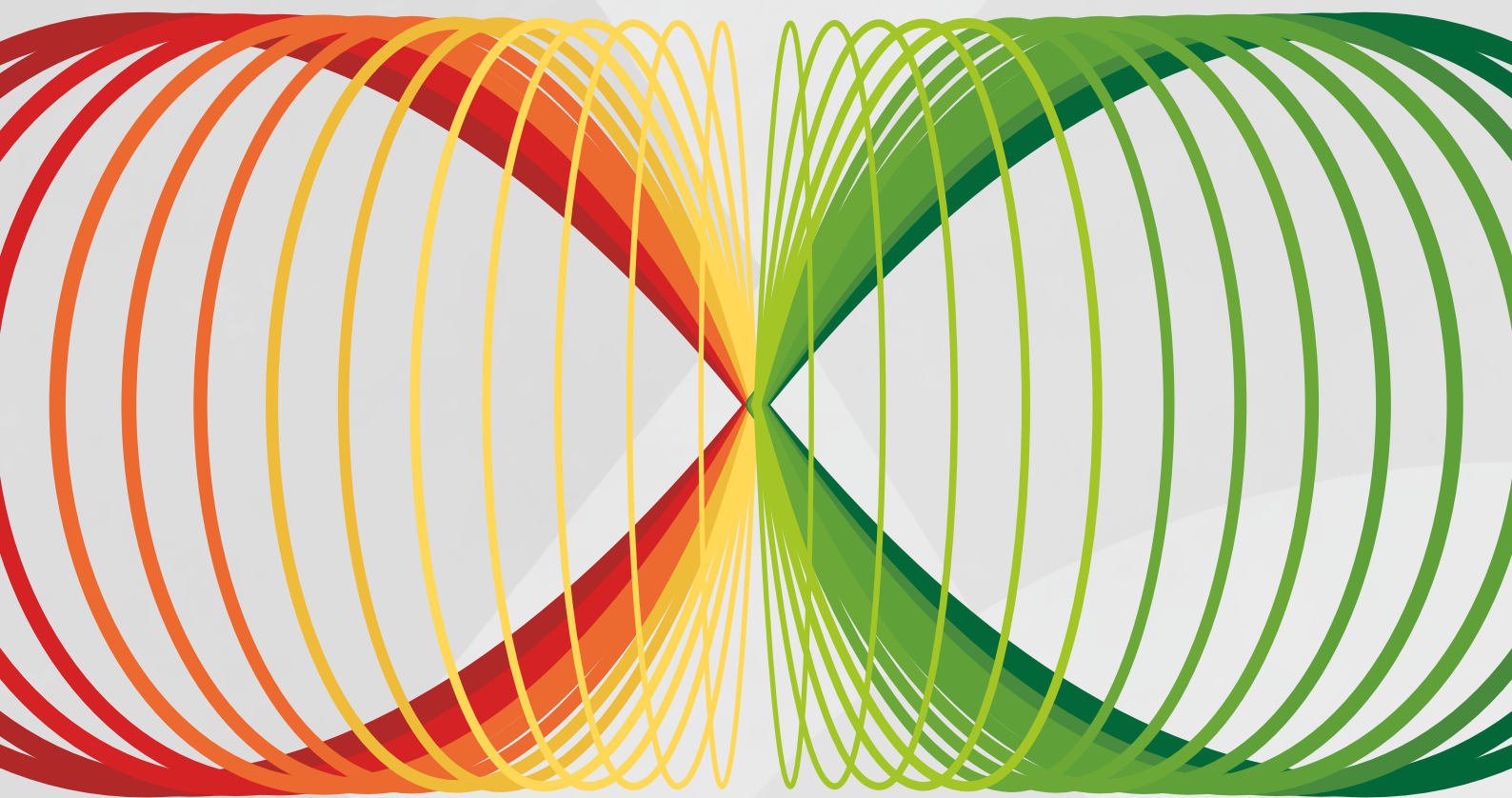


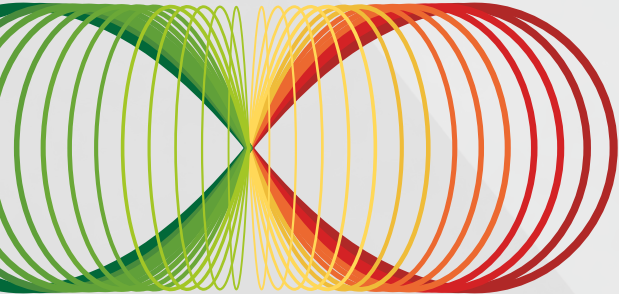


ADITYA BIRLA GROUP



**ACCELERATING  
ESGBILITY** **STRENGTHENING  
SUSTAINABILITY**

ESG Performance  
Report 2021



Infinite possibilities, abilities, and approaches by which to achieve our goals - the cover of this report represents the myriad opportunities that lie before us. In the cover design, along with infinity, we amplify adaptability and flexibility, the two key attributes of a truly sustain-able conglomerate. When we add to this fluidity, agility and the ability to retain its shape and position against all odds, we have a visual metaphor that best encapsulates **Sustain-ability** at the Aditya Birla Group.

With this design, we are also bringing into focus - **Vision**. The infinity is made up of two eyes – the ABG on the left and the environment on the right. It depicts how our vision for business and sustainability are synchronised. ABG's colour gradient going from left to the green on the right connotes how as a Group we are transforming into a more sustainable entity with every passing day.

This report summarises the performance of ABG businesses, with their diversity of sectors, geographies, across Environment, Social and Governance (ESG) areas. Our companies are being regarded as sustainability thought leaders and exceptional performers in their respective sectors and geographies of operations. Ambitious business and Group level targets and detailed roadmaps have been formalised, and are ably supported by Group functions, framework documents and a plethora of learning and engagement modules. It also heralds the dawn of a new era - the Sustain-ability Journey 2.0, where we are adopting the 4D approach and transitioning to an ESG-based model of sustainability.

**Together, these factors  
are Accelerating ESGbility –  
the ability to achieve  
a consistently better  
ESG performance  
year-on-year; and  
Strengthening Sustainability  
at ABG.**

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# MESSAGE FROM THE CHAIRMAN



Dear Reader,

In FY21, a number of Aditya Birla Group companies put a scrambled Rubik's Cube on the cover of their annual reports. The Rubik's Cube depicts the incredible challenge of achieving alignment with 43 quintillion potential combinations. The challenge of our times is similar - the challenge of maximising human welfare, economic prosperity as well as environmental health. This intricate puzzle has got even more complicated, thanks to an invisible virus.

Today, we are inhabiting a dramatically altered and paradoxical world - that is connected and disjointed; global and local; vast and small; safe and risky, all simultaneously.

The COVID-19 pandemic has, in its wake, also brought opportunities to accelerate progress on many dimensions. None is more significant than sustainability. As we defined it for the Group, sustainability is our 'ability to sustain' and provide leadership with empathy, collaboration, and the ethos of sharing. Over a long arc of time, we have thrived

in diverse markets and sectors, and this is a testament to our ability to sustain. This spectacular longevity is in sharp contrast to the shrinking lifespan of modern corporations around the world.

The pandemic has reinforced the importance of delivering financial results that align with the performance on ESG i.e. Environmental, Social and Governance aspects. While ESG credentials today are a marker of good corporate citizenship and resilience, I believe they will soon become a growth driver for corporations.

Hence the theme of this report: **Accelerating ESGbility, Strengthening Sustainability**, wherein we are reporting on the comprehensive measures taken and planned for the future to enhance ABG businesses' ESG quotient and ability to sustain.

Little less than a decade ago, I had set an ambitious vision for the Group to become the leading Indian conglomerate in sustainable business practices across all our global operations. I am

delighted to note that we have matured in our ambition and effort on sustainability during this period. We have equipped our businesses with the relevant tools, provided access to credible information, and put the right systems and processes in place to achieve our stated vision.

This is evident in the public targets that our businesses have taken in areas of ESG, our consistent reporting on the progress made, and lastly, the external recognition that we have received from different quarters. I compliment the collaborative efforts of our business colleagues and the corporate functions in making this happen.

Having covered formidable ground and given the evolving business landscape, **we have now embarked on the ABG Sustain-ability Journey 2.0** led by our Business Heads and ably supported by their Chief Sustainability and Safety Officers along with the Group Sustainability Team. The journey focusses on the megatrends of the current decade and accelerates the mainstreaming of



# While ESG credentials today are a marker of good corporate citizenship and resilience, I believe they will soon become a growth driver for corporations.

ESG in executive and operational decision-making. The 2020s is, without a doubt, 'the decade of action'.

Increasingly, our businesses are building ESG metrics in their strategies and operations. Across businesses, our sustainability strategies now consider the 4 dimensions (4Ds) of sectoral uniqueness, geographies of operation, and stakeholder expectations across the value chain, and time horizon.

This implies that the ESG priorities and imperatives may vary from business to business and market to market. And yet, our actions, every day and everywhere, must recognise the principles and guardrails that underpin our Group's ethos. Here are 5 principles that could form the bedrock for enhanced ESGbility:

**Transparency and Trust** are at the foundation of good corporate governance both within our operations as well as across our value chain of suppliers and customers.

## **Responsible Resource Utilisation**

This means that we strongly optimise the use of critical resources, tilt heavily towards circularity and recycling in all possible areas, and enhance the use of alternate and cleaner energy sources to reduce our carbon footprint. Across our businesses, we are aspiring to achieve net-zero carbon emissions by 2050.

**Zero Harm** Protecting our colleagues from harm is the most critical ESG priority. This is non-negotiable and the zero harm targets to meet are - no fatalities and a 20% YoY reduction in injury rates.

## **Sustainability Integral to Value**

**Creation** Achieving a long-term future for our businesses will increasingly depend on the ethos of sustainability permeating all aspects of our functioning - the way we design, source, finance, manufacture, sell and service.

**Collaboration and Synergy** This is to recognise that following sustainable practices almost invariably leads to a win-win for all. It is never a zero-sum

game and hence to identify opportunities to work in collaboration with various stakeholders across our value chain would create a tremendous impact for our businesses.

These five principles are a broad compass that will guide our strategies and actions across our businesses. I believe we can achieve global industry leadership and thrive in the new world through the cross-functional confluence of sustainability, innovation, technology, and customer-centricity in everything we do.

In this report, you will find granular details on the progress made so far. The journey towards sustain-ability is a long one. I look forward to your continued support as we accelerate ahead.

**Kumar Mangalam Birla**  
Chairman, Aditya Birla Group

# GROUP CSO MESSAGE

## SUSTAIN-ABILITY OF ABG BUSINESSES



Since our Chairman, Mr. Kumar Mangalam Birla, called on Aditya Birla Group (ABG) to become the leading Indian conglomerate for sustainable business practices across its global operations in Dec 2012, we have made great strides to equip our businesses with tools, provide access to information, put systems and processes in place and develop strategies to help us achieve the vision.

From the time we embarked on the Group sustainability journey in 2013, we have always been cognizant of the expectations that all the different stakeholders have from ABG businesses on aspects of Environment, Social and Governance (ESG). This has led to consistent advancement in our ways of working, our processes, our products, our people capability and, above all, our all-encompassing definition of what a sustain-able ABG business is. As we enter this 'decade of action', we are strengthening our products, processes and people to be more sustainable.

Sustainability is the top global trend right now - both in terms of the impact it is causing and the way the world is taking note of it. The impacts are both positive and negative. While on one hand, we are seeing climate change come to life through extreme weather events like unseasonal rains, storms, droughts, forest fires; on the other hand, there has been a surge in the use of renewable energy, newer advanced

production processes with lower ecological footprints that also make for safer workplaces, sustainability-oriented consumer preferences, and investment criteria. This has significantly accelerated the need and search for sustainable alternatives to processes, products and business models.

The corporates that integrate sustainability deep into their business will be the winners of tomorrow. The measure of success will be to create surplus not only for the organisation but also all around and the key to success is the ability to strike the right balance. In environment, it will be to balance between our needs and the ability of nature to provide for them; in social, it will be a balance between the use of man and machine in the coming decades; and in governance, it will be about balancing the expectations of shareholders and stakeholders. I am confident that it is this balance that will take us ahead.

The theme of this year's Group level report is **Accelerating ESGbility, Strengthening Sustainability**, every word of which reflects our approach and ambition. 'The ability to sustain' is the way we define sustainability at ABG, similarly, ESGbility is our ability to continuously raise the performance bar on parameters across the 3 dimensions of E, S and G. **We are now accelerating ESGbility at both – the Group level and within individual businesses.**

While sustainability was earlier linked more closely with environment, the pandemic has heightened the focus on social performance. Governance is the pathway through which we are delivering performance across all key areas in our businesses. Thus, **ESG is the new currency with which a company's ability to sustain itself is being transacted.**

We look at our **"ability to sustain Approach 2.0"** through **-4 Dimensions (4D) lens** of the (i) **business sector of operation**; (ii) **geography of operation**; (iii) **position in the value chain to get holistic perspective**; and (iv) **time horizon/ maturity of practices** in a business. This allows us to get an in-depth understanding of the ESG aspects that are relevant for our businesses, in keeping with what different stakeholders' are expecting over a period of time. The approach lends us both the internal context - our strengths and weaknesses as well as the external context - risks & opportunities on all relevant ESG topics.

In keeping with the ABG vision, missions, purpose and the five Aditya Birla Group values – integrity, commitment, passion, seamlessness and speed, the contextual information is used to develop/ update Group business strategies. An effective business strategy is one that will stand the test of time, affirm our targets and plan actions to achieve them.

## ESG is the new currency with which a company's ability to sustain itself is being transacted.

I feel very enthusiastic about the ESG targets we have adopted at the Group and business levels and the partnerships we have forged towards achieving them. These performance targets at ABG and its businesses are reflective of the material areas, you can see the details in subsequent sections of this report. They have been identified and developed through our sustained interactions with all key stakeholders and our understanding of the megatrends. For example, we recognise that climate change needs to be addressed through operational changes of decarbonisation as well as the need for adapting to the changes in rainfall and weather patterns that are already playing out.

The rubber meets the road when we implement action plans to update the processes and reach the performance targets in Group businesses across all locations. The action plans are incorporated in annual plans and a clearly defined set of key performance indicators (KPIs) are used for measuring and monitoring progress. **Five key enablers** form the backbone of all our action plans– (i) having the right **people** for the right job; (ii) ensuring right **systems** are in place; (iii) providing and maintaining right **assets and equipment**; (iv) deploying right **technologies** including processes in addition to use of digital tools; and (v) drawing the right **partnerships and platforms** that create synergies.

To complement these enablers, we have various tools, either developed in-house or procured through expert networks. The mainstay being the ABG Sustainable Business Framework of policies, standards and guidance notes. The standards are being implemented through self-assessment questionnaires (SAQs) that monitor the progress of processes being set up on material ESG issues. This is complemented through projects and initiatives on achieving Group and business level ESG performance targets and associated roadmaps.

We partner with many external expert organisations, academic institutions, think tanks, membership-based organisations to consistently enhance our learning and capabilities, improving our processes, and newer technological/digital solutions. This is seamlessly supported through internal stakeholders by the way of working groups. Together, we are working as 'OneABG' to improve our ability to sustain through cross-functional working groups and knowledge partners.

It is an honour for us to be recognised internally as well as externally for the progress that we have made till now. Hindalco was recognised as Aluminium Industry Leader for its sustainability performance in the 2020 and 2021 edition of the S&P Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment (CSA)

rankings. DJSI also ranked ABFRL as Asia's 'Most Sustainable Company' in the Textile, Apparel & Luxury Goods Industry'. Birla Cellulose was again ranked #1 among all MMCF producers globally in Canopy's Hot Button Report 2020 with 'dark green shirt' rating.

I am eagerly looking forward to our ongoing **Sustain-ability 2.0** Journey. Going forward, as a Group, we will continue to deliver on our committed ESG targets; explore and leverage advanced technology whether it is developed by large existing tech players or start-ups; take stewardship positions in the kind of products we make through circularity; extend the circle of ESG by bringing in suppliers, customers and consumers, and most importantly, collaborate with all stakeholders for shared prosperity and growth.

Hope you find this Group ESG Performance Report insightful, useful and impactful. I look forward to your views and feedback on the same so that we can keep raising the sustainability bar.

### Deeksha Vats

Chief Sustainability Officer (CSO),  
Aditya Birla Group

# ABOUT ADITYA BIRLA GROUP

**USD 45**  
Billion Revenues



**14**  
Industry Sectors



**140,000**  
Employees



**100**  
Nationalities



Built on a strong foundation of stakeholder value creation, the Aditya Birla Group is a global conglomerate in the league of Fortune 500 with revenues of USD 45 billion and a market cap of over USD 60 billion at the end of FY21. The Group's roots can be traced back over 150 years to the 19th century.

Powered by an extraordinary team of over 140,000 employees belonging to 100 nationalities, the Aditya Birla Group is active in 14 industry sectors, and has achieved global and national leadership in several businesses, including metals, cement, pulp and fibre, carbon black, textiles, chemicals, financial services, and fashion retail.

Through our products & services as well as our community outreach, we touch the lives of millions of people around the world. The Group's global leadership extends in multiple sectors like Aluminium Rolled Products, Viscose Staple Fibre, Carbon Black, Chemicals, Cement and Insulators.

For more details, please visit <https://www.adityabirla.com/>

## FIVE CORE VALUES

The Group's values are the guiding light for our businesses and people. They are at the core of how we operate as an entity and help us make important decisions. Our five core values are:

### Integrity

Following the highest standards of financial and intellectual professionalism that is fair and honest

### Commitment

On the foundation of integrity, doing all that is needed to deliver value to all stakeholders

### Passion

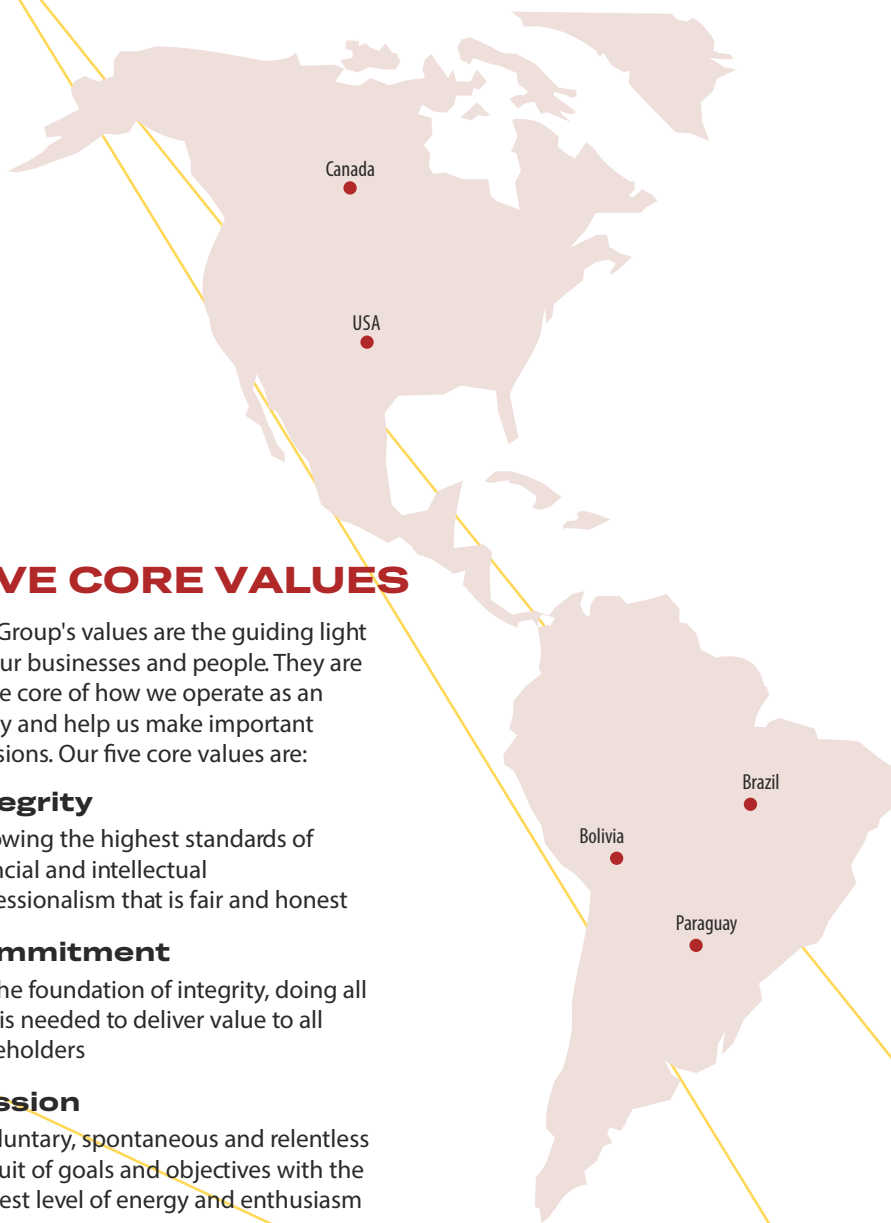
A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm

### Seamlessness

Thinking and working together across functional groups, hierarchies, businesses and geographies

### Speed

Delivering on time and choosing the best rhythm to optimise organisational efficiencies



## GEOGRAPHICAL PRESENCE

In 1969, the Group made a pioneering foray into Thailand. That was the fount on which has grown a diversified global powerhouse with a presence across 36 countries across six continents. Our international operations account for over 50% of the revenues.



