

Building Connections,

Children from Katarbaga Government High School in Sambalpur, Odisha. Hindalco has built a mini science centre in the school, benefiting 285 students

Creating Sustainable Impact

# Social and Relationship Capital

## **KEY HIGHLIGHTS**

Total Community Spend	₹235.38 crore
Lives Touched	5 million +
Tier-1 Suppliers	29,521
Procurement Spend	₹186,750 crore
Novelis Customer Satisfaction Score	89.2

## **LINKAGES**

## **Capital Linkages**

F Financial Capital

M Manufactured Capital



🙀 Human Capital

## **Strategic Priorities**

SP-2 Value Enhancing Growth/Double-down on Upstream Capacities

SP-3 Strong ESG Commitment

Economic Performance & Market Growth

Community Development & Relations

Supply Chain Management

ESG Transparency & Disclosures

#### **Key Risks and Opportunities addressed**

Cybersecurity and data protection risks

Supply chain risks

Price volatility of commodities (aluminium, copper)

Changes in the regulatory requirements

Stakeholders' focus on ESG

Increased import of aluminium

Rising demand for aluminium and copper products

Emerging applications for specialty alumina

#### **Contribution to SDGs**



















\*Customer satisfaction score indicates the proportion of customers surveyed that are satisfied.

As a force for sustainable solutions, we are guided by the conviction that business can, and must, create enduring value for all.

Our approach is guided by the Aditya Birla Group Purpose: To enrich lives by building dynamic and responsible businesses and institutions that inspire trust. This Purpose aligns seamlessly with our commitment to sustainability and stakeholder-centric growth.

We work closely with communities to implement initiatives that improve education, healthcare, infrastructure, and livelihoods - creating longterm, grassroots impact. We stay responsive to the evolving needs of our customers, leveraging innovation to co-create tailored solutions that add meaningful value.

Our partnerships with suppliers are founded on trust and mutual resilience. enabling a robust and sustainable value chain. Similarly, our collaboration with logistics partners ensures seamless operations while maintaining the highest standards of efficiency and quality.

We also engage proactively in policy advocacy, promoting inclusive growth. In every endeavour, our aim is to build trust with and drive progress for all those we serve.

### **Focus Areas**

Strengthening ties with Communities

**Fostering Customer** Relationships

Responsible Supply Chain



# **Strengthening Ties** with Communities

We operate in a dynamic landscape shaped by social, regulatory, and infrastructural factors. Our commitment to creating a positive impact extends beyond business operations and is anchored in strong policies and guiding principles. We focus on enabling growth and development in the communities we serve through initiatives in health care, education, infrastructure development, sustainable livelihood and social change.

By identifying key risks, addressing critical needs and empowering individuals, we work towards a more equitable and resilient society. Our efforts improve access to essential services, open up long-term opportunities, and drive meaningful change — reflecting our deep sense of responsibility towards inclusive development and our belief in creating shared value for all stakeholders.

## CSR Governance

Our CSR Policy is the foundation of our community efforts. This policy outlines how we plan, execute, and monitor CSR projects in line with our core principles and regulatory requirements.

Guided by this policy, our CSR strategy focuses on addressing the real needs of local communities. We use several methods to identify these needs, including baseline surveys by external agencies, field visits, and consultations with villagers, panchayat members, self-help groups (SHGs), village-level institutions, NGOs and community-based organisations (CBOs), government officials, and media representatives. We also seek collaborations with other industries and stakeholders to amplify our impact.

Furthermore, an Apex Grievance Redressal Committee is in place to review community grievances, monitor budget allocations, and ensure that projects are implemented effectively. During the reporting period, we strengthened our internal CSR governance framework.

# Internal CSR Governance Structure Chief Human Resources Officer Corporate CSR Head Cluster CSR Head Cluster HR Head Unit HR Head Unit-level CSR Head Unit-level CSR Team

Our CSR governance framework operates through a structured three-tier system. At the top, the Board of Directors provides oversight, ensuring strategic alignment with our corporate vision. Supporting this, the Corporate Social Responsibility Committee, chaired by Mrs. Rajashree Birla, drives key initiatives and decisions. At the execution level, an internal CSR committee, comprising the CFO, CHRO, and CSR Head, focuses on implementation and operational alignment.

## **Community Consultation and Engagement Process**

We identify peripheral communities (including affected communities at new plants and mines) and stakeholders to ensure inclusivity and meaningful engagement. By understanding the perspectives of those involved, we lay the foundation for effective consultation and collaboration. Our community consultation and engagement process is applicable across all our locations.

share their views on operational and project risks, cultural heritage preservation, and environmental and social impacts, including proposed mitigation measures. Their inputs inform operational and projectrelated decisions to ensure alignment with local needs and aspirations. Grievance mechanisms are in place across sites to address concerns promptly and transparently, reinforcing trust. Further, all our locations have respective consultation committees, including occupational health and safety committee. We implement structured stakeholder

Communities are encouraged to

engagement plans to ensure all interactions are effective and impactful. Communities are empowered through access to relevant information and encouraged to participate actively in consultations. Regular reporting mechanisms are in place to keep stakeholders informed, fostering transparency throughout the process.

At Hindalco India, we conduct community consultations across all current production assets. We have 19 plants and 25 mines of which two mines were allocated in FY 2024-25 and were not operational in the reporting period. Of our six development programmes, two are actively undergoing community consultations. Additionally, at Novelis, community consultation takes place across all 31 of our sites. Our Novelis operations also have one community development programme for the Bay Minette site, and it is in the process of community consultations with local stakeholders.

All major Novelis operational sites have formalised community engagement processes customised to the needs and expectations of local stakeholders. At Novelis, we hold ourselves to high internal standards for community engagement, further supported by a comprehensive Environment, Health, and Safety (EHS) programme across operations.



#### **Stakeholder Consultation**

- Determine the primary stakeholders relevant to specific CSR projects, such as members of local committees, government representatives, and nongovernmental organisations as well as local communities
- Encourage open dialogue to collect feedback, address concerns, and understand stakeholder expectations related to the project
- Record the observations and perspectives shared during these discussions for future reference

#### **Needs-Assessment through Participatory Rural Appraisal**

- + Execute a needs assessment utilising participatory rural appraisal methods
- Interact directly with community members to understand and identify their specific requirements
- + Evaluate the findings to prioritise the identified needs and guide the planning of the project effectively

#### **Resource Allocation and Detailed Planning**

- + Allocate resources, including funding and personnel, based on the identified and prioritised needs
- + Create an Annual Action Plan detailing specific activities, timelines, and designated responsibilities
- Integrate insights from stakeholders and impacted communities to guide operational decisions and project execution

### Stakeholder Engagement and Project Implementation

- Incorporate the views of stakeholders, including the affected communities on operational and project risks, cultural heritage preservation, environmental and social impacts, mitigation measures and project decision-making
- + Execute the project in partnership with stakeholders, ensuring adherence to the defined project plan and timelines
- + Foster open communication to keep stakeholders, including affected communities, updated on the project's progress, challenges, and achievements
- + Resolve emerging issues or concerns promptly and transparently, incorporating stakeholder suggestions for effective interventions

## **Project Monitoring and Impact Assessment**

- + Continuously monitor project activities to ensure alignment with objectives and address any deviations from the established plan
- + Utilise participatory evaluation methods to collect feedback on the effectiveness and long-term viability of project interventions
- + Perform impact assessments to measure the effects of CSR initiatives on community development
- + Apply insights from monitoring and evaluation processes to make strategic decisions and enhance performance outcomes
- + Communicate assessment results with stakeholders, including affected communities, to uphold transparency and foster accountability

## Community Grievance Redressal Mechanism

Our grievance redressal mechanism reflects our commitment to transparency, trust, and ongoing collaboration with all the communities around our operations. We maintain regular dialogue with them through needs assessments, community meetings, satisfaction surveys, training programmes, and workshops.

To ensure accountability, we communicate our progress and performance regularly via CSR reports, newsletters, magazines, mass media publications, and social audits. Each unit's CSR team leads this process supported by a structured system to receive and resolve complaints whether shared through field visits, letters, phone calls, WhatsApp, or SMS.

A dedicated Grievance Cell supported by an Apex Committee manages the entire resolution process. Grievances can be submitted in person either at the Grievance Cell on specific days or directly to the Lead-CSR.

The Cell reviews complaints, oversees investigations, approves responses, and ensures feedback is provided. It includes members from HR, CSR, Environment, Legal, Security, Admin, PR, and other departments as required. All cases are documented in a register capturing the complainant's details, submission date, issue, and current status.

The Apex Grievance Redressal Committee, comprising the Unit Head, Unit HR Head, Unit EHS Head, and Unit Legal Head, reviews significant issues quarterly to ensure consistent oversight.

We pay special attention to the voices of marginalised groups, including the particularly vulnerable, women, and low-income families within our operational areas. Our grievance mechanism is designed to empower

these communities to raise concerns, especially around environmental or employment-related issues.

At our Novelis sites, we maintain accessible and culturally sensitive channels to hear and address community concerns, ensuring alignment with local regulations and customs. We actively monitor emerging issues and empower local leadership to act quickly on concerns brought forth by community stakeholders.

During the reporting period, we received no grievances from local communities across our Hindalco India operations.

# Protecting Indigenous Communities

At Hindalco, we are dedicated to safeguarding indigenous communities near our operations, ensuring their rehabilitation and resettlement. Our Rehabilitation.

Resettlement, and Protection of Indigenous People Policy is aligned with the National Rehabilitation and Resettlement Policy, supporting sustainable development and enhancing our reputation as a responsible organisation.

We adhere to the principle of Free, Prior, and Informed Consent (FPIC) ensuring transparent engagement with indigenous communities and alignment with UN best practices. We engage in good faith negotiation, informed consultation, and equal participation of affected indigenous communities. We are committed to preventing forced displacement and respecting their rights to maintain and protect their cultural heritage – including archaeological sites, artefacts, ceremonies, and artistic traditions from any adverse impacts of our activities.

Identifying indigenous persons and communities likely to be affected by our operations is a critical first step in our engagement process. We conduct baseline studies of all project activities to understand the local context which informs the development of tailored, culturally-sensitive engagement plans.

Displacement eligibility and entitlements are disclosed in the planning phase, and fair compensation for land acquisition is determined through our assessment. As a practice, we avoid acquiring land that may lead to physical or economic displacement. If such land acquisition is necessary, we prepare Resettlement Action Plans for physically displaced persons and Livelihood Restoration Plans for those economically displaced. We commit to complying with national laws and international human rights standards on rehabilitation and resettlement. Audits and assessments are conducted for identified resettlement and relocation cases, to identify negative impacts, and to ensure that the rights, interests, culture, traditions, and perspectives of indigenous people are respected and protected.

