



Social and Relationship Capital



Partnerships that drive growth

Unleashing the potential of people and creating value for our communities is one of our top most priority. Over the years, Hindalco has built strong partnerships with its stakeholders based on mutual trust and respect. Our commitment to ESG and value enhancing growth drives all the efforts we make to cater to stakeholders' expectations. We believe that long-term value creation and mutual growth can only happen by fostering stakeholder synergies.

Key Highlights

₹87.6 CR
Community expenditure

1.26+ MN
Lives touched

15,673
Number of suppliers

₹1,48,236 CR
Procurement spend

Contributions to SDGs



Value Enhancing Growth

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

Interlinkages with Material Topics and Other Capitals

Material Topics	Capitals Connected
Community Relations	Financial Capital
	Manufactured Capital
	Human Capital



Our Focus Areas

Strengthening ties with communities	Fostering customer relationship	Responsible supply chain
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Social and Relationship Capital



Hindalco supports several women-run SHGs under its CSR initiatives

Our company's CSR initiatives focus on five thrust areas

4 QUALITY EDUCATION	3 GOOD HEALTH AND WELL-BEING	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	8 DECENT WORK AND ECONOMIC GROWTH	11 SUSTAINABLE CITIES AND COMMUNITIES
Education	Health Care	Social Reforms	Sustainable Livelihood	Infrastructure Development
<ul style="list-style-type: none"> Enabling enrolment of students Scholarships Co-curricular activities School infrastructure development Distribution of educational materials and uniforms 	<ul style="list-style-type: none"> Health camps Addressing malnutrition Healthcare infrastructure development Preventive and curative care Mother and Childcare 	<ul style="list-style-type: none"> Addressing social stigmas and issues Old age home support Providing disaster relief Financial literacy Breaking social stigmas 	<ul style="list-style-type: none"> Vocational job-oriented skill training Technical skill training Distribution of agriculture tools, seeds, fertilisers, and insecticides to farmers Supporting Self-Help Groups (SHGs) 	<ul style="list-style-type: none"> Village road construction Community water source Maintenance of heritage Disaster Relief

** 100% of beneficiaries of the CSR projects and programmes are from vulnerable and marginalised groups

The Strategy is guided by our CSR Vision-

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

Engage, Uplift and Empower

In line with our Group's Corporate Social Responsibility (CSR) motto of 'Engage, Uplift and Empower' and Hindalco's strong ESG commitments, we constantly strive to make a positive difference to the lives of people in the areas we operate in. Over the years we have relentlessly worked towards enriching the lives of all our stakeholders and will continue to contribute towards building a self-sufficient and sustainable future for society at large.

Our CSR strategy to engage, uplift and empower the community around us is aligned to the 10 SDGs - No Poverty, Zero Hunger, Quality Education, Good Health & Wellbeing, Clean Water & Sanitation, Affordable and Clean Energy, Decent Work & Economic Growth, Gender Equality, Reduced Inequalities & Industry, Innovation & Infrastructure.

We have a total of 50 production assets and 19 mines. All of them have gone through community consultation process before establishment. Additionally we have undertaken 11 development projects to enhance our production. Out of them, 6 projects are in the process of community consultation.

At Novelis, our plant managers and other teams are in constant touch with local communities. They actively acknowledge the issues faced by the locals and resolve them in the best possible way. We conduct feedback sessions with local stakeholders for engagement. Each site has a site champion with responsibility to lead the community development projects. We also aim at advancing Science, Technology, Engineering and Mathematics (STEM) education and sustainable development in the local communities.

From Strategy to Practice

In line with our Group's CSR vision, Hindalco has adopted socially responsible practices where these SDG goals are enumerated through the five focus areas of education, health care, sustainable livelihood, social empowerment, and infrastructure development.

Investing in Communities

We spent ₹55.04 Crore on community development projects at Hindalco to strengthen our commitment towards Corporate Social Responsibility (CSR). We have spent a total of ₹39.3 Crore in 10 identified aspirational districts of Odisha, Madhya Pradesh, Uttar Pradesh and Jharkhand through our CSR projects.

Hindalco	FY2018-19	FY2019-20	FY2020-21	FY2021-22
Community Expenditure (₹Crore)	44.57	48.65	53.99	55.04

The total philanthropic contribution by our Novelis operations is US\$4,291,644, equivalent to ₹32.6 Crore. The category-wise contribution details are provided in the table below.

Type of Contribution	Total amount (in USD)
Cash contributions	3,493,644
Time: employee volunteering during paid working hours	348,000
In-kind giving: product or services donations, projects/partnerships or similar	300,000
Management overheads	150,000



Community Stewardship Initiatives

Education

Recognising the value of education in community development, we promote a conducive learning environment through our holistic initiatives. Pre-school education, educational support programme, vocational and technical education training, adult literacy programme and school infrastructure development are some of our key areas of focus. This opens doors to opportunity, promotes social mobility and aids in the reduction of inequity. It is critical for breaking the cycle of poverty and cultivating tolerance-which leads to a healthy and progressive society.

