therefore engage with suppliers who maintain quality and efficiency of the highest order.

7.f.2 Customer Relationship Management

Hindalco manufactures diverse range of products and accordingly have customers in varied sectors ranging from pharmaceuticals & packaging to automotive & transport. With such a broad spectrum of customers, it is critical to put in place customized engagement mechanisms to ensure highest customer satisfaction.

We have set up an online portal for our customers, namely the Customer Relationship Management for engaging transparently and timely with our customers. Our customers are spread across the globe and have variety of requirements which we address effectively. Our customers are encouraged to share with us grievances related to product quality, delivery, fair and ethical behavior or any other aspects of relevance. This platform is also used for sharing ideas or suggestions for a more cohesive business activity.

Aluminium, the base metal of our products, is in itself low carbon, energy efficient with a long life cycle. Our products are therefore indirectly, responsible for the environmental sustainability. Our market and product development teams are continuously working in this regard, trying to develop better product for our customers which fulfill their needs and at the same time have a lower impact on the environment.

The market development initiative has been responsible for the generation of newer products which are of higher standards and have a smaller footprint. In this initiative, we are working with the customers to understand their requirements and then work towards developing a suitable product.

7.f.2.1.1 Foil and Packaging (case study)

Hindalco, as a metals industry has products ranging from automobiles to food and beverages sector. Our business spreads across the manufacturing and application domain.

The foil and packaging products require very specific attention to ensure no harmful chemicals are present in them, or if there is a chance of any sort of precipitation while usage. Therefore, in order to ensure highest health and safety standards, we follow voluntarily the British Retail Consortium - Institute of Packaging norms. Aluminium foil produced by Hindalco is subject to food-grade use, examples being use of Aluminium House Foil for wrapping food (Freshwrap & Superwrap), use of aluminium in packaging of tablets and capsules, use of aluminium in confectionary etc. We ensure that there is no unintended detrimental impact of our products at the point of use. All of the aluminium that is used in such applications are completely safe and is in accordance to regional and international food safety standards. We also ensure that all such products are compliant to the relevant health and safety standards. During the reporting period, there were no instances of non-compliance to applicable laws and regulations relating to use of our products. Largest consumption of aluminium foil continues to be for environment friendly packaging solutions, replacing plastics in most cases. Aluminium based packaging materials offer excellent scope for a sustainable business over the life cycle of many packaging applications.

To ensure the product has a low environmental footprint, while commissioning contemporary and efficient Foil Rolling Mills, emphasis has been on using food grade ingredients, reduced energy consumption, lower rolling oil usage, minimal waste generation and appropriate recycling & disposal of waste. equipped with online vacuum distillation unit to reprocess used Rolling oil lowering generation of waste oil. The mills are capable of producing 6.3 micron foil, currently being imported, thus lowering the aluminium content per square meter of packaging. The mills are equipped with contemporary technologies like automatic flatness control enable to produce

foil with better yield in the process and also at the customers end. The modern Automatic Gauge Control would lead to closer gauge control of foil, in turn leading to higher yield at the point of usage.

Regular audits are conducted to establish challenging norms for energy consumption. Increasing switch over to Continuous Caster route, where aluminium scrap is recycled, is also a step in that direction. A new Twin Chamber melting furnace is installed and this enables to recycle aluminium foil with reduced melt loss and low fuel consumption. Use of organic solvents has been of concern in foil coating & conversion plants. With a view to avoid emission of hazardous volatile organic compounds from solvent-based inks and adhesives, water-based solutions are used in the lamination process, which makes it more environment friendly.

7.f.2.1.2 Development of Aluminium Alloy LPG Cylinder

Aluminium Alloy LPG cylinders are quite common in many countries whether it is for domestic use or for industrial use.

However, in India, LPG cylinders are manufactured only out of steel. Over 30 million of such LPG cylinders are being manufactured every year for domestic use and approximately 60,000 cylinders for industrial use.

Central Market Development Cell (CMDC) along with Aditya Birla Science Mumbai & Technology Centre (ABSTC) initiated a proposal along with Indian Oil Corporation, India's one of the major petroleum companies, to develop an Aluminium Alloy LPG Cylinder for the industrial use.

Development of the Aluminium Alloy LPG cylinders starts with computer aided engineering design, testing and verification as per the international established standards (ISO 20703E). This design data has been presented to Chief Controller of explosives, Nagpur & Bureau of Indian Standards sub-committee comprising of over 60 members for their approval.

We could accomplish our technical presentation in BIS sub-committee's annual review meeting held on 6th March'14 in Jaipur. Our design was

unanimously approved by the committee who advised us to carry out prototype of 15 such LPG cylinders filled with LPG gas from various oil PSUs for further validation of design parameters physically by March'15. This is an historical milestone achieved in taking this end use development successfully in India.

Based on the satisfactory test results, the committee will permit commercialisation of the Aluminium Alloy LPG Cylinders. BIS also will adopt the international standards and issue appropriate Indian standards for Aluminium LPG cylinder. Aluminium being a green metal, we are confident that the Indian market would welcome this sustainable initiative.

7.f.2.2 Novelis

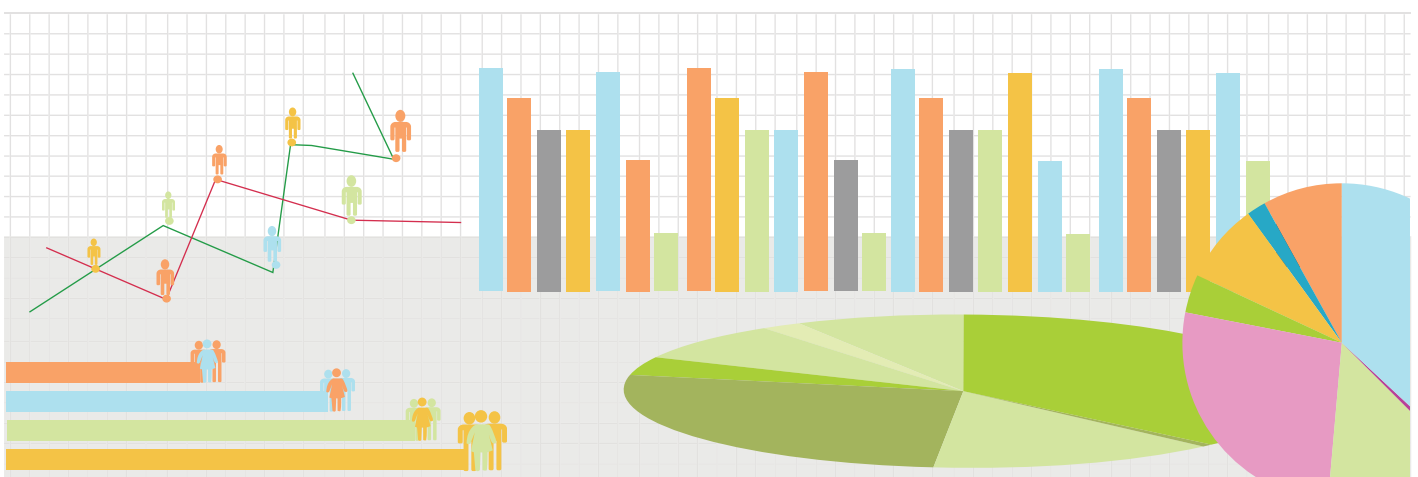
Novelis complies with the rigorous safety requirements of our automotive customers. And for some food and beverage applications, we certify that we meet demanding regulatory consumer safety requirements. All scientific evaluations to date, produced by internationally respected organizations have found aluminium to be safe for use in the full range of its current applications.

BisphenolA (BPA) is a basic building block of the resins used in epoxy coatings that serve as protective linings for metal packaging as well as many plastic products. Coatings containing BPA are currently found in almost all aluminium and steel beverage cans. Regulatory agencies in the US, Canada, Europe, Japan, Australia and New Zealand have stated that scientific evidence has consistently shown that these coatings are safe. In March 2012, the United States Food and Drug

Administration said that no compelling scientific evidence exists to justify new restrictions on BPA. Also, a report by Health Canada concluded that the average adult would have to consume 940 canned beverages in a single day to approach the "tolerable daily intake" level of BPA exposure.

Novelis recognizes, however, that some consumers have become concerned about potential health hazards associated with BPA. Some governments have begun to regulate the use of BPA in certain products (e.g., plastic baby bottles), and they are considering the regulation of BPA in other products. In early 2013, for example, the state of California held a consultation on whether to add BPA to a list of what it considers to be potentially harmful chemicals. The French government has taken a more aggressive approach—beginning January 2015, it will prohibit the manufacture, import, export and commercialization of all food and beverage packaging using BPA.