Public consultations are initiated through focused group discussions with the local communities. A participatory approach ensures inclusivity, engaging community members, leaders, indigenous groups, civil society organisations, and local authorities in programme development. Open dialogue helps surface expectations, address concerns, and build

mutual trust. Participatory rural appraisal empowers communities by involving them in identifying issues, implementing solutions, and monitoring progress.

For instance, we actively engage with indigenous local communities at GP IV/4 Coal Mines and Samri Bauxite Mines. The Environmental Impact Assessment (EIA) for Samri Bauxite Mines confirms our adherence to FPIC. Our EIA document comprehensively addresses socioeconomic impacts, including effects on human settlements, employment generation, civic infrastructure, and broader economic dynamics.

As part of our post-mining responsibilities we respond to requests for reclaimed land, employment opportunities, and CSR initiatives. These include the creation of ponds, sapling plantations, access to drinking water, health camps, education, agriculture, livelihood, sports, art and rural development. Subsequently, we develop mine closure plans and rehabilitation strategies, approved by relevant authorities for our 23 mines. Rehabilitation plans and activities are internally assessed and audited periodically.

Project Name	Location	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in FY 2024-25 (In ₹ crore)
Chakla Coal Mines	Latehar, Jharkhand	1,472	22%	24.65
Aditya Alumina Refinery	Rayagada & Koraput, Odisha	1,487	100%	1.01



Corporate Overview

Strategic Overview

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Statutory Reports

Financial Statements control, waste management, and resource conservation.

Grievance redressal is facilitated through multiple channels, allowing communities to directly report issues to the RDO or Mines Manager. Depending on the grievance, resolution may involve mediation, negotiation, corrective action, or compensation. All grievances raised by indigenous people are reviewed by the District Administration, ensuring they are recorded, investigated, and resolved promptly. Our transparent grievance mechanism allows community members to voice concerns freely with a particular focus on ensuring prompt resolution of all grievances related to physical and economic displacement.

Mine Name	No. of Requests	Description	
GP mines	2*	Requests for infrastructure development and job creation.	
Kathautia Coal Mine	53	Request for 33 ambulances and 20 water tankers.	
Bagru mines	2*	Requests for infrastructure development and job creation.	
Baphlimali Bauxite Mines	790 (52% grievances resolved)	Requests for financial aid for education, medical treatment, religious observances, infrastructure, and community engagement.	
Pakhar mines	3*		
Shrengdag A Bauxite Mine	4*	Requests for infrastructure development and	
Shrengdag B Bauxite Mine	4*	job creation.	
Jalim & Sanai mine	4*		

<sup>\*</sup>The register was set up in February 2025, and the requests recorded are from the date of setting up the register to March 31, 2025.

## **Community Risk Management**

Safeguarding local communities by minimising adverse operational impacts is a priority for us at Hindalco. We follow a comprehensive risk management approach, through our robust Enterprise Risk Assessment Process which identifies and mitigates social and environmental risks. A structured risk matrix is used at each location to assess site-specific risks. Action plans are developed for 'red' and 'amber' risks, while 'green' risks are regularly monitored.

Key community risks for our operations include air and noise pollution, damaged roads, limited access to health care and drinking water, poor education infrastructure, low student-teacher ratios, and insufficient local livelihood opportunities. These risks are monitored through the Enterprise Risk Management Tool (CURA), which maintains a tracker with start dates, action plans, and completion dates. Quarterly reviews are conducted at both the unit and corporate levels - led by the Unit Head locally, and by the Corporate

Risk Manager and Managing Director at the corporate level - to ensure timely mitigation and accountability.

Mining operations can pose health and safety risks to surrounding communities. Key health impacts include air pollution from dust and toxic emissions, water pollution from contaminants and acid mine drainage, noise pollution, and occupational health hazards. Safety risks include accidents and injuries, structural damage from blasting, chemical spills, and tailings dam failures. We mitigate these through regular environmental monitoring, community health programmes, engineering controls, and strict regulatory compliance.

We build local capacity through training programmes in partnerships with NGOs and maintain transparency via regular monitoring and public reporting. Community risks are further addressed by ensuring our business partners meet our internal standards, including conducting Social Impact Assessments (SIAs), stakeholder consultations, and participatory planning.

Community Development Agreements (CDAs) and investments in local infrastructure, health, education, and businesses deliver tangible benefits. Business partners are trained on stakeholder engagement, contribute to community projects, and report on their impact. Our risk framework aligns with IFC Performance Standards, supporting sustainable development and enhancing our reputation as a responsible business.

#### Community Investments

Our community development projects enhance quality of life, drive economic growth, build capacity, and foster social empowerment and behavioural change. While challenges such as dependency, unequal participation, resistance to change, environmental stress, and political dynamics may arise, we proactively anticipate and manage these risks to ensure meaningful and sustained impact.

At Novelis, we are committed to improving the quality of life in the communities where we operate and in society at large. Our Corporate Social Responsibility mission guides our efforts to make a lasting impact beyond our business. Through our global

initiative, Novelis Neighbour, we sponsor and coordinate community engagement and charitable investments around the world. As part of this effort, our employees support hundreds of community projects throughout the year. These initiatives reflect our purpose of Shaping a Sustainable World Together, with a strong focus on advancing STEM education, encouraging consumer recycling, and addressing the most pressing needs of the communities we serve.

We invested ₹160.99 crore in community development projects across Hindalco India (Standalone) and Hindalco India (Subsidiaries).

CSR Spend in Aspirational Districts in FY 2024-25 (₹ crore)

CSR Spend as per Focus Area

Focus Area

Education

Healthcare

Infrastructure

Social Issues

Total

State

Madhya Pradesh

Uttar Pradesh

Jharkhand

Chhattisgarh

Healthcare

**Impact Assessment Key Programmes** 

+ Preventive Healthcare Programme

+ Curative Healthcare Programme

+ Reproductive And Child

Health Programme

+ Infrastructure Health

Care Programme

Sustainable Livelihood

Salary and Overheads

At our standalone operations, ₹64.33 crore was utilised towards both ongoing projects and other than ongoing projects. Additionally, an amount of ₹54 crore was transferred to the unspent CSR account, in accordance with statutory requirements, specifically earmarked for ongoing projects. Similarly, at our subsidiaries, ₹42.41 crore was utilised towards both ongoing projects and other than ongoing projects. Additionally, an amount of ₹24.83 lakhs was transferred to the unspent CSR account in accordance with statutory requirements, specifically earmarked for ongoing projects. Our

**CSR Spend** 

Standalone)

(₹ crore)

31.32

12.55

6.40

3.97

8.49

1.60

64.33

Singrauli

Ranchi

Sonbhadra

Lohardaga

Palamau Latehar

Raigarh

Education

+ Pre-School

+ School Education Programme

**Education Programme** 

+ Vocational And Technical

**Education Programme** 

+ Education Support Programme

+ School Infrastructure Programme

**Aspirational District** 

During the reporting period, all healthcare and education projects with an expenditure

operations in Renukoot, Renusagar, Muri, Lohardaga, Mahan, Samri, and Belagavi.

exceeding ₹1 crore underwent third-party CSR Impact Assessments. The study covered

(Hindalco India

CSR Spend

(₹ crore)

5.29

6.61

11.38

2.57

0.0012

42.41

2.39

19.32

5.15

2.35

CSR Spend (₹ crore)

16.55

(Hindalco India

Subsidiaries)

Novelis operations contributed around US\$8.8 million (₹74.39 crore). Together, this amounts to a total investment of ₹235.38 crore.

Through its global initiative Novelis Neighbour, Novelis sponsors and coordinates community engagement and charitable investments around the world.

### **Key Highlights of the CSR Impact Assessment**

- + 100% of the children received pulse polio vaccinations, and 62.7% were immunised against other diseases, ensuring
- + 99% of the beneficiaries expressed high satisfaction with the service efficiency at Hindalco's hospitals and clinics.
- + 95% of the pregnancies were registered at Anganwadi centres with timely ANC registration, reflecting strong community trust
- + 96% reduction in disease incidence associated with water-borne illnesses, leading to improved overall health.
- + 98.5% of the students in the Midday Meal Project consistently received meals on time, providing
- + 100% of students participated in subjects like Basic Maths. English, Social Science, Science, and local tribal languages, ensuring well-rounded non-formal education.
- + 92.5% children enjoyed spending time at Balwadi centres, indicating strong
- + 100% course completion rate for vocational training programmes.

- comprehensive coverage.
- in the healthcare programme.
- essential nutritional support.

engagement in early childhood education programmes.

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## **Uplifting Vulnerable Communities**

Elevating vulnerable communities is central to our commitment to equitable development; 100% of beneficiaries reached belong to marginalised and vulnerable communities.

CSR Projects	Beneficiaries		
	Hindalco India (Standalone)	Hindalco India (Subsidiaries	
Pre-school education	6,225	1,699	
School education programme	54,584	7,59	
Education support programme	22,113	9,73	
Vocational and technical education	427	(	
School infrastructure	66,048	6,51	
Preventive healthcare	199,451	92,07	
Curative healthcare programme	122,194	150,90	
Reproductive and child health	47,665	4,89	
Quality/support programme	9,957	1,86	
Health infrastructure	294,499	41,12	
Agriculture and farm-based	19,681	24,10	
Animal husbandry-based	31,850	53	
Non-farm and skill-based income generation	39,946	1,82	
Natural resource conservation and non-conventional energy	45,159	13,33	
Livelihood infrastructure	4,577	77	
Rural infrastructure development	152,509	59,65	
Institution building and strengthening	11,268	12	
Support for development organisations	4,398	10	
Social security	10,648	21	
Awareness programmes	25,130	32,22	
Social events to minimise the causes of poverty	38,877	5,89	
Promotion of heritage/culture/sports	92,825	30,24	
Disaster relief programmes	108		
Total	1,300,139	485,41	



## Education

Education is a foundation of our community development efforts, aimed at creating equitable opportunities for marginalised children. We support children from Particularly Vulnerable Tribal Groups (PVTG) through study materials, better school infrastructure, and school bus services. Programmes like 'Praveshotsava' promote education, particularly for girls, helping improve literacy rates and future prospects for children in villages with 100% PVTG populations.