Our Education Programmes are mainly aligned with 3 SDGs - Quality Education, Gender Equality and Reduced Inequalities. Through our education programmes and initiatives, we supported 7,607 students in rural areas. Following are outcomes resulting from our Education Programme in FY2021-22:

<p>Supported 2,168 students in 56 Aanganwadi and Balwadi Centres</p>	<p>7,514 students enrolled in 18 Aditya Birla Public Schools and Aditya Birla Vidya Mandirs</p>	<p>122 adult learners gained literacy skills through 4 Adult Literacy Programmes</p>
<p>Nurtured 11 malnourished children into healthy children, under Integrated Child Development Scheme (ICDS)</p>	<p>36 schools were constructed/ repaired to upgrade the existing infrastructure</p>	<p>Distributed educational materials and uniforms to 10,349 students</p>

An impact assessment study of CSR activities of Utkal Alumina International Ltd. carried out by NABARD Consultancy Services during FY2018-19 for our education sector initiatives indicated the following impact. Due to the challenges posed by COVID-19, we could not carry out the impact assessment this year.

Key Performance Indicator	Unit	Baseline (FY2010-11)	Impact (FY2018-22)
Total literacy rate	%	37.74*	51.56**
Women literacy rate	%	22.51*	36.51**
School enrolment	%	92.06***	97.85**
School attendance	%	65	100#
School dropouts	%	4.75	2.65#

* Indicates 2011 census data.

** Indicates NABCONS study data, 2018

*** Indicates Child Tracking System Data of the operational Gram Panchayats, Odisha Primary Education Programme

Authority, Government of Odisha, Bhubaneswar, 2009-10.

Impact assessment study conducted by Xavier Institute of Social Services, Ranchi in 2016-17

Key benefits from the initiatives

We undertook several education related projects and programmes with the objective to enable the financially and socially backward children from our communities to become financially independent in the future. These initiatives have helped us develop a strong bond with the community. An educated community ensures we will have access to local talent in the years to come, with an increase in availability of educated and skilled local manpower. This helps in creating local employment opportunities, contributing to improved quality of life and increased goodwill of the community and local government.

Healthcare

Good health is key to individual wellbeing. We have been standing strong with the communities, throughout all the three waves of the COVID-19 pandemic, addressing health issues and providing solutions that meet essential healthcare requirements.

During the year, we undertook several healthcare programmes and initiatives aimed at improving accessibility to better healthcare services for vulnerable sections of society. These initiatives cover preventive healthcare programmes, curative healthcare, mother and childcare, quality/support programmes and development of healthcare infrastructure. Our healthcare projects include eye camps, dental check-up camps, tuberculosis camps and general health counselling. We helped treat 61 cases of Tuberculosis. A total of 292 cases of cataract surgery were undertaken. Our adolescent healthcare programme extended support to 1,728 girls.



“Fostering a healthy society by creating awareness on health-related issues and providing access to essential medical infrastructure”

Social and Relationship Capital

Some of the highlights from our health-related CSR projects are:

Running 5 hospitals, 16 dispensaries/clinics and 23 family welfare centres	112,356 beneficiaries from our hospitals/dispensaries/clinics/family welfare centres	30,981 mothers and children helped by family welfare centres
71,744 people aided through 2,226 medical camps	25,276 attended 62 seasonal disease (Malaria/Diarrhoea)	373 Health and Nutritional awareness programmes organised
145,594 children given Pulse Polio drops; 35,165 children vaccinated against other life-threatening diseases	22 eye camps organised and 292 cataract surgeries performed with 1,752 total beneficiaries	11,014 mothers registered for Antenatal/Postnatal Care (ANC/PNC)

VISION CENTRE- EASY ACCESS TO AFFORDABLE EYECARE

Implementing partner- Trilochan Netralaya

Services provided- Complete eye check-up, cataract screening, eye pressure/glaucoma check-up, retina check-up, spectacles, medication, diabetic eye disease screening, school eye health camps, consultation with eye specialist through real-time live video conference.

Aditya Aluminium partnered with **Vision Foundation**, a trust of Trilochan Netralaya, Sambalpur, to implement and manage the Vision Centre project, including providing technical experts for clinic management and conducting outreach activities. The objective of the project was to ensure prevention of avoidable blindness by promoting awareness of good eye health in all sections of the community, especially vulnerable and marginalised people.

Earlier, people from Rengali Block and adjacent blocks had to travel 25 km to Sambalpur for eye- screening, check-up and spectacles. With the Vision Care Centres, we provided doorstep services through camps in villages, free eye check-ups in school and employment to local youth as optometrists. There is a significant increase in the uptake of eye care services, thus, leading to considerable reduction in the burden of avoidable blindness. Most of the problems are addressed locally at the vision centres and only a small number are referred to either a secondary or a tertiary level hospital for further management. This has benefited senior citizens, people above 40 years, and school students.

We were able to conduct 12 eye health camp in a year with an outreach to more than 100 villages.

Lives touched

3,000

Eye patients treated through OPD Eye Health Care

10,000+

People reached through door-to-door campaign and Panchayat level Eye Screening Camps

570+

Students received eye-screening. A total of 13 students were provide spectacles.

1,000

Cataract surgeries were performed free of cost

COVID-19 Care

- 1,229 COVID-19 Awareness Camps conducted
- 208,161 masks distributed
- 256 Oxygen Cylinders and 262 Oxygen concentrators donated
- 7,161 litres of sodium hypochlorite sprayed



Social Reforms

Raising awareness against social evils like exploitation, inequality, trafficking in the remote corners of India, etc., has been our unrelenting battle for decades. With the support of community and local bodies, we organised awareness campaigns on social issues such as child labour, child marriage, women abuse, dowry and illiteracy. We also came to the aid of people during disasters with our relief programmes. The lack of financial literacy means rural people, especially women, never learn how to earn or manage money. We address these issues through financial literacy programmes and empower rural communities, especially women, through Self-help Groups, teaching them fundamental concepts of financial literacy and income generation.