As a result of consumer concerns and these types of emerging regulations, Novelis has been actively working to develop sustainable alternatives to the current BPA based epoxy coatings. Because we are but one link in the long beverage packaging supply chain, we are collaborating with coating suppliers, can makers and beverage companies to research and develop solutions, either new coatings or other potential alternatives to BPA, for our customers. Our can pilot line has proven particularly useful in enabling us to test BPA alternatives for our customers in real-world manufacturing conditions.

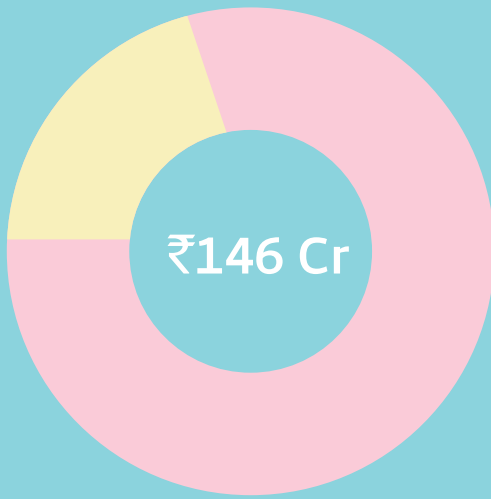


7. Steering Sustainability

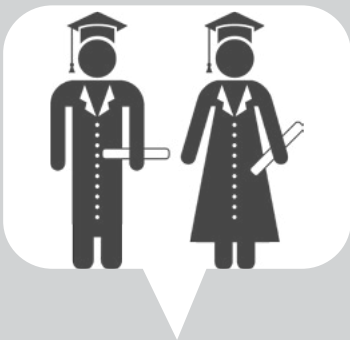
g. Engaging Communities for a better future



Community Engagement



For the year 2013-14, our CSR spend was INR 32.26 crores, In addition to this, we have mobilised INR 114 crores through the various schemes of the Government, acting as catalysts for the community.



Over **65,000** students supported



Over **2,334** medical, health & family welfare camps organised



7,443 mothers took advantage of 151 camps on anti-natal and post natal care

Highlights



8,805 farmers inputs provided



61 handpumps **63** wells



690 villages outreach

7.g Engaging Communities for a Better Future

Our Vision

“To actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of the society and raise the country’s human development index.”

Mrs. Rajashree Birla

Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development



Since its inception, Hindalco has strived to contribute to inclusive growth in the communities, around its operations. Hindalco has strived for deeper engagement with their stakeholders and for co creation of value at every stage.

The Government of India mandated Corporate Social Responsibility spend, as a percentage of profits earned during the preceding three years, on certain identified activities through the Companies Act 2013. Hindalco has been, voluntarily and enthusiastically involved in social development and has a very well-articulated CSR strategy which is now fine-tuned in line with the above new CSR mandate in India.

For the year 2013-14, our CSR spend was INR 32.26 crores. In addition to this, we have mobilized INR 114 crores through the various schemes of the Government, acting as catalysts for the community.

Our focus areas :

- Health care
- Education
- Sustainable livelihood
- Infrastructure and social reform.

CSR Board-Level Committee

Mrs. Rajashree Birla – Chairperson

Mr. Askaran Agarwala, Director

Mr. N. Jhaveri – Independent Director

Dr. (Mrs.) Pragnya Ram, Group Executive President, Corporate Communications and CSR

These are well classified into different buckets. These are :

The first is eradicating hunger, poverty and malnutrition, providing preventive health care and sanitation and making available safe drinking water.

Second, education continues to be a major plank. Within education, the Act includes employment enhancing vocational skills and livelihood enhancement projects.

The third plank is promoting gender equality, empowering women, setting up homes and hostels for women and orphans. This sits in well with our women empowerment programmes including SHGs.

Fourth on their list is ensuring environmental sustainability, inclusive of animal welfare and agro forestry. The projects that we do with BAlF – integrated livestock development and animal welfare, water harvesting structures, non-conventional energy programmes come within its purview.

Fifth on their list is protection of national heritage, art and culture, as well as promotion and development of traditional arts and handicrafts. In this regard, over the years, in a small way we have been doing this.

The sixth subject in which we are engaged to some extent is providing training to promote rural sports.

The seventh item on agenda is the rural development projects. All of our work by and large falls within its ambit.

We work intensively in 690 villages and 35 urban slums in proximity to our 17 manufacturing units across 16 districts within 10 states in India. Our reach is to about 35 Lakhs populace. The sites of action include Belur in West Bengal, Doraguda, Hirakud and Lapanga in Odisha, Renukoot and Renusagar in Uttar Pradesh, Muri in Jharkhand, Singrauli in Madhya Pradesh, Dahej in Gujarat, Talaja in Maharashtra, Belgaum in Karnataka, Alupuram in Kerala and our mines at Lohardaga and Latehar in Jharkhand, Samri in Chhattisgarh and Durgamwadi in Maharashtra.

7.g.1 Education

To develop into a well-informed, responsible and enabled citizen, education is of primary importance to every person. Under our education programs, we have worked on the provision of infrastructure, primary schooling, and support in other forms.

We run 77 balwadis at Renukoot, Renusagar, Lohardaga, Doraguda, Durgmanwadi, Belgaum and Singrauli. Through these, we have reached out to 2,479 students from poor families. We are also supporting 36 anganwadis at Samri, Belur and Lohardaga where 1,204 children are enrolled.

At Singrauli, we have constructed 6 anganwadi buildings and a school.

In our 16 Aditya Bal Vidya Mandirs/ primary schools, we have enrolled 6,086 primary students. More than 62% of these students are from the surrounding villages.

At Renukoot, Lohardaga, Mahan and Alupuram Units, we have tied up with 220 primary schools under Sarva Siksha Abhiyan (SSA) initiatives. Over 65,000 students in these schools have received technical support, study materials, school bags and uniform.

At Doraguda, we have mobilized INR 41.54 lakhs from the SSA Programme for construction of additional classrooms in 10 peripheral schools.

To support quality education, we have provided 117 teachers to 74 primary schools in Kalahandi and Raygada districts of Odisha, Lohardaga, Gumla and Latehar districts of Jharkhand, and Singrauli district of MP.

Under the 'Shala Praveshotsav' programme, 16,000 students from grade 1st to 8th in 80 schools from Vagara taluka in Bharuch district were given notebooks, practice books, slates, school bags etc.

At Dahej, we have bolstered the 'Kanya Kelavni' Programme with 100 girl students given the 'Vidya Laxmi Bonds' of ` 1,000 each. School bags and educational kits have been provided to over 5,252 students at Dahej, Muri, Belgaum, Doraguda, Hirakud, Durgamwadi, Latehar and Renukoot.

At Muri, 85 tablets were distributed to students from poor families – 70 metric students and 15



intermediate students who secured first division and enrolled for higher studies.

Five students from Belgaum and 210 students from Doraguda were sponsored to the ITI for semi-skilled job oriented training. Merit scholarships were given to 2,502 students of 59 schools at Renukoot, Renusagar, Lohardaga Samri, Hirakud, Belgaum and Doraguda. At Alupuram, 45 students were given training in different skills.

We also organized several 'meet the parent' events every month at Hirakud, Singrauli, Belgaum and Renukoot to address the issue of school dropouts, and managed to bring 5,321 students back to school. At Muri, we conduct 22 non-formal education centres in 22 villages. A total 653 children regularly attend these schools. Literacy classes are also operational at Belur where 92 students have enrolled. In the tribal and remote villages of Durgmanwadi, Doraguda, Singrauli, Dahej, Lohardaga and Samri mines, where dropout rates among secondary level girl students is high, we provided bus services to 375 girls to pursue higher studies.

Further, at Dahej, we have distributed bicycles to standard VIII girls who come from far flung areas to study in school. So far, we have distributed 250 bicycles to the needy.

At Renukoot, Belur, Muri and Hirakud, we organize 6-monthly computer literacy programmes for 540 rural youths to enhance their skills on various operating systems for self-development. We have also supplied computers to local schools in Doraguda and Hirakud, where more than 500 students get an exposure.

At Muri, Durgmanwadi, Singrauli, Renukoot and Belgaum career counseling camps were organized, in which 14,699 aspiring students participated.

A total of 1,478 adults have enrolled in our 73 adult literacy programmes at Muri, Doraguda and Belgaum. 'Kishore-Kishori' clubs are being run through 30 centres at 30 villages in Muri. Up until now, 915 village youths have received formal training on personality development, leadership, communication etc.