**The license to operate for a corporation has to be earned. It is one of respect, credibility, and acceptability. It signifies genuineness, the willingness to match word and deeds, the willingness to abide by certain principles or a code of ethics, no matter what.**

**Mr. Kumar Mangalam Birla**  
Chairman, Aditya Birla Group



# SUSTAIN-ABILITY APPROACH 2.0



**ABG Sustainability Journey 2.0 is focussed on what the megatrends 2020-2030 expect from the private sector for the current 'decade of action' in mainstreaming of ESG, the 'new currency' of transacting a corporate's "ability to sustain", in executive and operational decision-making.**

As we embark upon a new stretch in 2022, we near the close of a pivotal 24-month period – of being in unexpected and unseen challenges. In the coming years, we would need to accelerate our efforts to contribute largely towards the ambitious United Nations Sustainable Development Goals (UNSDGs). The experience has made us deeply aware that it is now all the more a business imperative to incorporate long-term resilience in our strategic vision and goals. With all that has been laid bare by the pandemic related experiences, it is clear that long-term resilience is both about external factors and externalities, and the businesses' preparedness for the same. The actions that businesses choose to undertake are and would be influenced by a range of interconnected global megatrends – environmental, societal, economic, political and technological.

The most apparent megatrend that cuts across environmental, social and geopolitical aspects is climate change, having irrevocable bearings on the way we run businesses. Whether it is the coming together of multiple stakeholders to cut GHG emissions to reach net-zero or the physical risks through forest/bush fires, floods, droughts, hurricanes and typhoons, climate change is impacting in multiple ways - decarbonisation of energy, alternate raw materials, new products and altered supply chains.

The second major environmental trend turning into crisis is unsustainable land use with associated declines in biodiversity. This in turn has been leading to possible zoonotic divides through human-induced disruptions of animal habitats, leading to pandemics. The increased frequency and intensity of pandemic diseases will have lasting impacts on our healthcare systems, and ways of living, working and socialising.

In parallel to these environmental crises, social predicaments of increasing inequality, poverty and hunger, are getting deeply accentuated by the pandemic. Inequality is an emergency in itself and is inextricably linked to the other social, environmental, and economic crises. The results are a greater extent of political populism and short-termism, as social and class conflicts mount.

The near-universal applicability of digitisation, in combination with transformative technological breakthroughs, defines the digitalisation megatrend. This process is unleashing social and economic structural shifts that are long-term and irreversible – both positive and negative.

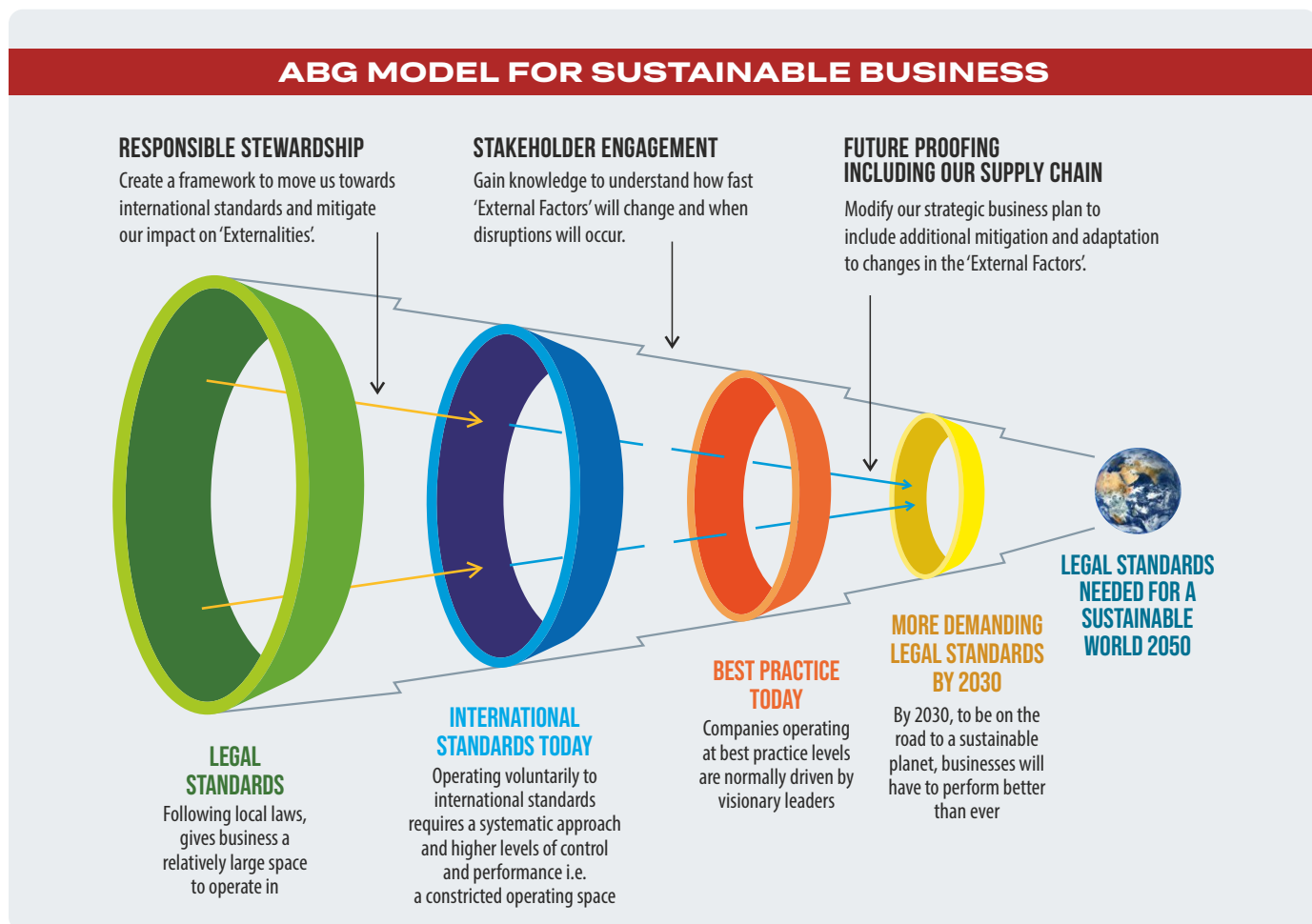
With the backdrop of these deep shifts, resilience is being viewed through many different lenses simultaneously, and is a dynamic rather than a static concept. At Aditya Birla Group, we acknowledge that trends and disruptions create both opportunities and risks. Having covered lot of ground since 2013 in this evolving landscape, we have now embarked on ABG Sustainability Journey 2.0. The focus being on mainstreaming of ESG – the new currency of transacting the corporate's ability to sustain - in executive and operational decision-making. We are already witnessing

diverse stakeholders such as regulators, oversight authorities, policy makers, investors and lenders becoming more vocal about the need for greater adoption of ESG. Thus, ESG is the new lens through which companies will be increasingly evaluated – both for their commitment and actioning on them. Since November 2013, we as a Group have made strides to equip our businesses with effective tools, provide access to the right information and to put the right systems and processes in place with comprehensive guidance on how to achieve the vision.

## MODEL AND FRAMEWORK

We started the journey in 2013 with defining the sustainable business model for ABG businesses through a funnel-based approach sitting on 3 pillars of responsible stewardship, stakeholder engagement and future proofing. This model is supported by the ABG Sustainable Business Framework (SBF). The ABG SBF has now gained full maturity through peer reviewing and third-party certification to 16 different international standards. Today, it comprises 18 policies and their associated 46 Technical and 18 Management Standards, which are setting expectations and guiding management system improvements across our Group companies. Furthermore, 70 Guidance Notes have been made available to support the practical implementation of requirements across the Group.

With an objective to build competencies and to accelerate ABG's ESGbilty, the Group Sustainability Cell has made available over 1,400 sustainability online courses spread across 14 international languages on the Gyanodaya Virtual Campus.



## SELF-ASSESSMENT AND ASSURANCE

The ABG SBF's implementation assurance is powered by an IT-enabled evidence-based approach – ensuring rigour and consistency to our business management systems. All businesses are now self-assessing and reporting their progress. Colleagues worldwide provide details of performance through photographs, documents and registers uploaded as part of Self-Assessment Questionnaires (SAQs) auditable in ENABLON - a global information management system, to standardise, monitor, report and help improve performance.

Governing this process are our Assurance Principles that guide the self-assessment and verification process. This uniquely designed mechanism places responsibility on our site managers to drive the necessary changes or recalibration required in their processes and business management systems so as to place ABG on a sustainable path.

## USE OF IT AS ENABLER

Given the breadth of sectors and geographies within the Group, we decided to harness the power of Information Technology to help assess our systems and processes and to embed our Framework across our businesses. The use of the ENABLON data management system facilitates the Group's geographically dispersed units to assure compliance with local law, conformance to international standards, and benchmark performance metrics against global best practices.

This has been a major innovation as not only have we had to consider the operational differences within the Group, but also encourage a mindset shift in the institutional approaches to data capture and management. The ENABLON deployment programme, developed over a period of eight years, is mounted on an enormous scale.

Currently, ABG has over 16,000 licensed users on ENABLON across its 183 manufacturing sites and 35 retail clusters as well as over 700 offices, warehouses and guesthouses.



Till FY21, we have been using various modules of ENABLON for:

**Performance Metrics** This module is configured to cover performance indicators included in Global Reporting Initiative (GRI), Dow Jones Sustainability Index (DJSI) and sector-specific process benchmarking. Businesses monitor relevant material indicators which facilitate target setting, scenario development, making improvement plans, calculating greenhouse gas inventory, and publishing their individual sustainable business development reports.

**Behaviour Based Safety Observation** This module is used to systematically identify employee behaviour and plant conditions which may lead to an accident. Each management level employee is provided access to this module to perform a safety observation round/tour of the allocated area and identify "At Risk" and "Safe" behaviours and conditions. We have plans to use this data to predict the risk level in different plant areas and make necessary interventions to support achieving our goal of Zero Harm.

**Regulatory Compliance Management** The module is a task-based compliance tool to ensure compliance with national, provincial and municipal-level regulatory requirements. Responsibility matrix for ensuring compliance with each requirement is fixed and mapped in the module. Performance of individual compliance owner, site and business is appropriately monitored by the management. Enablion currently supports regulatory compliance management across our operations in India, Thailand and Indonesia.

**Incident Management** We use this module to analyse events/incidents related to safety and the environment. The investigations are done using the enterprise-wide license of TapRoot®, a guided root cause analysis tool that helps us in standardising the analysis process and eliminating associated judgmental errors. The module enables us to manage the entire incident management cycle starting with capturing incidents, their impact on businesses, investigation team formation, capturing statement and evidence related to incident, detail cause analysis and finally, corrective action identification and implementation.

**Industrial Hygiene** This module supports in managing and controlling occupational health-related risk using Qualitative Exposure Assessment (QLEA), Quantitative Exposure Assessment (QNEA) and identification/tracking of improvement plans.

**Enterprise Risk Management Module** We initiated Group-wide implementation of the Enterprise Risk Management Module in 2021. So far, four businesses have planned to complete the implementation of this module. The basic objective of implementing this module is to facilitate businesses/units to establish a risk-based approach in decision-making to effectively allocate resources, provide a tool for monitoring of risks and implement risk & performance management process with early warnings to enhance risk governance. This module allows evaluation of risk using methods duly approved by boards of companies, linking of risk with relevant regulatory requirements, performance indicators, any event/accident that happened in the past, audit findings and relevant control evaluation.

# APPROACH OF TRANSITIONING TO ESG: SUSTAIN-ABILITY 2.0

The ABG SBF has undergone fine-tuning for better navigation in this ever-shrinking operating funnel via a 4-D (dimensional) approach. ABG businesses are building higher resilience in their business strategies and operations to ensure that their aggregate impact remains within the planet's safe operating limits, taking into account their



**D1 Industry Sectoral Operational Uniqueness**



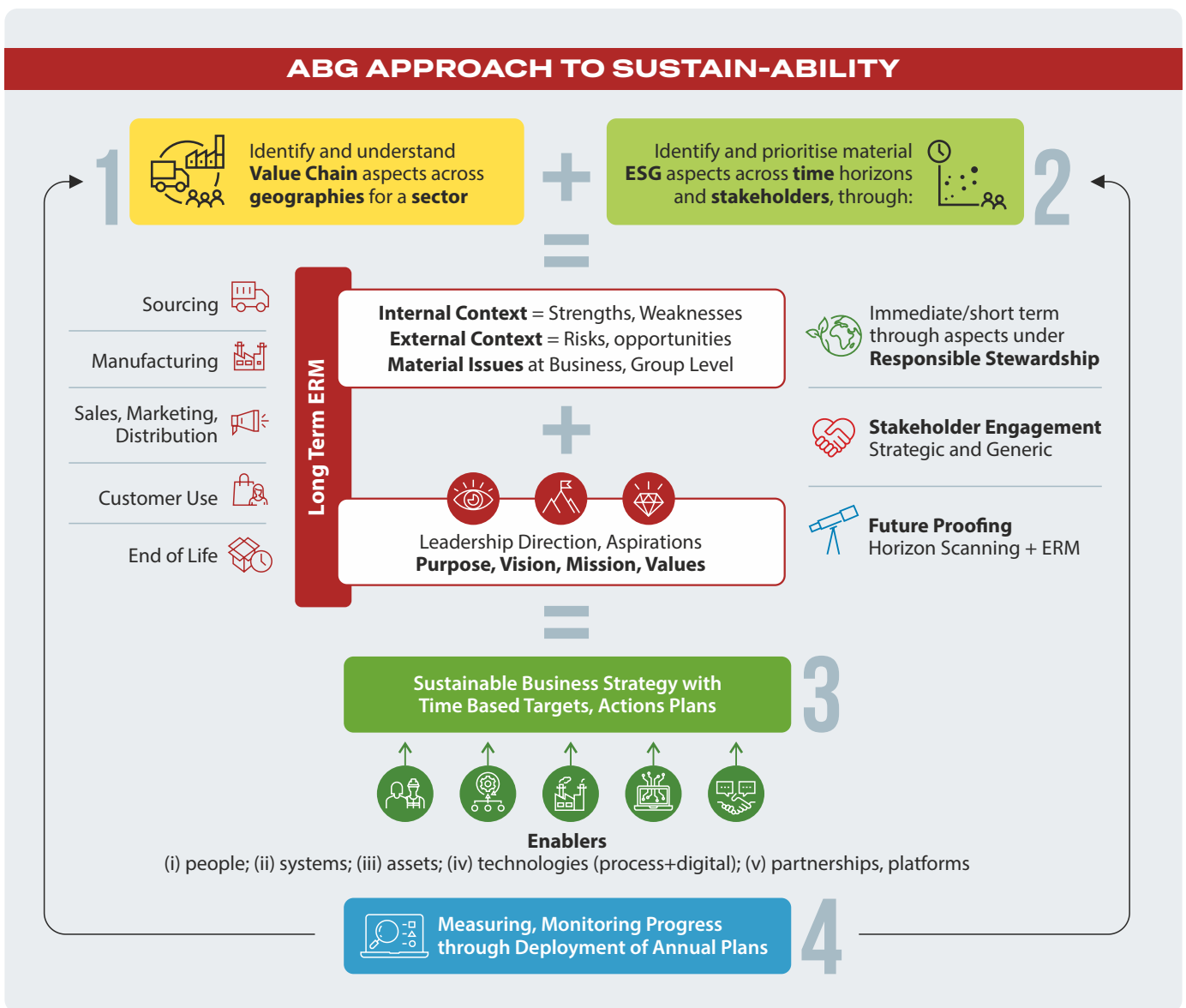
**D2 Their Geographies of Operation**



**D3 Value Chain Approach to Include Key Stakeholder Expectations**



**D4 Short and Long-term Time Horizons**



The ABG Sustain-ability Model 2.0 thus lays out four steps being followed by the Group:

- 1) Begin with identifying and understanding value chain aspects across geographies for a sector
- 2) Identifying and prioritising material aspects across time horizons and stakeholder expectations
- 3) Developing sustainable business strategies with time-based targets and annual action plans which are measurable
- 4) Can be monitored to future proof our business strategies, products, operations and supply chains to remain sustainable



Stakeholder identification, coupled with a robust and strategic engagement mechanism, is where the whole process of listening to understand their expectations begins. It is a business-critical way for the Group to use the expertise of our partners to thus manage and plan for the risks and opportunities that have the potential to disrupt our businesses and their operations. Our approach to materiality is set off by building effective relationships with key stakeholder groups, as explained in the following section.

## STAKEHOLDER ENGAGEMENT

At Aditya Birla Group, we recognise that effective stakeholder engagement is an essential component of our business operation. It is an important mechanism to understand stakeholders and their needs, involve them in managing risks and resolving conflicts at an early stage, thus ensuring a long-term 'social license to operate' for a business.

There is a Group-level Stakeholder Engagement policy in place to guide businesses on undertaking effective engagement initiatives with their respective set of stakeholders and defining processes for stakeholder engagement.

Further, as part of Strategic Stakeholder Engagement, we interact with globally recognised subject matter experts on global megatrends and external factors that have the potential to materially affect the sustainability of our businesses.

Our continuing relationship with business and sectoral associations like the Confederation of Indian Industries (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), World Business Council for Sustainable Development (WBCSD), Sustainable Apparel Coalition (SAC), Global Cement and Concrete Association (GCCA), International Aluminium Institute (IAI), London Metal Exchange (LME), Global Reporting Initiative (GRI) as well as investors & regulators, and ESG Rating Agencies have given us both clarity of vision as well as a competitive advantage.



### EXPERT CONVERSATION SERIES (ECS)



The fortnightly ECS is a bouquet of interactive online talks and panel discussions with global experts, thought leaders and sustainability practitioners (internal and external) with learning and sharing opportunities for ABG colleagues worldwide.

The focus is to gather outside-in perspectives on how to hone our "ability to sustain" in these unprecedented times and "build back sustainable businesses better". In FY21, 17 captivating sessions were conducted on a range of ESG topics related to:

#### Environment

- COVID-19 and Climate resilience
- Water Stewardship and Circularity: A MUST for building resilient businesses today
- Sustainable Packaging: New Paradigms

#### Social

- Preparing Better for M2: Mandatory human rights due diligence laws and Migrant workers
- Capturing Value from Safety | effective Root Cause Analysis using TapRoot®
- Successful Respiratory Protection Programme

#### Governance














- Climate risk disclosures around TCFD Framework & Integrated Reporting
- How & Why investors choose & use ESG Ratings?
- Embedding Assurance in Sustainability Performance

The sessions rolled out in FY21, saw a cumulative live participation of over 1,600 global colleagues with an average turnout of almost 100 attendees/ session. Event video recordings and slide decks are always shared to a larger base of more than 1,000 colleagues worldwide immediately after each live event.