Some of the key social reform initiatives carried out during FY2021-22 and number of beneficiaries are shown in the table:

Initiatives	Number of Beneficiaries (FY2021-22)
Child trafficking	3
Supported people in Disaster relief	3,379
Blanket distribution	7,544

AFFORDABLE SANITARY PAD MANUFACTURING UNIT

In rural settings, people are unaware of sanitation and best hygiene practices and discussions on menstruation is still a taboo. Lack of access to sanitary pads results in the use of the unsafe alternatives which may be detrimental to women's health. Many adolescent girls miss 5 days of school per month and about 23% girls drop out of schools after they start menstruating.

To tackle this, our theory of change model adopted a three-pronged approach at Gare Palma:

- Social mobilisation, education & awareness regarding good menstrual hygiene practices.
- Creating in-house infrastructure to fulfill the demand of sanitary napkins.
- Supplying affordable sanitary napkins to the underprivileged sections of society.



Local women were trained to manufacture and distribute sanitary pads and were provided with necessary infrastructure to set up sanitary pad manufacturing units.

Outcome of the project

We were successful in creating awareness about good menstrual hygiene practices and break the taboo associated with it.

10

Women completed the training

3,200

Pads (400 packets) produced and distributed

Social and Relationship Capital

Sustainable Livelihood

Our interventions in skill development and sustainable livelihood seek to equip locals with crucial skills for financial independence.

During FY2021-22, we initiated various programmes actualised through three intervention areas:

- Creation of livelihood opportunities and provision of employability skills including farmer training programmes and technical skill development programmes
- Enhancing water availability through integrated watershed management
- Construction of good quality, reliable and resilient infrastructure, and ensuring access to safe and affordable housing facilities

A significant quantum of our actions is aimed at nurturing grassroots entrepreneurship in rural margins, with women and farmers at the forefront of economic activities.

1,513 people received Vocational Job-Oriented Skill Training

1,813 SHGs with 23,214 members provided with financial literacy, managerial and conceptual training

3,468 farmers were provided agricultural tools, seeds, fertiliser, and insecticides

2,253 youths received technical skill training

346 farmer meetings conducted with 5,720 farmers in attendance

48,779 cattle were immunised in veterinary camps



Hindalco is generating livelihoods and restoring the dying art form of Kosa silk by training women in Raigarh

REJUVENATING A DECLINING CLASSIC - BUILDING KOSA INTO A GLOBAL SILK HANDLOOM BRAND



Hindalco's CSR initiative to establish a social enterprise and build a premium silk handloom brand is in full swing. This year we set up 'Kosala Livelihood and Social Foundation', aimed at generating sustainable livelihood opportunities for reelers, weavers and artisans. We were able to generate a total revenue of ₹45 Lakh from this project for FY2021-22, generating sustainable livelihood opportunities

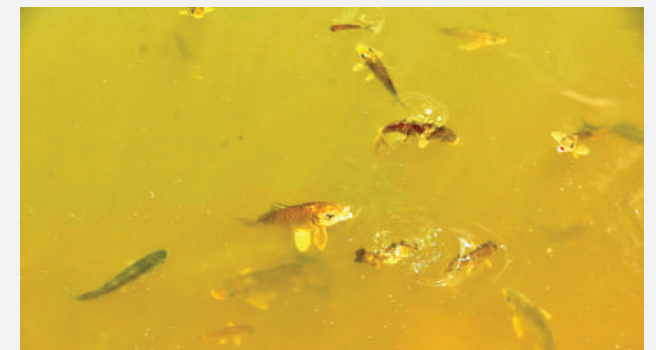
for 110 beneficiaries (reelers, weavers and artisans), with an income of ₹10 Lakhs. We also trained 46 women as reelers under this project. We have onboarded design and market linkage partners for the operations. We are further aiming to mobilise more artisans, firming up the organisation on the ground, and launching Kosala as a global brand.

SUSTAINABLE LIVELIHOOD OPPORTUNITIES THROUGH DUCK FARMING AND AQUACULTURE TO LOCAL COMMUNITIES

Water harvesting areas are mandated for every restored mine site. To use these water bodies optimally, livelihood interventions suitable for the local communities were planned. This is an initiative towards livelihood generation carried out at Bagru mines, Jharkhand. In this project, exhausted mining pits are utilised as water harvesting structures. Dump water and surface run-off during monsoon is channelised into these structures. In this way, these pits get converted into ponds which are used to practice pisciculture. We have established bamboo cage and nursery for fingerlings, and a duck house to protect them during early stages of growth.

Under this project we imparted training to 10-12 farmers on scientific pisciculture. We also provided training on duck rearing to a self-help group 'Binko-Sangi Mahila Mandal' comprising 12 women. We helped them engage in the fish trade to earn their livelihood.

Initially, we invested ₹23 Lakhs but now the project is self-sustainable and solely handled by the SHG with technical guidance and support from Hindalco.