At Renukoot, Renusagar, Lohardaga and Samri, we organized values promotion camps/

awareness drives on knowledge, attitude, and practices for the rural youth on vocational training opportunities and job prospects in the area. A total of 13,480 youths participated and out of them 412 were subsequently guided to join vocational training courses.

In Samri, we distributed 500 solar L.E.D study lamps to the girl students from grade VI to X.

7.g.2 Health Care

We held 2,334 medical, health and family welfare camps, reaching out to 1,68,088 villagers. A total of 2,44,245 villagers were registered for consultancy and treatment in our hospitals, dispensaries and clinics at Renukoot, Renusagar, Hirakud, Taloja, Alupuram, Belgaum, Doraguda, Dahej and mines areas of Lohardaga, Samri and Durgmanwadi. About 89 cases have undergone corrective surgeries at Renukoot.

We have offered homeopathy treatment facility from our clinic at Doraguda and 2,651 patients were registered for the same.

We have established a primary health centre and we are supporting 1 government primary health centre and 3 Anganwadi centres at Singrauli, offering treatment to 16,308 patients.

More than 39,600 villagers participated in various issue-based and specialty medical camps organized at Dahej, Doraguda, Hirakud, Muri and Renukoot for the treatment of malaria, filaria,



diarrhoea, diabetes, hepatitis, arthritis, skin diseases, gynaecological disorders, other health problems as well as cardiac check-ups.

Intra Ocular Lens surgery helped 1,634 patients with better vision at Renukoot, Lohardaga, Hirakud, Dahej and Muri.

Eye check-ups for 824 school students were done at Belur, Latehar and Alupuram units. 223 students were provided with glasses. During the vision testing of school children at Dongasil, Kodipari and Chandragiri high schools at Raygada district in Odisha, 352 students were tested of which 57 were found having defective vision and 70 with night blindness. They were given Vitamins A, D and B complex tablets. Those having defective vision were referred for further check-ups.

At the 3 medical camps organized at Muri, Renusagar and Renukoot, 523 differently abled persons were supported financially and medically. At dental checkup camps in our Renukoot and Belgaum units, 461 persons received care and treatment. 32 leprosy patients are being treated at Lohardaga and Renusagar.

In Renukoot and Lohardaga, over 1,748 patients were diagnosed with tuberculosis and registered under directly observed treatment (DOT) and treated at the nearest 10 designated microscopic centres (DMC). These include the Hindalco family welfare centre and The Aditya Birla Rural Technology Park, Muirpur and 3 Arogyam Hospitals at Pakhar, Shrengdag and Gurdari designated microscopic centres (DMC) along with the Rajendra Hospital, Lohardaga.

At the 166 camps in Singrauli, Lapanga, Talaja, Belgaum, Lohardaga, Samri, Renusagar and Renukoot on STD/RTI and AIDS awareness camps 10,752 people participated and many of them received treatment as well. At Renukoot, Samri and Lohardaga, 34,724 people participated in tuberculosis, malaria, hepatitis and dental check-up camps.

At Muri we have started the 'Jeevan Mitra Sewa Yojana', where 14 ambulances have been earmarked for the use of critical patients. A total of 5,642 patients from local villages have availed this service and at Latehar, 105 patients re-coursed to our ambulance service.

7.g.3 Mother and Child Health Care

More than 1,18,425 children were treated at the OPDs of 17 family welfare centres and 4 rural hospitals at Renukoot, Renusagar, and the mines division of Lohardaga and Samri.

As many as 5,40,398 children were administered polio drops and 19,177 children were immunized against BCG, DPT and hepatitis B across Hindalco units. Healthy baby competitions at Dahej and Renusagar in coordination with the Govt-ICDS department, saw 700 babies participating enthusiastically. At Doraguda, Renukoot, Renusagar, Lohardaga and Samri our medical team organized adolescence health care and nutrition camps for girls in the 12-16 age group. The 7,526 girls who took part were imparted training on specific health related issues and their growth.

At 5 anemia awareness, detection and treatment camps in Kanyashram, Govt. Girls High School, Dongasil village at Doraguda, 462 students of Kasturba Gandhi Balika Vidyalaya, underwent detection tests and treatment.



As many as 7,443 mothers took advantage of the 151 camps on anti-natal and post natal care, mass immunization, nutrition and escort services for institutional delivery organized at Renukoot, Renusagar, Lohardaga, Samri, Lapanga, Talaja, Belur and Belgaum. These form part of our reproductive and child health care programme.

As a result of our intensive motivational drive towards responsible family raising, 4,043 villagers

opted for planned families at Renukoot, Lohardaga, Samri and Hirakud.

To support the cause of rural homemakers and to reduce the burden of pulmonary diseases, more than 305 low-smoke fuel efficient wood stoves were distributed at Doraguda and Renukoot.

7.g.4 Safe Drinking Water and Sanitation

This year we have installed 61 new hand pumps, repaired 323 hand pumps and dug 63 wells. Consequently, more than 1,10,225 villagers and 12,000 ward residents have access to safe drinking water at Muri, Dahej, Doraguda, Hirakud, Renukoot and Alupuram. We are running a drinking water project in collaboration with other Industries in Eloor Municipality, reaching out to 12,000 families. We have purified drinking water



sources by spraying bleaching powder/chlorine, because 54,550 villagers fetch drinking water from these sources across our unit locations, particularly during summer.

We are encouraging toilet construction and have facilitated the construction of 554 individual toilets in Singrauli, Doraguda, Belgaum, Renukoot and Lohardaga.

7.g.5 Sustainable Livelihood

We provided vocational skills training to 4,177 youngsters at Renukoot, Muri, Latehar, Doraguda, Hirakud, Singrauli and Dahej. At Renukoot,

Lohardaga, Samri, Singrauli, Muri and Belgaum, we organized 75 income generation programme (IGP) awareness camps. These camps were attended by 3,750 people. We conducted farmers training programmes at Muri, Dahej, Singrauli, Doraguda, Renukoot, Renusagar and Lohardaga. Over 20,000 farmers enlisted in them.

To enable 500 families of Kashipur in Odisha to take up commercial vegetable cultivation and earn an incremental income of ₹ 20,000 per annum, build and run institutions like co-operative/producer companies a special project — 'Enhancing Livelihood of the Poor through Commercial Vegetable Cultivation at Household Level' — was launched in Kashipur block by the Odisha Govt. The project is funded by SC/ST development department. Under the banner of Odisha Tribal Empowerment and Livelihood Project (OTLEP), it is being supported by Utkal Alumina, Doraguda as an implementing agency. The project cost is ₹ 1.96 crore and our contribution is ₹ 10 Lakh (5%).

At Singrauli we have implemented 'Wadi and Kitchen Garden'. A total of 20 farmers benefit in the first phase. We will continue to encourage other farmers. Further, we have developed 8 Nadev compost tanks at Singrauli to encourage the use of waste in make manure for their land and improve crop output. At Doraguda, 13 farmers from 4 villages have been oriented on installation and management of vermin compost beds followed by an exposure visit to Kucheipadar village.

As many as 8,805 farmers have received agricultural inputs like implements, seeds, fertilizers and insecticides from 114 agriculture support programmes organized at Renukoot, Renusagar, Lohardaga and Doraguda.



Agricultural farmland leveling, trench digging and construction of check dams were carried out at Renukoot. Here 26,363 farmers took part. In addition, 7,145 farmers were engaged in the lift and drip irrigation facilities in the adopted villages at Renukoot and Lohardaga mines.

We have established the solar lift Irrigation system at Kutku village in Samri. The system has 21 solar plates that generate electricity to run the pump and lift water from the Budha River. This system is already helping 45 farmers to irrigate more than 70 acres of land.

At Singrauli, we have developed three nurseries and produced 16,000 saplings. The 50,465 farmers at Renukoot, Lohardaga, Latehar, Taloja and Alupuram were offered saplings.

We have conducted 39 camps at Renukoot, Renuagar, Lohardaga and Samri to educate villagers on rainwater harvesting for groundwater recharge and retention and demonstrated the technology. A total of 1,500 villagers participated.

We immunized 61,870 animals at animal husbandry and other veterinary camps at Renukoot, Lohardaga, Samri, Doraguda, Belgaum, Durgamwadi and Singrauli. In doing so we protect their cattle from seasonal diseases and for better health.

7.g.6 Self Help Group: (SHG)

During the year, we formed 84 New SHGs at Singrauli, Dahej and Belur. Further, 21,337 women members from 1,017 Self Help Groups across the units were imparted training on various income generation activities, maintenance of book of accounts and skill development. These SHG members are now engaged in activities like tailoring, weaving, knitting, basket making, vermin composting pit, rearing saplings, pickles and spices, papad making, beauty parlour, vegetable vending, grocery shops and other industrial consumables.