## GROUP MATERIAL ESG AREAS

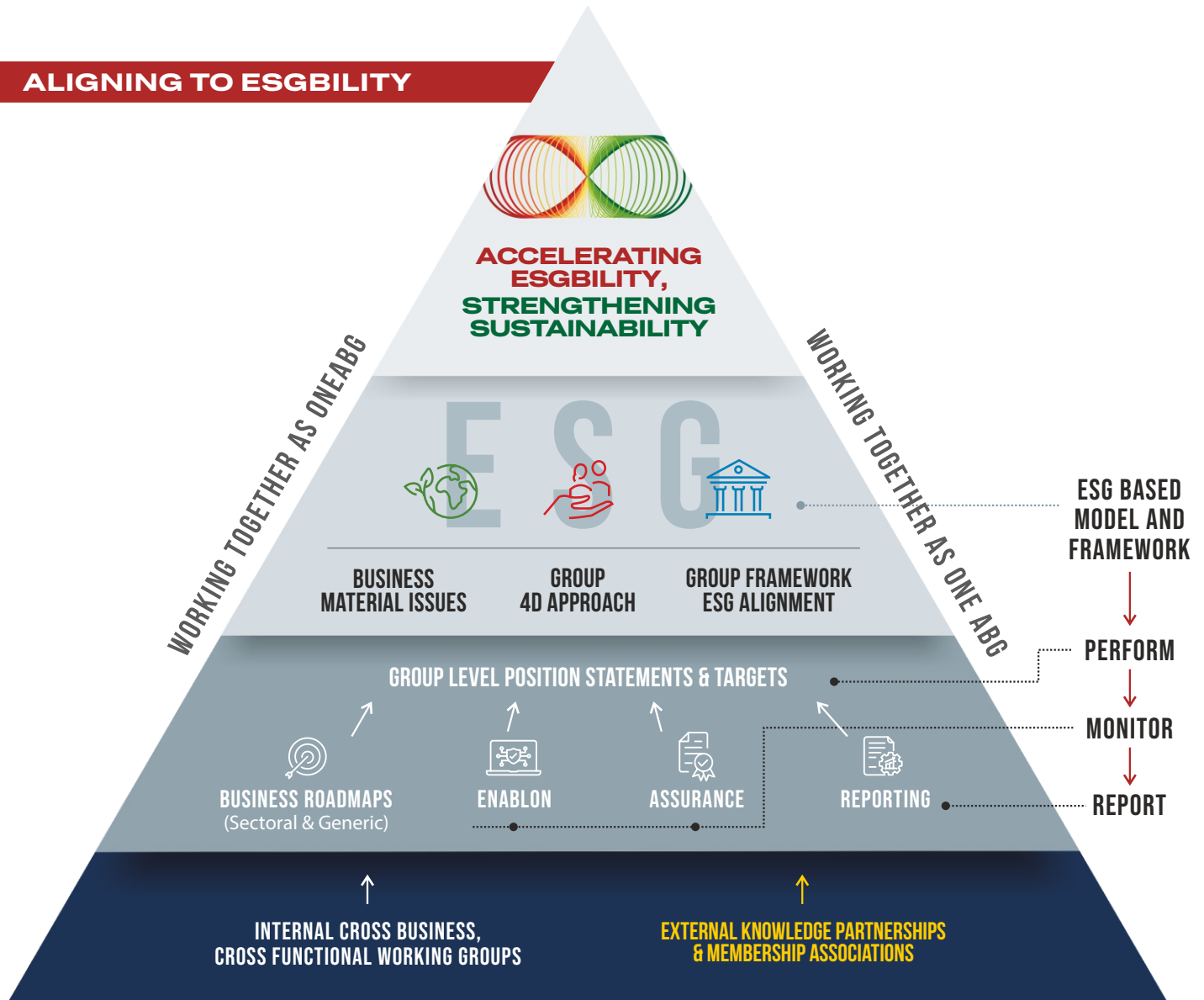
The material areas form the common minimum ESG agenda at the Group level. Considering the size of ABG and the varied business verticals of presence, the common minimum agenda comprises 16 aspects mapped against key stakeholder expectations:

Three Pillars	Material Areas	Group Philosophy and Commitments	Stakeholder Connect
 <p><b>ENVIRONMENT</b></p>	1 <b>Decarbonisation</b>	Net-zero carbon emissions by 2050	<ul style="list-style-type: none"> <li>• Regulators</li> <li>• Investors, Lenders, Stock Exchanges</li> <li>• Customers/ Consumers</li> </ul>   
	2 <b>Climate Change Adaptation</b>	Identify and mitigate climate-related physical risks	
	3 <b>Biodiversity Management</b>	No Net Loss through mitigation hierarchy	
	4 <b>Water Resilience</b>	<ul style="list-style-type: none"> <li>• Reduction in freshwater consumption</li> <li>• Water positive at mining locations</li> </ul>	
	5 <b>Circularity</b>	<ul style="list-style-type: none"> <li>• Zero waste to landfill</li> <li>• % Alternative raw materials</li> </ul>	
 <p><b>SOCIAL</b></p>	6 <b>Employee and Contractor Safety</b>	Zero Harm Approach <ul style="list-style-type: none"> <li>• No fatalities</li> <li>• 20% YoY reduction in injury rates</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Suppliers &amp; Contractors</li> <li>• Customers, Consumers</li> <li>• Local Communities/ Civil Society Organisations</li> </ul>    
	7 <b>Occupational Health</b>	Prevent chronic occupational illness, care of psychological health, support in medical emergencies, employee wellness, etc.	
	8 <b>Human Rights (i/c Diversity &amp; Inclusion)</b>	Respect and protect human rights and provide access to remedy	
	9 <b>Supply Chain Management</b>	Engage with value chain partners for responsible procurement	
	10 <b>Talent Management</b>	To build the Aditya Birla Group as an exciting world of global opportunities for professional growth with human care	
	11 <b>Empowering Communities</b>	Foster inclusive growth by engaging, uplifting and empowering the underserved	
	12 <b>Products Services</b>	% sustainable / responsible products, services in portfolio	
 <p><b>GOVERNANCE</b></p>	13 <b>Transparency and Reporting</b>	Through use of latest global frameworks	<ul style="list-style-type: none"> <li>• Regulators</li> <li>• Investors, Lenders, Stock Exchanges</li> <li>• Employees</li> </ul>   
	14 <b>Corporate Governance</b>	Board oversight of material issues	
	15 <b>Strategic Stakeholder Engagement</b>	Understanding stakeholder expectations and building effective relationships	
	16 <b>IT enabled MIS and Assurance System</b>	Use of digital tools for transparency and accuracy	

## IN SUMMARY, ESG WORKING AT ABG

With these 16 Material Areas, we've taken cognisance of environmental (E), social issues (S) and governance (G) perspectives across stakeholder expectations to prioritise material aspects common to our Group businesses and set long-term purpose statements and ESG commitments accordingly.

The ESG based model and framework is getting implemented through the 'Perform, Monitor and Report' steps:



Consequently, the overall approach and performance is publicly reported to all stakeholders through proactive and transparent disclosure via ESG performance reports such as the one you are reading right now.

The theme of this report 'Accelerating ESGbility, Strengthening Sustainability'

is in consonance with this transition. Our aim is to accelerate our businesses' ability on the ESG front and provide new impetus to our "ability to sustain" journey. The upcoming sections of this Report talk about the initiatives taken up by ABG for the transition process under various ESG areas.

At ABG, we have a legacy of success. It is our leadership's imagination, diligent implementation and constancy of purpose that will realise our vision of becoming a sustainable business conglomerate.

**Our governance philosophy and systems are presented in greater detail in the next section.**

# GOVERNANCE



**We strive to achieve excellence in corporate governance through our core values – Integrity, Commitment, Passion, Seamlessness and Speed, which are reinforced at all levels of the Group.**

Traditionally, the objective and purpose of a corporation have been to conduct a lawful and profitable business in order to ensure its success and growth in value over the long term. Steering the corporation in fulfilling this purpose has been the fiduciary duty of the Management and the Board of Directors.

The ongoing coronavirus pandemic and resulting economic and social turbulence, combined with the wide embrace of ESG, stakeholder governance and sustainable long-term investment strategies, are further propelling a decisive inflexion point in the responsibilities of the Boards. The spotlight is increasingly shining on corporate actions with growing depth and width of stakeholder expectations.

The legal rules as to directors' duties have not changed. What has changed are the expectations of investors and other stakeholders for (1) **Greater Transparency**, (2) **Deeper Board Engagement and Oversight**, (3) **Greater Opportunity to Engage with Directors** and (4) **Responsible Investor Stewardship to further Long-term, Sustainable Value Creation**.

As a multinational Group that has stood the test of time and also thrived through it, we are aware of these changes and are geared up to meet them. In this journey spanning over 150 years, trust, good governance, transparency and ethical practices have been Aditya Birla Group's hallmarks. To ensure fairness, transparency, and uniformity within the Group, the Group businesses follow a comprehensive Code of Conduct, to which all other organisational policies are also aligned.

For us, governance also encompasses the wider disclosure of information for the benefit of investors and constantly engaging with them and proxy advisors. We are also always eager to collaborate with regulators in strengthening regulations relating to corporate governance best practices.

To achieve our long-term sustainability vision of becoming the leading Indian conglomerate for sustainable business practices across all its global operations, we have institutionalised a robust Sustainable Business Framework (ABG SBF) and associated governance system. The system enables, enriches and ensures the implementation of the framework so as to accelerate ESGbilty and strengthen our ability to sustain.

### 3 LEVELS ASSOCIATED GOVERNANCE SYSTEM



For more information about the ABG SBF, please refer to the Sustainability Approach 2.0 section of this report. For more details on the governance system, please refer to ABG's Sustainable Business Report 2019.

## TRANSPARENCY & DISCLOSURES

At ABG, we strongly believe in full and fair disclosure of our management practices. After all, disclosure breeds transparency; and transparency strengthens governance and gives it credibility.

All our listed companies like Grasim Industries Limited, Hindalco Industries Limited, Aditya Birla Capital Limited, Vodafone Idea Limited, UltraTech Cement and Aditya Birla Fashion and Retail Limited publish detailed annual reports. In addition to fair and transparent disclosure of the company's balance sheet and financial wherewithal, these reports describe their business responsibility initiatives taken from an ESG perspective, in accordance with the

Business Responsibility Report (BRR) format specified by the Securities and Exchange Board of India (SEBI). From FY22 and FY23, select listed ABG businesses are gearing up to comply an amended ruling of submitting a new report on ESG parameters, namely Business Responsibility and Sustainability Report (BRSR) as part of their annual financial reporting.

Additionally, almost all ABG companies are voluntarily giving detailed disclosures on their sustainability performance via their regular/annual Sustainability Reports as per the international GRI Standards.

Further, select listed businesses have gone beyond as well. Since FY20 and

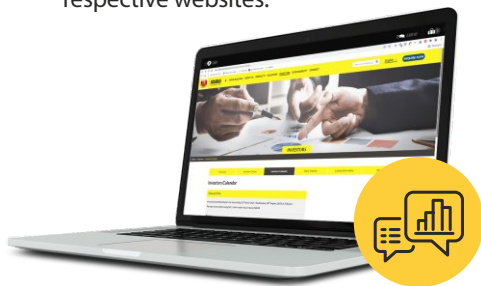
FY21 Grasim Industries and Hindalco Industries Ltd. have respectively opted for an integrated approach of reporting.

The FY21 Integrated Reports of Grasim Industries and Hindalco Industries Ltd. are based on the Value Reporting Foundation's Integrated Reporting Framework and provide insight into their value creation efforts through six capitals – Financial, Manufactured, Human, Natural, Intellectual, and Social and Relationship.

These reports and documents can be readily accessed in public domain: <https://www.adityabirla.com/investors> and <https://sustainability.adityabirla.com/reports.php>

## INVESTOR RELATIONS

An important constituent of good governance, IR promotes corporate growth and improves the conduct of the management. More importantly, it inculcates the discipline of free and fair reporting and exposure to stakeholders' evaluation. In the spirit of transparency and ease of access, we collate financial information of ABG businesses on the Group website: <https://www.adityabirla.com/investors>. This includes annual and quarterly returns, company profiles and investor presentations. Additionally, some of our Group businesses provide additional information on their respective websites:



**UltraTech** In addition to the financial information section, the UltraTech website also has a detailed Investors Calendar, share transfer documents and listing information.

**Hindalco** subsidiary annual reports, earning conference call recordings and transcripts, historical share price data across all bourses where Hindalco is listed, and investors' day video recording and transcripts.

The **Grasim** website contains financial details and summary, shareholding pattern, corporate governance policies and code of conduct and a very innovative analytical tool that converts financial information into graphs for better understanding.

On the **ABFRL** investor relations page all investor-related reports and announcements are available. In addition, there are transcripts and conference videos from the annual Investor Day observed by the company. Investor Day 2021 was held virtually on March 01, 2021.

The **Aditya Birla Capital's** investor relations page, in addition to all the usual investor-centric information, hosts the 'Shareholder Centre' which provides resources for shareholders such as Forms, Details of Listing and other useful information.

## GOVERNANCE AT WORK - DISPUTE RESOLUTIONS

We uphold the highest standards of fairness, accountability, ethics and probity in all our actions. Despite our best efforts, disputes do arise because they are the very nature of business. We address these litigations and resolve disputes with the same integrity and proactiveness we display while doing business.

### CENTRAL MEDIATION CENTRE

The Group Legal Cell has been set up with a mission to protect and propagate the image of ABG by adhering to the highest standards of legal governance. It provides quality and prompt advice to all businesses and ensures legal compliance across the Group. Additionally, it also actively contributes to the development of legislation in the countries in which the Group has a presence.

One of the key initiatives spearheaded by the GLC is the Central Mediation Centre (CMC). It serves three objectives:

- To help resolve disputes amicably between parties at the central level of ABG in a fair, ethical and time-bound manner by maintaining the highest level of integrity and confidentiality
- To lessen litigation costs and strengthen financial statements
- To promote business relationships with stakeholders for business continuity

The CMC offers a consensual environment in which the litigating parties have the opportunity to settle their disputes via mediators with free will and utmost good faith. The mediators are retired judges of Supreme Court/High Courts or Senior Counsels, who have displayed the highest level of probity in their professional careers.

### POORNATA VISHWAS SCHEME

ABG's Poornata Vishwas Scheme (PVS) is a one-time initiative for liquidation of past disputes involving any of the businesses of Aditya Birla Group. This is applicable for all commercial disputes, for a definite window.

The PVS generates timely compensation and working capital requirements for our erstwhile partners during the pandemic. It also reduces litigation and allows companies to have strong financial statements thereby relieving the courts of such burden.

## RISK MANAGEMENT

A diversified conglomerate like ABG is bound to have a diverse portfolio of risks. We are driven by the principle of being 'Predictive, Proactive and Prepared'. This entails developing an efficient process to proactively manage risks and crises while ensuring business continuity. We believe in future-proofing our businesses. We seek to be adaptable, agile and to use foresight to ensure that our business models, operations, acquisitions and projects are not locked into unsustainable paths. We aim to maintain a balance of focus between the short-term and long-term business success in financial and strategic processes.

To streamline the risk identification and mitigation process, we have institutionalised various Group-level functions and cells:

**Corporate Strategy and Business Development Function** continuously tracks the business environment for the Aditya Birla Group's existing businesses and recommends new directions through evaluation of deal creation opportunities, analysis of project proposals, etc.



**Corporate Economics Cell (CEC)** is a research-based advisory that provides analytical inputs and economic information to different decision-makers in the Group at the corporate and business level. It also provides insights on risk management relating to economic variables such as currency and commodity prices.

**Consumer Insights and Brand Development Cell's** mandate is to accelerate revenue growth profitably for the Group's businesses, product and service innovation by enhancing their insight into their consumers, and their ability to develop strong brands.

**Group Corporate Management Audit Team** maintains the highest levels of corporate governance and mitigates risks across the Group through robust, zero-tolerant internal control systems, cost reduction methods, adherence to Group policies and values, effective MIS, adequacy of risk mitigation plan and statutory compliance.



## CYBERSECURITY AT ABG

Given the fast-paced technological advancement and the ever-intensifying competitive landscape, an increasing number of organisations are beginning to realise the power of data, the importance of data privacy and the impact a cybersecurity breach can have on businesses.

The Group IT (GIT) function is defining the OneABG cyber-security strategy for the Group in line with global standards. The GIT also manages the central security policy and frameworks that define the ABG way of cyber-security. The strategy focuses on key pillars of cyber-security: **Prevent – Monitor – Detect – Respond – Recover.**

### Prevent

- Building capabilities to provide real-time vulnerability assessment of IT assets spread over plants, units & private and public cloud globally
- Creating central framework to develop security maturity assessment in real time fashion, so that business can define the security health in different domains of IT/digital framework
- Specially designed e-learning awareness programmes on information security and data privacy. These are updated on an annual basis

### Monitor & Detect

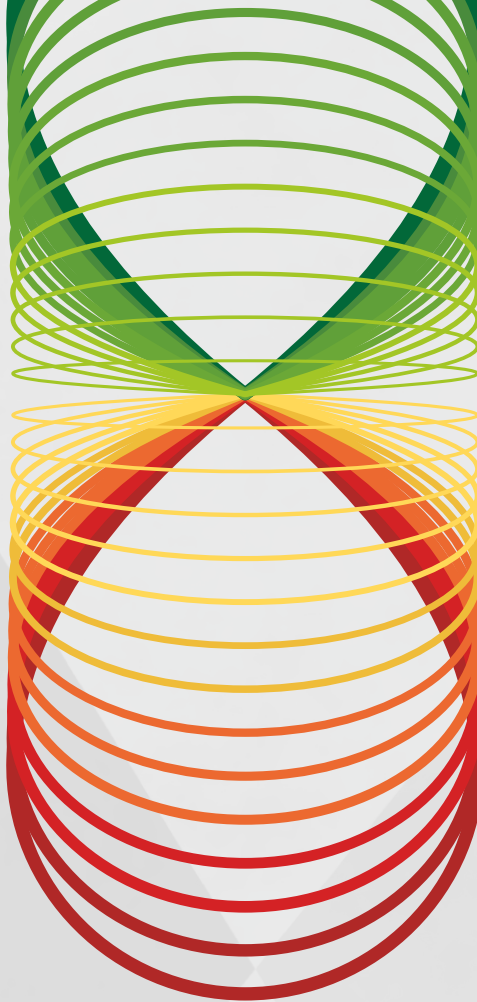
- The Security Operations and Threat Intelligence (SOTIC) Center is instrumental in monitoring and detecting attacks on digital assets for various businesses
- The central SOTIC also shares vital intelligence with other ABG businesses who have their own SOTICs

### Respond & Recover

- Data protection in terms of data resiliency and improving the business continuity against security threats to avoid any major business disruption
- Implementing the advanced Endpoint Detection and Response (EDR) software to mitigate cyber-attacks and malware on endpoints in real-time



Good governance practices, coupled with prompt and fair dispute resolution, goes a long way in strengthening the 'licence to operate' that we have from the society at large. In the next section, we will be covering in detail our endeavours towards protecting, enhancing and enriching the lives of our community members - including our employees and the supply chain partners.



## **SOCIAL**

**Safety, well-being, equal opportunity and equity in prosperity are concepts we have lived by for more than 150 years. Ensuring Zero Harm has always been top priority across ABG and due to the COVID pandemic it was centre stage during the reporting period. The pandemic ushered in new work paradigms and necessitated an urgent relook at well-being, security, welfare and support systems for crisis management. It also brought with it a fresh wave of challenges for our wide ranging CSR programmes aimed at Empowering Communities. In this section, we share a detailed report on all these plus our forward strides in championing Human Rights and enhancing the sustainability quotient in our Supply Chain.**



# ZERO HARM



**38%**  
reduction in  
Lost Time Incidents\*



**193,505**  
Behaviour Based  
Safety Observation  
Rounds

*\*In FY21 compared to  
previous year*

The Aditya Birla Group operates across a diverse portfolio of businesses, sectors and geographies. But across all these enterprises, our goal of Zero Harm remains constant. Managing occupational health and safety is an integral part of managing business at ABG.

