Supply Chain Due Diligence Report: Copper Business of Hindalco Industries Limited)
(August 2024 – September 2025)

Executive Summary

Hindalco Industries Limited is committed to responsible mineral sourcing across its copper supply chain. This report (1 August 2024–30 September 2025), aligned with the OECD Due Diligence Guidance and informed by Copper Mark and LME expectations, summarizes how we identify, assess, and manage supply-chain risks, as well as the progress made this year in the effective implementation of our due diligence management system for our copper manufacturing.

During the period, we focused on addressing findings and learnings from our August–October 2024 audit against the Joint Due Diligence Standard for Copper, Lead, Nickel, Molybdenum and Zinc (JDDS), using them as an opportunity to further strengthen our policies and practices. We engaged an independent provider to conduct desk-based third-party due diligence on all suppliers and logistics partners, including independent KYC checks and adverse-media monitoring across jurisdictions, so our assessments are not reliant solely on supplier-provided information but are corroborated by objective third-party sources and routed into corrective actions. In parallel, we invested in people and processes at scale, rolling out targeted training across core functions and beyond via our online training portal, reaching approximately 11,000 personnel.

While improvements were made, we acknowledge remaining limitations (including limited visibility beyond Tier 1, language constraints in some regions, field-audit budget limits, and ongoing IT integration). These are priorities for our continuous-improvement plan in the coming year.

Snapshot of Results (August 2024– September 25)

- **100%** of the copper supply chain assessed for red flags and Annex II risks including countries of origin, transport, and transit countries; and all mining and logistics suppliers.
- **100%** of our suppliers screened by an independent advisor.
- **3** sourcing countries triggered a red flag based on our Conflict-Affected and High-Risk Areas (CAHRA) determination methodology, specifically, the Democratic Republic of the Congo, Tanzania, and Zambia.
- **1** substantiated Annex II finding following enhanced due diligence, linked to one supplier being involved in money laundering, default of taxes, fees, and royalties payments, and fraud. Risk-based approach followed as per the Responsible Supply Policy post a detailed engagement with the Supplier on the concerned topic and receipt of reasoned response from the Supplier.
- **~5000** employees, consultants, and vendors trained on responsible sourcing and due diligence.
- **~6,500** personnel currently being trained with target completion 15 December 2025.
- **0** supply chain grievances received during the reporting period.
- **Copper Mark** audit completed between August - October 2024 against the JDDS.

A.Introduction

1. About this Report

At Hindalco Industries Limited, we reaffirm our commitment to respecting human rights, preventing conflict financing, and promoting responsible sourcing in our supply chains.

This report has been prepared in accordance with Step 5 of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance) and is informed by the disclosure requirements of the Joint Due Diligence Standard for Copper, Lead, Nickel, Molybdenum and Zinc (JDDS) and the London Metal Exchange (LME).

It provides an overview of our policies, governance structures, and due diligence management system, and documents our due diligence implementation and performance, including lessons learned, outcomes achieved, and continuous improvement actions undertaken during the period 1 August 2024 – 30 September 2025.

2. Scope of the Report

This Report covers Hindalco's Copper Unit at Dahej, Gujarat, and all upstream suppliers for copper concentrate and cathode production.

The reporting period spans August 1, 2024 – September 30, 2025.

B. Company Information

Hindalco Industries Limited is the metals flagship company of the Aditya Birla Group. Established in 1958, Hindalco is today an industry leader in aluminium and copper, operating 47 units in 10 countries and including a workforce of nearly 40,000 people from diverse nationalities.

Hindalco's Copper Unit, located at Dahej, Gujarat, features two smelters, two refineries, two rod plants, and supporting infrastructure including a captive jetty, a captive power and oxygen plant, a precious metal recovery plant, a captive jetty, and associated utilities.

Our product portfolio includes LME-grade copper cathodes, continuous cast copper rods, gold, and silver. Production Capacity: 0.42 million MT (Copper Cathodes), 0.54 million MT (copper rods).

C. Five-Step Due Diligence Framework

Hindalco operates a documented due diligence management system grounded in our policy framework and articulated through standard operating procedures (SOPs). The management system is endorsed by senior management and integrated into day-to-day relevant departments' operations, as described in the following sections. The management system is reviewed on an annual basis and when changes in circumstances occur, with a view to continuous improvement.