We cite a few examples. Members of Ekta Swayam Sahayata Samuha Asnagar- Renukoot are earning an additional income from their grocery unit. Sabji Utpadan Swayam Sahayata Samuha, Supachua-Renukoot, is profitably growing and vending vegetables on a large scale and meeting the needs of the local market. Members of Gandhi



Swayam Sahayata Samuha, Balearic-Renukoot are running sustainable flour mills for retail customers. The papad making unit, the Skanska SHG of Gandhi agar, Hirkud is receiving repeated orders from the Company and local market. Ma Man gala SHG, Gandhi agar, Hirkud has a buy-back tie up with the government for the supply of nutritional diet to anganwadis. Annapurna SHG of New Market, Hirkud has set up a white phenol and hand gloves manufacturing unit to cater the need of the industries. Alisha-SHG of Rickshawpada, Hirkud, earns additional income from their broomstick manufacturing unit.

Yashaswani Women SHG, Kanbargi, Belgaum has become self-sustainable in their cotton bag making and embroidery work. Members of Veerrani Chennamma Women SHG, Kakati, Belgaum are doing well at their embroidery and home decor material production unit.

Laxmi Mahila Mandal, Muttenthatti, Belgaum is getting repeated orders for their Rexene bags from the local market.

At Singrauli we have formed 11 male cooperatives, including one dairy cooperative. These cooperatives are engaged in income-generation activities. Today they are in a position to meet the milk requirements of our growing township.

One ash brick plant was set up at Singrauli under the Enterprise Development Programme, where three families are earning their livelihood. At Lohardaga we have organized a Driving Training Programme for 80 youths. Of these 60 youths are now driving trucks in the mines area and are

earning Rs. 6,000 per month. This effort was also appreciated by the administration of Lohardaga.

Women self-help group members in Gurdari mines in Lohardaga have started mushroom cultivation and their products are being sold in hotels and big markets. So engaged, 12 women are now earning ₹ 2,500 per month.

A total of 4 groups - Jai Sarna Samooh, Jyoti Mahila Mandal, Champa Mahila Mandal and Gulab Mahila Mandal of Shrengdag mines in Lohardaga received ₹72,000 as revolving fund from the district Panchayat authority. They have started a livestock rearing project. Each group is earning ₹48,500 annually. Having been trained adequately, as many as 62 women from 6 SHGs from Tileimal village at Lapanga have begun cultivating mushrooms. They are earning ₹2,600/- per month, supplementing their family income.

Fishery has been introduced in Lapanga and Singrauli. SHGs have been formed to run these projects in the Panchayat ponds.

7.g.7 Infrastructure Development

Our activities here are varied. We have helped the local population by building check dams, bore wells, water harvesting structures, approach roads, internal concrete roads in villages, drainage, river steps and maintaining bathing ghats. Alongside we have constructed additional classrooms, repaired school buildings, erected boundary walls, maintained play grounds and health centres, as also built community halls. Through our interventions, we have reached out to 4,58,615 people across Renukoot, Doraguda, Hirakud, Belgaum, Muri, Latehar and Dahej. We have constructed 5 biogas plants at Singrauli.

At Muri, we have electrified 2 villages benefitting 5,600 inhabitants. In addition, we have provided 20 solar street lights in Doraguda, 3 solar lights at Samri and 423 solar lamps to individual beneficiaries at Muri and Latehar.

While replacing the traditional streetlights, we have setup 1 KW photovoltaic solar power station, Kumis at Samri.



We have erected 1.5 KW solar hybrid system at Meralsiding, Garhwa and installed 7 street lights with the help of this solar system to illuminate the area.

We have also installed 8 Nos. of 1KW Solar streetlights (4 Arm Mini Mast S.L.S) near passenger waiting halls at Samri, Puranpani, Dumerkholi, Kudag villages

Additionally, solar streetlights in Piprapat and Rajendrapur mines at Samri and Meral railway station, Garhwa, Jharkhand have been a boon to the people there.

7.g.8 Espousing Social Causes

Through our innovative interventions, we work with communities and try to address social issues. These include – child labour, illiteracy, child marriages, the marginalisation and abuse of the girl child and women, drunken behaviour, maintaining poor hygiene and so on. We also promote rural sports, cultural programmes and celebration of national events/days in the area.

This year our programmes were attended by 91,294 people.

The coastal belt of Odisha was badly affected by the Cyclone Phailin and the subsequent flood situation. In response to the cyclone/flood in Ganjam district, we have extended assistance by providing 833 quintals of rice and 10 tons of PVC polythene sheets and other relief materials to the cyclone-hit victims of Ganjam district.

8. Awards





8.1 Quality

Hirakud Smelter wins the CII (ER) Quality Award in the Large & Medium Scale category, in recognition of its pursuit of Total Quality Management.

Alupuram Extrusions team earned third place in the Productivity Competition conducted by the Indian Institution of Industrial Engineering, Kerala Chapter, held in April 2013.

Belgaum Alumina Plant wins the Government of Karnataka State Export Excellence Gold Awards, under the product category Chemicals & Plastics for medium/large enterprises for the years 2011-12 and 2012-13, which was presented on 21st February 2014.



8.2 Corporate Social Responsibility

Hindalco Renukoot, bagged the 3rd Annual Genentech CSR Award in the silver category for the year 2013 for their 'agriculture and watershed management project'.

Birla Copper, bagged the 3rd Annual Green Tech CSR Award in the silver category for the year 2013 for their 'Education for All' Project.

Hindalco Lohardaga CSR activities won recognition from the Indian Bureau of Mines during 21st Mines Environment and Mineral Conservation Week held in March, 2014, at R& D Centre, SAIL-Ranchi.

Renukoot Aluminium Complex wins Greentech Silver award for CSR presented by the Greentech Foundation New Delhi

Renusagar Power Division Hospital wins the FICCI Healthcare Excellence Award 2013.

Dahej Copper Complex wins Greentech SilverAward-2013 for its outstanding CSR work in the 85surrounding Government Schools, where Dahej has contributed towards improvement in education.



8.3 Environment

Renukoot Aluminium Complex wins Greentech Platinum Environment Award for environmental excellence, presented by the Greentech Foundation, New Delhi

Dahej Copper Complex wins Greentech Environment Platinum Award 2013, for its environmental initiatives such as water conservation by recycling of plant effluents, utilization of solid wastes, installation of continuous ambient air quality monitoring stations, development of green belt at plant and township.

Muri Alumina Plant wins Greentech Environment Gold Award for environmental excellence, in recognition of its achieving a major target to reduce water and energy consumption.



8.4 Occupational Health & Safety

Taloja Rolling Plant wins National Safety Awards presented by the National Safety Council (Maharashtra Chapter) for Longest Accident Free Period 2012 and Lowest Accident Frequency Rate, 2012.

Renusagar Power Division wins the Greentech Safety Gold Award-2013 in the Thermal Power Sector, presented by the Greentech Foundation, New Delhi, for its outstanding achievements in the field of Occupational Health and Safety.

Renusagar Power Division wins the Safety Innovation Award-2013 in Power Plant category, presented by the Institute of Engineers (India) for its outstanding innovative achievements in the field of Occupational Health and Safety.

Belgaum Plant - Boilers is awarded 'First Prize' in 'Best Safe Industrial Boiler', by the Karnataka State Safety Institute, Department of Factories & Boilers, Government of Karnataka, at the State Level Safety Competition held on the eve of 43rd National Safety Day Celebrations - 2014.

Lohardaga Mines Division wins 1st Prize of Overall performance during Metalliferous Mine Safety Week Celebration-2013 held under the aegis of Directorate General of Mines Safety, Ranchi Region.

Hirakud Smelter wins 2nd Prize in Longest Accident free period till 2009 from Directorate of Factories & Boilers, presented at Bhubaneswar in February 2014. Talabira-I Coal Mines wins the IME Journal Mining Innovation Award 2012 for Innovative Mine Development and Production System with blast free coal mining



8.5 Others

Renukoot Aluminium Complex wins Greentech HR Platinum Award, in the Best Strategy category, the highest in this segment.

Taloja Rolling Plant was awarded the Employers Federation of India (EFI) National Award- 2013, for Excellence in Employee Relations.

Taloja Rolling Plant awarded Best Supplier in aluminium metal category by Tata Toyo Radiators for the year 2013-14.

Lohardaga Mines Division wins 1st and 2nd Prize respectively for Overall performance under the category of Fully Mechanized mines during Mine Environment and Mineral Conservation Week Celebration 2013-14, held under the aegis of Indian Bureau of Mines, Ranchi Region.