**We work towards building sustainable businesses that provide value to stakeholders without any adverse impacts to health and safety.**

## **SAFETY MANAGEMENT AT ABG**

We are committed to protect all our stakeholders including our employees, suppliers, contractors, business partners, service providers and the community surrounding our plants from harm due to our business activities. At ABG, we apply the management and scientific principles to systematically control safety risks during all stages of our business. Safety is an integral part of our business operations and we work towards continuous improvement of our performance in safety.

The guiding beacon to our safety approach is our focus to build, sustain, and improve safety culture. We consider safety culture as an outcome of the leadership commitment and robust management system. Our leadership shows visible commitment to safety, sets the vision and provisions resources to enable the workers and other stakeholders

to safely perform their tasks. It has set up a multi-tiered governance approach for safety management which connects the frontline people at the plants to the apex level of management at the Business Review Council for performance improvement on leading and lagging performance indicators.

Group Sustainability Cell (GSC) serves as the centre of excellence to scan the external and internal environment to enrich ABG best practices, build capability and skills, monitor performance and provide assurance. It acts as the advisor to the leadership for developing and implementing the strategy for the goal of Zero Harm.

**On our journey to Zero Harm, we prepare our people to identify and manage the safety risks and have taken a target to eliminate fatalities and halve the number of Lost Time Incidents year-on-year.**

The ABG strategy for achieving Zero Harm is based on:

- **Proactive and exhaustive assessment of safety risks and implementation of control actions to reduce risk to acceptable levels**
- **Learning from incidents by detailed analysis and actions taken across the Group to reduce the recurrence of adverse events**

The GSC has created a set of management and technical standards anchored on industry best practices and standards. The safety standards provide the implementation guidance for the safety vision of ABG leadership and cover following aspects.

**People:** Their knowledge, skills, abilities, attitudes, personality and behaviour

**Assets:** This includes equipment, engineering, tools, physical infrastructure, among others

**Process:** Consisting of policies, principles, standards and procedures

The ABG Safety Policy is supported by an elaborate framework of standards and guidance notes on various aspects of safety management on a risk-based methodology drawn from current international standards. These documents outline the approach for the Group businesses to establish, enhance and align existing business management processes to achieve the goal of Zero Harm.

ABG businesses, supported by the GSC, have converted the standards into operating practices in a phase-wise sequence based on the risk exposure. Our efforts continue to achieve higher level of operational discipline in line with our standards.

*Please refer to the Sustainability Approach 2.0 section of this report to know more about the policies and standards as well as the assurance mechanisms in place.*

The ABG Life Saving Rules are an important aspect of the safety culture. It is the GSC's continuing endeavour to promote and embed these rules across all ABG businesses and stakeholders.

## ABG LIFE SAVING RULES

Our people often work in demanding roles and extreme conditions across varied geographies. They encounter diverse set of hazards depending on the operational environment of the businesses. The GSC, together with business teams, analysed the historical data within ABG to find common set of rules to prevent serious injuries and built the ABG Life Saving Rules.

The ten ABG Life Saving Rules equip all stakeholders with a set of simple safety rules that are common to all businesses. We believe that following these rules day in and day out can prevent serious injuries.

**BYPASSING SAFETY CONTROLS**



**CONFINED SPACE**



**DRIVING**



**ENERGY ISOLATION**



**ELECTRICAL**



**HOT WORK**



**LINE OF FIRE**



**SAFE MECHANICAL LIFTING**



**WORK AUTHORISATION**



**WORKING AT HEIGHT**



## CASCADING SAFETY TO THE SUPPLY CHAIN

Improving health and safety performance as a Group demands that we work closely with our contractors. We consider contractors as our partners and follow a structured approach for contractor safety management. Our comprehensive contractor safety management practice involves evaluation and support across the contract lifecycle.



This includes:

- Assessment of the contractor's safety management practices and capability before the award of contract, and provision to bridge the gaps (if any)
- Planning and performance agreements for safe delivery of work
- Support and monitoring of performance during execution phase and recording of performance post-completion of work
- Regular and timely communication to maintain safe delivery of work
- Provide training and awareness on ABG safety processes and rules

## SAFETY PERFORMANCE

The safety performance is measured on both leading and lagging indicators. At ABG, we monitor the lagging indicators defined as the rates of injuries for all type of injuries, in line with the industry accepted practices. The performance parameters of Lost Time Incidents (LTI) and fatal incidents across ABG are represented in the report. All ABG businesses monitor a set of leading indicators contextual to their sector, geography, safety maturity and improvement programmes.

These include a set of indicators towards prevention effort for safety and parameters such as metrics on level of standards implementation, safety programme maturity, hazard identification and behavioural safety programme.

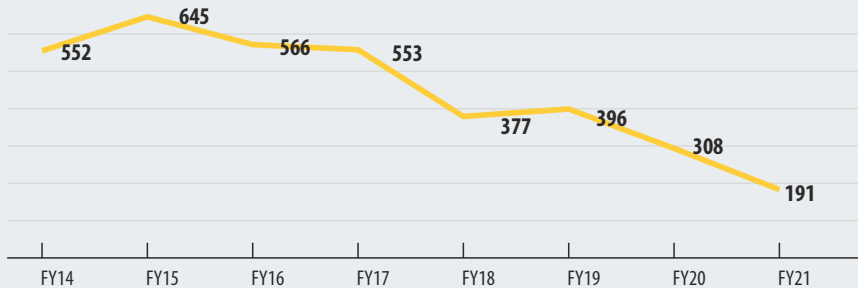


**The continued focus of the leadership teams on implementation of safety management standards and improvement learnings from incidents resulted in reduction of Lost Time Injuries.**

Specific campaigns were implemented to enhance competency on risk evaluation and control, incident investigation techniques, behaviour-based safety and improvements in physical infrastructure.



## Lost Time Incidents (LTIs)



ABG businesses have access to advanced root cause analysis tools and GSC conducts programs to build capacity with certified incident investigators across the ABG Group. GSC created multiple communication channels and targeted interventions to promote learnings from incidents toward management system improvement within the Group businesses and industries.

The eight fatal incidents in FY21 occurred in the following hazard group categories - Working at Height, Electrical, Struck By/Against, and Vehicular Interaction.

- Formation of cross business, cross-functional working groups on key risk areas - Work at Height, and Electrical Risk Management, for sharing and implementation of good practices and lessons
- Sustained communication campaigns on Work at Height, Electrical, Line of Fire and Driving
- Dedicated programme design for Serious Injury and Fatality prevention

Despite our best intentions and efforts, there were 8 fatalities in FY21. Out of these, 2 were employees and 6 were contract workers. We are deeply saddened by this and have sustained our efforts to systematically investigate the incidents and identify actions to reduce adverse events.

As a policy, all incidents are investigated and analysed to identify the root causes and necessary steps are implemented to prevent recurrence.

## INCIDENT MANAGEMENT

To investigate and fix the root causes of major accidents, precursor incidents, quality issues, human errors, maintenance problems, productivity issues, manufacturing failures, environmental releases, audit findings, the ENABLON-Sustainability Information Management System is integrated with TapRoot application.

GSC conducted and supported ABG businesses on a number of training programmes and workshops on investigation management and root cause analysis. In all, we have 183 certified TapRoot practitioners and 12 certified TapRoot trainers.

### KEY SAFETY IMPROVEMENT PROGRAMMES

The GSC is spearheading and cascading a number of safety programmes and safety culture initiatives across ABG businesses.

### Flagship Training Programme - 'INSPIRE'

This is the flagship leadership safety development programme and is based on the fundamental principle that a safety culture comes from the combination of management systems and leadership commitment.

In this, we engage colleagues from different managerial levels with customised programmes; ranging from one-day summary training for the top leadership team, to a five-day detailed experiential training with hands-on practical exercises for executives and supervisors.

'Leadership coaching and workshops with technical experts ensure that safe working practices are driven from our leadership teams down the line to our site managers and colleagues.

**As of March 2021, 126+ members from the senior management, 729 mid-management leaders and 22 executives have been trained through the 'INSPIRE' programme.**

Additionally, 36 trainers too have been developed through the Train the Trainer programme.

### Behaviour-based Safety Programme

Behaviour-based Safety is where we operationalise the science of behavioural change to real-world safety problems. It is a systematic way to capture and analyse data on behaviours, and identify and implement solutions to increase safe behaviours. It is one of the proactive processes that is monitored for leading safety indicator by all businesses.

To positively reinforce safe behaviours, towards enhancing safety culture, the Group Sustainability Cell has developed Behaviour-based Safety (BBS) programme with detailed methodology, trainings and tools to capture the intensive data on Enablon with a dedicated BBS module.

BBS has been implemented in multiple businesses like Hindalco and Birla Cellulose. Next phase of implementation would include other businesses such as CFI, Essel Mining and Textiles.

### Process Safety Management (PSM)

We consider Process Safety as the discipline of preventing an unplanned or uncontrolled Loss of Primary Containment (LOPC) of hazardous material from a process due to an unintended event or condition that could potentially result in a major event. The management of process safety is globally recognised as the primary approach for establishing the required level of safe operations needed to manage high hazard processes.

### PSM Training Program - 'REBOOT'

These competency development workshops are aimed at enhancing the skill of plant leaders at Chemicals, Fashion Yarn, Insulators, Textiles businesses. These workshops help in strengthening a facility's PSM programme by developing systems on Management of Change (MOC); Pre-Startup Safety Review (PSSR); and Mechanical Integrity & Quality Assurance (MIQA). REBOOT is further supplemented through workshops on cyclic **Process Hazard Analysis** (PHA) review, to help evaluate their residual risk with current level of controls.

We are actively working on improving Process Safety Management performance by classifying and reporting **Process Safety Events** (PSEs) in line with the leading industry practice. A set of metrics to record process safety events will enable the leadership team to assess a facility's performance and also help to identify opportunities for improvement.

<sup>1</sup>A serious injury or illness is any life-threatening injury or illness that, if not immediately addressed, is likely to lead to death.

## Serious Injury<sup>1</sup> and Fatality (SIF) Prevention Programme

On review of ABG injury data, it was evident that though the trend is towards reduction in overall injury frequency rates; there are still Serious Injuries and Fatalities. It has also been found by research that Serious Injury causes are often different from those of less-serious injuries. The GSC has formed a working group to develop a programme for SIF by promoting transfer of expertise from Novelis and Birla Carbon within the Group. The programme will be deployed across the ABG businesses.

### Use of Digital Tools to Enhance Safety Performance

The ABG Group has embedded technology to enhance safety as a key strategic initiative towards increasing the effectiveness of risk management controls and business process efficiency. In addition to reducing injuries and fatalities by providing the right tools for adequate data collection and faster reaction times, safety technology also improves employees' health, well-being and enhances productivity. We are deploying several digital tools based on Artificial Intelligence, Machine Learning and drone technology across the Group.



- UltraTech introduced the USHA chatbot - a comprehensive FAQ on safety standards and procedures comprising around 7,000 questions. It also deployed the use of wearables integrated with IT-enabled system for conducting safety audit from remote location
- Drone-based safety surveillance has been introduced by Hindalco and UltraTech at their key locations to reach hitherto inaccessible areas.
- The Group Data and Analytics Cell created VEDA (Video Enabled Decisions & Alerts), a proprietary video analytics platform. Through a host of AI-enabled features on PPE detection, quality inspection, vehicle monitoring & facial recognition for authorisation, VEDA has augmented the safety effort at 45+ plants across cement, metals & textiles businesses. The platform is also being extended to the retail sector. VEDA is amongst NASSCOM's Top 50 AI Game Changer compendium for 2021
- Immersive VR training by Chemicals Businesses – a VR module on Work at Height Safety, was developed in association with L&T Nxt. The module has option of selecting multiple languages. The content is aligned with ABG safety standards and on-the-job linkages to grab the attention of construction workmen.
- Confined Spaces Entry is a portable solution by Hindalco which would enable overall conditions inside a confined space, during as well as before start of work. The technology involves a portable server-based system connected to a host of communication devices and sensors with advantages ranging from dynamic monitoring of gases, humidity and temperature, to unauthorised entry and communication during rescue operation.

## CELEBRATING THE BEST IN SAFETY | Safety Innovation Awards

The Safety Innovation Award 2021, part of the ABG Sustainability Conference 2021, was conceptualised to recognise Group businesses that demonstrate how they created an innovative programme or initiative that bolstered safety efforts to mitigate workplace risk.

Winners were selected after an objective evaluation by a three-member jury comprising Mr. Raja Debnath, Independent Advisor; Dr. O.B. Krishna, Ex-Senior Executive- Tata Steel Ltd., Visiting Professor- IIT Kharagpur; and Mr. Pankaj Raj, Group Chief Data Analytics Officer, Aditya Birla Group. Here are the three winners:

### Redefining Safety Assurance in the New Normal

Rawan Cement Works,  
UltraTech Cement, India

Safety assurance, a crucial element of Safety Management System for sustaining and continually improving safety performance of sites, was ensured even during unprecedented situation like pandemic through adoption of innovative and advanced technological solution such as virtual assessment. This effective, user-friendly, and reliable solution completely eliminated the requirement of travel for assurance purposes, thereby decreasing the risk of infection.



### Monitoring Confined Spaces

Birla Copper (Hindalco), India

Working in confined spaces can be dangerous if not done right. This why it is one of the 10 Life Saving Rules at ABG. The team at Birla Copper at Dahej introduced a whole host of innovations to make confined spaces safer.

These included: strict attendance control using badge monitoring and intercom-based alarm notification in case of unauthorised entry; real-time monitoring of gases at site as well as at control room; Bi-directional intercom using audio and visual alarms; real-time observation and incident management; centralized monitoring and digital record keeping; amongst others.



### Mobile Equipment & Pedestrian Safety

Yeongju Plant, Novelis,  
South Korea

Whenever mobile equipment like forklifts and pedestrians work in close proximity to each other, the risk of collision arises.

To eliminate this risk, a number of solutions like elevated walkways, interlock gates, boom barriers with warning alarms and sensors, and anti-collision technology based on vehicle & pedestrian tags were introduced.





## INTEGRATED HEALTH MANAGEMENT AT ABG

Aditya Birla Group recognises that healthy and productive personnel are at the centre of sustainable development and occupational health is important for social and economic productivity of people, companies, communities and nations.

**We are committed to the prevention of occupational diseases and the protection of health and well-being of our employees, contractor employees, agency staff, visitors, local communities and society at large.**

Our aim is the prevention of long-term chronic illnesses in our colleagues and to mitigate their exposures to health risks in the workplace.

Topics such as Industrial Hygiene, Stress Management, First Aid and Emergency Medical Care are the focus and supporting information is provided to managers via the Sustainable Business Framework. Through workshops, we are ensuring that our people have a clear understanding of the standards that are expected of them and we are focussed on embedding a culture of prevention rather than mitigation.

We recognise that sustained action from industry leaders is necessary to prevent injuries and illnesses from exposure to occupational hazards in the workplace. Consistent with our vision of building sustainable businesses, the Group is committed to provide leadership and practical means to address this issue. We advocate for greater response from industry in partnership with governments at all levels, trade unions, key national and international agencies, and other relevant stakeholders.

The Group has developed a Group Occupational Health Policy, technical standards, guidance documents and training courses in line with the IFC General EHS Principles, ILO guidelines and recommendations from the World

Health Organisation, and we are certified to OSHAS 18001 and ISO 45001. These have been prepared to guide our businesses on the management and prevention of adverse health effects that may result from longer-term exposure to occupational health hazards in the workplace.

### TAKING THE WASH PLEDGE AHEAD

Globally, 2.2 billion people lack access to safely managed drinking water services, while an estimated 4.2 billion don't have safely managed sanitation services. Implementation of access to safe water, sanitation and hygiene is not only a humanitarian cause, but also serves an economic purpose - a healthier population, reduced absenteeism and increased productivity. To demonstrate leadership and its commitment to WBCSD Pledge for access to Safe Water, Sanitation And Hygiene (WASH), ABG signed the WASH Pledge in January 2015.

During Phase I of WASH Pledge (2015-2018), implementation occurred at 243 sites. Phase II (2018-2020) involved 226 sites. During Phase II, we continued using the SAQs on Enablon system to track compliance for each of the WASH Pledge requirements, by site and business. Multi-layered monitoring of progress was designed to ensure that the implementation process was infallible.



**With the completion of Phase II in Dec 2020, the ABG compliance level to the WASH Pledge requirements is 96%, with an investment of USD 6.1 million across the Group for WASH-related infrastructural improvements.**

While ABG's Group Sustainability Cell continues to support, it has passed on the baton of WASH Pledge implementation to individual businesses. Businesses will be including their WASH scores in their internal board reviews and their sustainability reports. WASH Pledge in its new form 'WASH4Work Initiative' will not only take care of ABG group companies, but also its neighbouring communities and supply chains.

## EXPOSURE ASSESSMENTS

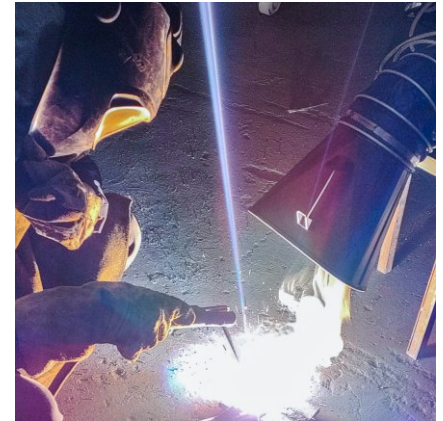
We introduced a programme of Qualitative Exposure Assessments (QLEA) at all our operations. Majority of our sites have undergone this assessment using and these findings are used to identify hazards for Similar Exposure Groups (SEG).

This allows our management teams to establish focus area for their operational activities, identify any gaps, develop action plans for management of exposure and align periodic check-ups to identify occupational diseases based on the potential threat.

Based on input from QLEA, a Quantitative Exposure Assessment (QNEA) is conducted to measure

occupational health hazards in the workplace through application of established sampling and monitoring protocols. The output of QNEA has helped to establish exposure levels and satisfy statutory requirements. QNEA results also support in justifying the need to implement control measures and check if the current level of protection is adequate.

With an objective to support ABG businesses and sites for effective risk assessment and management of different health aspects, the Group has developed certain online tools including online office ergonomic risk assessment, online job stress mapping, a vendor directory, training need



identification for nursing staff, etc. These tools are based on scientific processes, provide detailed analysis and are readily available for the sites to use.

## COMPETENCY BUILDING ON INTEGRATED HEALTH

Like in any other field, competency of personnel associated with management of health within the group requires continuous update and refreshment. Aditya Birla Group realises this necessity and is building up flagship programmes with an objective to improve application and demonstration of appropriate knowledge, skills, approach and behaviour of such personnel in occupational health as well as clinical settings.

### Managing Occupational Health at Sites with H.Amplifier

H.Amplifier is a flagship competency development programme in the field of occupational health, designed and delivered by Group Sustainability Cell.

The 3-day classroom course provides insights and clarifications to the concerned persons responsible to manage Occupational Health (OH) at the site as per ABG standards. It covers all aspects of OH Management at site, such as, legal obligations,

Do's and Don'ts while managing OH at the site, quality & ethical aspects, ABG

standards and its requirements, and a comprehensive understanding of each question of SAQs related to OH.

Upon completion of the programme, personnel who are responsible to manage OH at the site are expected to be fully aware of statutory and other obligations and requirements. This programme helps them understand different aspects of OH management topics, rationale and requirements of each topic, and equip them with finer aspects of processes required.

**As of March 2021, six H.Amplifier programmes have been done and 172 managers participated.**



### Training the Trainer for First Aid

Train The Trainer for first aid is a three-day flagship programme designed to develop in-house competency in undertaking first aid training as per ABG standards. This programme provides the following benefits.