Step 1: Establish Strong Management Systems

1.1 Policy Framework and Commitments

Hindalco Industries Limited maintains a policy framework built upon three interlocking policies: the Human Rights Policy, the Responsible Sourcing Policy, and the Supplier Code of Conduct. Together, these underpin our approach to ethical governance, safeguarding stakeholder interests, and driving sustainable value creation across our copper supply chain.

The **Human Rights Policy**, available at https://www.hindalco.com/upload/pdf/human-right-policy.pdf, applies globally across Hindalco's operations, its subsidiaries, joint ventures, and supply-chain partners. It upholds fundamental human rights as enshrined in the United Nations Universal Declaration of Human Rights (UDHR) and International Labour Organization (ILO) Core Conventions.

Key commitments covered by this Policy include:

- **Freedom from Forced & Child Labor:** Zero tolerance for any form of compulsory labor or employment of persons below the legal minimum age.

- **Non-Discrimination & Dignity:** Prohibits discrimination based on race, gender, religion, caste, disability or any other protected characteristic; and promotes inclusive hiring and career development.

- **Safe & Healthy Workplace:** Commits to a hazard-free environment through rigorous safety management systems, regular audits, and continuous training.

- **Freedom of Association & Collective Bargaining:** Respects employees' rights to organize, form unions, and negotiate terms collectively, in compliance with local law.

- **Protection Against Retaliation:** Protects employees, contractors or third parties who raise bona fide concerns (via whistle-blower channels) and prohibits any form of adverse action.

The **Responsible Supply Chain Policy**, which is publicly available at https://www.hindalco.com/upload/pdf/responsible-sourcing-policy.pdf, became effective on 28 June 2024, consolidating all mineral-specific due diligence commitments.

Key commitments covered by this policy include:

- **OECD Five-Step Alignment:** Implementation of a robust management system, including systematic risk identification, targeted mitigation, independent assurance, and comprehensive public reporting, in line with the five-step framework of the OECD Due Diligence Guidance.

- **CAHRA Risk Management:** Commits to identifying and assessing Conflict-Affected and High-Risk Areas (CAHRAs) using credible sources (including the OECD CAHRA list, the EU indicative list under Regulation 2017/821, UN conflict databases, and reputable NGO reporting), and to triggering enhanced due diligence and risk-mitigation actions where red flags are present.

- **Engagement-First Approach:** Prioritizes capacity-building and collaborative remediation plans with suppliers, local authorities, and civil-society partners.

- **Continuous Improvement:** Mandates annual policy and SOP reviews, integration of ISO 14001/45001 learnings, and iterative enhancement of supplier engagement tools.

The **Supplier Code of Conduct**, also available on Hindalco's website at Microsoft Word - 20230828 Hindalco Supplier Code of Conduct v05, is a binding contractual annex that extends Hindalco's ethical, social, and environmental standards directly to every tier of our supplier network.

Core Requirements covered by the Code of Conduct include:

- **Human Rights & Labor:** Zero tolerance for forced/child labor; compliance with ILO conventions; respect for freedom of association and collective bargaining.

- **Health, Safety & Environment:** Adherence to local and international EHS laws; implementation of incident-reporting systems; continuous improvement in resource efficiency.

- **Ethics & Compliance:** Prohibition of bribery, corruption, extortion, and fraudulent origin claims; transparent payment of taxes, royalties, and government fees.

- **Traceability & Transparency:** Submission of Certificates of Origin, Bills of Lading, and third-party assay reports; full participation in KYC and Enhanced Due Diligence questionnaires.

1.2 Due Diligence Governance Framework

Oversight of the supply-chain due diligence management system is provided by the Board-level Sustainability Committee, which reviews due-diligence KPIs and material risk decisions on a quarterly basis.

Day-to-day implementation is led by a cross-functional team spanning Procurement (process owner), Operations, Finance, Legal, Enterprise Risk Management (ERM), and Sustainability, with defined escalation paths to report red flags and supply chain risks to senior management.

Accountability and responsibility are set out in a formal organogram and RACI matrix, as follows:

Activity	ERM	Legal	Finance	Operations	Procurement
1. Data collection & record-keeping	I	C/I	R	R	A
2. KYC	I	C/I	R	R	A
3. Red Flag identification & CAHRA	I	C/I	R	R	A
4. Enhanced due diligence & field audits	C/I	C/I	R	R	A
5. Risk management	A	C/I	R	R	R
6. Reporting	A	I	R	I	R
7. Review, update & training	I	I	R	R	A

(R=Responsible, A=Accountable, C=Consulted, I=Informed)

1.3 Training

To date, Hindalco has trained approximately 5,000 employees, consultants, and vendors on responsible sourcing and due diligence. An additional ~6,500 personnel are currently enrolled via the online portal across business units, with completion targeted for 15 December 2025. Training content covers policy commitments, the CAHRA methodology, and due diligence workflows. All trainees are required to take a final test, to ensure our due diligence system is well understood.