KPMG (Registered)
Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi
Mumbai - 400 011
India

Telephone +91(22) 3989 6000
Fax +91(22) 3090 2511
Internet www.kpmg.com/in

Independent Assurance Statement to Hindalco Industries Limited on their Corporate Sustainability Report for the Financial Year 2013-14

To the management of Hindalco Industries Limited, Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030, India.

Introduction

We have been engaged by Hindalco Industries Limited ('Hindalco' or 'The Company') to provide limited assurance on its Sustainability Report ('the Report') for the financial year 2013-14.

Scope of the Assurance Engagement

Assurance has been provided for the sustainability data and information presented by Hindalco in its Sustainability Report FY 2013-14. Our scope of assurance includes:

- Data and information for the period of 01 April 2013 to 31 March 2014 based on Global Reporting Initiative (GRI) G3.1 Guidelines and Metals and Mining Sector Supplement.
- Data and information pertaining to Hindalco (Aluminium and Copper) India operations including Projects and Aditya Birla Minerals Limited.

Limitations in Conducting the Assurance

Our assurance process was subject to the following limitations:

- Verification of claims was limited to data and information presented in the Report for the period 01 April 2013 to 31 March 2014. Data and information in the Report outside this reporting period was not subject to verification.
- Any statement/ remarks/ comments indicating intention, opinion, belief and/ or aspiration by Hindalco were excluded from the scope of assurance.
- The Assurance Statement does not include verification of financial performance indicators/information that was sourced from Hindalco's FY 2013-14 Annual Report
- The scope of assurance excludes data and information pertaining to Novelis Inc.

Assurance Standards and Guidelines Used

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and
- Type 2, Moderate level assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility.
 - Under this standard, we have reviewed the nature and extent of adherence to the AA1000 AccountAbility Principles and the quality of publicly disclosed information as part of the

KPMG, an Indian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International") a Swiss entity.

Report limited to performance indicators/information required by GRI G3.1 Guidelines and Metals and Mining sector supplement.

Independence Requirements

We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in the writing of the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

Assurance Process

The assurance work was executed by KPMG's multi-disciplinary team comprising of experts who have prior experience of working on sustainability report assurance engagements. Our work was planned and executed to obtain the evidence, information and explanations that were considered necessary in relation to the above scope.

As part of the verification process, we have conducted site visits to the following facilities of Hindalco:

1. Hindalco, Copper – Dahej
2. Hindalco, Aluminium – Muri
3. Hindalco, Aluminium – Renukoot
4. Hindalco - Hirakud Smelter
5. Hindalco - Hirakud Power
6. Hindalco - Hirakud FRP
7. Greenfield Project – Aditya Aluminium
8. Bauxite Mines – Lohardaga, Jharkhand
9. Aditya Birla Minerals Limited (Birla Mt. Gordon & Birla Nifty) – (through Video Conference)

Our work included the following procedures involving a range of evidence-gathering activities as explained below:

- Interaction with the Hindalco's Sustainability Board, Sustainability Working Committee members and Senior Management at the corporate office and unit level;
- Review of the stakeholder consultation processes and the methodology used for determining the material issues;
- Assessment of Report contents to check consistency with the requirements of the GRI G3.1 guidelines (principles and performance indicators), ISAE 3000 Assurance standard and AA1000 Assurance Standard 2008;
- Evaluation of the existence and operation of the systems and methods used to collect, process and aggregate the performance data presented in the Report;
- Testing the reliability of underlying data and information for the performance data within the scope of our assurance.

Our Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the information in the Report, in all material aspects, is not fairly represented in line with our findings given below:

As per AA1000AS 2008 principles:

- **Principle of Inclusivity:** The Company engages with various stakeholder groups on an ongoing basis and takes into account views from both internal as well as external stakeholders while finalizing selected sustainability related initiatives. However, the process of engagement with stakeholders can be further strengthened through structured engagement plans that will help document the expectations and areas of concerns of the stakeholders and company's response to them.
- **Principle of Materiality:** The material issues are arrived through a consultation process involving senior management at the corporate as well as at individual unit level. The materiality assessment process can be further improved by implementing a structured materiality assessment process that will consider the feedback received from stakeholder engagement as an input parameter for prioritizing material issues.
- **Principle of Responsiveness:** Hindalco manages its sustainability performance with appropriate governance mechanism at the board level. The Company has a detailed sustainability journey roadmap. Hindalco's report has highlighted the material issues through disclosure of relevant performance indicators and management approach.

Nothing has come to our notice for us to believe that the data is not reliable. Data transcription and calculation errors were detected but the same was resolved during the assurance process.

The Company has self-declared GRI application level A+ for its sustainability report. Based on our review of standard disclosures, disclosures on core performance indicators and commitments made on the partial and not reported core indicators, nothing has come to our attention that causes us to believe that the report does not meet the GRI G3.1 A+ application level requirement.

Other Key Observations and Recommendations

Following is an excerpt from the observations and recommendations reported to the management of Hindalco. These do not, however, affect our conclusions regarding the Report, and they are consistent with the management action plans.

- Hindalco has established a Sustainability Board and Sustainability Working Committee to oversee and steer the Company's sustainability initiatives. The representation of the role of the Sustainability Board & Committee in guiding the Company's sustainability agenda can be strengthened in the report.
- Hindalco can make the process of identification of material issues more robust by integrating the outcome of stakeholder engagement with materiality assessment process, assigning appropriate weightages to stakeholders for assessment.
- The Report sections can be strengthened mentioning on the progress against Hindalco's Sustainability Journey Roadmap as articulated in Report 2011-12.
- The company may consider improving its reporting timelines and may consider publishing the sustainability report along with its annual financial report.

Responsibilities

The Management of Hindalco is responsible for development of the Report and its contents. Hindalco is responsible for the identification of stakeholders and material issues, defining commitments with respect to



sustainability performance, establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to express our conclusions in relation to the scope mentioned above. This limited assurance statement is made solely to Hindalco in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Hindalco those matters we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hindalco for our work, for this statement, or for the conclusions we have reached. By reading this assurance statement, the stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Santhosh Jayaram
Director
KPMG
08 April 2015



AA1000
Licensed Assurance Provider
000-25

GRI Content Index

Profile Disclosure	Description	Status	Report Section
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization	F	From the Managing Director on Page Nos. 4 & 5
1.2	Description of key impacts, risks, and opportunities	F	Sustainability Vision and Policy on Page No. 3. Chapter on Materiality and Stakeholder Engagement - Page Nos. 22 - 23. Sustainability Roadmap developed and approved by MD, where all risk and opportunities are addressed.
2. Organizational Profile			
2.1	Name of the Organization.	F	Hindalco Industries Limited
2.2	Primary brands, products, and/or services.	F	Chapter - Our Presence, Page No. 6 - 16
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	F	Chapter - Our Presence, Page No. 6 - 16
2.4	Location of organization's headquarters.	F	Back Cover of the report.
2.5	Number of countries where the organization operates	F	Chapter - Our Presence, Page No. 6 - 16
2.6	Nature of ownership and legal form.	F	Chapter- Governance, Page No. 17. Please refer our Annual Report 2013-14 for additional information (Page No. 17)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries).	F	Chapter - Our Presence, Page No. 6 - 16
2.8	Scale of the reporting organization.	F	Chapter - Our Presence, Page No. 6 - 16. Details on Shareholding pattern can be found on Page No. 38 of Hindalco Annual Report 2012-13.
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	F	Chapter- Our Presence on Page No. 6 - 16. Details on Shareholding pattern can be found on Page No. 32 of Hindalco Annual Report 2013-14 http://www.hindalco.com/Portals/0/Documents/investors/download/Hindalco_Annual_Report_2013-14.pdf
2.10	Awards received in the reporting period.	F	Chapter - Awards, Page No. 81.
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	F	Front Cover and Foreword titled "Steering Sustainability" on Inside of Front Cover
3.2	Date of most recent previous report (if any).	F	Sustainability Report- 2012-13 http://www.hindalco.com/portals/0/documents/investors/downloads/hindalco_sustainability_report2013.pdf
3.3	Reporting cycle (annual, biennial, etc.)	F	Annual reporting based on Financial Year Data
3.4	Contact point for questions regarding the report or its contents.	F	Back cover of the Report.
3.5	Process for defining report content.	F	Front Cover and Foreword titled "Steering Sustainability" on Inside of Front Cover; Materiality & Stakeholder Engagement Chapter on Page Nos. 22 & 23
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	F	Front Cover and Foreword titled "Steering Sustainability" on Inside of Front Cover
3.7	"State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)."	F	Front Cover and Foreword titled "Steering Sustainability" on Inside of Front Cover
3.8	Basis for reporting on joint ventures, subsidiaries, etc.	F	Front Cover and Foreword titled "Steering Sustainability" on Inside of Front Cover
3.9	Data measurement techniques etc	F	All data collected are subjected to a set of defined procedures, internal control system and checking. Data reported in this report are consistent with regulatory and voluntary disclosure requirements as seen across the board. We have also highlighted any assumptions and calculations in the section itself for better readability of the report.