## Our Contribution to the SDG targets through various CSR Projects



SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

### **Target**

### 4.2

By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education

### Contribution

Supported **13,179** students through **375** Anganwadis and Balwadis

#### **Target**

### 4.6

By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy

#### Contribution

Covered **90** adults under the Adult Literacy Programme

## Target

### 4.7a

Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all

### Contribution

Built **28** schools and renovated and improved **47** schools

Distributed education materials and uniforms to **12,378** students

Supported **5,770** students and employed **27** teachers

## Target

## 4.7b

By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries

#### Contribution

Helped **280** students with scholarships





## **Healthcare**

Health and sanitation are fundamental to community well-being and development. Our initiatives provide essential healthcare services and promote hygiene among underserved populations. Our health and sanitation programmes have made a substantial impact on communities affected by disabilities and tuberculosis across our operations. These initiatives also include preventive care, curative services, reproductive and child health support, and strengthening health infrastructure. These programmes have reached over 1,030,666 individuals across our operational areas.

#### Our Contribution to the SDG targets through various CSR Projects



SDG 3: Ensure healthy lives and promote well-being for all at all ages

#### **Target**

### 3.1

By 2030, reduce the global maternal mortality ratio to less than 70 per 100.000 live births

#### Contribution

**19,270** mothers registered for antenatal/postnatal care

### 3.3

By 2030, end the epidemics of AIDS. tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, water-borne diseases and other communicable diseases

#### Contribution

**3,247 TB** patients registered 72,504 children immunised with a 62.7% comprehensive immunisation rate and a **100%** 

immunisation rate for polio

#### 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all

### Contribution

- 1,71,877 patients supported through 3 hospitals and 32 clinics/ dispensaries
- 1,507 medical camps organised, benefitting 80,840 patients
- 961 girls registered for adolescent healthcare
- 95% facility-based birth rate
- 2,028 patients screened for cataract at 29 eye camps

Total 604 patients were provided cataract surgery and 262 were provided spectacles

## Centralised Kitchen for Mid-day Meals at Lohardaga

In Lohardaga, lack of access to hygienic, nutritious meals was impacting students' health and education. To address this, we partnered with the government to set up a state-of-the-art centralised kitchen at Lohardaga Bauxite Mines, enabling sustainable, high-quality meal distribution to local schools.

The government provided land and water, while we invested ₹5 crore in infrastructure, machinery, equipment, and transportation. Operational costs are supported by government funding, with periodic rate revisions to ensure long-term viability. The initiative's success was driven by active participation from local stakeholders—including teachers, school management committees, SHG helpers, and community representatives.

In FY 2024-25, the programme delivered nutritious meals to over 20.000 students from Standards I to VIII, leading to improved school attendance and increased teaching hours. It also generated local employment, addressing both educational and economic challenges, and creating lasting impact within the community.



# **Infrastructure Development**

Developing infrastructure is essential for building sustainable communities and enhancing the quality of life. Our initiatives aim to address critical gaps and provide long-term benefits. Significant progress has been made in enhancing access to essential resources for the local communities. Constructing roads, community centres, bus stops, rural houses, approach roads, culverts etc. has benefitted 2,12,159 people. Establishing sanitation facilities has further boosted public health standards.

Moreover, under the Aditya Birla Group's CSR framework, we run a Model Village Development programme, creating self-reliant rural communities through comprehensive infrastructure development. Schools and Anganwadi centres underwent upgrades to improve education and early childhood care. Community halls serve as spaces for training and social engagement, fostering collaboration and growth. Enhanced road connectivity ensures better access to essential services, while irrigation projects strengthen agricultural productivity. Drinking water systems, sanitation facilities, and solar-powered lighting contribute to healthier living conditions and greater safety. Each initiative works in tandem to build resilient, sustainable communities.

## Our Contribution to the SDG targets through various CSR Projects



SDG 11: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

## **Target**

## 9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

#### Contribution

347 toilets constructed under Swachh Bharat Abhiyan

720 solar lanterns and 168 solar street lights distributed



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## Strengthening Recycling and Community **Development Through** the Habitat for **Humanity Affiliate** Challenge at Novelis

Declining aluminium recycling rates in the US and Canada, highlight the need for stronger initiatives to reverse the trend and drive sustainable impact. To tackle this, we collaborated with Habitat for Humanity affiliates to integrate recycling efforts into their community outreach, creating a positive impact on people, planet, and profit.

Through grant support, affiliates were empowered to promote aluminium recycling community campaigns, which also generates sustainable funding for affordable housing projects due to the value of infinitely recyclable aluminum. By embedding recycling efforts within local programmes, the initiative encourages long-term environmental responsibility and strengthens community awareness and action, driving higher recycling rates.

The Novelis-sponsored grant programme has also attracted new partners and supporters for local Habitat affiliates through the establishment of these communitywide recycling campaigns.

In its fourth year (2024), the programme saw record engagement and growing enthusiasm among Habitat affiliates. Increased recycling adoption is providing a growing and sustainable funding source for affordable housing efforts. Novelis and Habitat have established platforms to allow affiliates to share best practices and are committed to inviting feedback to maximise the financial, environmental, and social impacts of the grant programme.

## Advancing STEM and Aluminium Recycling Through the CanBot Collaboration at Novelis

As part of Novelis' purpose of Shaping a Sustainable World Together, we actively partner with stakeholders, inclusive of our customers, to amplify social impact. As mutual supporters of FIRST®, a global NGO focused on inspiring the next generation of technical and business leaders through robotics programmes, we partnered with customer Ball Corporation to introduce the CanBot grant programme.

As part of the programme FIRST Robotics Challenge (FRC teams) can apply for a US\$5,000 grant to design and build a robot they can take into their communities and to FIRST competitions to champion both STEM and recycling. The robots designed by the teams have recycling technologies such as sorting or can-crushing to make recycling fun and useful for its

audiences. In turn, these CanBot projects strengthened robotics expertise, encouraged hands-on learning, and expanded recycling efforts, reinforcing sustainability among future innovators.

In 2024, 10 additional teams received grants, broadening outreach beyond existing operational areas. Increased funding supported underfunded teams in robotics tournaments, ensuring greater accessibility. The programme also fostered diversity, with higher participation among minorities and girls, helping create an inclusive and dynamic platform for the next generation of STEM leaders committed to environmental progress.





# Sustainable Livelihood and Social Change

Sustainable livelihoods play a crucial role in driving economic stability and advancing social progress within communities. By equipping individuals with the skills and resources needed for self-sufficiency, we aim to create lasting positive change. Our training programmes in agriculture, organic farming, orchard development, agri-input support, skilling, entrepreneurship development etc. has benefitted 1,81,786 people. This has bolstered their economic stability, elevated their social status, and enabled active involvement in decision-making, thereby enhancing the overall resilience and sustainability of these communities.

## Our Contribution to the SDG targets through various CSR Projects



SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

## **Target**

### 4.3

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

#### Contribution

**23,415** women were members of **1,749** SHGs

**1,090** women empowered through income generation activities at SHGs

Supported 1,723 people through vocational joboriented skills training and 4,841 people through technical skills training

## **Target**

## 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services

#### Contribution

12,657 farmers benefited from melas and camps, while 4,536 farmers received agricultural tools, seeds, fertilisers, and insecticides

12.691 animals immunised

538,064 saplings planted for green belt development

## **Unnati: Empowering Farmers through Organic Farming**

The Unnati initiative marks a significant step in promoting sustainable agriculture and strengthening rural livelihoods. The project encourages organic farming and aims to reduce farmers' reliance on chemical fertilisers and pesticides. Spanning the Dudhi, Muirpur, and Babhani blocks in Uttar Pradesh, the project has so far helped 4,401 farmers. Of these, 3,318 received training and awareness support and 437 farmers were able to improve practices in vegetable cultivation. A total of 310 benefited from experts advise and quality seeds to significantly boost paddy cultivation across 678 acres of land.

In FY 2024-25, 892 farmers applied 170 MT of organic manure across 875 acres of land, enhancing soil health and ensuring safer, healthier produce. To address water scarcity in the 3 blocks, 27 lift irrigation systems were installed to help 256 farmers to water 426 acres of land. Additionally, 80 farmers benefited from water conservation structures, bringing 115 acres of farmland under irrigation.

The project also enabled forward market linkages, helping farmers to access better markets and reduce dependence on intermediaries.

As a result, farmers reported increased yields, lower input costs, and improved produce quality, leading to higher incomes and better living standards.



## **Empowering Youth through Aditya Birla Skills Centre**

In Hirakud of Sambalpur district and nearby villages, limited access to vocational training and development opportunities had long constrained youth employability. To address this gap, Hindalco Jana-Seva Trust launched the Aditya Birla Skills Centre at Baraipali Chowk, Sambalpur. The initiative focuses on equipping young individuals with practical skills and fostering entrepreneurship.

The centre offers vocational training across multiple domains, complemented by holistic development sessions that prepare students for long-term, sustainable employment. An extensive outreach campaign engaged more than 700 households, ensuring strong community participation and awareness.

Encouraged by its early success, we plan to replicate this model in Dahej

and Tikri, expanding its impact. As of now, 205 students are enrolled in various courses, with 65 already securing stable jobs and earning monthly salaries between ₹13,500 and ₹18,750.

By equipping youth with in-demand skills and creating pathways to employment, the Skills Centre is driving economic empowerment and fostering career resilience in the region.

## Rejuvenation of Kosa Silk in Chhattisgarh

The artisans of Raigarh and Champa districts faced declining engagement, limited design innovation, and inadequate market access, threatening the sustainability of Kosa silk, a craft deeply rooted in the region's cultural and economic heritage. To address these challenges, we established the 'Kosala Livelihood & Social Foundation' in 2021, implementing a systems-based approach to restore the Kosa silk value chain.

This initiative introduced contemporary designs and product innovations, developed essential infrastructure to support ancillary activities, and established urban market linkages to connect artisans directly with buyers. Awareness campaigns highlighted the unique heritage of Kosa silk, enhancing market visibility and consumer interest.

As a result, weaver incomes increased by 55% compared to the 2021 baseline, with 30 weaver households securing full-time employment through Kosala. Improved market access and fresh designs revitalised artisan engagement, ensuring long-term sustainability for Kosa silk craftsmanship.

## **Project WADI at Utkal**

Tribal farmers in Kashipur, Odisha, faced economic instability due to traditional farming on barren, undulating land, poor irrigation, and inconsistent rainfall, while landless families depended on daily wages and migration for survival. To address these challenges, Utkal Alumina International Limited, in partnership with NABARD, implemented Project Wadi, establishing 424 acres of fruit orchards and 76 goat-rearing units across 17 villages.