1.4 Due Diligence Standard Operating Procedure

To support due diligence implementation, Hindalco established a formal Due Diligence Standard Operating Procedure (SOP), effective 28 June 2024, which defines governance, workflows, and documentation requirements in alignment with the Five-Step framework of the OECD Due Diligence Guidance.

The SOP applies across metallurgical operations (including the Dahej Copper Unit) and describes the company's approach to conducting KYC, Red Flags Review and CAHRA determination, enhanced due diligence, and risk management, as described under Step 2 and Step 3 of this Report.

The SOP is reviewed annually to incorporate regulatory updates and lessons learned.

1.5 Internal Controls & Traceability

Hindalco maintains internal controls and traceability processes to collect, review, and retain the information needed to map our supply chains and undertake due diligence. The system is designed to support vendor engagement across the lifecycle, from onboarding and contracting, through active supply and continued engagement or corrective action.

Vendor onboarding, KYC, and initial assessment: At onboarding, all vendors complete a questionnaire covering compliance, financial, environmental, social and governance (ESG) parameters. On an annual basis, suppliers of copper concentrate also complete a Know Your Counterparty (KYC) and Due Diligence Questionnaire, through which we collect information needed for red flags review.

Shipment traceability and logistics monitoring: For international shipments, suppliers provide Certificates of Origin, mine-issued certificates of analysis, and transportation documentation (e.g., Bills of Lading and customs export/import records).

Domestic logistics were managed via Indian Railways and approved road carriers.

The data generated by these controls, including supplier information, and supply chain mapping, feed directly into Hindalco's red-flag identification and risk assessment process as described under Step 2.

1.6 Grievance Mechanism

Hindalco operates a formal grievance mechanism to receive, assess, and resolve concerns related to responsible sourcing and human rights across our copper supply chain. The mechanism is accessible via a toll-free hotline, email, and a web portal, as follows:

- Email ID: abg.ethicshelpline@integrity matters.in
- Toll-free Hotline: 1800- 102-6969
- Web Portal: www.abgethicshelpline.integ ritymatters.in

Confidentiality and the anonymity of informants are protected under our Whistleblower Policy.

All grievances are logged, assigned to a case manager, and tracked through to closure.

During the reporting period, Hindalco received no supply chain grievances.

Step 2: Identify and Assess Risk

2.1 KYC, Red Flags Identification and CAHRA Determination

KYC & Information collection for red flags review: Hindalco conducts KYC and collects information needed to identify red flags through a Know Your Counterparty (KYC) and Due Diligence Questionnaire, through which the company collects:

- KYC data, including information on suppliers' identity, the nature and legality of suppliers' business operations, and their owners and beneficial owners.
- Information needed to identify red flags, such as information on material origin and transport / transit.

Red flags review: At Hindalco, the red flags review process is based primarily on an assessment of whether sourcing, transport and/or transit countries qualify as Conflict-Affected and High-Risk Areas (CAHRAs) using recognised sources, which are:

- the Dodd-Frank Act Section 1502;
- the EU indicative CAHRA list;
- the TDi Sustainability CAHRA Index.

Specifically, a country qualifies as CAHRA if:

- it is covered by Dodd-Frank Section 1502 (DRC and adjoining countries); and/or
- it appears on the EU indicative CAHRA list; and/or
- it is rated as "High risk" (red) on the TDi CAHRA Index.

Where relevant, a regional (sub-national) assessment is conducted.

In addition, Hindalco conducts a plausibility assessment to verify that the declared sourcing country is consistent with the country's reserves and production volumes.

During the reporting period, Hindalco sourced from the following countries: Australia, Brazil, Botswana, Canada, Chile, the Democratic Republic of the Congo (DRC), India, Indonesia, Papua New Guinea, Peru, Tanzania, Uzbekistan, Zambia. Transport and transit countries included: Bahamas, China, Comoros, Guinea, Liberia, Malta, Marshall Islands, Panama, Sierra Leone, Thailand.