Profile Disclosure	Description	Status	Report Section
3.10	Explanation of the effect of any re- statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	F	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	F	No Significant Changes
3.12	Table identifying the location of the Standard Disclosures in the report.	F	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	F	This report is third party assured report. Assurance carried out by M/S KPMG.
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	F	Chapter- Governance, Page No. 17 and Hindalco Annual Report 2013-14 Page No. 17
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	F	Chapter- Governance, Page No. 17 and Hindalco Annual Report 2013-14 Page No. 17
4.3	For organizations that have a unitary board structure, For organizations that have a unitary board structure, highest governance body that are independent and/ or non-executive members.	F	Chapter- Governance, Page No. 17 and Hindalco Annual Report 2013-14 Page No. 17
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	F	Chapter- Governance, Page No. 17. We do not have formal work council with representation from Employees at the Board Level. The working relationships is carried out at various levels across the organization through our employee engagement programme.
4.5	“Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization’s performance (including social and environmental performance).”	F	Chapter- Governance, Page No. 17 and Hindalco Annual Report 2013-14 Page No. 17
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	F	Chapter- Governance, Page No. 17 and Hindalco Annual Report 2013-14 Page No. 17
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	F	Chapter- Governance, Page No. 17 and Hindalco Annual Report 2013-14 Page No. 17
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	F	Chapter- Hindalco Sustainability Vision and Policy on Page No. 3
4.9	Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	F	Chapter- Governance, Page No. 17 and Hindalco Annual Report 2013-14 Page No. 17
4.10	Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance.	P	Chapter- Governance, Page No. 17. Independent director is a part of the sustainability board. Our current report only states about the sustainability structure and role of Sustainability Board Members. Information on Formal Evaluation of Governance Body’s own performance will be included in the future reports.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	F	Precautionary approach is embedded in the New Project Design considerations by constantly evaluating and adopting latest available technologies.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	F	The Aditya Birla Group is a member of Global Compact an international forum that operates under the aegis of the United Nations. The Group is also member of World Business Council for Sustainable Development (WBCSD).

Profile Disclosure	Description	Status	Report Section
4.13	Memberships in associations etc	F	The Company has Memberships with various industrial and commercial fraternities like- IAI (Member), AAI (Founder Member), TERI-BCSD (Member), CII (Active Member of western region on Sustainability and Green business) ,FICCI .The Company prefers to be part of policy development processes and hence, actively participates in all related forums.
4.14	"List of stakeholder groups engaged by the organization."	F	Chapter on Materiality and Stakeholder Engagement - Page No. 22.
4.15	Basis for identification and selection of stakeholders with whom to engage.	F	Chapter on Materiality and Stakeholder Engagement - Page No. 22.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	F	Chapter on Materiality and Stakeholder Engagement - Page No. 22.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	F	Mechanism established, Survey in progress; details of the survey will be included in the HSR 14-15 Report.
Disclosure of Management Approach			
DMA EC	Disclosure on Management Approach EC	F	Our economic performance is reviewed on a quarterly basis at the Board level. We also adhere to established policies on Corporate Social Responsibility, Technology and Innovation, Environment and Energy in our Operations and Investments thereby addressing the concerns and expectations of our Stakeholders and accounting for any environmental and social externalities in our Operations and Investment. The various topics under this management approach are detailed in the respective sections. Please refer to Chapter - Steering Sustainability - Economic Performance on Page No. 25.
DMA EN	Disclosure on Management Approach EN	F	Please refer to Chapter - Steering Sustainability - Resource Stewardship on Page No. 31.
DMA LA	Disclosure on Management Approach LA	F	Please refer to Chapter - Steering Sustainability - People & Diversity on Page No. 45
DMA HR	Disclosure on Management Approach HR	F	Please refer to Chapter - Steering Sustainability - People & Diversity on Page No. 45
DMA SO	Disclosure on Management Approach SO	F	Please refer to Chapter - Steering Sustainability - Engaging Communities for a better future on Page No. 72
DMA PR	Disclosure on Management Approach PR	F	Please refer to Chapter - Steering Sustainability - Transparent & Ethical Business Practices on Page No. 61 and Chapter - Steering Sustainability - Delivering Value along the Life Cycle on Page No. 65
Economic			
Economic Performance			
EC1	Direct economic value generated and distributed.	F	Chapter - Steering Sustainability - Economic Performance on Page No. 24. The economic value distributed which has an amount on community investments includes donations. The Economic value given on Page No. 27 does not include the land use agreements amount. We are operating and extracting minerals in Australia only. Australia is neither member nor candidate for EITI.
EC2	Financial implications and other risks and opportunities for the organization's activities due to opportunities for the organization's activities due to climate change.	F	Chapter - Steering Sustainability - Economic Performance on Page No. 24.
EC3	Coverage of the organization's defined benefit plan obligations.	F	Chapter - Steering Sustainability - Economic Performance on Page No. 24.
EC4	Significant financial assistance received from government.	F	Chapter - Steering Sustainability - Economic Performance on Page No. 24.
Market Presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	F	In Hindalco, standard entry level wages are either equal to or more than limit prescribed by the local authorities.

Profile Disclosure	Description	Status	Report Section
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	F	Chapter - Steering Sustainability - Economic Performance on Page No. 24.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	F	Chapter - Steering Sustainability - Economic Performance on Page No. 24
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	F	Chapter - Steering Sustainability - Economic Performance on Page No. 24.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	P	Not being monitored now; we are in the process of evaluating the significant indirect economic impacts.
Environmental			
Materials			
EN1	Materials used by weight or volume.	F	Chapter - Steering Sustainability - Resource Stewardship on Page Nos. 33 & 34
EN2	Percentage of materials used that are recycled input materials.	F	Chapter - Steering Sustainability - Resource Stewardship on Page Nos. 34 & 35
Energy			
EN3	Direct energy consumption by primary energy source.	F	Chapter - Steering Sustainability - Resource Stewardship on Page Nos. 35 & 36
EN4	Indirect energy consumption by primary source.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 36
EN5	Energy saved due to conservation and efficiency improvements.	P	Chapter - Steering Sustainability - Resource Stewardship on Page No. 36 and Hindalco Annual Report 2013-14, Director's Report - Annexure B
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	F	Chapter on Sustainability Performance - Delivering Value along the Lift Cycle on Page No. 65 & and Chapter on Resource Stewardship on Page No. 31.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	P	Some of the initiatives taken are : Through Integrated Management System, we promote Quality improvement and energy efficiency in our outsourced process. Video Conferencing facilities are being used to reduce business related travel.
Water			
EN8	Total water withdrawal by source.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 39
EN9	Water sources significantly affected by withdrawal of water.	P	None
EN10	Percentage and total volume of water recycled and reused.	P	Chapter - Steering Sustainability - Resource Stewardship on Page No. 40
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	F	Chapter - Steering Sustainability - Resource Stewardship on Page Nos. 41 & 42.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	P	Chapter - Steering Sustainability - Resource Stewardship on Page Nos. 41 & 42. Areas of biodiversity value study outside protected areas, as applicable will be included in the coming year report
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	F	Chapter - Steering Sustainability - Resource Stewardship on Page Nos. 41 & 42.
EN13	Habitats protected or restored.	N	-
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	P	We conduct biodiversity study of marine ecosystem at Dahej Gujarat every alternate year. to assess the marine ecosystem impact. Results are very positive.
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	F	For all our Bauxite and Coal Mines, we have Mining Plan and Mine Closure Plan. These plans are approved by the competent authority in the regulatory bodies. These plans also include aspects of Biodiversity Management.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	P	We have initiated to assess IUCN Red List Species, Habitats in the areas affected by our Mines.