- **Development of in-house trainers to undertake such trainings - helpful to do training repeatedly as required for the site**
- **Saving on expenditure to do these trainings from outside agencies**
- **Better quality of first aid training - following ABG standards which in turn follows international standards**
- **Hands-on experience for trainers to conduct such training with improved confidence**

**As of March 2021, two such programmes were conducted in which 61 managers participated.**



# COVID RESPONSE



**1 million+**  
triple-layer surgical  
masks distributed



**130,000+**  
sanitisers, soaps and  
disinfectants distributed  
to local communities



**90,000+**  
PPEs distributed  
to frontline workers

The COVID-19 pandemic changed life as we know it – from the way we live, socialise, travel, communicate, work – almost all aspects of it. This crisis brought to fore the philosophy of 'Caring and Giving' which is embedded in the Aditya Birla Group's fundamental ethos. While ensuring business continuity, we took utmost care of our employees, our partners such as contractor workmen, and the society at large to reduce the health impact of COVID-19 on them.

## PROTECTING OUR PEOPLE

A multi-tier approach was adopted to ensure that all the Group businesses received the latest information on relevant health regulations and guidelines, medical support and technology to be adopted to reduce the spread of the disease. This included:

The Group-level Apex Core Committee headed by Group HR with stakeholders such as Sustainability Cell, Health function, Group Admin, Group CSR, Group DNA and Group IT

Business and Site level committees and teams to implement the protocols, mobilise medical support and report back to the Group.

Aditya Birla Group used its robust existing infrastructure of hospitals and occupation health centres in India and preferred healthcare providers overseas to ensure proper care is given to Group employees and nearby communities. The Medical support was provided on three fronts: **Preventive, Curative and Rehabilitative.**



## PREVENTIVE

- During the peak of the pandemic, all offices were closed. Employees working from home were fully enabled with appropriate IT infrastructure
- At the manufacturing sites, different preventive actions were undertaken such as manpower rostering to enable work with proper social distancing. All COVID protocols like masking, sanitisation and thermal screening etc. were done
- Multiple Webinars and awareness sessions were organised with industry experts on COVID-19 Management for Doctors, Safety and HR Professionals
- A dedicated webpage for One-Stop COVID information, myths, support network details, was developed on the Group intranet
- A new channel of communication titled '**Be Smart Be Productive**' was initiated to stay connected with employees

**BeSmart BeProductive**

**STAY SAFE, STAY INFORMED.**  
WHEN IN DOUBT, ASK THE DOCTOR

**What is Ct Value?**

- The Ct (Cycle threshold) value refers to the number of cycles needed to amplify the genetic material of a virus to a detectable level. It determines whether a person is positive for Covid-19 or not.
- As per ICMR, a patient is considered Covid-positive if the Ct value is below 35

**Does Ct value help in deciding infectiousness of Covid-19?**

- No, ICMR has concluded that it is not recommended to rely on numerical Ct values for determining infectiousness of Covid-19 patients or deciding patient management protocols.

**Why is Ct value not reliable for determining infectiousness of Covid-19?**

- Ct values can vary based on:
  - Source of sample - nasal and oropharyngeal (throat) specimens collected from the same individual may differ in Ct value
  - Many other factors including temperature of transportation, time taken from collection to receipt in the lab, etc.
  - Technical competence of the person performing the test, calibration of equipment and analytical skills of the interpreters
- Samples from asymptomatic/child cases show Ct values similar to those who develop severe disease.
- Patients in early symptomatic stage may show a high Ct value which may subsequently change. In such cases, high Ct values will give a false sense of security.

**For further assistance, connect with:**  
**ABG Code Red- Your dedicated helpline for Covid emergencies; Call 18002702020 extn 9**  
**Life Unlimited: Connect with a trained guide for an open conversation; Call 1800-13-2447 / 91 9818713035.**  
**Whatsapp- 91 9818198117**

**Click Here for all covid related information. We are in this together.**

Disclaimer: This communication is for awareness purpose and does not substitute professional medical advice. Please follow medical advice provided by your doctor.

## ABG CODE RED PROGRAMME

ABG Code Red is a 24X7 single support window for ABG employees in case of medical, security, travel emergencies and COVID support.

**ABG Code Red COVID Support**  
for employees and their dependent family members

COVID-19 Testing	Tele-consultation with a doctor	Hospital Bed	Home Care Support for COVID-19
Non-COVID home care support	Ambulance Support	Group Medication (DMC) Insurance Support	Mental Health Support

**Press SOS on ABG Code Red App** **ABG Code Red 24x7 Helpline 1800 270 2020 #9**

Between April 2020 and June 2021, ABG Code Red COVID Support Centre managed both COVID and Non-COVID cases as detailed below:

**55,563**  
calls managed  
(Inbound + outbound)

**6,227**  
COVID related queries  
(employees & dependents)

**3,058**  
Non-COVID support requests  
(employees & dependents)

**2,334**  
teleconsultation services (free)

## CURATIVE

- Feedback mechanism developed to get constant site-level feedback to Apex core committee
- Medical infrastructure augmented; both in terms of technology as well as manpower
- Quarantine facilities developed at all sites for employees, visitors, outstation contractors
- Rapid Antigen testing facility for visitors and employees at the company sites and offices
- Teleconsultation with medical experts for employees and their families
- Tie up with external doctors for advisory purposes. Network of local hospitals, ambulance, testing services to provide immediate services to site personnel, contractor workmen and visitors





## THE 'OneABG' RESPONSE

Taking the OneABG philosophy ahead, a Group-wide, pan-India Hub & Spoke model was created for better coordination and support to all ABG employees. 478 locations were mapped under this model for providing Oxygen concentrators, cylinders and medical support, and improving bed availability covering 75,000+ employees.

### 743 Oxygen concentrators

deployed across 125 ABG locations

### 154 additional Oxygen cylinders

deployed across 17 ABG locations

### 13 additional dedicated ambulances

were deployed in 10 ABG Plants and 3 metro cities

### 1,479 ABG blood donors

(volunteers) were identified across 300+ ABG locations

### New Oxygen plants

were set up in 9 hospitals

## REHABILITATIVE

- Specific guidelines for post COVID management of affected personnel were rolled out
- Emphasis on emotional rehabilitation of such personnel was ensured
- Assistance for smoother processing of insurance claims and addition of relevant clauses in the Group insurance coverage
- Support families in case of the demise of the employee. This included continued medical coverage, financial support and educational support to their children

## EMOTIONAL SUPPORT

The pandemic was an emotional upheaval for a number of people; not only to the ones who contracted the virus but also to the families of those affected. Isolation due to work from home, restrictions on movement, employment issues, watching the news only added stress to the mental health. ABG provided support to the affected by means of webinar sessions and the availability of counsellors to talk to. The existing infrastructure of the Employee Assistance Program (EAP), Life Unlimited, was used for this purpose.

## CARING FOR OUR COMMUNITIES



The Aditya Birla Group joined hands with the government, non-profit organisations (NGOs) and other key stakeholders to deliver COVID-relief measures. Our multi-pronged approach included monetary support as well as resource mobilisation:

- INR 4,000 million donated to PM-CARES Fund
- 2 million people reached over in rural areas and urban slums through community sanitisation measures
- 1 million+ meals distributed
- 1 million+ triple-layer surgical masks distributed
- 400,000 families supported through the 'Creating Resilient Communities' project
- 130,000+ sanitisers, soaps and disinfectants distributed to local communities across various manufacturing units
- 90,000+ PPEs distributed to frontline workers
- 5,000 jumbo cylinders and 2,000 oxygen concentrators arranged, 36 PSA oxygen plants organised, and hundreds of ventilators delivered across the country
- 500+ beds earmarked across multiple locations
- 100+ bed facility set up at Seven Hills in Mumbai
- 64 rural quarantines centres supported
- 40 cardiac ambulances in service

## BUSINESS-LEVEL INTERVENTIONS

### EXCELLENCE AWARD FOR COVID-19 CSR RESPONSE UltraTech (UTCL)



UltraTech Cements Ltd. secured the Excellence Award for COVID-19 CSR Response in the Cement Sector at the 8th Edition of Global Safety Summit Award constituted by Fire and Safety Forum.

Since the beginning of the pandemic, UTCL's wide-ranging COVID response have included the distribution of 237,197 masks, 428,798 soaps, 21,252 hand sanitisers for the general public and 1,058 PPE kits for frontline workers. As a curative measure, the company has supplied 629 oxygen cylinders, 5 oxygen concentrators and 5 oxygen plants; set up 8 emergency treatment centres and hosted 2,638 awareness camps; and mobilised 17,797 cooked food and 9,048 dry ration kits for the migrant workers and rural areas.

An innovative way in which UTCL helped the community was through distribution of 22,000 'potlis' across 15 unit location. Each 'potli' is a physical raw mix of Camphor and Carom seeds (ajwain) tied in a small piece of cloth. Smelling this mixture is believed to alleviate nasal congestion.

### A BREATH OF FRESH AIR Harihar Unit, Grasim

When COVID-19 infections were steadily increasing and most hospitals were facing an acute shortage of oxygen, the Grasim unit at Harihar proactively coordinated with the district authorities and medical experts, and provided access its oxygen storage infrastructure. The unit was already equipped to store 30 tonnes of liquid oxygen which was primarily used for industrial production.

However, neither the oxygen cylinder filling system was readily available, nor the personnel were trained to work on smaller cylinders. Grasim Harihar promptly hired trained staff and also trained in-house employees to take over the task. In addition, the unit also set up a 600 litre per minute infusion plant at the Govt. Hospital in Ranebennur District, which was lauded by the Chief Minister of Karnataka state.

**Our purpose is to make a qualitative difference to lives of people in good times and tough times. All engagements of COVID affected are ongoing measures. We endeavour to do all this and more because we care.**

### GALVANISING THE HEALTH INFRASTRUCTURE

#### UAIL



Utkal Alumina International Limited (UAIL), a unit of Hindalco, donated 30 oxygen concentrators, 30 oxygen jumbo cylinders, 100 pulse oximeters, 100 thermometers and 12 thermal guns to the District Headquarters Hospital, Rayagada.

### SAFEGUARDING THE HEALTH CAPITAL Aditya Birla Capital



Aditya Birla Capital, in collaboration with the NGO Pride India, supported in setting up hospital infrastructure for the paediatric ward. The ward was equipped with Ventilators, ICU bed, Fowler bed, ECG machine etc.

ABC also provided scholarship support to children who have lost their parent/s to COVID-19, facilitated COVID vaccinations for financial advisors and their dependents and arranged for a mental health helpline for COVID Warriors like the Police force and frontline health workers etc.



# HUMAN RIGHTS MANAGEMENT



Group Philosophy  
and Commitments

**Respect  
and protect  
human rights  
and provide  
remedy**

Businesses have a role to play in the longer-term protection of human rights through their activities and via the business relationships in their supply chain.

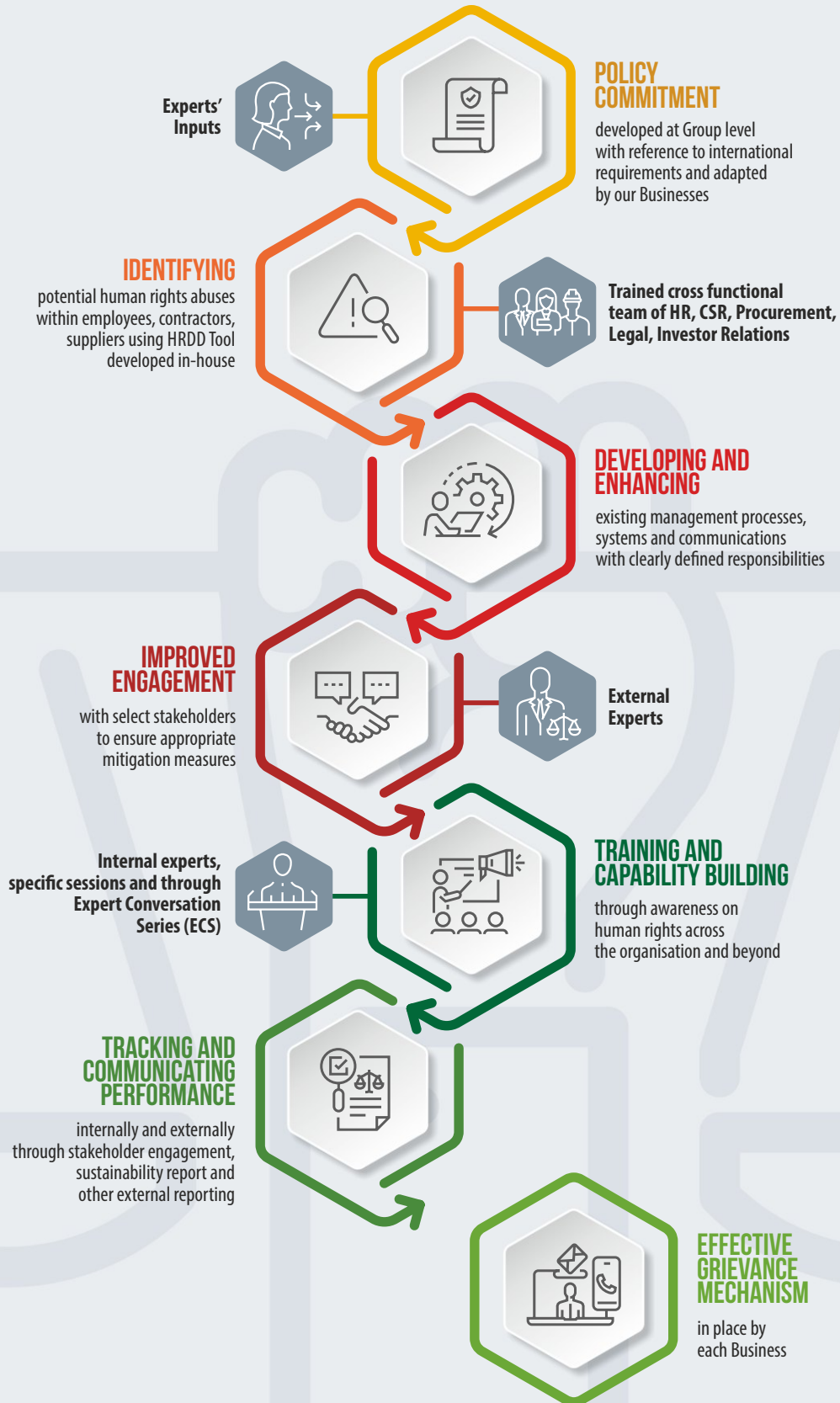
ABG businesses are committed to respecting human rights across their operations. Various international instruments are the baseline for our corporate practice. Through the Group Sustainable Business Framework comprising Group level policy, standards and governance systems, we recognise and integrate respect for human rights throughout our operating systems.

To make these practically applicable, our central approach includes engaging with senior management to improve their understanding of the UN Guiding Principles on Business and Human Rights requirements.

Promulgating a **Human Rights Policy, conducting Human Rights Due Diligence (HRDD), and providing a mechanism for remedy** are the three core requirements of our Human Rights Management Standard.



# GROUP HUMAN RIGHTS DUE DILIGENCE APPROACH



## HUMAN RIGHTS POLICY

Our commitment entails respecting human rights; seeking to avoid involvement in human rights abuses; identifying, assessing and minimising potential adverse impacts through human rights due diligence; management of salient human rights; and resolving stakeholder grievances effectively.

A Group level Human Rights Policy is in place. Each Aditya Birla Group Company signs up to this Policy or develops an equivalent that is implemented throughout its operations.

## HUMAN RIGHTS DUE DILIGENCE (HRDD)

An iterative due diligence process is necessary to ensure identification and mitigation of human rights impacts to provide an appropriate remedy.

A HRDD tool developed in-house, is being used by the ABG companies for identifying the potential human rights impacts on employees, suppliers, contractors, communities, and customers. The tool is answered by a cross-functional team of each ABG site. This provides an opportunity for ABG companies to create awareness amongst the selected employees tasked with answering the tool, who become mindful about human rights, potential abuses and their linkages to different activities that the site performs.

The tool informs about the possibility of occurrence as well as the possibility of consequence (if abuse occurs). This enables site managers to identify the risks of potential human rights abuse at their site, within the contractor activities (performed at the site), within the supply chain, and the value chain. The tool also enables sites to identify

gaps in their systems and processes. Appropriate mitigation plans are developed for the salient human rights identified using the HRDD tool. The progress of mitigation is reviewed by senior management for the provision of resources, monitoring, and successful completion.

### Various international documents are referenced for mapping the rights and potential abuses within the HRDD tool. A few of them are

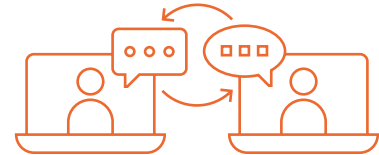
- UDHR - Universal Declaration of Human Rights
- ICCPR - International Covenant on Civil and Political Rights
- ICESCR - International Covenant on Economic, Social and Cultural Rights
- ILO - International Labour Organization
- OECD - Organisation for Economic Co-operation and Development
- UNGC - United Nations Global Compact



**The Cement, Textiles, Overseas Spinning, Chemicals, Insulators, and Fashion Yarn businesses are at various stages of their journey towards human rights management.**

## GRIEVANCE MANAGEMENT

ABG Companies are committed to minimising impacts from their operations, however, despite their best efforts, there may be some concerns from external stakeholders. We recognise the need for responsible and timely response to grievances by stakeholders.



Our Companies have adopted and implemented a robust grievance management mechanism that external stakeholders perceive as a credible and effective channel of communication. The grievance redressal and closure are being reviewed and monitored at various levels of the organisation - site, business, and at the group level through various reviews held at varying frequencies.

The purpose of this mechanism is multifold:

- To serve as a tool to build trust and a common understanding of the issues
- To strengthen the external stakeholder support for ABG business operations
- To help the ABG site locations detect stakeholder concerns at an early stage rather than leaving them unresolved with the potential to later erupt in more damaging ways (for example as protests, conflicts, negative headlines, or litigations)

*For details on human rights management in individual businesses, please refer to their sustainability reports.*

## DIVERSITY & INCLUSION

With 140,000+ employees in 37 countries; that includes 50,000+ millennials, 25,000 women and 100 different nationalities - diversity is a way of life at Aditya Birla Group. Inclusion holds the key to unleash the true potential of our diversity and for building robust teams that remain resilient in volatile market conditions and solve the complex challenges that businesses face.

Our people come from diverse backgrounds and bring in diverse perspectives that strengthen the Group. We ensure that there is no discrimination at the workplace across our businesses, against any employee, on grounds of religion, race, colour, gender, age, political opinion, nationality, social origin, or disability. Through diversity & inclusion, we create robust intellectual synergies to strengthen our businesses. The key focus areas include:



**There has been an 11% increase in women in FY22 hires as compared to FY21.**



### **BUILDING AN INCLUSIVE WORK CULTURE**

#### **Inclusion Culture Shift**

**Interventions** like #BetterTogether - a Group level initiative, build inclusion muscle and socialise inclusion; interventions include inclusivity workshops, monthly inclusion nudges, digital learning modules, conversation circles, stories, films, and more.

#### **Enabling Family Friendly Policies**

that include holistic maternity support beyond leaves such as local transport support for mothers-to-be, caregiver and child travel support for returning mothers, access to transition guides (counsellors), performance & talent rating protection etc., We also have the Paternity Leave Policy and Flexible Work Guidelines.

**Safety & Well-being** Strictly enforced POSH (Prevention of Sexual Harassment) Policy since

2005, additional travel benefits for women like higher entitlements than applicable job band caps, and emotional assistance programme such as Life Unlimited.

### **ENABLING WOMEN TO TAKE CHARGE**

**Spring Board** A Group level 18-month training programme for future women leaders that empowers them to take charge of their careers.

**Career Intentionality Development** programmes for early career women at Business Level such as HerALD – Aditya Birla Chemicals, Soaring High - Hindalco, TARA – Aditya Birla Capital, etc.

**BeUnstoppable** A Group-level weekly digital micro learning bytes for all women

**Focused listening and connect with women (Group & Business Level)** – Surveys, Conversation Circles, Events (Group & Business Level), etc.