Farmers gained access to solarpowered irrigation, intercrop cultivation, and comprehensive skill-building programmes, while village committees and producer companies strengthened market linkages and financial inclusion. An impact study highlighted significant economic improvements, with increased income, reduced migration, and widespread adoption of modern farming techniques, as 32% of beneficiaries earned over ₹50,000, 24% between ₹20.000-₹50.000, and 30% between ₹400-₹20,000 over five years, while 14% utilised intercropping primarily for household consumption. Recognised with NABARD's Best Farmers Award (2025), Project Wadi has successfully transformed livelihoods, ensuring long-term sustainability and resilience.

## **Employee Volunteering** Initiatives

Employees are provided with numerous opportunities to volunteer for CSR initiatives. Participation in CSR activities is encouraged and recognised through internal platforms. In the reporting period, 2,455 employees collectively volunteered 7,529 hours at Hindalco India, significantly impacting the communities we serve. These initiatives foster a sense of community and purpose among employees while contributing to the overall well-being of people and development of the areas in which we operate. By engaging in various projects such as environmental

conservation and educational support, employees drive positive change and build stronger communities.

Furthermore, in FY 2024-25, we proudly celebrated the 13th year of our Annual Global Volunteer Month at Novelis.

This initiative highlights our year-round commitment to volunteerism, with each major site organising a variety of volunteer opportunities throughout October for colleagues to actively participate in.

# Responsible **Value Chain**

Committed to fostering a responsible value chain, we hold our suppliers accountable through a robust framework built on transparency and the highest ethical standards. Our focus on sustainable procurement is underscored by the implementation of three key policies: Novelis Supplier Code of Conduct, Hindalco Supplier Code of Conduct, and the Responsible Supply Chain Policy.

Our Supplier Code of Conduct integrates global best practices, encompassing health and safety, environmental stewardship, human rights, and ethical business conduct. This framework promotes sustainable business practices across our value chain. We mandate that all suppliers, vendors, contractors, consultants, agents, and other service providers adhere to its provisions. Our sustainable sourcing procedures ensure compliance with government regulations and International Labour Organisation (ILO) standards. Furthermore, our vendor agreements explicitly include human rights requirements, and we encourage suppliers to maintain safe and inclusive workplaces.

At Hindalco, we proactively motivate our suppliers to enhance their ESG performance. Each value chain partner is dedicated to maintaining our ESG values and principles. Our Board of Directors oversee the supply chain ESG strategy and related initiatives. To further this commitment, we have established a specialised taskforce comprising internal team members and executive management leaders. This taskforce plays a critical role in ensuring the resilience and long-term viability of our supply chain by owning and continuously refining the sustainable sourcing practices. Charged with identifying and addressing emerging

supplier and supply chain risks, the taskforce actively monitors the dynamic risk landscape to enhance the framework's robustness. This proactive approach not only strengthens our governance practices but also ensures that sustainability remains a core component of supplier lifecycle assessment. In a time when adaptability and sustainability are vital for organisational survival, the taskforce's work is essential to building a more secure, transparent, and future-ready supply chain.

## **Understanding Our Supplier** Network

Our extensive supplier network spans multiple geographies, with a significant proportion of suppliers from India, followed by Singapore, Switzerland, and Chile. During the reporting period, there were 29,521 tier-1 suppliers at Hindalco India and Novelis. Out of this, Hindalco India had 12,947 tier-1 suppliers and 142 were considered significant. Further, Novelis had 16,574 tier-1 suppliers out of which 2,568 were considered significant.

spend by Hindalco India and Novelis was ₹186,750 crore. Of this, Novelis spent ₹120,017 crore (US\$14.2 billion). Hindalco India's total procurement expenditure was ₹66,733 crore, with ₹17,989 crore spent on account of Indian suppliers and ₹48,744 crore spent on account of international suppliers. During the reporting period, coal procurement accounted for 10% of Hindalco India's total procurement spend.

In FY 2024-25, the combined procurement

Our operations depend on a robust supplier network, ensuring the timely procurement of essential raw materials for seamless production and market delivery. To strengthen this ecosystem, we classify our 'significant suppliers' based on business volume, dependency, impact, continuity, relevance, and ESG impacts.

We emphasise responsible sourcing throughout our operations, with processes specifically designed to uphold and support these practices.

At Hindalco India, we sourced 27% of our materials from India, of which 8% was procured from Micro, Small, and Medium Enterprises (MSMEs) and small

producers. In the previous year, 29% of our input materials came from India, including 7.4% directly from MSMEs and small enterprises. Specifically for Hindalco's mine sites, the spending on the sourcing from the local proximate supplier was ~ 5% of the overall spend.

## **Supplier Screening and Onboarding**

To ensure a resilient and ethical supply chain, we have implemented a thorough and systematic process, designed to identify and mitigate risks promptly and screen and onboard suppliers. Before establishing any business relationship, we conduct a detailed risk assessment, evaluating their financial stability and assessing the quality of their products or services. An onboarding assessment helps us in ensuring that the suppliers comply with all applicable rules and regulations, including the payment of statutory dues.

Furthermore, we examine the sustainability practices of our suppliers across ESG criteria, recognising their relevance to our business needs. This comprehensive evaluation helps us understand the broader impact of suppliers' operations. We consider various risks associated with the sector, country,

and commodity during the screening of significant suppliers, ensuring a thorough assessment. The onboarding evaluation consists of capability, statutory, environment, social and governance checks and also requires the vendors to be compliant to Hindalco's Supplier Code of Conduct which focuses on the requirement of sustainability in supply chain, business conduct principles, anti-bribery, diversity, labour and human rights, safe and healthy working conditions, environmental and statutory compliances, CAHRA sourcing compliance for conflict mineral and ensuring our vendors maintains the same standards in their supply chain. In the reporting period, all new suppliers at Hindalco underwent this Supplier Screening Process. Additionally, all tier 1 suppliers are covered by the supplier screening process including significant

tier 1 suppliers. **Supplier Screening Process** Identified Empanelled Approved Vendors Vendors Vendors Those willing to do Those eligible to Those ultimately business with our undertake trial orders selected and approved following performance company evaluation

To be eligible for tenders or contracts, suppliers must meet our stringent ESG standards. Our procurement team continuously reviews purchasing practices to ensure alignment with our Supplier Code of Conduct and to avoid potential conflicts with ESG requirements. Suppliers who demonstrate superior ESG performance are given preference during the selection and contract awarding process.

Our dedicated teams are equipped with the necessary tools to assess ESG compliance throughout the onboarding, engagement, and audit phases. This ensures responsible sourcing practices and upholds our commitment to ethical business procedures and environmental stewardship. Our comprehensive process ensures that 100% of our inputs are procured sustainably.

## Supplier Assessment

Supplier assessments are crucial for ensuring operational efficiency, risk mitigation, and overall business success. Our Supplier Performance and Risk Assessment framework is a key tool for evaluating and managing suppliers. This framework comprises several components focused on understanding, mitigating, and aligning supplier practices with our organisation's values and objectives.

We categorise suppliers based on the criticality of their goods or services to our operations. The three categories are 'Significant', 'Medium', and 'Low' dependency. Significant suppliers undergo more rigorous physical assessments by an independent audit team. The assessment is curated based on the type of supplier, e.g. Manufacturer, Trader, Service Provider, Transporter, Authorised Dealer etc. The significant supplier is assessed based on capability, performance, environment, health, social and sustainability aspect based on the evidentiary document.

The result of this assessment is a supplier risk rating along with recommended corrective actions. Suppliers receive full support throughout the process of addressing these actions and are closely monitored until they are resolved. Failure to complete corrective actions can affect the business relationship with the supplier. This tiered approach ensures that resources are allocated based on risk and impact.

Assessments encompass internal desk reviews, self-assessments, and on-site evaluations conducted by contracted consultants or independent accredited auditors, wherever applicable.

These assessments cover financial stability checks, operational audits, performance reviews, and sustainability assessments. All assessments adhere to national and international guidelines, regulatory requirements, and standards set by global agencies such as the Organisation for Economic Cooperation and Development (OECD), IMS, and the United Nations (UN) standards.

We assess environmental and social criteria including safety certification, emergency response plans, safety training, environment management system, HR management, human rights, ESG governance mechanism and disclosures, and quality management system, as applicable. Furthermore, we assess suppliers on various environment related KPIs such as the availability of environment-related training programmes, energy consumption, GHG emissions, air emissions, waste and water management.

During the reporting period, 125 out of 142 significant suppliers (88%) underwent detailed assessments which included criteria such as environment, health and safety, and working conditions. No negative impacts were identified, but the Observations for Improvements (OFI) were noted and corrective action plans were developed for 12 high-risk suppliers, all of whom were assisted by our internal

team in implementing the corrective action plans. The action plans tackle non-compliance by identifying root causes and setting measurable, time-bound interventions.

Defined timelines guide the improvement process and suppliers unable to meet minimum ESG standards within the stipulated timeframe face disqualification. However, as all suppliers met the necessary requirements, no terminations occurred during the reporting period.

For FY 2024-25, a total of 895 suppliers were assessed on legal/litigation, financial, credit check, regulatory, adverse information, sanction, environmental and social criteria, with no negative impacts. 100% of these suppliers were evaluated for human rights issues, including discrimination, sexual harassment, child labour, forced labour, and wages; no violations were reported. Further insights into the human rights assessment are shared in the Human Capital section.

## Copper Business: Due Diligence Framework under The Copper Mark

We are proud to be the first Indian copper manufacturer to achieve the Joint Due Diligence Standard (JDDS) under The Copper Mark framework. This reinforces our commitment to ethical and sustainable production. Developed in collaboration with The Copper Mark, the International Lead Association (ILA), the Nickel Institute (NI), the International Zinc Association (IZA), and the Responsible Minerals Initiative (RMI), the JDDS sets a stringent benchmark for ethical and conflict-free mineral sourcing. This globally recognised standard aligns with the OECD Due Diligence Guidance, providing a strong foundation for responsible mineral procurement and sustainable resource management.

By aligning with the JDDS, we have reinforced our commitment to ethical

sourcing, human rights, supply chain transparency, and rigorous, independently verified site-level practices. Recognised by the London Metal Exchange (LME) under its 'Track A' responsible sourcing requirements, this achievement highlights the robustness of our practices. As India's leading copper producer, we continue to set new benchmarks for transparency, sustainability, and responsible sourcing across the industry.