Profile Disclosure	Description	Status	Report Section
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 37.
EN17	Other relevant indirect greenhouse gas emissions by weight.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 37.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	F	Chapter on Sustainability Performance – Steering Sustainability - Resource Stewardship on Page No. 35.
EN19	Emissions of ozone-depleting substances by weight.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 43
EN20	NOx, SOx, and other significant air emissions by type and weight.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 43
EN21	Total water discharge by quality and destination.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 40
EN22	Total weight of waste by type and disposal method.	F	Chapter - Steering Sustainability - Resource Stewardship on Page No. 43
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	F	Total quantum of Overburden from Mines in 2013-14 : 3892119 MT
EN23	Total number and volume of significant spills.	F	None
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII and percentage of transported waste shipped internationally.	P	Nil
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	P	We have carried out Marine Study at Dahej. There were no impact identified. For Novelis/ABML – currently, do not have aggregated data for their operation.
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	F	Chapter on Steering Sustainability - Delivering Value along the Life Cycle on Page No. 67
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	P	Chapter on Steering Sustainability - Delivering Value along the Life Cycle on Page No. 67
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	F	None
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	N	NA
Overall			
EN30	Total environmental protection expenditures and investments by type.	P	Novelis- data Not available. Hindalco India - The capital expenditure incurred against Non Return Based - EOHS (Excluding Greenfield Projects) for the period 2013-14 Rs. 4.63 Cr. System for capturing data on Revenue expenses on Environment initiated. Data to be included by 2014-15 HSR.
Social: Labor Practices and Decent Work			
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	P	Chapter - Steering Sustainability - People and Diversity on Page Nos. 46 to 53 Contract Manpower - 39044. System for Gender-wise identification of Contract Employees initiated; will be reported in 2104-15 Report.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	P	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52

Profile Disclosure	Description	Status	Report Section
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	F	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
LA15	Return to work and retention rates after parental leave, by gender.	P	None. Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
LA4	Percentage of employees covered by collective bargaining agreements.	F	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	P	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	F	Our Silvassa Plant was under Lock-out since 23 Feb. 2013
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	F	As per the Factory Act we have equal representation i.e. 50 % management and 50% workers representative India, and Novelis employees are represented in formal safety committees.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	F	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	F	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
LA9	Health and safety topics covered in formal agreements with trade unions.	F	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
Training and Education			
LA10	Average hours of training per year per employee by gender, and by employee category.	P	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52. Gender-wise training details to be included in HSR 2014 - 15
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	F	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	F	Hindalco - India - Operations : 100 % ABML : 100 % (Management Staff) Novelis : 46 %
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	P	Chapter - Steering Sustainability - People and Diversity on Page Nos. 45 to 52. Details of employees age-wise and minority group-wise included in HSR-13-14 Report.
Equal Remuneration for Women and Men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	F	As a part of Policy, there is no differentiation between salary and remuneration of men and women in all categories.
Social: Human Rights			
Investment and Procurement Practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	P	Currently we don't have policy. Initiated process for including human rights clauses in all major Capex contracts. Implementation in Plant plant level planned in 2015-16.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	P	Currently we don't have policy. Initiated process for including human rights clauses in all major Capex contracts. Implementation in Plant plant level planned in 2015-16.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	P	All new employees are briefed about Group Values, Code of Conduct upon start of their employment. Details will be included in HSR 13-14 report.

Profile Disclosure	Description	Status	Report Section
Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	F	No incidence of discrimination reported.
Freedom of Association and Collective Bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	P	We are not operating in countries of significant risk or where unions are illegal, and recognize the right of all employees to choose to or not belong to a union and to seek to bargain collectively. The ABG/Novelis Code of Conduct establishes Guidelines for ethical Behaviour that are applicable to all employees. The Guidelines include provisions to promote a desirable work environment and a mechanism to report violations.
Child Labour			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	F	There are no Company operations, and to the best of our knowledge, no significant suppliers identified as having significant risk of child labor, both in type of operations as well as countries or geographical areas with operations considered at risk.
Forced and Compulsory Labour			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labour.	F	There are no operations identified as having significant risk for incidents of forced Labour. We do not operate in countries considered to be of significant risk. Also, no issues have been identified requiring corrective measures.
Security Practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	P	All Security Personnel, at the time of joining, are trained on Organizations Policies and procedures Records of the these trainings will be captured and will be reported in the HSR 14-15 report.
Indigenous Rights			
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	F	Hindalco, India and Novelis: Nil. ABML – One. Site details: Maroochydore Site.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	F	There have been no violations involving rights of Indigenous People.
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	N	None-Novelis Hindalco India- We do not have formal Human Rights reviews and/or impact assessment done is being planned . Planned to include details in the HSR 14- 15 report.
Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	N	Novelis- Nil. Hindalco- We planned to establish the formal grievance mechanism for human rights related issues. Details will be included in the HSR 14-15 reports.
Social			
Local Communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	F	Chapter on Steering Sustainability - Engaging Communities for better future on Page No. 72.
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	F	Hindalco, India and ABML – None.
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.	F	Hindalco, India and ABML – None.
Artisanal and Small-Scale Mining			
MM8	Number (and percentage) or company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	F	None. We do not have operating sites adjacent to artisanal and small scale mining.

Profile Disclosure	Description	Status	Report Section
Resettlement			
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	F	Hindalco, India – Regular Operations – Nil. However in case of Greenfield Projects, R&R process was implemented as per Local Laws. In additions, CSR activities were carried in Greenfield project sites viz., Mahan Aluminium, Aditya Aluminium and Utkal Alumina.
Closure Planning			
MM10	Number and percentage of operations with closure plans.	F	In Hindalco, India – Mines, Closure Plan is made for all mines as per national and local regulatory requirements. The Mine Closure Plans are submitted to the regulatory authorities as per stipulations. Novelis – Number and percentage of operations with Closure Plan: Novelis has only one mining area, in Our Preto, Brazil, which is currently all inactive. ABML-Nifty – Closure Plan has been drafted for Mt Gordon: Yet to commence Closure Planning Maroochydore – Not Applicable as of now.
SO9	Operations with significant potential or actual negative impacts on local communities.	F	We take all necessary steps to mitigate negative impacts on local communities due to our operations at various locations. In addition, during our community assessment, we collect information on this for planning mitigation measures, as applicable.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	F	Mitigation measures implemented as per plan identified in each location.
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	F	The total number of Business Units analyzed for risks related to corruption: 100%. All the Company's operating units are included in the Enterprise Risk Assessment. Corruptions, violations of FCPA, violations of Company's Code of Conduct are all the factors considered.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	P	The Company's Code of Conduct and Group Values are the primary vehicle for training in anti-corruption policies and procedures. All Management employees were given copy of Company Code of Conduct upon start of their employment, and new management employees.
SO4	Actions taken in response to incidents of corruption.	F	There is no recorded incidence of corruption.
Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying.	P	We are the founder member of Aluminium Association of India and Subscriber of International Aluminium Association where we actively participate for best practices sharing. We are also member of TERI BCS and CII Western Region Sustainability Committee.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	F	There is no financial and in-kind contribution to political parties.
Anti-competitive Behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	F	Nil
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	F	Novelis- Nil Hindalco India- Nil ABML- Nil
Product Responsibility			
MM11	Programs and progress relating to materials stewardship.	P	Chapter on Steering Sustainability - Delivering Value Along the Life Cycle on Page No. 65.
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	P	Chapter on Steering Sustainability - Delivering Value Along the Life Cycle on Page No. 65. We have initiated LCA in 2014-15.

Profile Disclosure	Description	Status	Report Section
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	F	There are no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle.
Product and Service Labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	F	All product and service information provided as per regulatory and packaging requirements.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	F	Nil
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	P	Hindalco India - Customer Satisfaction Survey is currently carried out for Rolled products, Wire Rods, Extrusions, Billets & Ingots once in two years. Overall Customer Satisfaction Index : # Extrusions : 64 % # Wire Rods : 68 % # Ingots & Billets : 70 % # Rolled Product : 71 %
Marketing Communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	F	Ensure the protection of Company's legitimate business interests, including corporate opportunities, assets and confidential information. Deter wrong doing As and when needed, the organization reviews its compliance with these standards and codes We also do not sell any products that are banned in markets.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	F	Nil
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	F	Nil
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	F	Nil



Core Indicator



Additional Indicator

Business Responsibility Report

As per Clause 55 of the Listing Agreement, top 100 listed entities based on market capitalisation at BSE Limited and National Stock Exchange of India Limited as on March 31, 2012 are required to include Business Responsibility Reports as part of Annual Report. However, in sync with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business "Guidelines" and Securities and Exchange Board of India (SEBI) Circular dated 13th August, 2011, those listed entities which have been submitting sustainability reports to overseas regulatory agencies/stakeholders based on internationally accepted reporting frameworks need not prepare a separate report for the purpose of these guidelines but only furnish the same to

their stakeholders along with the details of the framework under which their BR Report has been prepared and a mapping of the principles contained in these guidelines to the disclosures made in their sustainability reports.

Hindalco has been publishing Sustainability Report since FY11 on Global Reporting Initiative (GRI) Framework. The report for 2013-14 is titled 'Steering Sustainability'. This report has been assured as A+ rating based on Global Reporting Initiatives (GRI G 3.1) standards by an external independent assessing agency.