#WADI (HARELI)- BIODIVERSITY BENEFITS ALL

Wadi in Gujarati means an orchard. Wadi model is a tried and tested way to promote sustainable tribal livelihood. Tribal economies tend to be primarily subsistence-oriented and are based on a combination of agriculture, forestry and wage labour. Although tribal populations are mainly dependent on agriculture, the collection of forest produce plays an important role in household consumption and income generation. Besides this, there are other challenges faced by tribal populations at the local level. Local farmers are usually

restricted majorly to one/two crops of rice while Orchard/Horticulture practices are restricted mostly to large farmers. Small/marginal holders are not yet introduced to or are fully aware of the concept of crop diversification/integrated farming.

To overcome some of the aforementioned challenges, we implemented Wadi model to develop sustainable livelihood opportunities for participating tribal communities through remunerative self-employment and prevent migration.

Till March 2022, 200 Wadis were initiated and pre-plantation work was completed. A total of 20 SHGs have been oriented to and mobilised for training in off farm trades (vermi, poultry, goatery, vegetable farming). Considering the effective project outcome, we plan to initiate its next phase, which shall include activities such as second batch of plantation, formation of new SHGs, development of infrastructure (irrigation and fencing) and providing training in non-farming activities.

Social and Relationship Capital

VERMICOMPOSTING AND MUSHROOM CULTIVATION- SUSTAINABLE PRACTICES FOR PRODUCING HIGH VALUE CROPS



make vermicompost and manage the enterprise through sales and record keeping. Over time, seven more SHGs were formed. All these SHGs were brought together under 'Sangam Kechua Khad Utpadan Samiti', a larger people's organisation. This helped to ensure maximum profit and negotiation power to the organisation.

Currently, more than 80 women are practicing the trade and their annual production of vermicompost is more than 8,000 MT. The annual turnover of the samiti from the 'black gold' is around ₹55 Lakh. This project assured sustainable livelihood to 80 women and created awareness among local farmers to use vermicompost over chemical fertilisers. Now, the project is self-sustained and efficiently managed by the SHG members.

We also trained the local women on earning livelihood through mushroom cultivation in partnership with SRI, Ranchi. 12 members of the "Ujala Mahila Samuh" of Bandhi village have started the production of oyster mushrooms. Apart from training, we provided infrastructure for the production unit. During first cycle of project, we provided them with mushroom spawns, required substrate and pesticides. Now each member is earning around ₹5,000 per crop.

The local communities near Bagru mines have limited land-based livelihood options. The agricultural produce stays limited to a single crop in the kharif season. Chemical fertilisers are used by the local farmers, thus deteriorating and contaminating the soil. We found that there was a need to make the local farmers aware of the benefits of organic means of cultivation and farming.

In 2011, a single vermicompost unit was established by Hindalco near the Bagru mines area. A Self-Help Group (SHG) by the name of Jai Sarna Mahila Mandal from Jamunatoli Village, comprising 11 women, was trained to

Infrastructure Development

Good infrastructure is the foundation for economic activity and inclusive growth. Our goal of facilitating sustainable development among rural communities is linked to enhancement and development of rural infrastructure.

Thus, we have taken up critical infrastructure development projects in areas where we operate. This includes construction of roads to improve connectivity to the nearby market or hospitals, watershed development and irrigation support, ponds, schools and hospitals, community halls/kitchen, repairs/maintenance of places of heritage, sports and recreation centers, etc.



Water is one of the most precious natural resources on our Planet so we aim to make our operation water positive through various infrastructural measures for storage, recycle, reuse of water for the benefit of the local community. In this process we have constructed/renovated over 133 check dams, 169 ponds, 2 canals, 4 reservoirs, 13 water harvesting tanks and 60 trench clusters. Spread across 5 states, these initiatives have helped to irrigate more than 10,000 acres of land belonging to around 10,000 farmers. Additionally, more than 5,700 families are getting water for daily use through these measures. We have been able to store 3.1 Million cubic metres of water through various watershed development initiatives across our units.



Rainwater harvesting pond at Kathautia

15

Roads constructed

1

Place of heritage repaired/ maintained

BUILT OVER 337

rainwater harvesting structures till now

SHAPING THE FUTURE OF WATER- RAINWATER HARVESTING



Our Samri mines, located in Chhattisgarh, is in a water scarce zone. Conservation of groundwater is a major worry for local communities. We have taken up a project to achieve water positivity in Samri bauxite mines with an aim of giving back more water to the environment and the community than we take.

As an innovative way to involve the community and fulfill their requirements, we have built Water ATMs. Currently, 3 drinking water ATMs built by us have been handed over to the community. In the next four years, we aim to install two more ATMs benefiting local communities and our contractual employees.