## Supplier Risk Assessment

One of the key assessments we conduct is the supplier risk assessment, which can be carried out either online or through physical evaluations. This process involves thorough assessments conducted before onboarding new suppliers and the subsequent assessments based on the supplier categorisation and business relationship criticality at a defined frequency. Based on these evaluations, Tier 1 suppliers or significant suppliers are categorised as high, medium, or low risk, impacting their business opportunities and relationship with us.

The evaluations consider various criteria, including health and safety practices, environmental sustainability, labour management, human rights, regulatory compliance, financial stability, and market dependency. We also conduct scenario analyses to identify potential risks across the supply chain and accordingly update our evaluation parameters. For significant suppliers, ESG criteria are given considerable weight in the rating process.

We follow a distinct risk rating methodology for physical assessments, with a maximum score of 100. Any supplier scoring below 70 is considered high risk. This comprehensive approach ensures a resilient and responsible supply chain, aligned with our commitment to ethical business practices and sustainability.

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The criteria for physical assessment are as follows:

- + Technology Base
- + Governance
- + Operation Management
- + Resource Management (Human Resources and Equipment Resources)
- + QMS
- + Risk and Business Continuity
- + General Administration
- + Financial Strength
- + Litigation History, Criminal Records, Illegal and Unethical Practices
- + Environmentally Responsible Business Operations
- + Human Rights (Labour Processes)

- + Management System
- + Health and Safety

In addition to physical assessments, our online due diligence and assessment process is integral to our supplier evaluations, and the risk ratings have been provided below.

Low Risk	Medium Risk	High Risk
Genuineness and Credibility of the Ven	dor	
<ul> <li>Established track record of the vendor</li> <li>Compliant with all tax and regulatory formalities</li> </ul>	+ Recently incorporated entity with no significant operations	+ Vendors/Promoters who have no business operations/ professional background
	+ Vendor with relatively less professiona	al + Vendors whose physical address cannot be validated
	experience	<ul> <li>Non-compliance with tax and other regulatory formalities</li> </ul>
Reputation of the Vendor		
+ No negative media coverage	Consumer complaints     Negative media, including strikes and	+ Violation of anti-bribery and anti-corruption compliance UK Bribery Act violations
	workplace accidents	+ Environmental law violations
	<ul> <li>Ministry of Corporate Affairs (MCA) defaults</li> </ul>	+ Business with countries sanctioned by the Office of Foreign Assets Control (OFAC)
		+ Sanctions/Bans by Regulators
Legal/Criminal History and Regulatory \	/iolations/Sanctions	
+ No litigation/criminal	+ Civil litigations	+ Links with terrorist or anti-social groups
history/regulatory violations	<ul> <li>Investigations by police, arrests depending on the parties involved and the severity of the crime</li> </ul>	+ Criminal litigations
		+ Investigations by police, arrests depending on the parties involved and the severity of the crime
		+ Fines imposed by regulatory authorities
		+ Operations in OFAC-sanctioned countries
Financial/Operational		
+ Healthy financials	+ New vendor with low working capital	+ Consecutive operating losses
+ Good liquidity ratio	+ Weak liquidity	+ High debt/equity ratio and low liquidity
<ul> <li>Low debt/equity ratio</li> </ul>		+ Credit defaults
+ No credit defaults		+ Negative net worth
Government Links		
+ No government links	<ul> <li>Interaction with government/ political entity</li> </ul>	+ The 'key individual' from the vendor's side being a politically exposed person
	+ Services provided to the government	+ The family of the 'key individual' from the vendor's side being politically exposed
ESG		
+ No ESG risk	+ Medium ESG risk	+ Non-compliant with ISO, labour laws, safety, permits, and sustainable sourcing
		+ Active cases of corruption, bribery, harassment, and customer complaints in the public domain

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

## **Supplier Development**

Supplier development is integral to advancing our sustainability agenda and cultivating long-term partnerships through strategic investments in supplier growth. We conduct structured engagement activities throughout the year via communication initiatives, vendor assessments, audits, training workshops, seminars, and stakeholder surveys. Comprehensive workshops systematically refine supplier practices, strengthening their commitment to responsible business operations. In FY 2024-25, capacity-building initiatives were extended to 12 (8%) significant suppliers, helping them understand our ESG requirements and interventions to elevate their ESG performance.

Biennial global vendor meets serve as a key platform to build enduring business relationships and promote ESG integration. These forums allow senior leaders direct access to suppliers to reinforce sustainability imperatives. Additionally, there are plant-level vendor meets with local suppliers to ensure alignment on ESG expectations, programmes, and compliance requirements. These meets help clearly communicate our ESG-specific expectations, supplier ESG programmes, processes, and requirements, ensuring alignment and mutual understanding.

During the reporting period, a large-scale vendor meet convened representatives from nearly 100 significant suppliers and over 150 business partners worldwide. Supply chain sustainability priorities were outlined, with an emphasis on the pivotal role of ESG compliance in advancing operational resilience, enhancing supply chain integrity, and fostering collaborative business success.

## Supplier Grievance Mechanism

Our grievance mechanism empowers suppliers to proactively raise their concerns and issues. Ahead of our global and plant-level vendor meetings, we solicit input and feedback from key vendors regarding any challenges or grievances they encounter. These issues are then addressed by senior management during the meetings. Any unresolved grievances are escalated by the vendors to the relevant teams for swift resolution. Additionally, suppliers may also raise concerns through our open ethics line. Our Supplier Code of Conduct contains information on the open ethics email ID meant for suppliers to raise any concerns. No complaints were received in the reporting period.

## Supply Chain Risk Management

At Hindalco, an enterprise risk register meticulously tracks critical vulnerabilities, classifying them by severity into green, yellow, amber, or red categories. Root cause analysis ensures alignment between identified risks and organisational objectives, aiding the formulation of mitigation frameworks. Monthly evaluations help verify the effective implementation of these plans, contributing to a reduction in the risk scores.

In response to geopolitical volatility, decisive measures have been taken to strengthen supply chain sustainability. The Responsible Sourcing Policy and the Conflict Affected and High-Risk Areas (CAHRA) determination methodology help mitigate threats from high-risk sourcing countries. Close coordination between the Supply Chain and ERM teams enables real-time detection of geopolitical fluctuations and swift execution of countermeasures.

# Digitalisation in the Supply Chain

We, at Hindalco, have introduced

significant digital advancements to streamline processes and enhance coordination. As part of our digital transformation journey, we have successfully transitioned from operating multiple ERP instances to a unified, single-instance ERP system. This harmonisation has significantly streamlined procurement operations by enabling standardised processes across business units, enhancing overall efficiency. Centralising data has eliminated redundancy and ensured real-time access to accurate information, improving decisionmaking and collaboration across procurement teams.

The unified ERP platform has brought notable advancements in transparency and governance. With consistent data structures and centralised reporting,

procurement professionals now have end-to-end visibility into spend, supplier performance, and compliance metrics. This transparency strengthens internal controls and ensures better adherence to procurement policies. Furthermore, standardised workflows and automation have reduced manual effort, increased process reliability, and boosted overall productivity. The harmonised ERP environment has not only improved operational efficiency but also laid a strong foundation for future digital innovations in procurement.

At Hindalco, digitalisation has been at the core of the process transformation, productivity improvement and increase in transparency and governance. Our major units have transformed to 100% paperless working and approvals. We have also leveraged the centralised procurement data repository to develop a robust risk identification mechanism on a real time basis that mitigates risk and ensures transparency, statutory compliance and governance in our supply chain process. More than 20 key risk indicators in vendor management, payment processing and order processing have been identified and are evaluated on a real-time basis and any deviation is highlighted. These deviations make up the risk score of the particular unit and leads to the identification of mitigation measures to reduce the risk score.

Additionally, access to critical information has been enhanced through multiple digitisation initiatives, improving visibility and coordination across the procurement team. A centralised dashboard now consolidates spend data, supplier assessments, and key risk KPIs, eliminating dependencies and ensuring seamless data access.

Effective internal communication is also a cornerstone of operational success across our units in India. A structured communication framework allows swift dissemination of information across teams.

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Financial Statements Corporate Logistics Team

#### Road

Manages transportation of finished goods to ports and customers, and the inward movement of minerals such as bauxite and coal, fuel, and other raw materials

#### Railway

Manages own rakes and sidings for transportation of alumina, finished goods and minerals like coal and bauxite

### Shipping

Manages ocean and air movements for import and export as well as port management

#### Warehousing

Manages external warehouses increasing proximity to customers

#### Digitalisation

Integrates advanced technologies to enhance operational efficiency by increasing visibility

# Onboarding Logistics Partners

Logistics partners are onboarded through a functional assessment of their capabilities and expertise, followed by a detailed techno-commercial evaluation. Onboarding logistics partners involves ensuring compliance with our policies, including the Code of Conduct, Values (Integrity, Commitment, Passion, Seamlessness, and Speed), and policies on Quality, Environment, Occupational Health and Safety, and Uniform Diesel Price variation to control freight pricing. Further, we monitor the transit/delivery times, transit damages, timely allotment of trucks, etc. for all transporters, which helps us

determine their ratings. These ratings help govern the share of business allocated to each partner. Vendors are shortlisted based on their experience, market feedback, performance, and facilities, and the bidding process includes comprehensive Request for Quotations (RFQs) covering all necessary parameters.

Human rights requirements are integral to our business agreements and contracts. Although we conduct internal performance reviews, service partners are expected to meet all statutory obligations specified in the agreement, including compliance with minimum wage laws and the prohibition of underage labour.

We have strict screening criteria at Novelis for onboarding logistics partners. Vendors must adhere to our ethics and code of conduct, ensuring high standards of service, quality, and safety.

Digital technology has been integrated to enhance the management of logistics partners. A new automated reverse auction system powered by Oracle Transport Management (OTM) was implemented in the reporting year to manage business distribution digitally, ensuring fairness and transparency. The OTM system oversees all logistics processes, from freight discovery to negotiation and spot booking, enhancing efficiency and transparency.

Data from the Logistics Analytics dashboard and Customer Relationship Management (CRM) software is utilised to onboard logistics partners and renew their contracts. This transition from manual to digital operations has improved operational efficiency and aligns with the sustainability target by minimising errors and saving time.