This report will be hosted on its website www.hindalco.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

Section A : General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L27020MH1958PLC011238			
2.	Name of the Company	Hindalco Industries Limited			
3.	Registered address	3rd Floor, Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai: 400030			
4.	Website	www.hindalco.com			
5.	E-mail id	anil.malik@adityabirla.com			
6.	Financial Year reported	1st April, 2013 to 31st March, 2014			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	ITC Code	Product Description		
		7601	Aluminium Ingots		
		7606	Aluminium Rolled Products		
		7605	Aluminium Redraw Rods		
		740311	Copper Cathodes		
		740710	Continuous Cast Copper Rods		
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Aluminium Rolled Products (ii) Copper Cathodes (iii) Concast Copper Rods			
9.	Total number of locations where business activity is undertaken by the Company	i Number of International Locations (Provide details of major 5): <ul style="list-style-type: none"> • USA • Australia • Europe • Brazil • South Korea ii Number of National Locations: <ul style="list-style-type: none"> • 2 Aluminium; • 1 Copper Unit • 3 Chemical Units • 3 Power Units • 5 Rolled FRP • 2 Extrusions • 3 Foils Cluster of mines in Jharkhand, Chattisgarh, Maharashtra, and Orissa. • Registered Office and Zonal Marketing Offices 			
10.	Markets served by the Company	Local	State	National	International
		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Section B: Financial Details of the Company

1.	Paid-up Capital (INR)	₹ 206.48 crores
2.	Total Turnover (INR)	₹ 22850.93 Crores
3.	Total Profits after taxes (INR)	₹ 1413.33 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR was ₹ 32.62 Crores which is 1.61% of the average net profit for the previous three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	a. Education b. Health Care c. Women empowerment d. Sustainable Livelihood e. Infrastructure Development

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has 65 (sixty five) subsidiaries - 14 (Fourteen) domestic and 51 (fifty-one) foreign.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Hindalco Sustainability Report covers Hindalco India Operations including Greenfield Projects, along with overseas subsidiaries Aditya Birla Minerals Ltd. – Australia and Novelis Inc. Further, Novelis Inc., also publishes Sustainability Report based of Global Reporting Initiative (GRI) framework.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

At present, suppliers and distributors with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company directly.

Section D: BR Information

- Details of Director/Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/policies

DIN Number	00198912
Name	Mr.N.J. Jhaveri
Designation	Independent Director

b) Details of the BR head

Sr. No	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. Anil Malik
3.	Designation	President & Company Secretary
4.	Telephone number	022-66626666
5.	e-mail id	anil.malik@adityabirla.com

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle No.	Description	Reference to Sustainability Report
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Chapter - Governance on Page Nos. 17-21.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Chapter - Delivering Value along the Life Cycle on Page Nos. 65-71
P3	Businesses should promote the wellbeing of all employees	Chapter - People and Diversity on Page Nos. 45-52
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Chapter - Materiality and Stakeholder Engagement on Page Nos. 22-23
P5	Businesses should respect and promote human rights	GRI Content Index on Page Nos. 88 - 96
P6	Business should respect, protect, and make efforts to restore the environment	Chapter- Resource Stewardship on Page Nos. 31-44.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	GRI Content Index on Page Nos. 88 - 96.
P8	Businesses should support inclusive growth and equitable development	Chapter- Engaging Communities for a Better Future on Page Nos. 72-80.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Chapter - Delivering Value along the Life Cycle on Page Nos. 65 - 71, GRI Content Index on Page Nos. 88 - 96.

Glossary

AAI	Aluminium Association of India	IIT	Indian Institute of Technology
ABML	Aditya Birla Minerals Limited	IMRB	Indian Market Research Bureau
ABSTC	Aditya Birla Science Mumbai & Technology Centre	IMS	Integrated Management System
AIMM	Australasian Institute of Mining and Metallurgy	INR	Indian Rupee
APSRTC	Andhra Pradesh State Road Transport Corporation	ISO 9001	Quality Management Systems — Requirements
ASCI	Advertising Standards Council of India	ISO-14001	Environmental Management Systems — Requirements with guidance for use
BEE	Bureau of Energy Efficiency	KFA	Key Focus Area
BESCO	Bharathiya Electric Steel Company	KRA	Key Result Area
BNPL	Birla Nifty Pty Ltd	KTPA	Kilo tonne per annum (1000 tonne per annum)
BRDC	Belgaum Research and Development Centre	LME	London Metal Exchange
CART	Collaborate - Alleviate - Resolve - Together	m ³	Cubic meter
CCL	Centre for Creativity Leadership	MCDR	Mineral Conservation and Development Rules 1988
CDM	Clean Development Mechanism	MSRTC	Maharashtra State Road Transport Corporation
CII	Confederation of Indian Industry	MT	Metric Tonne
CO	Carbon Monoxide	MtCO _{2e}	Million Tonne of Carbon Dioxide Equivalent
CO ₂	Carbon Dioxide	MTPA	Metric Tonne per annum
CPO	Chief People Officer	MW	Mega Watt
CFO	Chief Financial Officer	NABL	National Accreditation Board for Testing and Calibration Laboratories (NABL) is An Autonomous body under the aegis of Department of Science & Technology, Government of India
CTO	Chief Technology Officer	NCO	Nifty Copper Operation
CRM	Customer Relationship Management	NGO	Non-governmental Organization
CSMM	Customer Satisfaction Management and Measurement	NIPM	National Institute of Personnel Management
CSR	Corporate Social Responsibility	NORPAR	Normal Paraffin
CTC	Central Technical Cell	NOX	Oxides of Nitrogen such as Nitrogen Dioxide
CY	Calendar year	NPK	Sodium, Phosphorus and Potassium
DAP	Di-Ammonium Phosphate	OHSAS	Occupational Health and Safety Assessment Series (standards for Occupational Health and Safety Management System)
DAC	Development Assessment Centre	18001	
DEPB	Duty Entitlement Pass Book	PAP	Project Affected People
DMS	Dry Mud Stacking	PAT	Perform-Achieve-Trade
DP	Displaced People	PFC	Per Fluoro Carbon
EAFA	European Aluminium Foil Association	POP	Plaster of Paris
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	QC	Quality Control
EHS	Environment, Health and Safety	QCDIP	Quality, Cost, Delivery, Innovation and Productivity
EIA	Environmental Impact Assessment	RDSO	Research Designs and Standards Organization
ESP	Electrostatic Precipitator	RE	Renewable Energy
EUR	Euro	REC	Renewable Energy Certificate
ETP	Effluent Treatment Plant	RMP	Red Mud Pond
FICCI	Federation of Indian Chambers of Commerce & Industry	RO	Reverse Osmosis
FO	Furnace Oil	RPO	Renewable Purchase Obligation
FRP	Flat Rolled Products	R&R	Rehabilitation and Resettlement
FY	Financial year	SEBI	Securities and Exchange Board of India
GHG	Greenhouse Gas	SHG	Self Help Group
GJ	Giga Joules	SOX	Oxides of Sulphur such as Sulphur Dioxide
GRI	Global Reporting Initiative	SPL	Spent Pot Lining
GSRTC	Gujarat State Road Transport Corporation	TERI	The Energy and Resources Institute
Ha	Hectare	TRDC	Taloja Research and Development Centre
HIC	Hindalco Innovation Centre	TCO _{2e}	Tonne Carbon Dioxide Equivalent
HDPE	High Density Poly Ethylene	TWP	The Works Partnership
HR	Human Resource	USD	United States Dollar
IAI	International Aluminium Institute	UNFCCC	United Nations Framework Convention on Climate Change
ICDC	Indian Copper Development Centre	VDC	Village Development Committees
ICPCI	International Copper Promotion Council India	WCM	World Class Manufacturing
IDP	Individual Development Plan		

In the true spirit of sustainability, any feedback that can help make the Organisation's Sustainability Report better, is genuinely appreciated. If you have any suggestions, feedback or even just a query,

Please contact:
Head Sustainability

Hindalco Industries Limited

264 - 265 Vaswani Chambers, 2nd Floor
Dr Annie Besant Road, Worli
Opp. Old Passport Office
Mumbai 400 030
Tel : + 91 22 4920 4303
hindalco-cso@adityabirla.com



HINDALCO INDUSTRIES LIMITED

Corporate Office

Hindalco Industries Limited

Aditya Birla Centre
SK Ahire Marg, Worli
Mumbai 400 030

Tel : +91 22 6652 5000
Fax : +91 22 6652 5901

www.adityabirla.com
www.hindalco.com