### **FOCUSED APPROACH FOR WOMEN HIRING & TALENT PIPELINE DEVELOPMENT**

Group and Business-wise goals, plans and progress reviews ensure the needle shifts towards including women in the workforce across all levels.

Diversity & inclusion are essentially linked to the fundamental human right to equality and non-discrimination. It is about recognizing, respecting and valuing people's differences.

With 140,000+ employees, among senior and top leadership roles/management positions, 10% are women. There are 5 ABG businesses with more than 20% women in the workforce and the Group aims to increase women hires by 10% year on year across all job levels.



# TALENT DEVELOPMENT



E-learning through the Gyanodaya Virtual Campus (GVC)

**300,000**

learning hours/year  
Average adoption 89%



Vibes Survey - 25 years of employee listening conducted biennially. A barometer to measure employee satisfaction

The social pillar in ESG covers a range of factors that can be distilled into two core aspects - how a company values its people and how its operations impact the community. As a criterion, the S pillar had traditionally played a supplemental 'good-to-have' role along with the 'must-have' Environment pillar. In 2020, the pandemic proved to be a turning point that put a greater emphasis on an organisation's social performance. Specifically, on the people front, having high standards that go beyond employee satisfaction to create definitive value proposition for employees foster greater trust and credibility.

## ABG People Vision

**To build the Aditya Birla Group as an exciting world of global opportunities for professional growth with human care.**

At Aditya Birla Group, we believe that valuing and caring for our people builds reputation that attracts the best talent and safeguards long-term success. The Group supports the all-round development of its employees through strategically designed learning and development programmes and well-defined career pathways. As an equal opportunity employer, we make conscious efforts to drive diversity and inclusion at the workplace in a holistic manner. **As a Group, we have taken the target to increase gender diversity by 10% year-on-year across each business and all levels.**

Our Group Human Resources (Group HR) team works towards enhancing the organisational and people capability of the Group businesses by identifying and advocating process changes required within the business systems, developing capacity-building synergies in employees and facilitating knowledge-sharing platforms.

Our Values, Code of Conduct, Human Rights policies and practices empower our employees to voice their concerns. Each Aditya Birla Group Company signs the Group Human Rights Policy or develops an equivalent that is implemented throughout its operations. The policy is periodically reviewed and updated. Across businesses, the Group-wide 'One HR' policy guides the strategic framework for employee enrichment. It encompasses employee engagement, employee health and wellness, and talent management among other aspects.

We have institutionalised a wide range of policies across business. This includes upholding free enterprise with an Anti-corruption policy, reinforcing the integrity of the individual with the Prevention of Sexual Harassment (POSH) policy, safeguarding the voice and grievances of stakeholders via Whistle-blower mechanism and furthering the well-being of parents with a parental leave policy. Each of these policies is in line with current industry best practices and in compliance with the regulatory framework of that region.

## TALENT MANAGEMENT AT ABG

A strong talent management framework and system is the foundation of successful talent investment that supports the organisation in building a competitive edge and robust leadership pipeline. To track and augment the succession plans across all businesses and all functions, Aditya Birla Group introduced the Talent Management 3.0 policy in January 2019.

The Policy focusses on performance, potential and succession. Under this policy, businesses identify critical roles, prepare plans to fill these roles, and prepare personnel for them. A robust



Internal Recruitment System (Xplore) for job opportunities within ABG, gives our people opportunities to grow within and between businesses. To ensure the implementation of the Policy, a detailed Talent Management Framework 3.0 has been developed and deployed. It comprises **Talent Segmentation, Talent Development, Talent Engagement and Talent Councils @ ABG.**

### TALENT SEGMENTATION

A process of segmenting the employees into 3X3 performance-potential grid based on the potential assessment done by Managers and validated by Skip Managers. Talent segmentation is a three-step process:

**Potential Assessment** It is the process of determining a Potential Rating for eligible employees by the Manager and the Skip Manager. This process is online and done on Poornata - the employee web portal. The potential ratings are High Potential, Good Potential and At Level with assessment guidelines given for each rating.

#### Talent Segments Based on Performance & Potential on

completion of potential assessment, the 9-box (3X3) performance – potential grid is generated. The potential rating is based on the assessment guidelines. The performance score is based on consistency of performance over the last 3 years.

**Business Talent Councils** validates the talent segments generated based on the Potential Assessment process. The decision taken by council members is considered as the final potential rating of the employee, known as the Talent Council rating.

### TALENT DEVELOPMENT

Talent Development comprises the Development Assessment Centre (DAC) and My Development Plan (MDP)

#### Development Assessment Centre (DAC)

is used for the focussed development of talent pool on targeted behavioural competencies aligned for the next leadership level, through a scientific process of identifying strength and developmental competencies. The DAC is a one-day virtual centre, followed by feedback and a one-year development review process. The observations of the employees are captured in a detailed DAC report which is shared with the employee, the manager and the respective HR. Based on the report and feedback sessions with the DAC partner, the employee creates the My Development Plan (MDP). The employee is encouraged to take development goals spread across EEE (Education/ Exposure/Experience) like Prozone projects, natural learning opportunities, secondment, shadowing, coaching, mentoring, reverse mentoring, 2\*2\*2 career movements and Make Your Mark - career transition support programme etc.

**My Development Plan (MDP)** It is a set of developmental activities undertaken by the individual employee to strengthen their leadership & functional capabilities. It supports current role delivery as well as preparing for future roles.

We also encourage the use of internal job postings (Xplore via Aditya Birla Career Portal) to enable movements. This helps build different perspectives and widen an employee's horizon to shore up their potential for the future.



## TALENT COUNCILS @ ABG

To strengthen the Talent Management Culture at Aditya Birla Group, it is important to have increasing knowledge, visibility, and conversations on talent, across the organisation. Talent Councils at ABG Group level are meant to facilitate this process of “Talent Conversations” and in identifying a future pipeline, through structured discussions by senior leaders across ABG.

The Talent Councils at Group Level review the talent across various functions and leadership levels on an ongoing basis to ensure holistic leader development, capability development, and building a robust successor pipeline.

## TALENT ENGAGEMENT

At Aditya Birla Group, multiple initiatives are undertaken on an ongoing basis to keep the employees engaged under the Four Pillars of Employee Value Proposition (EVP) - **Careers, Learning & Development, Rewards & Recognition and Enrich Your Life.**



### Careers

The relationship & reputation an organisation fosters with its people dictates the quality of talent that it attracts, especially in a scenario where young talent are looking for careers with a deeper sense of purpose.

**Aditya Birla Group Leadership Programme (ABGLP)** Initiated in 1996, the ABGLP aims to build versatile next-generation leaders through structured career pathways. The Group Management Trainee Program evolved into the ABGLP in 2007, which was later diversified with the introduction of Functional Programmes for Human Resources and Finance.

The Programme offers internship as well as full-time opportunities for graduates and post-graduate students from premier business schools and engineering colleges in India. Through a series of stints across businesses, locations, and functions, each participant is imparted with real-time

and hands-on learning. Participants in the Aditya Birla Group Leadership Programme are offered National, International project opportunities in varied business functions.

Communication is an integral part of the engagement process. For structured

and essential communication with employees, businesses use a range of platforms that includes town halls, internal journals and emailers.

**Employee Feedback** In order to have a finger on the pulse of employees' satisfaction levels and feedback on important, as well as new policies/practices, we conduct multiple surveys for different employee segments. We encourage open houses, chaired by the Top Leadership that focusses on key workplace topics and follow it up with an action plan and regular progress reviews.

**VIBES Survey** For the last 25 years, we have held VIBES - an enterprise-level, engagement survey that is conducted biennially. It measures employee satisfaction against multiple dimensions, including engagement, alignment, performance culture, managerial effectiveness, agility and more.

## Learning & Development Programmes

ABG's Learning & Development (L&D) programmes hone the potential of our employees and also enable the Group businesses to benefit from their improved proficiency. The Group's L&D framework includes functional training programmes, continuing education policy, leadership development programmes, coaching and mentoring, knowledge integration programmes and outreach programmes. Our employee development programmes work on the principle of 70:20:10, wherein 70% of the pedagogy is live projects and assignments, 20% is coaching and mentorship and 10% is formal learning.

**Gyanodaya** is the Group's Global Centre for Leadership Learning, that designs and delivers leadership capability building interventions and bespoke team interventions. Gyanodaya also curates and disseminates relevant tacit knowledge & expertise via large format, leader-led sessions, and competence & perspective building learning opportunities across the entire spectrum of the Group. Each of ABG's businesses has an independent learning function that reports to the Businesses' Chief HR Officer. In close association with Gyanodaya, the Business Learning Heads are responsible for ensuring that learning initiatives in support of business strategy are regularly made available to the business.

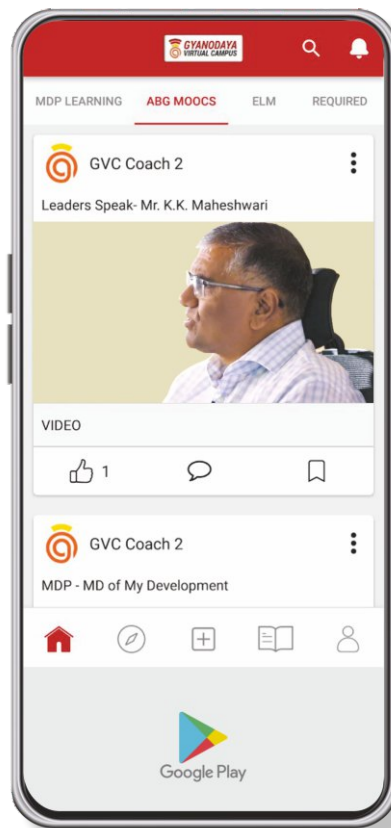
**Senior Leader Development** The senior leaders of the Group continue to be engaged through world-class experiential learning interventions such as the Chairman's Series set of programmes. These have not only helped build leadership capabilities in contemporary topics but have also deepened the learning culture in the



Group. Our flagship Accelerated Leadership Development Programmes continue to strengthen our talent pipelines.

**Functional Excellence** To keep the Group future-ready and ahead of the curve, our five Functional Academies - HR, IT, Finance, Manufacturing and Sales, Marketing & Customer Centricity, align closely with Talent Councils to offer future-focused learning interventions on contemporary topics. More than 4,500 employees at all levels have benefitted from foundational and advanced level learning.

**Gyanodaya Virtual Campus (GVC)** is the Group's eLearning platform that has robust Learning Management & Systems serving 33,000+ active e-learners at various levels across the globe. The GVC Learning App supports rapidly changing needs of our employees to upgrade their knowledge and skills, placing a host of content and topics tailored specially for them at their fingertips, based on interests and learning goals.



E-Learning through the GVC is clocking over 300,000 learning hours in a year. We have also witnessed a massive increase in unique users - making the average adoption nearly 89%.

## Enrich your Life

Employees now seek more than satisfaction, they seek fulfilment. Managing professional and personal commitments is integral to achieving this goal. ABG supports and ensures that across its businesses through a range of employee-centric policies - from Leave Policies and Flexible Work

Arrangements to Employee Wellness Programmes are designed to impart a healthy work-life balance for employees. Our Compulsory Annual Leave encourages employees to take a break by allowing for only 50% of the annual privilege leave entitlement to be carried forward.

*For more information on Aditya Birla Group's Employee Value Proposition, please see <https://careers.adityabirla.com/awoo>*

## Rewards & Recognition

We believe that recognition builds motivation, ignites aspiration and sparks innovation by building a culture of healthy competition that allows employees to shine and inspire others as well.

**The Aditya Birla Awards for Outstanding Achievement** Is the highest Group-level recognition that honours and celebrates both individuals and teams.

**The Performance Recognition In Delivering Excellence (PRIDE) Awards** are a business-level monetary recognition programme for employees who excel in delivering business-critical projects or assignments.

Additionally, unit-level/business-level recognition programmes recognise individual and team achievements.



# EMPOWERING COMMUNITIES



**INR >5 bn**  
CSR investments  
in FY21



Aditya Birla Centre  
for Community  
Initiatives and Rural  
Development  
engages with  
**9 mn**  
people in  
7,000 villages  
pan-India and  
other parts of  
the world

Service to society is at the very heart of Aditya Birla Group's value system. We have always championed the cause of empowering communities towards social inclusion and equitable growth, believing intrinsically that it is the 'dharma' - the 'duty'.

Further, the unprecedented pace of social change due to the pandemic has brought the 'S' of ESG (Environmental, Social and Governance) into sharp focus. Indeed, a business cannot succeed in a society that fails. There is an increasing realisation that reputational lever, the ability to attract, retain and energise talent, the tremendous goodwill of consumers that far exceeds the price tag, the pride that shareholders and investors take, and above all, the garnering of community support - are the direct outcomes of a genuine CSR engagement. This positively impacts the community and makes a difference in their lives. It's a win-win situation.

**Since inception, ABG's community empowerment initiatives have ensured that the 'S' of ESG is always strengthened, by devising interventions that build sustainable, self-sufficient and thriving communities.**



It all began over seven decades ago in the pre-independence era, fronted by Mr. Ghanshyam Das Birla under the magnetic spell of Mahatma Gandhi and his philosophy of trusteeship. His grandson, Mr. Aditya Birla, took it a few leagues forward, stewarding inclusive growth as the Group's overarching CSR vision, and his son, Mr. Kumar Mangalam Birla, brought a paradigm shift.

And so, giving and caring became embedded in the DNA of the Aditya Birla Group. A legacy that finds expression in the Aditya Birla Centre for Community Initiatives and Rural Development chaired by Mrs. Rajashree Birla.

Mrs. Birla provides the oversight to the Centre, which is the apex body according strategic direction to all the Aditya Birla Group companies. Collectively, the Centre is engaged in 7,000 villages embracing nine million people pan-India and other parts of the world. It is anchored in the Group CSR function, led by Dr. Pragnya Ram, Group Executive President, Group Head - CSR, Legacy Documentation & Archives.

The Centre with Mrs. Birla at the helm provides the direction and the thrust areas for our work, and ensures performance management as well. It is further supported by a 1,200-strong committed cohort. Every Board of an ABG Company has a CSR Committee. Our investment in CSR initiatives globally exceeded INR 5 billion in FY21.

## APPROACH AND FOCUS AREAS

The Group's CSR vision, as quoted by Mrs. Birla, is **"to actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index"**.

All companies of Aditya Birla Group align with this overarching CSR vision. Our motto is to **'Engage. Uplift. Empower'**. To achieve this, we have identified 5 focus areas:



## CSR HIGHLIGHTS

**USD 70 mn**

spent on COVID relief measures

**1 mn**

patients treated annually in 5,000 medical camps and 20 hospitals

**100 mn**

children immunised against Polio, BCG, DPT and Hepatitis-B

**46,500**

children being educated in 56 schools

**450,000**

school children provided with solar lamps

**63,000**

children in 268 schools given mid-day meals every day

**100,000**

people given skills training



All ABG companies and businesses undertake initiatives and long-term projects based on their geography of operation and the unique needs of stakeholder groups at those locations. The work is in sync with India's National Development Agenda, premised on the single point of poverty alleviation. Most of the communities that we reach out to, are in rural and tribal belts. All our Group companies have Rural Development Cells, which are the implementation bodies.

Additionally, to embed CSR as a way of life in organisations, we have set up the FICCI-Aditya Birla CSR Centre for Excellence. We also collaborate with external agencies to share ideas, draw

from each other's experiences, and ensure that efforts are not duplicated.

We work with WHO, Australia-India Council, Bill & Melinda Gates Foundation, Habitat for Humanity, CII, European Union (EU), Global Compact Network, Rotary International Club, National Skill Development Council, FICCI, NABARD, NACO, CARE, IGNOU, Aide et Action, SEWA, BAIF, MYRADA, Basix, CARD, Art of Living Foundation, Smile Foundation, Maya Foundation, Childline India Foundation and local NGOs.

Importantly, the Group is attuned to the UN Sustainable Development Goals (SDGs). The SDGs are a bold universal agreement to craft an equal, fair and

## SUSTAINABLE DEVELOPMENT GOALS

secure world for people, the planet and prosperity, by 2030. The SDGs outline 17 clear goals, all of which are universally relevant - such as, Goal no. 1: No poverty, Goal No. 3: Good health and well-being, Goal no. 4: Quality education, Goal no. 8: Decent work and economic growth and Goal no. 9: Build resilient infrastructure. These are the challenges that India faces.

The summary of work mapped to the SDGs below highlights innovatively creative ways of making a huge difference in the lives of the underprivileged.



## SUSTAINABLE LIVELIHOOD PROJECTS

Group Investment  
INR 189.9 million



This has been our unrelenting battle for decades. Through our Sustainable Livelihood Projects, we empower people in our communities to take ownership of their own advancement and become self-reliant.

By honing their skills, giving people the tools to progress and learn valuable vocational expertise, we equip them to find fulfilling employment and improve their quality of life.

- Working with BAIF (Bharatiya Agro Industries Foundation) and J. K. Trust

Gram Vikas Yojana in 13 centres, we have covered more than 100 villages under the project 'Integrated Livestock Development Centres', providing livestock breed improvement services and resulting in increased milk production

- Our Vocational Training Centres and the Aditya Birla Rural Technology Park accord training in sustainable livelihood projects by which 95,000 people have benefitted

- Applicators Training Programme in Rajasthan provides special training to masons and others in the construction sector to increase their income. Over 8,000 people, of which 2,000 are women, have been trained so far
- 4,500 Self-Help Groups have led to the empowerment of 45,000 women
- Our ongoing projects in healthcare, education and sustainable livelihood in the Philippines, Thailand, Indonesia, Egypt, Korea and Brazil, lift thousands of communities out of poverty

## EMPOWERMENT THROUGH SKILLING

### Hindalco

Hindalco's Aditya Aluminium in Sambalpur is encouraging self-reliance through two projects: Swavalamb and Saksham.

#### Project Swavalamb

The Project focusses on the vocational skills of the rural youth to make them employable. Since its commencement in October 2020 through the Private-Public Partnership (PPP) mode, over 270 youth have been trained in vocational skills like, nursing, tailoring, beautician, motor winding, driving and more. Technical skills in ophthalmology, advanced computer literacy training and sponsorships at ITIs (Industrial Technical Institutes) are further enablers.



**270**  
youth trained in  
vocational skills

#### Project Saksham

The Project empowers 1,080 underprivileged women via 101 Self-Help Groups (SHGs) across 23 villages. Various structured entrepreneurship and economic empowerment programmes have enabled them to earn a reasonable income. Five SHGs have registered a 15% increase in their income in the last 5 months of FY21.



**1,080**  
underprivileged women  
empowered via 101 SHGs  
across 23 villages



## UNLOCKING WOMEN'S POTENTIAL

### Madura Fashion & Lifestyle

In a society where technology equals advancement, we believe that true advancement is when a woman's limitless potential is unlocked. Putting this into action, are the world-class, highly computerised factories of Aditya Birla Fashion & Retail Ltd. (ABFRL) especially Madura Fashion & Lifestyle (MFL) in Bengaluru.

**MFL is spearheaded by 10,000 women from the remote villages of Karnataka and Tamil Nadu.**

Growing up, these women have not had the luxury of a proper education or a supportive family. MFL's robust women empowerment initiatives support these women by providing basics like a job, an opportunity to continue education, a crèche for their kids, scholarships for their children and financial independence.



As each empowered woman transforms her life through hard work, commitment and passion, she triggers transformation in her family and community by uplifting the overall standard of life of those around her. Most of these women now have a personal bank account. Their children study in good schools. There is harmony at home as their monetary contribution is significant. In all, MFL has brought in a positive change in a population of close to 70,000.

## SUSTAINABLE LIVELIHOOD THROUGH AGRICULTURE

### Aditya Birla Capital

In Dindori and Mandla districts of Madhya Pradesh, agriculture is the key source of livelihood. Women here face numerous challenges due to social exclusion, food scarcity, poverty and debt.

Aditya Birla Capital in partnership with an implementation partner PRADAN launched a project in 2019, focussing on an integrated model of sustainable livelihood. The project is designed to help women attain food security and emerge out of poverty to enter a positive cycle of growth, over a period of 3 years. The average baseline annual income before intervention was INR 30,970.