# Assessing Logistics Partners

Assessing logistics partners is crucial to ensuring compliance with our stringent standards and policies. During the reporting period, 100% of logistics partners were assessed for environmental and social impacts, including sexual harassment, discrimination, child labour, forced labour, wages, health and safety, and workplace conditions. Additionally, our in-house corporate logistics team evaluated the operational performance of 90% of vendors handling finished goods. Units and mining locations also regularly review vendor performance through their own systems.

Operational risks, including safety, theft, transit damage, delays, and environmental impact, are systematically assessed and managed through a Risk Register, with mitigation plans regularly updated to ensure ongoing improvements. Health and safety compliance is enforced through contractual agreements, rigorous audits, periodic inspections, and structured safety protocols, including certified equipment checks, training initiatives, and adherence to global standards.

At Novelis, we monitor vendor performance with a balanced scorecard that evaluates operational efficiency, safety, sustainability, and pricing. Quarterly Business Reviews with key vendors yield both qualitative and quantitative feedback; improvements and corrective actions are tracked diligently.

# Efforts Towards Sustainable Transportation

Our commitment to sustainable

transportation is reflected in several key initiatives aimed at reducing our environmental footprint. We aim to achieve a 60% conversion to Green Modes (including EVs, LNG, CNG, & Bharat Stage VI norms) for our fleet by FY 2025-26. Along with EV contracts yielding significant emission reductions, they also provide long-term cost benefits and price stability as the contractual rates remain unaffected by diesel price fluctuations.

At Renukoot, we have deployed an EV for the in-plant movement of red mud. Initially focused on short-haul routes, we are gradually integrating the use of EVs for long-haul movements. Further, we are transitioning from the use of diesel material handling equipment (MHEs) to EV MHEs. At Aditya Aluminium, we have recently deployed 20 EVs for the transportation of fly ash to a nearby cement plant. Commercial negotiations are in progress to introduce EVs from Hirakud FRP to Aditya FRP and from Dahej to Asoj and Halol.

# Introducing EV in Short Haul Routes

Reducing carbon emissions and enhancing efficiency in short-haul routes became a priority, necessitating a shift to cleaner and cost-effective transportation solutions. Traditional logistics operations had a high environmental impact, prompting the need for strategic interventions to integrate sustainable practices into our supply chain.

To achieve this, we collaborated with multiple OEMs to identify suitable electric vehicles (EVs) and partnered with logistics service providers (LSPs) to implement long-term contracts. The initiative focused on deploying EVs without direct vehicle procurement, leveraging existing and new LSPs to ensure seamless adoption. Expansion plans were set in motion to introduce EVs across all mining operations, including Chakla and Samri mines. Additionally, several trial routes from Raipur warehouse were evaluated for LNG deployment.

We successfully deployed four LNG vehicles on key routes, reducing 16 tCO₂e of emissions. Furthermore, the introduction of 20 EVs between Aditya Aluminium and UltraTech Lapanga resulted in a reduction of 3,500 tCO₂e while saving ₹1.5 crore in freight costs. Long-term contracts at consistent freight rates enhanced both environmental and commercial sustainability, solidifying our commitment to greener logistics solutions.

Furthermore, we ensure that Hazard Identification and Risk Assessment is conducted, and a mitigation plan is defined. To mitigate the negative impacts caused by the transportation of coal, hazardous waste, and fly ash, we mandate the use of proper tarpaulin coverings with seals for all coal trucks. Similarly, fly ash trucks and rail wagons are covered with tarpaulin, and hazardous waste is transported in vehicles certified by the State Pollution Board. Alumina is transported using our BTAP rakes or bulkers to minimise losses and protect the environment.

# Shifting PME Activities for BTAP Rakes to Sarla

Efficient logistics is important in ensuring seamless supply chain operations. At our Vishakhapatnam Division, we identified prolonged Periodical Maintenance Examination (PME) time as a key bottleneck. The extended turnaround time was limiting the number of trips per rake, prompting us to prioritise optimisation to enhance operational efficiency.

To address this, we proactively advocated with East Coast Railways and requested authorities to relocate the PME activities to Sarla, the nearest PME yard. We submitted formal representations and held discussions with key authorities to reinforce the necessity of this shift. Through persistent efforts, approval was secured, allowing the transition of PME operations from Vishakhapatnam to Sarla.

This initiative streamlined transit schedules, reducing PME time by 1.5 - 2 days. The increased number of trips per rake improved logistics efficiency, strengthened our supply chain, and reinforced collaboration with Indian Railways. Through this strategic intervention, we were able to support uninterrupted and sustainable operations.

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A detailed charter has been developed to capture Scope 3 emissions, encompassing the entire logistics spectrum - inward, outward, rail, road, and sea. This comprehensive approach will enable the precise calculation of total emissions across all logistics operations, providing a holistic view that supports targeted reduction strategies.

To increase longevity of BTAP vessels and maximise their utilisation we have initiated upper carriage maintenance of the rakes. This initiative, carried out in Utkal, will reduce the quantum of road transportation as one BTAP rake can replace approximately 120 trucks.

At our Novelis operations, we rigorously track ESG metrics, EPA SmartWay, MPG benchmarking, fleet age, empty mile reduction, and payload optimisation to reduce fuel consumption. Our BreakThrough Fuel partnership further refines our fuel analytics. Additionally, we continually assess mode shifts to improve cost, quality, and sustainability. We evaluate transitioning volumes from over-the-road trucking to intermodal transport, with significant rail transfers. For example, shifting shipments from the US and Canada West Coast to our Midwest and East Coast plants via intermodal service has delivered substantial CO2 reductions.

## Development of the Rail Network between Guthrie and Oswego by Novelis

Shipping ingots one per truck from our Guthrie Recycling Plant to Oswego was inefficient and unsustainable. To address this, we partnered with CSX to create a dedicated rail lane. Our team developed railcars with adjustable bulkheads, increasing capacity to three–five ingots per car, and secured contracts that met the demand. This shift reduced fuel usage, lowered costs and emissions, and enabled 100% rail shipments for FY 2024-25.

## **Digitalisation for Logistics**

At Hindalco, we have significantly advanced our logistics operations through comprehensive digitalisation across all business divisions. The adoption of the Ekaayan platform for automated logistics management has streamlined both inbound and outbound processes, ensuring end-to-end visibility and traceability. Inventory management for external warehouses is seamlessly integrated through Oracle WMS, facilitating real-time reporting, dashboarding, and continuous process optimisation.

A centralised logistics control room equipped with intelligent dashboards allowing real-time monitoring and proactive intervention is being established at the corporate headquarters.

Additionally, our warehouse visual management system enables digitalised tracking of materials and utilisation.

Advanced GPS-based systems are deployed for inventory planning, route optimisation, and monitoring the movement of rail and road shipments, including finished goods and mineral dispatches. GPS tracking of fly ash trucks has been initiated in Sambalpur. All the Company-owned BTAP rakes are fitted with solar-powered GPS devices. The rail logistics team further monitors rail movement/ performance using data from Centre for Railway Information Systems (CRIS) to track Key Performance Indicators (KPIs).

Aluminium and copper products dispatched are digitally tracked using GPS, providing real-time visibility to transporters, plant executives, sales and marketing teams and customers. This tracking data is integrated with the Enterprise Resource Planning (ERP) system, enabling advanced analytics and the creation of real-time dashboards for performance monitoring of logistics partners.

Furthermore, we have successfully conducted a proof of concept for freight discovery of our shipping logistics for Export Import (EXIM) requirements and

are in the process of developing a digital system for container tracking.

External warehouses are connected through a secure network of 188 IP cameras, ensuring compliance with safety standards and enabling remote monitoring by the Safety, Health, Environment, and Security teams. Oracle's Warehouse Management System (WMS) has been deployed in all external warehouses and at the Mouda Unit, leading to enhanced utilisation, higher inventory turnover, and improved accuracy.

## Sea Freight Calculator for Cost-Effective Free on Board (FOB) Shipments

Managing sea freight costs for bulk cargo was challenging due to a lack of efficient assessment methods, leading to cost inefficiencies and delays. To streamline the process, we developed an in-house sea freight calculator to evaluate and select optimal freight options.

The tool integrates parameters such as cargo volume, shipping routes, time chartering rates, demurrage costs, fuel consumption, and transit times. Data from shipping lines was incorporated into a user-friendly interface and rigorously tested for accuracy in determining costeffective solutions.

This initiative led to significant cost savings and reduced the time spent researching freight rates. Realtime data empowered teams to make informed shipping decisions while improving transparency and preventing unexpected charges. Additionally, the calculator strengthened supplier relationships through a clear pricing model, creating a robust freight management system. This strategic intervention optimised operational efficiency and enhanced logistics sustainability, ensuring seamless freight operations.

At Novelis, we have integrated digitalisation into our logistics by implementing Transportation Management Systems and establishing EDI communications for real-time track-and-trace visibility. We consolidate operational and financial data through dashboards with key metrics and KPIs, while automation, RPA, and digital workflows streamline communication and eliminate repetitive tasks.

# Managing Geopolitical/ Operational Conflicts

We manage geopolitical and geographical risks in logistics by employing both proactive and reactive strategies to ensure continuity and efficiency. In business-as-usual situations, we secure contracts to mitigate fluctuations in crude oil prices, market demand, and supply variations, which significantly impact sea freight prices. By establishing stable contracts, we can better manage these predictable risks. Additionally, to address unforeseen price fluctuations, we established long-term contracts with major shipping lines for routes to the US and Europe, providing stability and predictability.

Amid the Red Sea crisis, we encountered severe disruptions characterised by container scarcity, erratic vessel availability, and volatile freight fluctuations. These challenges, coupled with significant supply chain disturbances across Asia in the first half of 2024, impacted supply of key raw materials. This resulted in increased costs and higher insurance premiums, causing global delays.

We mitigated these challenges by securing long-term contracts and broadening our shipping network across multiple lines and ports.

Collaborating with shipping lines and customs handling agents, we were able to access other sources for empty containers and rakes. Thus, we engineered multiple logistical

pathways to ensure supply continuity in the event of route disruptions.

Strengthening communication channels between suppliers and manufacturers further enabled us to respond swiftly to emerging issues.

At Novelis, we leverage our trade compliance and government affairs teams to identify and mitigate emerging geopolitical risks and challenges. We aim to establish supplier diversification and robust contingency plans to avoid overreliance on any single vendor.

# Fostering Customer Relationships

Our new identity marks our transformation from a materials supplier to an engineered solutions provider, underscoring our commitment to being fundamentally customer centric. Our transformed identity is now more focused on customer centricity, ensuring that every strategy and initiative is designed to meet customer expectations.