Based on Hindalco's CAHRA determination methodology, **3 of these countries qualified as CAHRA**, specifically: the Democratic Republic of the Congo, Tanzania, and Zambia, **thus triggering a red flag**.

Enhanced due diligence: For red-flagged supply chains, Hindalco collects additional information to conduct a desk-based assessment of the factual circumstances of extraction, transport, trade, handling, processing and export, via an Enhanced Due Diligence Questionnaire and, where appropriate, on-the-ground verification or recognition of credible third-party audits.

During the reporting period, Hindalco engaged an independent advisor to conduct a desk-based due diligence screening of all suppliers and logistics counterparties, including but not limited to those triggering a red flag.:

- Screening of suppliers and their beneficial owners (when available) against sanctions and watchlists,
- Assessment of adverse media reports to detect OECD Annex II risks.

The assessment was desk-based, using subscribed compliance databases, public sources, and media.

Supplier engagement: In addition to conducting desk-based due diligence through a third-party provider, during the reporting period Hindalco engaged red-flagged suppliers to collect information on the strength of their due diligence systems.

Hindalco was able to establish that red-flagged suppliers are large-scale mining companies participating in the Copper Mark or other relevant due diligence assurance frameworks, thus mitigating the risk that supply chain risks may remain uncontrolled. One supplier also provided evidence of an on-the-ground assessment conducted on site.

As a result of enhanced due diligence, including a review of information submitted by suppliers and the external third-party assessment, a few improvement areas were identified, which did not constitute Annex II findings:

- For vessels/logistics, multiple entries showed adverse-media reports linked to failure to comply with maritime regulations, resulting in the vessels being held until the necessary corrective actions were taken to meet the required safety, environmental, and operational standards.
- In one case, media reports indicated a vessel being involved in the circumvention of sanctions, suspected of having a role in activities intended to evade or undermine established international sanctions measures.
- Two vessels were suspected of dark activities during the reporting period.
- For mining entities, the media review flagged labor, environmental, and health and safety-related issues.
- In addition, one red flag resulted in the identification of Annex II risks for one mining entity based in Tanzania, suspected of money laundering, default on payment of taxes fees and royalties due to the government, and fraud.
- For flagged entries as well as where Annex II risk was identified, Hindalco engaged with the Suppliers to seek their response to focused queries of Hindalco pertaining to the flagged matters or the identified risk. Responses were reviewed adapting a risk-based approach, in line with the extant policy. Basis the review of the responses provided, along with documentary evidence to support the responses, decision to proceed with the shipments was taken.

Step 3: Design and Implement Risk Management Actions

Where risks are identified, Hindalco applies an engagement-first approach and agrees a time-bound Corrective Action Plan with the supplier, defining milestones, responsibilities and verification methods.

In line with our policies and SOP, immediate suspension or disengagement is applied where there is a reasonable risk of serious human rights abuses or direct or indirect support to non-state armed groups. Suspension or disengagement is applied also where mitigation fails after reasonable timelines (six months) in cases involving bribery, money-laundering, fraudulent origin claims, or non-payment of taxes, fees or royalties.

With regards to the Annex II risk identified, Hindalco engaged with the Supplier to seek their response to focused queries of Hindalco pertaining to the flagged matters or the identified risk. Responses were reviewed adapting a risk-based approach, in line with the extant policy. Basis the review of the responses provided, along with documentary evidence to support the responses, decision to proceed with the shipments

Step 4: Conduct Independent Third-Party Audit

During the reporting period, Hindalco prepared for independent assurance against the Copper Mark Joint Due Diligence Standard, which took place between August–October 2024. The audit resulted in the following findings:

- Due diligence management system: Partially Meets
- Risk identification: Partially Meets
- Risk assessment: Fully Meets
- Risk management: Fully Meets
- Public reporting: Partially Meets

During the reporting period, Hindalco has worked on the gaps identified during the audit, with a view to continuous improvement.

In parallel, Hindalco maintains the following certifications:

- ISO 14001: Certified since 2023 . Next recertification due post 12 November 2026.
- ISO 45001: Certified since 2023. Next surveillance audit due post 12 November 2026.

Step 5: Report on Due Diligence and Performance

This report constitutes Hindalco's annual Step 5 due diligence disclosure for the period 1 August 2024–31 July 2025, aligned with the OECD Due Diligence Guidance and informed by Copper Mark JDDS / LME expectations. It sets out our management systems, the risk-assessment methodology and findings, risk-management actions and their effectiveness, stakeholder involvement, and priorities for continuous improvement. It also discloses capacity-building and training provided in the last 12 months.