By the end of 2<sup>nd</sup> implementation year of the project (31<sup>st</sup> March 2021), over 2,500 women SHGs were formed that benefitted 29,000 women. Out of these, 15,950 women were part of intensive farm-based livelihood programmes.



Also, 13,216 women secured 100% food security through various farm and non-farm interventions. Amongst them, 6,160 women achieved food security through their own food cultivation. This is in addition to having an annual income of INR 60,000 and above, with an average income of INR 77,947.

## HEALTHCARE

Group Investment  
INR 1,125 million



ABG focusses on providing access to quality healthcare in rural areas through its hospitals, primary healthcare centres, mother and childcare projects, immunisation programmes with a thrust on polio eradication, healthcare for visually impaired and differently abled, and awareness programmes on HIV prevention. Furthermore, we run 20 hospitals, conduct over 5,000 medical camps, in addition to making a life changing difference to the deaf and dumb through cochlear implants as well as other reconstructive surgeries for children. Maternal health and community health are key focus areas too.

Considerable work is being done towards the treatment and financial support of patients with cancer, tuberculosis and thalassemia, among others. We also engage in the prevention of cervical cancer through the administration of HR-HPV vaccines.

## SPEARHEADING IMMUNISATION

### Hindalco

Hindalco, in partnership with the Government, spearheaded several immunisation initiatives all over its 23 plants pan-India. Annually over 150,000 children are immunised against polio, BCG, DPT and Hepatitis-B. The company supports the Government's Hirakud Hospital, Sambalpur, in servicing the 12 peripheral villages and aiding 24,000 families. In addition to immunisation drives, awareness programmes on multiple diseases and social issues like planned parenthood, child marriage and adolescent healthcare have proved beneficial in bringing about a gradual change in mindsets. This agenda is pursued by all Group companies.



Over  
**1.5 lakh**  
children immunised  
annually

## ENABLING HEALTH THROUGH E-HEALTHCARE

### ABFRL

Over the years, ABFRL has undertaken several health awareness and screening camps across 67 villages, and benefitting over 100,000 people. The topics covered are varied - from cancer and cataract to dental and hand wash awareness.

In FY21, the Company initiated a new project 'e-Healthcare' - an IT-enabled Smart Diagnostic System (SDS) that delivers digital healthcare solutions and services to multiple villages in Tamil Nadu.

This portable system can perform basic health checks like Electrocardiogram (ECG), and help in antenatal and postnatal care swiftly with multiple other diagnostics enabled. It allows patient registration, diagnostics, tests for 30+ parameters, storage of patient



Over  
**100,000**  
beneficiaries  
across 67 villages

record in an open-source electronic medical record, an instant on cloud-enabled platform, and tele and video conference services with the doctor on call. 845 people underwent general check-up and got a unique medical ID that can be used for future reference.



## EDUCATION

Group Investment  
INR 756 million



When young minds are armed with the power of knowledge, it opens a world of opportunities. We feel the issue that begs for urgent attention from businesses is the re-tooling of education.

There is a felt need to re-examine our educational system in a holistic manner. And to create one that can stoke curiosity in a student, and make learning enjoyable and a fun-filled exercise so that everyone attains their maximum creative potential.

Thus, pre-school education, educational support programmes, vocational and technical education training and infrastructure of schools are some of the key areas that we focus on as part of our education initiatives.

ABG supports schools, quality education and merit scholarships for children from interior and remote locations, and runs an English language enhancement programme for confidence building among children in the Indian hinterland. Through its unique project - KHEL, a

knowledge hub for e-learning, students across schools in Maharashtra, MP and UP learn English, Math and Science using game pedagogy and multimedia methods. Our project Gyanarjan coaches underprivileged students for competitive examinations. Our plant teams voluntarily mentor students appearing for Board exams. We champion the cause of the girl child through residential schools, girl child advocacy and support.

## CEMENTING A BRIGHTER FUTURE WITH EDUCATION

UltraTech



Some of the key initiatives included:

### Navodaya Coaching

The initiative supports students from underprivileged backgrounds for admission in Navodaya Vidyalaya. In the last 5 years, 136 students have enrolled for coaching and 77 students were selected in different schools.

### Kagina Private Industrial Training Institute (KPITI) Online Classes

Focusses on offering career opportunities to local youth by providing education that emphasises on technical skilling and employability in the 21 adopted villages. To overcome the disruption of classes due to the lockdown, KPITI conducted classes online, with overwhelming success.

### Gyandhara - The Rural Digital Learning and Information Centre

Focusses on five key areas: digital literacy, specialised coaching, skill development, Kisan Pathshala (farmer school) for agri-business, and village library. Skill Development Institutes provide the youth with training on micro enterprises and entrepreneurship while the Kisan Pathshala trains farmers on topics such as agricultural diversification, government schemes, etc.



## INFRASTRUCTURE DEVELOPMENT

Group Investment  
INR 169.2 million



ABG has been investing in infrastructure development initiatives in rural areas to ensure that communities have access to clean drinking water, sanitation facilities and proper roads, among other facilities.

Benefitting nearly 500,000 lives across the country, we have helped build community halls, school blocks and playgrounds, approach roads, solar lights, water harvesting structures, installed hand pumps and facilitated

village drainage systems among many other initiatives.

- Installation of more than 1,000 biogas plants pan-India. These plants improve the hygiene and sanitation of farms and villages, and reduce the use of fossil fuels
- Collaboration with Habitat for Humanity to build more than 500 houses, as part of ABG's community outreach programme. Also, supporting

the building of an additional 3,800 houses across India

- Grasim's infrastructure projects include improving road connectivity, building community halls and rest places, installation of solar lights, construction of water tanks and installation of piped water supply. These projects have touched the lives of 26,229 people

## EVERY DROP ADDS UP

### UltraTech

Watershed activities have been executed in unit locations at Rajashree, Baga, Tadipatri, Dhar, Sewagram, Rawan and Baikunth. The project will benefit 4,500 families by securing water for small farmers and rejuvenating local biodiversity.



More than  
**13.5 mn**  
litres of rainwater  
harvested so far

## SOCIAL REFORMS THROUGH MODEL VILLAGES

Group Investment  
INR 500 million



Almost a decade ago, long before the visualisation of model villages happened, the Group had chalked out a programme to transform 300 villages from a bundle of 5,000 villages, at that point in time, into model villages.

Each of ABG's major companies - Grasim, Hindalco, UltraTech, Aditya Birla Fashion & Retail, etc., is working towards the total transformation of several villages in proximity to their plants. Making a model village entails ensuring self-reliance in all aspects - education, healthcare and family welfare, infrastructure, agriculture, watershed

management and working towards sustainable livelihood patterns.

Fundamentally, ensuring that their development reaches a stage wherein village committees take over the complete responsibility and teams become dispensable.

In these 300 villages over the last decade, along with the focus on development solutions, the teams are tackling social issues that include female foeticide, child marriages, dowry, women under abject subjugation along with alcoholism and livelihood problems.

They have addressed these issues in a deep and meaningful way.

Out of the initial 300, our CSR engagement now continues in 128 villages across 22 states. On all parameters viz. education, healthcare and sustainable livelihood, the Group has been able to raise the bar after stepping in and investing emotional as well as intellectual equity into these villages, besides of course the financial commitment integral to the success of the model villages.

## COMMUNITY DEVELOPMENT THROUGH DIGITALISATION

ABFRL



**23,043**  
community members  
benefitted

With digitalisation and technological development, the rural and urban communities face numerous social and economic changes and challenges. To address these concerns and equip rural communities with knowledge and skills required to be digitally perceptive, ABFRL has established Village Information Centres in four model villages and a Computer Centre in one village.

These centres are equipped with basic IT infrastructure like computers, printers and WiFi access. A 'digital champion' identified and trained in every village runs the centre. 23,043 community members have benefitted from these services. Computer literacy classes were organised at the Computer Centre and 943 students have benefitted from this initiative.



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## CSR AT ADITYA BIRLA GROUP

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

### **Mrs. Rajashree Birla, Chairperson**

Aditya Birla Centre for Community Initiatives and Rural Development



## IN SUM

We transcend the conventional boundaries of business because we care. Slowly and silently, along with the Government, our Group is trying to change the face of villages - from abject poverty to meeting the necessities of life, from dependency to freedom, from backwardness to progress in more ways than one. For all of us in the Aditya Birla Group, every project when successfully executed brings a humble sense of happiness - a way of living our values.

It is about, playing a leadership role as a respectable, caring, corporate citizen. While we contribute in our own small way, we know that much remains to be done, given the sheer magnitude of the country. As we endeavour and continue to make a life-changing difference to underprivileged people globally, we realise it is a long road ahead.





# SUPPLY CHAIN MANAGEMENT



**11,000+**

**Birla Carbon vendors and suppliers screened using NAVEX Global's RiskRate® due diligence system**

Disruptions during the pandemic underscored the perennially critical supply chain management. Supply chains are complex, involve multiple players, span different geographies and are therefore, prone to many risks - frequent global and regional challenges from natural disasters, geo-political situations, trade tensions between major economies and other unprecedented reasons (like COVID-19).

The ESG factors, which are gaining centre stage can impact supply chains as well as carry operational and reputational risks - such as environmental practices, energy usage, social responsibility, forced and child labour, discrimination, trade security, anti-bribery, health & safety, conflict minerals, etc.

**Aditya Birla Group recognises the role that a well-organised supply chain management plays in the long-term protection and prosperity of businesses.**

As part of the ABG Sustainable Business Framework, we have developed a Group Supply Chain and Procurement Policy. Along with the Policy, Standards around Supply Chain Management, Contractor Management, Chain of Custody Management and Sustainable Procurement are put in place. The implementation of the framework standards boosts the operational efficiency, reduces operating costs, maximises customer service, increases cash flows and achieves a sustainable competitive advantage.

The Group Policy pronounces the intent of the Group to build capability within the supply chain and work towards creating best-in-class supply chain solutions; adhere to the principle of traceability to the origin of goods throughout the supply chain; and promote resource conservation, use of alternative materials and renewable energy, water stewardship, health and safety, respect for human rights, and elimination of child and forced labour.

Our businesses have the ability and responsibility to shape and influence their supply chain. They have adopted the Group policy and operationalised it by providing necessary leadership, developing strong relationships, driving relevant mandates, building capabilities and fostering innovation across the supply chain and the value chain. This improves the businesses' and the Group's overall sustain-ability.

ABG businesses are at various stages of their journey towards mapping their supply chains. They are also moving towards developing and implementing ESG criteria for selection, evaluation and assessment of suppliers. With the intent of bringing synergies within the processes of supply chain and value chain management across businesses, the Group is bringing together a team of business procurement functions who are formalising a common Supplier Code of Conduct, developing uniform

criteria for supplier assessment and evaluating digital options to make it transparent and efficient.

Communication with suppliers and value chain partners to build trust, and to ensure data sharing by them is crucial. The teams at ABG businesses have been working towards ways and means of communicating with suppliers and building their capacity. The importance of this is being emphasised at various levels within the organisation.

Businesses are also using digital tools for supplier risk assessment. To supplement its supplier risk assessment process, Novelis conducts scenario analysis to identify key risk indicators along the entire supply chain basis on which the evaluation parameters are updated. All 11,000+ Birla Carbon vendors and suppliers have been screened using NAVEX Global's RiskRate® due diligence system - an automated and continuous screening programme, which performs efficient and reliable due diligence checks. Over 94% of the vendors and suppliers received green ratings.

Similarly, Hindalco is managing a complex supply chain involving 10,601 partners by using questionnaires to assess compliance of suppliers to the ESG criteria including human rights, environmental impact and safety across the supply chain. In keeping with its strategy of creating a resilient and viable

value chain, the assessments are conducted on the basis of supplier's score. This determines the risk rating and gives an overview of prevalent risks. Hindalco is also working with its suppliers to ensure effective environmental footprint management. The vendor assessment conducted in FY19 showed an increase in the supplier compliance to 67% from 40% in FY17.

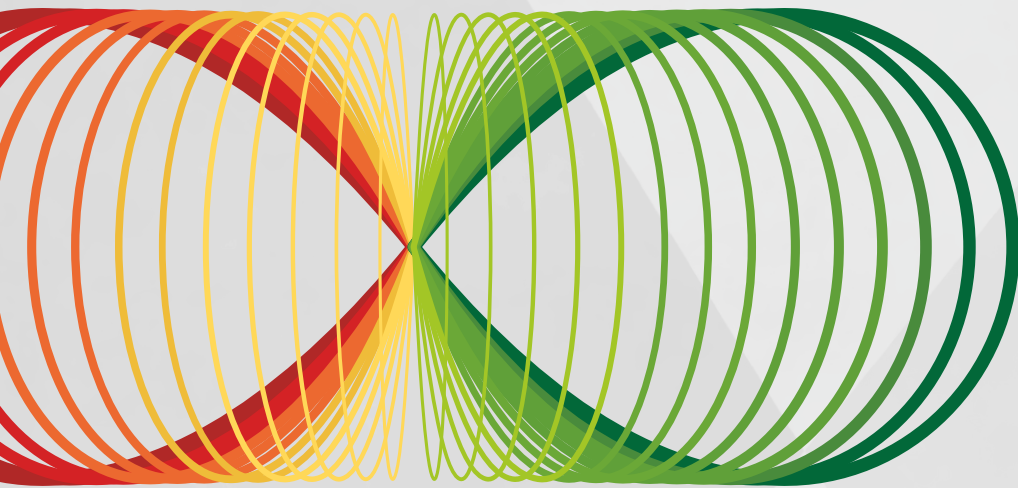
*For details of Supply Chain Management in individual ABG businesses, please refer to respective FY20 and FY21 Sustainability Reports or Integrated Annual Reports.*

Building transparency and traceability is key to develop a sustainable supply chain. Our businesses are in the process of gaining visibility beyond our tier-1 and tier-2 suppliers. Further, we are actively looking at **new-age technologies like Blockchain to map our supply chain and identify in real-time, if any of our suppliers are involved in unsustainable practices.**

Through its pioneering platform GreenTrack™ based on Blockchain technology, Birla Cellulose along with its value chain partners, provides transparency for the entire journey of fibre from a certified forest up to the consumer's hands on a real-time basis.

*For more details, please refer to the Birla Cellulose Sustainability Report FY20.*



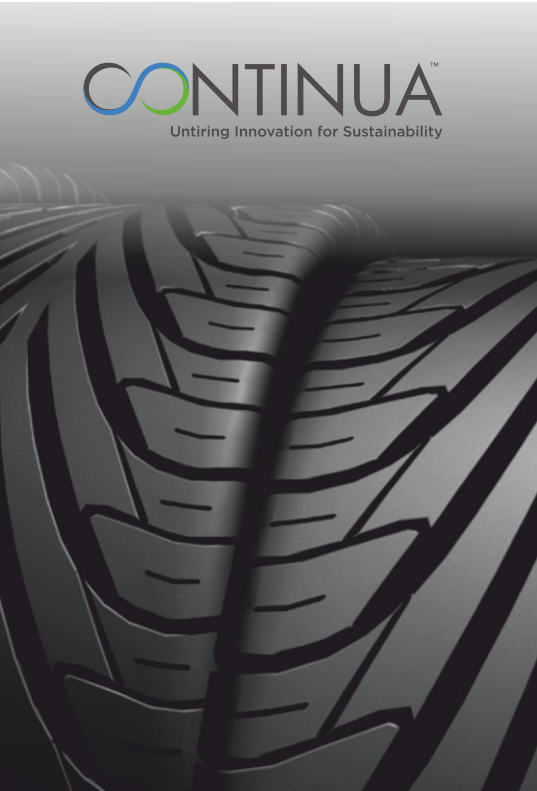


# ENVIRONMENT

**The principles of responsible resource utilisation and holistic environmental stewardship continue to guide strategy and actions at ABG. In this section, we report on the approach we have adopted and the progress we have made in achievement of our environmental goals which include increasing Circularity, Decarbonisation, enhancing Water Resilience, strengthening Biodiversity Management in and around our sites, and leveraging Innovations to do more with less.**



# WASTE TO WEALTH FOR CIRCULARITY



**10 million+**  
tonnes of waste reused,  
recycled or utilised  
by ABG businesses



**18.36%**  
recycled material  
used for production  
by UltraTech out  
of total raw material  
in FY21

The extraction of raw materials worldwide has more than doubled since 1990 and could double again by 2060 in the absence of corrective policies and associated on-ground actions. According to the UN International Resources Panel, resource extraction and processing account for 90% of global biodiversity loss and water stress impacts, and half of the GHG emissions, excluding those related to land use. In such a scenario, circularity makes perfect sense for all stakeholders involved. When we regenerate a resource instead of extracting and processing it, we are not only decreasing the overall environmental footprint but also the costs involved in it.

## At Aditya Birla Group, we understand the importance of circularity and the opportunity it presents.

Be it using alternative materials to replace virgin raw materials or increasing the share of renewable sources in the energy mix, ABG businesses have been at the forefront of circularity in the last few years. The actions have been within the ABG businesses, thereby creating smaller loops across the geographies of our operations. This has led to a change in philosophy in the way we procure raw materials as well as the way we manage wastes generated from our operations.

On waste management, ABG businesses are using a systematic approach through application of mitigation hierarchy of prevent, reduce, reuse, recycle, recover, reclaim and co-process over disposal. This has led to a reduction in all types of wastes – hazardous and non-hazardous, being sent to landfill.

On alternative raw materials, we have been creating circular closed loop models within the site locations, across ABG businesses and then at local, state, national and international levels. The use of waste as raw material in our fibre, carbon black, chemicals, metal and cement businesses has led to multifold benefits of resource security, cost savings, creation of new brands with a reduction in generation/disposal of waste, decreased land pollution and lower carbon emissions.

## AMBITION AND APPROACH

The Group-level Environmental Policy includes the commitment to waste minimisation and aims to attain a leadership position in environmental stewardship. ABG businesses adopt this Policy by setting up targets and creating roadmaps. As a diverse conglomerate with a presence across multiple sectors and geographies, on waste management, the Group set an ambitious target of **Zero Waste to Landfill by 2030**. This is subject to local regulations on types of wastes that can be reused and recycled.

**Aditya Birla Fashion & Retail Ltd. (ABFRL) has already achieved Zero Waste to Landfill across all its nine facilities.**

Owing to this multiplicity of material issues and standards to be met, our businesses have also taken additional public targets, both quantitative and qualitative in nature, based on their industry and location and devised relevant roadmaps.

Business	Target(s) on Circularity
UltraTech Cement	<ul style="list-style-type: none"> <li>Increased use of municipal solid waste and industrial waste as alternate fuel for co-processing</li> <li>Increased use of alternate materials like Fly Ash, Gypsum, Slag, and Red Mud to replace natural limestone</li> </ul>
Birla Cellulose	<ul style="list-style-type: none"> <li>Development of alternative applications to reduce solid waste by 25% by 2030 over FY15</li> <li>Scale up Liva Reviva fibres to 100,000 tons by 2024</li> </ul>
Birla Carbon	<ul style="list-style-type: none"> <li>Repurpose of 75% of waste including recycling, reuse and recovery by 2030</li> </ul>
Novelis	<ul style="list-style-type: none"> <li>Increase in recycled content across all product portfolio</li> </ul>



## WASTE MANAGEMENT PERFORMANCE

At ABG, sustainable waste management is integrated into business planning from the point of generation until the final waste application/disposal. Businesses have developed and implemented systems for waste identification, classification, inventory, prevention, minimisation, recovery for all type of waste generated - Hazardous and Non-Hazardous.

The wastes are being reused, recycled, reclaimed and disposed in the most cost effective manner, in keeping with local regulations. They are being utilised internally and externally - for example, for

substitution of raw materials, co-processing as fuel source, development of products, as fillers etc. The wastes that are difficult to process or where technology is yet to be established for its re-use or recovery are safely disposed ensuring full compliance to the applicable regulatory procedures. Businesses are collaborating with research institutes and academia for developing solutions for repurposing or reusing these wastes.