In our Copper business, we focus on meeting domestic demand, codeveloping products and solutions for emerging needs, enhancing sustainability through recycling, and creating products for urbanisation and e-mobility. For the Specialty Alumina business, we target emerging markets like batteries and semiconductors while continuously strengthening our core product offerings and driving new product development.

Furthermore, at our Novelis operations, demand for our products continues to grow, driven by sustainability factors, economic expansion, and aluminium's critical role in lightweighting, recycling, and the transition to a lower-carbon economy.

# Four-Pronged Approach to Customer Centricity

### 1 Engagement

Collaborating closely with customers, we determine product volumes, technical specifications, input prices, and performance metrics. This approach to customer engagement encompasses not only understanding product characteristics but also its process and application.

## 2 Delivery

Partnering with reliable suppliers and logistics providers ensures timely delivery. Maintaining long-term relationships with these partners further supports this commitment.

## 3 Research and Marketing

Collaborating with market research agencies provides global and domestic insights, while creative agencies assist in showcasing our offerings at various exhibitions. Our teams track cutting-edge technology trends across our value chains and those of our target industries.

#### 4 Sales and Development

Continuous training equips sales representatives with product knowledge, process understanding, and application insights, along with advanced selling techniques. This comprehensive preparation ensures effective customer engagement and enhances operational efficiency.

## **Customer Engagement**

At Hindalco, we prioritise proactive engagement with our customers to understand their needs, preferences, and concerns. Our structured customer engagement strategy includes annual or bi-annual customer meets in every zone, reflecting on what worked, what we could improve together, and sharing knowledge on copper quality and its applications.

We ensure customers have access to comprehensive information about our products through multiple channels. Detailed brochures, test certificates from our NABL-accredited labs, and concise website content guide customers effectively. Our dedicated Technical Services team provides in-depth knowledge about product usage and applications, conducting on-site knowledge sessions to foster a deeper understanding.

The Value Selling initiative, which trains our sales professionals in solutions engineering, has further improved customer relations by equipping them to better identify and address customer needs.

In the reporting period, we enhanced branding and social media communication, launched a contentrich website, and increased our LinkedIn presence. We also published targeted advertisements and participated in key industry events to boost visibility.

In the Specialty Alumina business, we stay closely connected with our domestic and global customers through regular visits, participation in international exhibitions and conferences, and active engagement in technical associations & academia - enabling us to stay ahead of industry trends, foster co-creation, and deliver technically aligned, future-ready solutions. We also ensure timely delivery by setting up warehouses in the US and Japan, along with a local office in Japan to support faster response and stronger customer connect. Our local

representatives and agents from global markets regularly visit our sales office and Belagavi plant facility to deepen their product knowledge, ensuring they can provide informed and personalised support to our customers.

In the Copper business, we organised knowledge-sharing sessions and conducted electrician training programmes in collaboration with IEEMA.

Further in the Aluminium business. Hindalco Taloja organised a Dealers Meet with downstream customers, providing a platform for open discussions, strengthening partnerships, and fostering collaboration across the supply chain.

# **CEO** and Senior Management

We have established CEO and senior management forums to foster stronger partnerships and advance industry collaboration by bringing together the senior management of our customer companies. This platform facilitates the exchange of ideas, discussion of industry trends, and collaborative problem-solving. The events enabled us to build meaningful connections and drive collaborative progress.

# **Integrating Customer Input**

We integrate customer feedback into our processes by engaging with them at every stage of product development. Products are shared with customers for trials, and their views are incorporated to refine and improve the offerings. This collaborative approach ensures that our products meet customer requirements.

In our Copper business, we are expanding downstream products like copper foil for batteries and OFC rods, driven by market studies and customer inputs. Engaged customers help us generate ideas, test products in realworld conditions, and prioritise features, ensuring our offerings align with market demands and customer expectations.

## **Deepening Customer** Commitment through Strategic Supply of **FUSALOX**<sup>TM</sup>

Over the years, we have partnered with our customers through a robust portfolio of calcined and reactive alumina, built on continuous innovation, reliability, and technical depth. Now we have entered the synthetic aggregates space with FUSALOX™ - our high-purity White Fused Alumina designed for highperformance refractories, precision abrasives, and advanced ceramics.

While we are developing a state-ofthe-art 60 KTPA FUSALOX™ plant at our upcoming Aditya Alumina refinery, targeted for commissioning in FY 2025-26, we have initiated a strategic alliance for immediate supply. This ensures our customers benefit from our signature quality, prompt delivery, and disciplined processes without delay. This approach underscores our unwavering commitment to responsiveness, agility, and customer-centric growth as we expand our footprint in this high-potential segment.

## Digitalising Customer Management

Over the past year, we have focused on improving customer experience through digitalisation. We have invested in smart sensors, supply chain automation, and advanced dashboards. These innovations have enhanced productivity, improved output quality, and accelerated response times. As a result, complaints have decreased, and customer confidence has grown. Our digitalised order-taking system, powered by Oracle and Ekaayan, integrates sales and production for seamless fulfilment. Additionally, the deployment of Salesforce as a unified CRM platform is set to enable faster responses, better personalisation, and real-time progress tracking.

Our collaboration with the Group Data & Analytics (GDNA) arm of Aditya Birla Group has been instrumental in leveraging data science for deeper customer insights. Together, we have launched projects aimed at decoding customer behaviour, predicting future demand, and proactively addressing potential concerns. A notable initiative includes a model that analyses complaints and identifies root causes at the plant level, allowing for instant issue flagging and swift resolutions before they impact customers.

We have also implemented advanced measures to enhance packaging quality, benchmarking against industry-

leading standards. The introduction of an automatic palletiser has significantly streamlined our packaging operations, increasing efficiency, consistency, and overall product handling.

In the Specialty Alumina business, the ongoing transformation of the Sales & Operations Planning (S&OP) system will further improve service. Current modules already facilitate demand forecasting and optimised production planning, while future enhancements will systematically commit dispatch dates to customers based on realtime supply visibility and further refine planning processes.

150 complaints related to Foil, of which 3 remain unresolved, and 229 complaints regarding extrusions, of which 37 are yet to be resolved. The number of complaints have increased owing to technical enhancements to our customer complaint platform, which allows us to capture previously overlooked issues more effectively.

# Respective ASM Lodges complaint in system (CX portal) Analysing Complaint is accepted or rejected After investigation, corrective and preventive action is taken Settling Accepted complaint quantity is settled, a credit note is issued Closing Complaint is closed

## **Data-Driven Coil Predictive Performance Allocation** Model - CAM

To optimise copper rod production for various applications, we customised the Continuous Casting and Rolling (CCR) process to enhance downstream performance and provide tailored solutions. We implemented the Coil Allocation Module (CAM), which synchronises customer data with rod process data to ensure alignment with application requirements.

By integrating data from rod manufacturing and customer downstream plants into a centralised server, CAM uses a predictive AI

model trained on two years of historical data to forecast coil performance. This enables effective allocation while minimising rejections and rework. Continuous analysis of performance trends and real-time quality feedback further refines the model for greater accuracy and optimisation.

This initiative has resulted in a significant reduction in wire breaks, improved customer satisfaction, and fewer complaints, enhancing efficiency and reliability in the production process.

## **Customer Grievance Redressal Mechanism**

Customers can lodge complaints 24/7 through various channels, including phone calls, emails, logbooks, meetings, interactions, and surveys. All responses are categorised into positives and detractors, ensuring the timely resolution of issues.

We actively address customer complaints through an internal report and the Corrective and Preventive Actions (CAPA) protocol. Regular meetings and customer visits help identify and resolve issues, with

escalations managed by plant or technical teams when necessary. Once resolved, we share a complaint settlement report detailing corrective actions with the customer. Quarterly audits ensure continuous improvement and faster resolution times.

In FY 2024-25, we received 39 customer complaints from the Copper business, all of which were resolved. The Specialty Alumina business received 42 complaints, with 3 pending resolution at the end of the reporting period. In the Aluminium business, we received a total of 539 complaints regarding FRPs, with 82 still pending resolution. There were

## **Product Safety and** Compliance

Prioritising the safety and compliance of our products is integral to our business. Recognising the significant impact our products have on the well-being of our customers and communities, we adhere to rigorous quality standards and protocols. This dedication spans both our Business-to-business (B2B) and Business-to-customer (B2C) segments, ensuring compliance with all mandated standards.

We maintain the highest standards of health and safety for all our products and strive to inform our customers about the significant impacts of our products. While the products from our chemical business are classified as non-hazardous, we provide Material Safety Data Sheets (MSDS) to keep our customers well-informed.

**Hindalco Industries Limited** 

Creating and Sustaining Va

In our Aluminium business, we supply food-grade materials to cookware manufacturers, certified under EN 602 and IS 21 standards, and provide test certificates to our B2B clientele. For B2C customers, we comply with BIS Standards 15392, ROHS, and REACH. Moreover, all ingredients used during the process, including rolling oil, additives, paper, and glue, are foodgrade, while the slip coat and inks used are water-based, non-toxic, and suitable for food packaging.

100% of food grade products in the Aluminium business are assessed against BIS & International standards for health and safety impacts. There were no reported incidents of noncompliance with product health and safety norms and standards in the reporting period.

We are committed to responsible sourcing and production of aluminium. Our downstream facilities in Belur, Kuppam, Renukoot, Alupuram, Hirakud FRP, Belagavi, Mouda, and Taloja are certified by the Aluminium Stewardship Institute (ASI). Moreover, our products, such as Eternia (doors and windows) and Everlast (roofing interventions), have achieved GreenPro Certification, underscoring our dedication to sustainability.

In our Copper business, we ensure full compliance with BIS norms for copper rods and cathodes.

Furthermore, we have registered with EU REACH to ensure our Specialty Alumina products meet stringent safety standards, facilitating their legal sale and use within the European Union.

In FY 2024-25, 100% significant products were assessed for compliance with procedures on product and service information and labelling. There were no reported incidents of non-compliance regarding marketing communications, product and service information, or labelling.

#### **Customer Satisfaction**

Customer feedback surveys are integral to our improvement strategy. Through NPS surveys, we conduct a detailed cross-functional analysis of customer feedback and comprehend their perceptions in depth. This comprehensive and structured feedback loop ensures that we continually evolve to exceed customer expectations and reinforce

our reputation for excellence. In FY 2024-25, we achieved a customer satisfaction score\* of 89.2% for our Novelis operations. Below is the product and business division-wise NPS score achieved in FY 2024-25 for Hindalco. For FRP and Foil business divisions the NPS survey has been planned for FY 2025-26.