The report is publicly available on the company's website at Investor Centre > Policies.

D. Key Performance Indicators & Targets

KPI	Target (2024–25)	Actual as of Oct. 2025	Target (2025–26)
Personnel trained (n.)		5,500 employees and consultants to date 6,000 currently in training	
Grievances received (n.)	not applicable	0	not applicable
Grievances resolved (%)	100%	no grievances received requiring resolution	100%
Completed KYC from mining suppliers (%)	100%	96%	100%
Suppliers / vendors assessed for red flags (%)	100%	100%	100%
Red flags identified (n.)	-	3	-

Suppliers (mining, logistics) assessed by an independent third-party provider (%)	100%	100%	100%
Annex II risks identified (n.)	0	1 supplier has been identified to be associated with money laundering, default on payment of taxes, fees and royalties, and fraud	0
Risk management plans or Corrective Action Plans established with suppliers (n.)	-	Hindalco engaged with the Suppliers to seek their response to focused queries of Hindalco pertaining to the flagged matters or the identified risk. Responses were reviewed adapting a risk-based approach, in line with the extant policy. Basis the review of the responses provided, along with documentary evidence to support the responses, decision to proceed with the shipments	-

E. Feedback

Any comments, questions, or grievances related to the topics covered in this report may be addressed via:
Hindalco's grievance mechanism:

- Email ID: abg.ethicshelpline@integrity matters.in
- Toll-free Hotline: 1800- 102-6969
- Web Portal: www.abgethicshelpline.integ ritymatters.in

F. Challenges & Limitations

Hindalco acknowledges the following constraints that affect due-diligence implementation and disclosure:

- Data gaps and visibility: Limited visibility beyond first-tier suppliers in certain chains; language barriers in some regions can affect document review and outreach.
- Resource and implementation constraints: Budget limitations for field audits necessitate a risk-based approach to on-site verification; traceability IT integration is in progress and will be completed in phases.

Glossary of Terms

Comprehensive glossary for the *Supply Chain Due Diligence Report (Aug 2024 – September 2025)*, aligned with OECD, LME, Copper Mark, and internal Hindalco terminology:

Term / Acronym	Definition
Annex II Risks	Risks listed under Annex II of the OECD Due Diligence Guidance, including serious human rights violations, support to armed groups, bribery, money laundering, and tax evasion.
CAHRA	Conflict-Affected and High-Risk Area – A country or region identified to be at heightened risk of conflict or human rights abuses.
CAP	Corrective Action Plan – A structured remediation plan developed to address audit findings or identified risks.
COO	Certificate of Origin – A document declaring the origin of the goods being traded.
Copper Mark	A voluntary assurance framework for responsible copper production and sourcing aligned with OECD Guidance.
Due Diligence SOP	Standard Operating Procedure that outlines Hindalco's internal process for responsible supply chain due diligence.
EDD	Enhanced Due Diligence – Additional scrutiny conducted for high-risk suppliers or CAHRA-linked entities.
ESG	Environmental, Social and Governance – A framework used to evaluate a supplier's sustainability and ethical impact.
JDDS	Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc – Recognized by LME and aligned with OECD Guidance.
KYC	Know Your Counterparty – A process of verifying the identity and risk profile of suppliers or customers.
LME	London Metal Exchange – The global center for trading industrial metals.
OECD Due Diligence Guidance	OECD's framework for responsible sourcing from conflict-affected and high-risk areas, followed globally by mineral and metal supply chains.
Red Flag	A risk indicator or warning sign that triggers further due diligence (e.g., sourcing from a high-risk geography).

Term / Acronym	Definition
SOP	Standard Operating Procedure – An internal protocol describing roles, workflows, and responsibilities for operational processes.
Supplier Code of Conduct	A binding policy document that sets out Hindalco's expectations from suppliers on human rights, environment, compliance, and ethics.
Third-Party Audit	An independent review of Hindalco's supply chain due diligence practices conducted by an external assurance provider.
Traceability	The ability to track the source, processing, and movement of materials throughout the supply chain.
UDHR	Universal Declaration of Human Rights – A foundational human rights document adopted by the United Nations.
Whistleblower Policy	Hindalco's internal mechanism enabling stakeholders to report unethical conduct anonymously and without fear of retaliation.

End of Report