



# Corporate Tax Policy

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\*Placed before the Board of Directors at its meeting held on February 13, 2024, and reviewed/approved thereat.

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**Note:** *This Policy may be updated by the Company in its sole discretion, as and when required and shall be available on the Company's online intranet portal/ website and may be made available through e-mail communication.*

# **Corporate Tax Policy**

## **Company Overview**

Hindalco Industries Limited, metals flagship company of the Aditya Birla Group, is the industry leader in aluminium and copper. Hindalco is the world's largest aluminium rolling company and one of Asia's biggest producers of primary aluminium. Its state-of-art copper facility comprises a world-class copper smelter and a fertiliser plant along with a captive jetty. The copper smelter is among the world's largest custom smelters at a single location. Today, Hindalco ranks among the global aluminium majors as an integrated producer and a footprint in 11 countries outside India.

Hindalco Industries Limited ("the group") strives to be a world class production house, a good employer and responsible corporate citizen by being transparent & fair and creating meaningful impact on the society.

The Company sees tax as an important part of its contribution to national resources and recognizes the key role that tax plays in society and development of the countries. The Company believes that a responsible approach to tax is essential to the long term sustainability. Over the years, the Company has applied conservative and cautious tax policy.

## **1. Purpose of the Tax Policy**

The main purpose of the Company's tax policy is to ensure compliance with the applicable tax laws and regulations in the countries in which the Company operates. This purpose is appropriately combined with the fulfilment of the corporate interest, supporting a long' term business strategy, avoiding tax risks and inefficiencies in the implementation of business decisions and generation of sustainable value for the stakeholders. The Company pays taxes as per the applicable tax laws in the country in which it operates as its contribution to sustaining public expenditure, thus its contribution to the society and to the achievement of goal of sustainable development.

## **2. Scope of the Policy**

This Policy is applicable to all the Business Units of the Company and entities controlled by the Company across the globe.

### 3. Policy Principles

The Chief Financial Officer (CFO) of the Company and Head of Tax Function of the Company are responsible for the implementation of the Policy. Compliance with all applicable tax regulations as well as internal policies, guidelines and governance procedures relating to taxation is the responsibility of the local management of each entity. The CFO / Tax Head briefs the Audit Committee / Board of Directors on significant and material taxation issues.

Followings are the main principles and practices to which the Company is committed:

- A. Governance
- B. Compliance
- C. Risk management and certainty
- D. Planning
- E. Engagement with tax authorities

#### **A. Governance:**

It is the responsibility of Head of Tax Function to ensure that the tax team at Head Office has the required skill sets and experience to implement the approach.

We use business structures that are driven by commercial considerations, aligned with business activity.

No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions.

All tax decisions are taken at appropriate level.

We impart training to employees with responsibilities for tax matters so that they have expertise and knowledge to effectively fulfill their responsibilities.

#### **B. Compliance:**

Hindalco is committed to adhere to all regulatory and tax compliance in each and every tax jurisdiction in which it operates. Tax filing, tax reporting and tax payment obligations are undertaken in accordance with the rules and regulation of each tax jurisdictions. All applicable transfer pricing rules and regulations for the transactions that are effected within the Hindalco Group, across tax jurisdictions are complied with and are at arm's length.

Adequately qualified and experienced professional are employed in the tax team to work closely with the business and provide guidance for ensuring proper compliance with tax obligation.

In case of complexity or uncertainty on an issue, support is sought from external tax experts to comply with the relevant tax regulations / obligations.

These compliances are monitored on regular intervals with appropriate documents maintained for easy referral and retrieval.

### **C. Risk Management and certainty:**

It is ensured that tax compliance and tax reporting are done in a transparent and fair manner with adequate documentation support and taking in account Hindalco's wider corporate reputation and overall high standard of governance, core ethical behaviours and values.

Tax controls, legislative changes, strategies and processes are monitored regularly for identification of tax risks for business. Diligent and professional approach is adopted for assessing tax risks and identifying steps for managing those risks. The tax team provides appropriate mitigation measures for identified risks.

Guidance is provided to influence business decisions and adopt procedural behaviors for various functions.

Advice is sought from external experts where appropriate or where there is uncertainty regarding applicability or interpretation of tax law.

### **D. Planning:**

Tax Planning measures are always within the parameters of extant tax rules and regulations with minimal risks of its non-acceptance by revenue authorities.

Diligent care is taken to opt and utilize available tax incentives, reliefs and exemptions which are in line with the intent of the law.

Experts' advice is sought in cases of uncertainty.

Open and transparent tax strategies are adopted for tax optimization.

No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions i.e. tax heavens.

Hindalco ensures not to undertake any contrived or artificial tax arrangement which are not underpinned by commercial or economic substance. Due consideration is given to core values of the group such as integrity, commitment, and seamlessness.

#### **E. Engagement with Tax Authorities:**

Hindalco seeks to foster professional, fair, constructive and transparent relationship with tax authorities. Engagement with tax authorities is influenced by openness, honesty, integrity, respect, trust and co-operation.

Tax computation and returns are submitted with full disclosure of relevant facts and information where potential risk of uncertain tax treatment is envisaged.

Necessary correction of material errors or misstatement in tax filing are made without any undue delay as and when identified.

Tax authorities are aware of Hindalco's positions via regular compliance, tax returns or tax audit procedures, which helps in minimizing the tax risks.