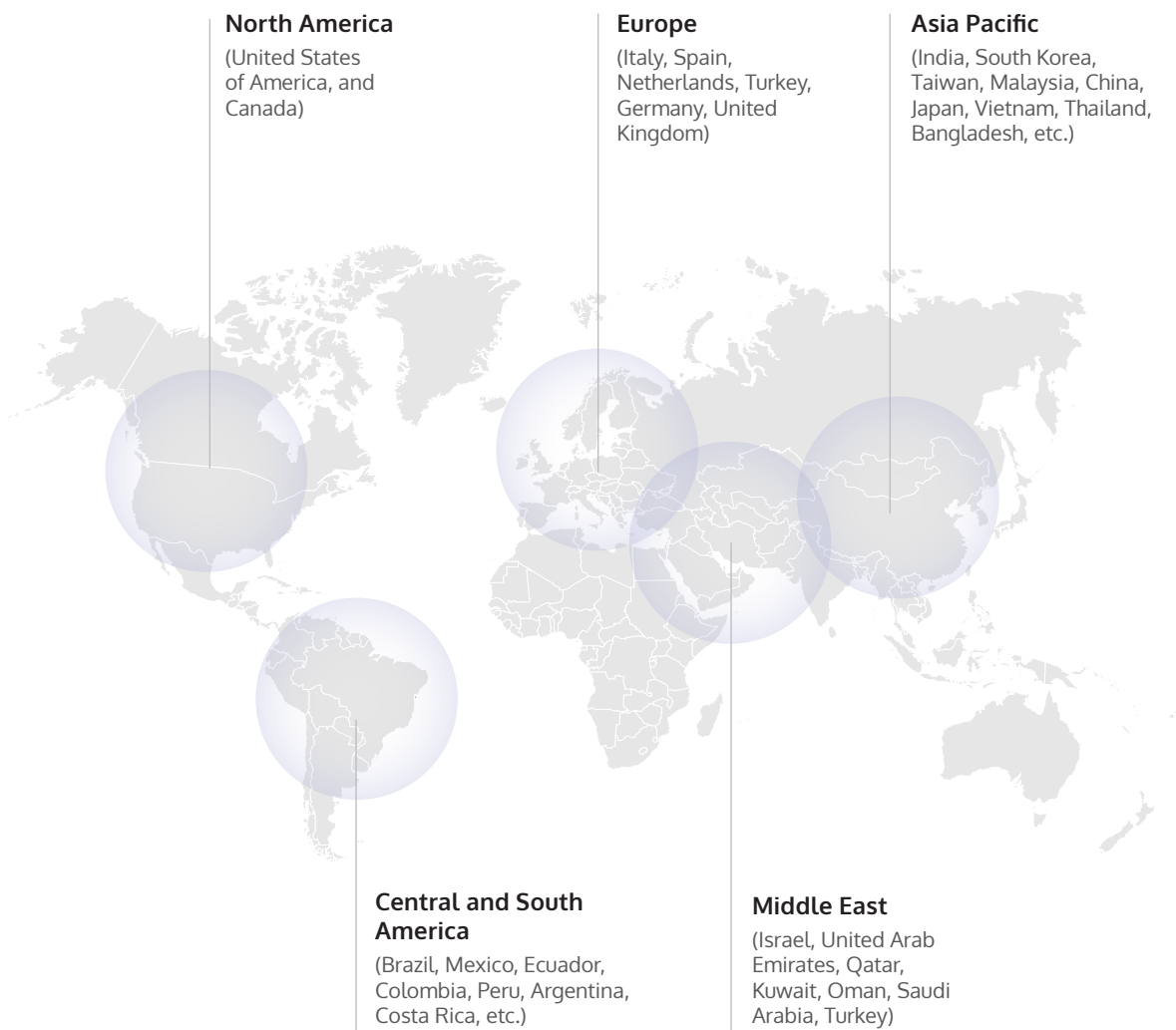
Fostering Relationship with Customers

Business longevity relies on customer satisfaction and we serve a global customer base through operations spread across our 50 manufacturing units. Regular interactions with customers help us upgrade our products and processes to meet their dynamic needs and requirements. We continuously work to develop safe and sustainable products with a promise to deliver superior quality and unmatched experience. What differentiates us is our focus on value co-creation through solution-driven approach that transcends product supply, identifying customers' implicit and explicit needs.

Our multidimensional approach towards customer centricity has helped us deliver enhanced customer experience across our value chain. During the reporting period, there were no complaints received concerning breaches of customer privacy and losses of customer data.

Social and Relationship Capital

Market served (Aluminium and Copper)			
Automotive and transport	Defence	Industrial application	Consumer durables
Building and Construction	Electrical and Electronics	Pharmaceuticals, beverage cans and packaging	Railways
Enhancing customer experience			
Geographies			



Hindalco has developed a range of lightweight commercial vehicles

Aluminium Business - Key Customers

At Hindalco, we have built a strong customer base through our diverse aluminium offerings.

Market Served

Automotive and transport: Used in automobile components such as brakes, transmission, suspension, Noise Vibration Harness, Steering Knuckle, Truck body fabrication cooling and exhaust systems, automobile heat exchangers and registration plates, structural, and decorative beadings.

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

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

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

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

Pharmaceuticals and packaging: Used in various packaging applications like can body, closure caps, kitchen foils, tagger foil, pharmaceutical etc.

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

Commercial vehicle offerings: Light weighting markers solutions in the form of aluminium alloy CV bodies such as articulated semi-trailers, truck bulkers, last mile e-mobility cargo boxes and railway freight wagon super structures.

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

Aluminium Offerings

Primary Applications

- Ingots
- EC wire rods
- Billets

Extrusion Applications

- Automotive
- Industrial machinery
- Defence
- White goods (used in cookware, ladders, mixer grinder parts)
- Electronics (used in light reflectors, heat sinks, solar panels, insulation)
- Constructions

Foil Applications

- Flexible Packaging (Aseptic/Tetra pack, food, tobacco, personal care)
- Pharmaceutical
- House foil/Semi Rigid containers

Transport solutions

- Light weighting applications and solutions in V and personal mobility segments

Flat-rolled Applications

- ACP stocks
- Circles (used in pressure cookers, non-stick cookware)
- Closure stocks
- Clad and Finstock
- Foil stock
- Litho stocks
- Hard alloys
- Building Sheets (used in residential roofing, false ceilings, etc.)
- General engineering products



Copper Business - Key Customers

Our range of copper products serve a large base of customers including:

Copper Offerings

Power Industry

Key offerings include:

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

Automotive Industry

It includes following offerings:

- Wiring Harness
- Casting Components
- Motors

Electronics

Manufacturers of:

- Specialised wires
- Copper foil
- Circuit boards

Consumer Goods

It includes:

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

Constructions

Manufacturers of products like:

- Piping
- Earthing
- Plumbing
- Building wires

Market Served

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

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

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

Wire and Cable: LME grade copper and cathode, continuous cast copper rods of various sizes, and precious metals such as gold and silver. Birla Copper and Birla Copper II are well-known in domestic and international markets for their high purity and constant quality.