SBU	NPS Score	Next Survey Planned
Hindalco Aluminium Business	74	FY 2027-28
Primary Ingots	74	FY 2027-28
Primary Wirerods	74	FY 2027-28
Hindalco Copper Business	74	FY 2025-26
Hindalco Specialty Alumina Business	72	FY 2026-27
Ceramics and Glass	83	FY 2026-27
Refractories	64	FY 2026-27
Flame Retardant	67	FY 2026-27
Water Treatment Chemicals	76	FY 2026-27

We use Bottom-Up and Top-Down approaches to measure customer satisfaction. The Bottom-Up approach involves collecting feedback through survey requests, gathered by our call centre and uploaded to the 'Mission Happiness' platform for analysis. Currently, 'Mission Happiness' platform is used by our Copper business, and we are developing a similar one for the aluminium extrusions division. This initiative will enhance digital visibility, improve response time, and streamline the customer experience.

The Top-Down approach, used in our Specialty Alumina business and for certain aluminium products, involves engaging a specialist market research agency to conduct a Net Promoter Score (NPS) survey.

This method captures our NPS and provides valuable insights into our market position. We transitioned to the NPS system due to its higher correlation with EBITDA and its forward-looking nature, making it a more effective metric than traditional customer satisfaction surveys. After conducting the NPS survey, we engage in a comprehensive internal discussion to analyse the feedback, identify strengths and areas for improvement, and implement targeted action points. These initiatives are executed promptly and monitored through regular reviews to ensure continuous enhancement of customer satisfaction.

In our Aluminium business, we conducted three structured Feedback Huddles to capture the voice of the customer. Through these sessions we were able to address and resolve key issues. We also increased internal engagement, aligning teams across functions and levels to ensure ownership of the customer experience. Our dedicated industryspecific Technical Sales representatives work closely to improve customer productivity and efficiency.

### **Public Policy Advocacy**

At Hindalco, we adopt a structured public policy advocacy approach, guided by a strategy that enables effective collaboration with policymakers both directly as well as through active participation in international, national, and state-level industry bodies and associations.

We work closely with trade associations and industry bodies to promote inclusive growth and sustainability. Our proactive approach to policy advocacy focuses on creating longterm value for stakeholders while safeguarding the environment. We engage in shaping policies across areas like taxation, trade, mining, energy, climate change, and sustainability, ensuring we are prepared for future regulatory developments. Our approach is collaborative, fact-based, and solution-driven, involving regular dialogue with policymakers at all levels. Through these associations,

we engage with key ministries such as Coal, Power, Railways, Renewable Energy, Environment, Forest and Climate Change, Finance, Commerce, and Mines and with think tanks such as NITI Aayog. Our advocacy initiatives, underpinned by comprehensive research and analysis, offer a holistic perspective on key industry issues, thereby enhancing our credibility with policymakers over the years.

One of our key advocacy priorities is addressing climate change. We work closely with industry associations and research institutions to support India's climate commitments under the Paris Agreement and contribute to its Nationally Determined Contributions (NDCs). Before engaging with new trade associations or directly advocating with policy makers, we carefully review and monitor their alignment with our climate stance and India's commitments as part of Paris Agreement. Additionally, we regularly assess the alignment of the associations we are affiliated with. We also scrutinise potential misalignments between trade associations' climate change policy stance and our own climate positions. In cases of any misalignment, we carefully to review and address the misalignment, including withdrawing ourselves from the representation if needed. We ensure that our stance on climate change policies is transparently communicated to stakeholders, including any instance of distancing ourselves from the misalignments. This policy advocacy we operate. Details of our associations and memberships are presented in 'Our Key Associations and Memberships' section of this Report.

To streamline our policy advocacy and memberships with trade associations, we have instituted a process that incorporates a comprehensive management system and a robust governance framework.

evaluate and follow a structured process strategy applies to all jurisdictions where

## Policy Advocacy Governance and Management Framework Board-level Company-level **Board of Directors** (The Committee updates the and Board quarterly for their review) Group Chairman (Reviews advocacy initiatives annually) **Risk Management and ESG Managing Director** Committee (The Head of Policy Advocacy reports to the MD. Monthly update is provided for MD's (Oversees policy risks and review and intervention wherever required) initiatives) **Group Business Head of Policy Advocacy Review Committee** (Leads the team and the initiatives) (Reviews advocacy initiatives quarterly) **Policy Advocacy Team** (Drives all advocacy initiatives)

<sup>\*</sup>Customer satisfaction score indicates the proportion of customers surveyed that are satisfied.

#### **Our Contributions**

Our charitable and political contributions adhere strictly to our established policies. Detailed information on our charitable contributions can be found in the CSR section of this report. During the reporting period, we made a combined contribution towards political campaigns of ₹364.4 crore, of which Novelis contributed ₹2.37 crore (US\$280,000) and Hindalco India donated ₹362 crore to the Aditya Birla General Electoral Trust. Throughout the reporting year, no corrective actions were required or initiated due to anti-competitive conduct as per adverse orders from regulatory authorities.

Contributions to Trade Associations (in ₹ crore)			
Trade Association	FY 2023-24	FY 2024-25	
International Aluminium Institute	1.04	1.57	
Confederation of Indian Industry	0.39	0.91	
The Federation of Indian Chambers of Commerce and Industry	0.25	0.31	
Indian Electrical and Electronics Manufacturers' Association	0.035	0.78	
Other Contributions by Hindalco India	0.08	0.06	
Other Contributions by Novelis	-	0.05	
Total	1.795*	3.68	

<sup>\*</sup>The total contribution to trade associations has been restated, to ensure consistency and comparability.

In the reporting period, we did not make any contributions towards lobbying, interest representation or similar activities (e.g. spending related to ballot measures or referendums).

#### Climate-related Direct Policy Advocacy Positions

Globally, we have been a member of the World Business Council for Sustainable Development (WBCSD) for over a decade. Our senior leaders also hold memberships in the International Aluminium Institute (IAI), allowing us to collaborate with the Mission Possible Partnership (MPP) to accelerate the decarbonisation of heavy industries and transport. MPP's Aluminium Transition Strategy outlines the approach and resources needed to achieve 'Net Zero' by 2050. Further, our Group CSO co-chairs the Energy and Environment Committee of the IAI and also serves

on the South Asia Advisory Board of the Global Reporting Initiative (GRI).

As global governments develop carbon import taxes, Novelis collaborates with industry associations to ensure border measures to prevent carbon leakage without resorting to protectionism. In the UK, Brazil, and Europe, we advocate within the Carbon Border Adjustment Mechanism (CBAM), task force of European Aluminium and directly with the EU Commission to incentivise circularity.

Additionally, Novelis actively engages in policy advocacy across multiple states in the USA, promoting legislation for extended producer responsibility and recycling refunds. At the federal level, we support two bills aimed at enhancing recycling infrastructure through public-private partnerships. These initiatives are backed by the U.S. Chamber of Commerce, National Association of Manufacturers, and Aluminium Association, of which we are active members.



#### **Climate Related Direct Policy Advocacy Activities**

#### **European Union**

**Energy (SAFE)** 

Our Novelis operations are actively involved with the EU Packaging and Packaging Waste Regulation to promote circularity. Additionally, we participate in the automotive and transport group of European Aluminium to advocate for EU regulations that support automotive recycling.

#### **World Economic Forum**

We at Novelis, are a founding member of the WEF's First Movers Coalition for aluminium, which has committed to purchasing 10% of its primary aluminium as ultra-low carbon and sourcing 50% of its inputs from scrap. Additionally, we have advocated for these practices in national jurisdictions.

#### **Securing America's Future** U.S. International **Trade Commission (ITC)**

We at Novelis joined a coalition organised by SAFE to emphasise the significance of aluminium and advocate with the US Department of Energy and other government agencies for increased lowcarbon primary production in the United States.

The ITC is establishing metrics for measuring the carbon intensity of the US aluminium industry, which will inform the US government's international negotiations on lowcarbon standards. Novelis was the sole secondary aluminium producer to submit comments and testify at the ITC's hearing on "Greenhouse Gas Emissions Intensities of the US Steel and Aluminium Industries at the

## **Indian Ministry of Mines**

At Hindalco, our senior leaders proactively collaborate with the Ministry as members of its Greening Committee, which aims to provide inputs for formulating sustainable mining practices and guidelines for India.

## Bureau of Energy Efficiency, **Ministry of Power**

Product Level."

We, at Hindalco, are actively participating in the Bureau's consultation process as part of the Technical Committee on Indian Carbon Market on developing India's Carbon Market, contributing proactively to the formulation of policies and guidelines for India's Carbon Credit Trading Scheme.

#### **NITI Aayog**

We, at Hindalco, are a member of NITI Aayog's Decarbonisation Committee, responsible for mapping the decarbonisation pathway for the aluminium sector in India.

#### **Bureau of Indian Standards**

At Hindalco, we actively participate in a BIS committee dedicated to integrating sustainability into Indian standards, aiming to enhance the adoption of sustainable practices including climate change mitigation and adaptation and transparent disclosures.

## **Climate Policy Positions and Activities of Trade Associations**

The climate related direct policy advocacy activities undertaken by Hindalco India, as outlined in the preceding table, are also actively pursued through our participation in various trade associations such as the Confederation of Indian Industry (CII), the Federation of Indian Chambers of Commerce and Industry (FICCI), and the Bombay Chamber of Commerce and Industry (BCCI), among others. We are a member of these associations and represent both the Company and the broader industry in climate related initiatives. These trade associations have climate change policy advocacy as a key focus area. Accordingly, the positions and recommendations we advocate directly are also communicated through these national forums in engagement with the Government of India.

Engaging with national stakeholders through forums such as FICCI, CII, BCCI, FIMI, and FEIO, we catalyse ecosystem transformation. As a founding member of the Resource Efficiency Circular Economy Industry Coalition (RECEIC), hosted by FICCI under India's G20 presidency, we exemplify leadership in climate change and sustainability policies.

Individually, our Group CSO is also a pivotal member of CII and FICCI's Climate Change and Environment Committee, chairs FICCI's green procurement subcommittee, and cochairs the sustainability and climate change committee of the BCCI.

As chair of the Mumbai chapter of CII GreenCo, we convene quarterly to exchange best practices in emulsion treatment, zero liquid discharge, rainwater harvesting, and waste management within the metals and mining industry. We also engage in initiatives exploring phytoremediation, xeriscaping, and digital platforms for water and effluent management.