Novelis - Key Customer

Novelis operates integrated and technically advanced rolling and recycling facilities across North America, South America, Europe and Asia. Novelis' hallmark is delivering sustainable and innovative manufacturing solutions, with key customer segments including automotive, aerospace, beverage can and specialties industries.

Novelis Offerings

- Aluminium sheet and plate material for fuselage and wing structure components
- Automotive Aluminium sheet
- Lightweight electric vehicle battery enclosure
- Producer of aluminium beverage can sheet
- Recycler of used beverage cans.
- Novelis Specialty Aluminium applications in-
 - Architecture and Construction
 - Food and Pharmaceutical
 - Signage and Printing
 - Transportation
 - Commercial and Consumer

Market Served

Aerospace: Aluminium offers high strength-to-weight ratio, energy efficiency, and high tolerance to extreme temperatures - making it ideal material for the manufacturing of aircraft.

Automotive: Novelis's Advanz™ and Fusion™ product portfolio includes high-performing alloys ideal for inner applications such as decklid and door inners and other closure inner panels.

Novelis is the leader in auto body sheets used for making BIW light, durable vehicles.

Beverage cans: Produce distinctive Aluminium bottles, which offer the same portability, light-weight, and recyclability as Aluminium cans, but with the added benefit of being re-closeable. Also, leading buyer and recycler of used beverage cans (UBC's) globally

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

MIXED - MATERIAL VEHICLE PRODUCTION



Aluminium is a versatile element and has different applications in vehicle body and closures, across different vehicle types. Design engineers continue to find new ways for light weighting. As adoption of aluminum grows across different applications, multi-material architectures are now a common approach used by vehicle manufacturers to achieve a balance between weight reduction

and cost for more price sensitive segment which still requires efficiency improvements. As aluminum can be effectively alloyed with other metals, it is an excellent choice for engineers constructing multi-material body structures. In principle almost every car on the road today is already a mixed-material architecture as engineers have determined that not all parts of the vehicle body need to handle the same levels of crash and structural performance. This approach has evolved in sophistication and now there are extensive examples where both aluminum and different types of metals and composites can be found in the same structure. Novelis has deep expertise in the application of aluminum alloys in combination

with various other sheet metals and is uniquely positioned to provide technical guidance to automakers from design to production feasibility. The combination of extensive metallurgical know-how and automotive centric testing and engineering capabilities, permits Novelis to intimately guide the industry with questions around corrosion and joining practices.

Novelis' products and joining know-how also make it possible to integrate aluminum sheet into a mixed-material vehicle without requiring a significant investment in new manufacturing equipment.

Social and Relationship Capital

OXYCARE SYSTEM UNDER ATMANIRBHAR BHARAT

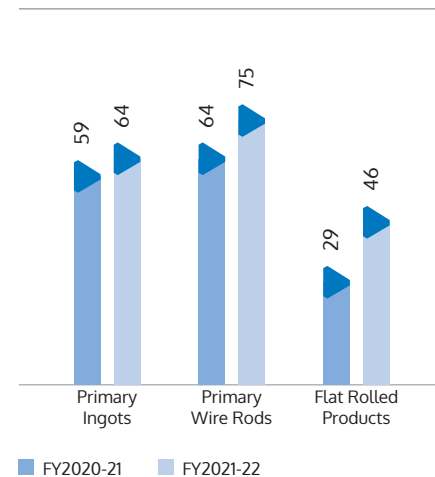
To combat the shortage of medical oxygen across the country, we collaborated with a multinational automotive company to provide aluminium extrusions for oxygen cylinders.

Aluminium cylinders have the advantage of being lightweight and portable. A sum of ₹350 Crore was granted from the PM Cares Fund for the Oxycare system under which one Lakh cylinders were manufactured. These will be supplied all over India to recognised hospitals shortlisted by the government.

Actions (CAPA) in the system before closing the ticket, ensuring proper resolution. We take measures to make sure that customers don't face the same issues in the future. During the reporting year, we did not receive a single complaint on breach of customer privacy and loss of customer data.

Net Promoter Score

(%)



minimise the use of restricted chemicals in the manufacturing of the product. For Aluminium foil, we adhere to less than 100 ppm of heavy metals as mandated under the REACH regulation. During the year, there was no reported incident of non-compliance on product health and safety norms and standards. Additionally, during FY2021-22, there were no incidents of non-compliance concerning marketing communications, product and service information or labelling. All our products comply with local and international regulations on product and service information and labelling. Moreover, all our products and services categories undergo health and safety impact assessment.

Our Eternia range of products (aluminium doors and windows) and Everlast roofing solutions received the international GreenPro Certification/Eco Label. This label is a testament to our actions in alloy innovation and product design to create sustainable spaces and our contribution towards enhancing the performance of Green Buildings. Our transport application solutions have gone through rigorous validation from certifying bodies such as ARAI and ICAT.

Our unit at Mouda has been certified by Aluminium Stewardship Institute (ASI), demonstrating our commitment to act responsibly in the production and processing of aluminium products. We are planning for other plants to become ASI certified as well. During the year, we also received awards from CII and Frost & Sullivan for our contribution towards environment and sustainability.

Sustainable Value Chain

Our suppliers are integral to our business and spread across the globe. We encourage them to imbibe our corporate values, demonstrate good corporate citizenship and follow sustainable practices through our Supplier Code of Conduct.

While we meet much of our raw material requirements from India, we have a large supplier network across 41 other countries including China, US, Mexico, Italy, Singapore, Dubai, Armenia, Japan, Togo, Chile, Peru, Brazil, Canada, Australia, Indonesia, South Africa, etc. Our suppliers undergo screening to be assessed on parameters such as price competitiveness, quality, response time and ESG criteria such as health and safety, environmental standards, working conditions, labour rights etc. Based on the outcome of the assessment, each supplier is rated and placed in one of the following categories:

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

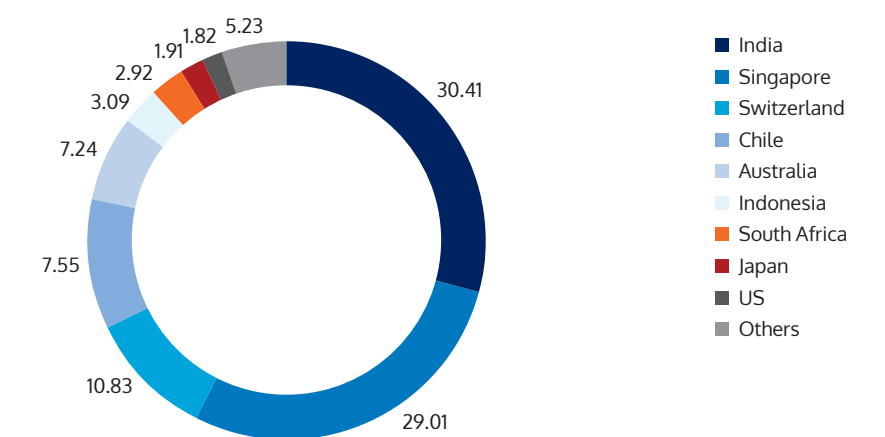
Our 'critical suppliers' are those who provide- critical components for our operations, constitute a high volume of procurement spend or are non-substitutable. Suppliers who make up 90% of the allocated total spend are classified as critical. Out of total Tier-1 suppliers, we identified 119 suppliers as 'critical'. Our total procurement spent for the current reporting period is ₹51,761 Crore for Hindalco on basis of order placement.

Our Supplier Network for Hindalco

Type of Supplier	Absolute Number of Suppliers	Amount Spend ₹ (Crore)	No. of Supplier Assessed	No. of Supplier Assessed through Comprehensive Methods	Share of Total Procurement Spend
Total Tier-1 Suppliers	10,245	51,761	10,245	169	100%
Critical Tier-1 Suppliers	119	46,597	119	47	90%
Critical non-Tier-1 Suppliers	-	-	-	-	-

Breakdown of Total Procurement Spend during the FY2021-22 for Hindalco

Procurement spend by Geography (%)



Customer Satisfaction

We implement a mix of Bottom-Up and Top-Down approach to gain a holistic understanding of customer perceptions regarding our products and services. Our customer-centric approach has led us to adopt a Net Promoter Score (NPS) model over our previous Customer Satisfaction Model. We do a detailed cross functional analysis of customer feedback and try to assess customer perceptions in depth through the NPS survey. We plan appropriate actions to be taken for higher customer advocacy and satisfaction, identifying pain points in the customer experience through analysis of the NPS model results.

To ensure customer grievances get addressed in time and with quality, our team follows a time bound standard operating procedure of grievance redressal. Once a customer registers a grievance, it is logged in our Customer Relationship Management (CRM) system. We analyse the issue and provide Corrective and Preventive

Product Safety and Quality

At Hindalco, we consider safe and reliable products as a fundamental part of our product designing and manufacturing process.

We serve Business to Business (B2B) and Business to Customer (B2C) markets, adhering to mandated standards. In our B2B model, we supply aluminium to cookware manufacturers which is certified "food grade" as per EN 602 and IS 21. We also provide test certificates to our B2B customers to assure quality and reliability of the delivered product. In the B2C model, we conform to BIS Standards 15392, Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH regulation of the European Union) and Restriction of Hazardous Substances (ROHS) directive. We ensure compliance with the quality requirements to



Jetty at Birla Copper, Dahej

Social and Relationship Capital

Supplier Code of Conduct

Our Supplier Code of Conduct (SCC) has been developed in line with global best practices on safety, health, environment, human rights, ethical and fair business practices. This is to ensure responsible sourcing and implementation of sustainable business practices throughout our value chain. All our suppliers are expected to adhere to the minimum employment age limit, as per applicable laws or regulation and comply with relevant International Labor Organisation (ILO) standards on human rights, as laid down in our SCC. Moreover, suppliers are asked to maintain and promote fundamental human rights and prohibit forced or compulsory labor.



Key focus areas from our Supplier Code of Conduct

- Compliance with All Applicable Laws and Regulations
- Business Ethics
- Occupational Health and Safety
- Labour and Human Rights
- Anti-corruption/Bribery
- Verification of Supplier's Compliance
- Development of High Quality and Safe Products
- Fair Treatment to Employees and Suppliers
- Sustainable Practices

Our supply chain partners undergo periodic assessments to check whether they are conforming to the Supply Chain Code of Conduct. We also encourage our suppliers to develop their own sourcing policies and standards in line with international standards.

Integrating ESG in Supply Chain Management

With the increased focus on ESG, it has become imperative for our business to identify potential and actual ESG risks which are material to our supply chain. We remain committed to comply with all applicable legislations, regulations, and codes of practices, including environment, health and safety laws, across our value chain. We expect our suppliers to maintain safe working conditions at their operations by continuously identifying, assessing, and reducing health and safety risk in compliance with our SCC. Suppliers are also encouraged to create awareness and provide training on risk precautions and emergency measures to their employees and contractors.

We comply with applicable labour laws in the geographies in which we operate. Our Human Rights Policy (HRP) and SCC outline the company's as well as suppliers' responsibility to protect fundamental rights of workers

and individuals. Compliance with these requirements is assessed at the time of supplier selection or assessment through our Vendor Evaluation Process. During the reporting period, we focussed on establishing business relationship with those suppliers who did not violate labour laws or caused any detrimental impact on the environment.

Supplier Evaluation and Risk Assessment

Our formal supplier risk identification process helps us in evaluating suppliers during two stages – on-boarding and biennially for assessment of selected critical suppliers. Our suppliers are assessed on parameters such as health and safety, environment management, labour management and human rights, statutory compliance, financial attributes and market dependency. Based on risk assessment, each supplier receives a score which determines their risk rating and gives an overview of prevalent risks. About 25% weightage is given to ESG segment in the overall assessment of the suppliers.

Based on the score received in the vendor assessment process, rating is calculated for each supplier. Basis their rating, they are classified into high, medium or low risk. Low rating of supplier impacts their business



opportunity/relationship with us. During the FY2021-22, 19 % of total suppliers have been classified as high-risk. According to the most recent vendor assessment conducted in FY2018-19, 38% of our critical suppliers scored below 2.5 and we further aim to reduce such suppliers by 3% by FY2022-23.

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

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

We are committed to provide the required training and support to all our critical Tier-1 suppliers (with score less than 2.5), to help them improve their risk rating. Our target is to achieve significant improvement in our scores by 2024. For suppliers with a good score (over 4), we also plan to conduct physical and virtual audits. By 2024, our goal is to conduct due diligence of 100% of our critical suppliers, with whom we have had business relationship for last two years.

We also carry out risk evaluation of the entire supply chain. With the dynamic market conditions and growing presence of technology throughout the supply chain, risk assessment has become a crucial mechanism for the organisations to manage supplier side risks.

We have developed an enterprise risk register for the central procurement supply chain. In the risk register, we identified key risks associated with supply chain disruption, geopolitical logistics, infrastructure, financial, strategic and operational risk. We carry out a root cause analysis, identify Company objectives that the risk has a bearing on and assess the risk's likelihood and severity score. Based on the increasing order of scores, risk is categorised as Green, Yellow, Amber and Red. Post risk categorisation, we establish a mitigation plan to reduce risk score. Execution of the mitigation plan is evaluated every month.

During the reporting year, 156 suppliers were screened using environmental criteria and 299 suppliers were screened using social criteria. All of our new suppliers were screened using social and environmental criteria during vendor on-boarding. A total of 159 of our suppliers have undergone sustainability risk assessment in the last 3 years.

Managing supply chain during pandemic

Due to COVID-19 induced lockdown and closure of state and country borders, we faced connectivity challenges within the supply chain. To ensure continuity of our operations, we proactively established connections with plant teams to understand and resolve their supply side concerns. Within ten days of lockdown, we were able to increase the inventory of key raw materials from 8 days to 15 days and broadened our vendor base from one key vendor to upto four vendors in certain cases. We developed indigenous sources for materials that were heavily dependent on imports and diversified our ALF3 (Aluminium Fluoride) supplies by procuring from Middle East and Mexico, thus reducing dependencies on China and Italy. The suppliers took risks for us by surrendering the clearance documents without getting payment. All this was possible because of the relationship of trust between Hindalco and its supply chain partners.

EXTENDING A LIFELINE TO THE COMMUNITY AT RENUKOOT

At the peak of the second COVID-19 crisis, when Oxygen was needed to save the lives of COVID-19 affected patients, we identified that one of our previous gas suppliers had an oxygen plant in Anpara which was non-operational for last 7 years. We initiated and supported the restoration of the oxygen plant in collaboration with the oxygen plant owner, so that the acute shortage of oxygen could be addressed. Inter-departmental teams were made, who worked day and night to execute the operation with continuous guidance from the plant head. With this joint effort, we managed to restart the oxygen plant in just 6 days.

The system started working in full swing, and approx. 300 oxygen cylinders were refilled on a daily basis. Anpara Gases has supplied oxygen cylinders to public and private hospitals in Mirzapur, Shaktinagar and Robertsganj. It supplied oxygen to hospitals and industries based in Singrauli (Madhya Pradesh) as well. The revival of this plant saved lives and was a boon to the community during this difficult time.