We measure the performance on waste management on two dimensions – having all processes in place, and then to also measure waste generation and

disposal. The upgradation in process of waste management like having detailed site level waste inventories to identify reuse, recycle opportunities, site level waste management infrastructure, standard operating procedures, etc. are tracked through Self Assessment Questionnaires (SAQs).

The SAQ scores and findings are used to track the robustness of waste management plans at site level and are captured in the ENABLON system at the Group level.

Some of the key performance indicators (KPIs) that we track are:



**Quantity of waste generated - hazardous, non-hazardous**



**% waste reused, recycled**



**Quantity of waste disposal, by destination**

These KPIs are used for internal and external benchmarking to identify opportunities for increasing the reuse, recycle and upcycling of different wastes.

## Waste Generated by Businesses

*in Tonnes*

Business	Hazardous Waste			Non-Hazardous Waste		
	FY19	FY20	FY21	FY19	FY20	FY21
ABFRL	7	8 <sup>▲</sup>	6 <sup>▼</sup>	4,223	4,140 <sup>▼</sup>	2,234 <sup>▼</sup>
Birla Carbon	4,898	2,769 <sup>▼</sup>	715 <sup>▼</sup>	21,801	21,788 <sup>▼</sup>	27,648 <sup>▲</sup>
Birla Cellulose	132,990	98,120 <sup>▼</sup>	83,937 <sup>▼</sup>	380,627 <sup>*</sup>	508,075 <sup>▲</sup>	332,456 <sup>▼</sup>
Chemicals	15,345	29,479 <sup>▲</sup>	36,754 <sup>▲</sup>	330,968	460,042 <sup>▲</sup>	401,429 <sup>▼</sup>
Essel Mining	2,283	2,736 <sup>▲</sup>	2,830 <sup>▲</sup>	59,379,465	62,657,963 <sup>▲</sup>	59,527,937 <sup>▼</sup>
Fertilisers	62	120 <sup>▲</sup>	175 <sup>▲</sup>	537	570 <sup>▲</sup>	1,439 <sup>▲</sup>
Hindalco	373,771	365,805 <sup>▼</sup>	436,339 <sup>▲</sup>	12,698,145	11,931,861 <sup>▼</sup>	11,461,986 <sup>▼</sup>
Insulators	32	33 <sup>▲</sup>	20 <sup>▼</sup>	10,228	8,301 <sup>▼</sup>	5,939 <sup>▼</sup>
Novelis	56,773	46,862 <sup>▼</sup>	48,060 <sup>▲</sup>	194,940	226,144 <sup>▲</sup>	249,295 <sup>▲</sup>
Textiles/Acrylic Fibre/ Overseas Spinning	694	809 <sup>▲</sup>	870 <sup>▲</sup>	26,617	30,624 <sup>▲</sup>	25,385 <sup>▼</sup>
UltraTech Cement	1,803	1,643 <sup>▼</sup>	1,233 <sup>▼</sup>	706,179	554,460 <sup>▼</sup>	680,377 <sup>▲</sup>
<b>Total</b>	<b>588,659</b>	<b>548,384<sup>▼</sup></b>	<b>610,940<sup>▲</sup></b>	<b>73,753,731</b>	<b>76,403,968<sup>▲</sup></b>	<b>72,716,125<sup>▼</sup></b>

1 Birla Carbon has been able to reduce its hazardous waste generation due to an increase in the amount of waste repurposed (reuse, recycle and recovery) from 60% in FY20 to 68% in FY21.

2 Birla Cellulose has implemented closed-loop technologies which aims at reusing the waste generated from the process thus resulting in decrease in the amount of waste generated.

3 There has been an increase in the hazardous waste generation for Hindalco due to increase in the generation of ETP sludge in Birla Copper and decrease in non-hazardous waste generation due to zero generation of phosphogypsum waste.

4 For UltraTech there has been an increase in production compared to previous year resulting in increased quantity of non-hazardous waste.

*\*Includes the overburden waste which is again used for backfilling during mine closure.*

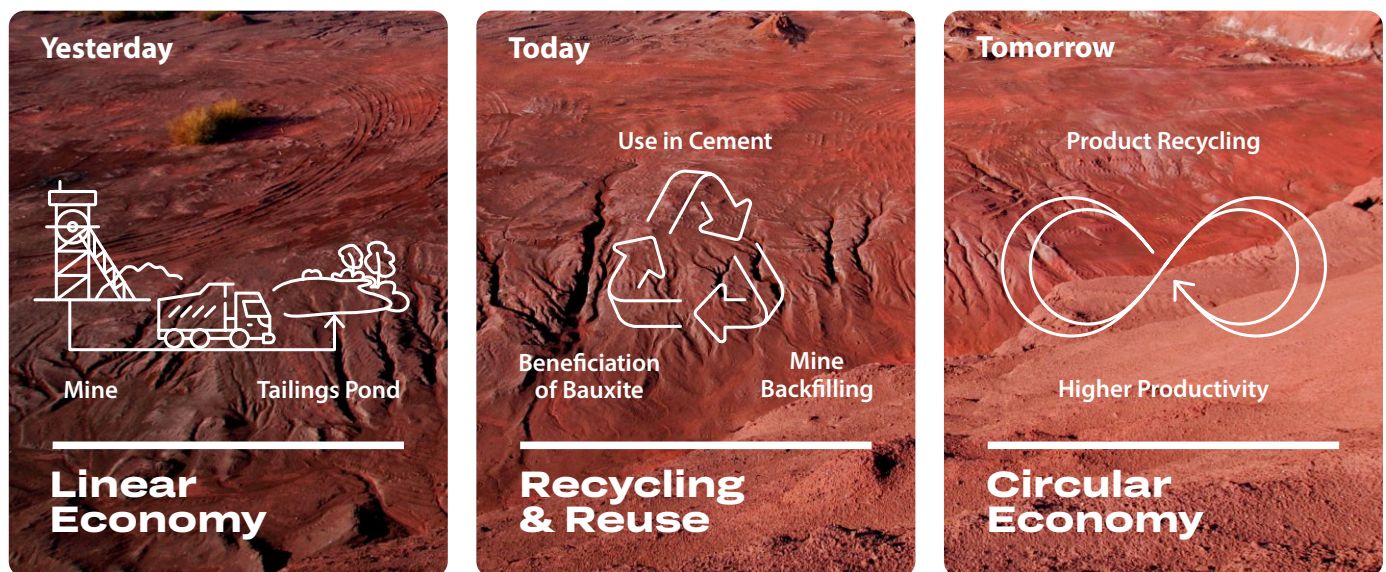


## ENABLING CIRCULARITY AT ABG

Through Waste2Wealth For Circularity (W2WFC), a cross-business, cross-functional working group, ABG businesses are realigning their waste management and resource procurement approach to make a gradual shift from linear to circular economy via recycling and reuse. The fundamental philosophy is to identify alternative uses for wastes and alternatives to replace virgin nature based raw materials.

This shift includes identifying processes, digital technologies and platforms that can assist in enabling this transition. We have successfully established cross business utilisation of some of the waste generated such as waste gypsum, pond ash, fly ash, red mud, copper slag which is successfully substituting natural raw materials used in the manufacturing process. This is also enabling explorations for utilising wastes that are difficult to dispose.

### The red mud generated during alumina production at Hindalco is being used as an Alternative Raw Material by UltraTech Cement.



More details later in this section.

A key enabler in the circularity journey is proactive engagement with various stakeholders and learning from experts. ABG companies are working through various expert peer bodies in their industry like textiles business with Sustainable Apparel Coalition (SAC) and Fashion for Good; UltraTech as founding member of Global Concrete and Cement Association (GCCA); Hindalco with International Aluminium Institute (IAI), etc.

ABFRL has collaborated with circular economy experts like Ellen MacArthur Foundation and Circular Apparel Innovation Factory (CAIF) for the 'Make Fashion Circular' initiative. CAIF is working to promote sustainable fashion concepts and providing an industry level platform for the apparel industry in India to build a circular eco system. The collaboration between ABFRL and CAIF is intended to generate more ideas and bring

innovations, with aim to add more strength to ABFRL to work around sustainability

Birla Carbon is engaged with the World Business Council for Sustainable Development (WBCSD) for measuring the circularity of production processes. They are using Circular Transition Indicators (CTI) tool to identify baseline circularity and areas for improvement.



## CIRCULARITY INITIATIVES

Along with the basic 4Rs, ABG businesses are taking more evolved initiatives like take-back programmes, memberships in global think tanks, online platforms for waste transactions, product-isation of waste generated and patenting of products made from waste.

## CEMENT FROM ALTERNATIVE MATERIALS AND FUELS

### UltraTech

Bauxite residue from alumina refineries of Hindalco is being used as an input in the cement industry. Filtration technology, by making use of pressure filters, helps reduce moisture content in the red mud making it amenable for use in the construction sector.

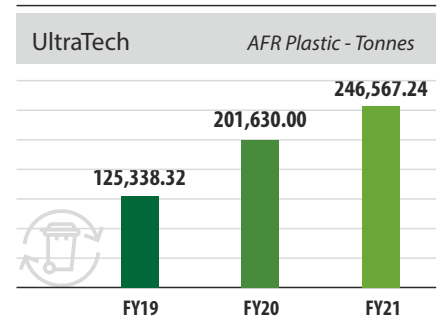
Hindalco has collaborated with multiple cement companies including UltraTech for the use of red mud as raw material in the cement kilns. **In FY21, Hindalco utilised 62% of the red mud generated – up from 27% in the previous year**, which makes it an industry leader for large-scale utilisation of red mud. Three out of four of Hindalco's alumina refineries achieved 100% red mud utilisation during the reporting period.

UltraTech also uses other industrial and municipal wastes as Alternative Fuel and Raw material (AFR). It is utilising waste materials like fly ash, conditioned wet ash, slag and gypsum to replace the naturally occurring limestone to produce blended cements. 20,445,760 tonnes of recycled materials were used in cement production and 280,714 tonnes of recycled materials were utilised in Ready Mix Concrete (RMC) production in FY21.

As alternate fuels, the waste materials that are otherwise destined for landfill, help as thermal substitution in kilns, which is the most energy-consuming stage of cement production. 3.74 lakh MT of hazardous and non-hazardous wastes from other industries and 74,187 MT of Municipal Solid Waste (MSW) were

utilised in kilns in FY21, thus substituting the use of fossil fuels. UltraTech is also co-processing plastic waste in kilns which is more than twice the amount of plastics used for packaging the cement produced in its facilities – making the Company 2.2 times plastic positive.

### Plastic Waste Co-processed



**20.4 million**  
tonnes of recycled materials  
used in cement production

**3.74 lakh**  
tonnes waste utilised as  
alternative fuel in kilns



## BUILDING CIRCULAR BRANDS

Circularity is not solely a technical challenge but also a marketing one - to turn the table and position our offering as a sustainable solution commanding premium, with no value destruction on our core business. Brands like Continua™ and Liva Reviva have the answer.

### Continua™ | Birla Carbon

Every year, millions of End-of-Life Tyres (ELTs) are discarded. Various companies have engineered processes to recover secondary raw materials from these ELTs but could not scale it up in the absence of a global supplier bringing reliability, quality, consistency and technical support. That is until Birla Carbon took on the challenge. 'Sustainability at Scale' is one of the key differentiators of Continua™ products supported by technical expertise and backed by the trust and credibility of Birla Carbon.

**Life cycle study shows there is reduction of 0.73 tons of CO<sub>2</sub> with One ton of Continua™ 8000 use compared to traditional furnace carbon black production.** The products will also enable large and quantifiable carbon footprint reductions. Birla Carbon plans to bring 70,000 Tons of Continua™ 8000 annually and become the world's largest supplier of Sustainable Carbonaceous Material (SCM).

### Liva Reviva | Birla Cellulose

Birla Cellulose is producing RCS (Recycle Claimed Standard) certified product, Liva Reviva containing 5% of post-consumer waste and 15% of pre consumer waste.

It achieved a breakthrough in manufacturing Liva Reviva using cotton fabric waste and following the principles of circularity. In-house trials with textile waste at the R&D centre led to exciting results with blends of textile waste and wood pulp, finally arriving at recycled fibre with 20% textile waste with fibre properties almost similar to virgin viscose fibre.

**This waste, which would have otherwise gone into landfills or incinerators, now saves 20% of natural resources.** The recycled fibre also has a lower GHG emission by 25% and lower water consumption by 65% as compared to generic viscose fibre.

### Recyclamine® | AB Chemicals

Epoxy thermosets are high performance polymers having superior mechanical, adhesive, and excellent electrical insulating properties. Thus they are preferred for versatile applications in Composites, Coatings, Construction, and Electrical & Electronics segments. Unfortunately, unlike thermoplastics, thermosets are not recyclable. The thermoset waste generated during manufacturing and at the end-of-life is estimated to be globally, 5 million tons per annum and ends up in landfills or is processed by energy intensive inefficient processes that increase pollution and add to global warming.

Recyclamine® is a novel-disruptive technology owned by Aditya Birla Chemicals (Advanced Materials) that provides lasting solution to this compelling issue by enabling epoxy thermosets to be recyclable. Recyclamines® are novel amine-based curing agents that contain specifically engineered cleavage points at cross-linking sites, which convert thermosetting epoxies into thermoplastics under specific set of conditions, thus helping achieve recyclability of thermosetting composites. Valuable reinforcing components such as carbon fiber or glass fiber as well as plastic material in a thermoset composite can be recovered and reused. This not only diverts them from landfill or incineration, but also contributes towards a circular economy.

In view of the immense potential and the advantages of the product, **Aditya Birla Chemicals is establishing a new manufacturing plant for Recyclamine® with 10,000 tons per annum initial capacity, expandable up to 50,000 tons per annum capacity, in the near future.**

## HARNESSING THE RECYCLABILITY OF ALUMINIUM

### Novelis

Aluminium beverage cans and bottles are the model of sustainable packaging and, with an average "can-to-can" lifecycle of just a couple of months, a can that is recycled today can be back on store shelves in just sixty days. Making can sheet from recycled material is better for our environment, better for our customers and better for our business.

Novelis is the largest, most technologically advanced aluminium recycler in the world. With state-of-the-art can sheet production lines and



recycling centres in North America, South America, Europe and Asia, it serves some of the most recognisable beverage brands in the world. Working alongside its customers, Novelis innovates to meet the ever-evolving preferences of consumers, whether for new shapes and sizes, alternative coatings or more.

With such collaborative work in value chain, **Novelis recycles 74 billion Used Beverage Cans (UBCs) globally each year.**



# DECARBONISATION



Aditya Birla Group  
aspires to achieve  
**NET-ZERO**  
carbon emissions  
by 2050

Greenhouse gas (GHG) emissions and the resultant global warming have been a matter of serious concern for the world. With the way global narrative is evolving including the negotiations at the recently concluded COP26, it is clear that the climate commitments, pledges and associated actions, will reshape the agenda for global business. Decarbonisation to reduce GHG emissions at operational and organisational level represents the next great transformation for businesses.

ABG businesses have taken cognisance of the acceleration expected in climate actions and have started incorporating climate risks and opportunities in their strategic plans. The climate change related initiatives at ABG businesses are focussed on both mitigation actions of decarbonisation and adaptation actions to address the physical risks.

Towards adaptation, businesses are aware of the physical risk posed by the changing climate. Hindalco and UltraTech have already conducted scenario analysis and published their mitigation and adaptation strategy as per the TCFD guidelines. ABG businesses have also started making progress by developing climate-resilient products, watershed management, storm water management, supply chain management, decarbonising their value chain, identifying innovative technology, etc.

**At Aditya Birla Group, the decarbonisation journey has been an ongoing one for many years now.**

The different building blocks of decarbonisation at ABG businesses have included

Knowing and understanding the energy mix and GHG emissions (Scopes 1, 2 and 3)

Identifying the set of technological and policy levers to decarbonise

Defining targets and developing decarbonisation roadmaps

Actioning the roadmaps through deep collaboration with all relevant stakeholders

Forming partnerships for strategic actions

Communicating transparently on different milestones along the way

## DECARBONISATION TARGETS OF ABG BUSINESSES

Setting public targets to reduce GHG emissions and energy consumption has been significant to ABG's commitment to decarbonisation and also of prime importance in bringing focus to our efforts. In September 2021, at the Group-level virtual conference, our Chairman while highlighting the principle of responsible resource utilisation that underpins our Group ethos and acts as a compass to guide our strategies and actions, announced our decarbonisation aspiration to achieve **net-zero carbon emissions by 2050**.

In this endeavour, Hindalco, Novelis, Birla Carbon, Grasim and UltraTech have already mapped their climate-related risks and opportunities. Together, these five companies represent 96% of ABG's GHG emissions.

### Hindalco

**25%** reduction in emission intensity by 2025 from 2012 as the base

One of the founding member signatories to the 'Industry Charter for Near Zero Emission Ambition by 2050' by The Energy and Resources Institute (TERI)



### UltraTech

Has committed to produce carbon neutral concrete by 2050. The roadmap to carbon neutral concrete includes a sectoral commitment to cut CO<sub>2</sub> emissions by a further

**25%** by 2030

UltraTech has also declared Science Based Targets as a founding member of the Global Cement & Concrete Association (GCCA)

The company's GHG reduction targets are aligned to the Paris Agreement. It has committed to reduce Scope 1 GHG intensity by

**27%** and Scope 2 GHG intensity by **69%**

by 2032 from the base year of 2017

### Birla Cellulose

Developing its roadmap for further reduction of its GHG intensity by

**30%**

in scope 1, 2 & 3 by 2030, and carbon neutrality by 2040

### Novelis

Has taken a public commitment to be net carbon neutral by 2050 and achieve a

**30%**

reduction in CO<sub>2</sub> footprint by 2026 (includes scopes 1-3 greenhouse gas emissions and based on the fiscal year 2016 as baseline)

### Birla Carbon

Publicly announced in August 2021 its intent to bring down its net carbon emissions to

**Zero**

by 2050, by following the 4Rs approach: Research, Reduce, Replace, Repurpose



# DECARBONISATION APPROACH OF ABG BUSINESSES

The approach to decarbonise at ABG businesses includes actions that are a combination of short, medium, and long-term sector-agnostic decarbonisation projects starting with direct emission reductions by improving operations and utilities to be more energy efficient; accelerating adoption of techno-commercially feasible solutions for energy conservation; fuel switching and greening our energy mix. Our long-term focus is on GHG emissions capture, investment in renewable energy projects, use of hydrogen and mainstreaming carbon pricing tool to drive efficiencies and carbon performance across businesses.

## 1. USE OF RENEWABLE AND ALTERNATIVE ENERGY SOURCES

1. Using renewable energy sources like solar and wind along with energy storage | 2. Adopting low carbon fuels like natural gas and hydrogen | 3. Leveraging biomass-based fuels like agricultural residues | 4. Utilising waste materials with calorific value like municipal waste, organic industrial solid wastes, among others.

- ABG businesses have made early strides in using renewable and alternative energy sources.
- Hindalco has installed renewable energy capacity of 49 MW and targeting to achieve 100 MW by FY23.
- UltraTech targets to meet 100 per cent of its electricity requirement through renewable sources by 2050. It has set a target to scale up its green energy mix to 34% of its total electrical power requirement by 2024, from the current levels of 13%. In the last two years, the company has enhanced its contracted renewable energy capacity by 2.5 times. In October 2021, UltraTech signed a non-binding MoU with Punjab Renewable Energy Systems Pvt. Ltd (PRESPL) under which PRESPL will execute biomass-based projects at three of UltraTech's units - cumulatively, estimated to generate annual carbon savings of over 150 thousand tonnes of CO<sub>2</sub>.
- The share of renewable energy in total energy mix of ABFRL, Birla Cellulose, Textiles and Chemicals business are 49%, 34%, 11.3% and 1.23% respectively.



### INVESTING FOR A SUSTAINABLE FUTURE | Aditya Birla Renewables

The need for clean energy and the urgent need to step up generation to mitigate the climate change risks proved the setting for the Aditya Birla Group's foray into the renewable energy sector in 2011. Initially, the renewable business was set up as part of the Essel Mining & Industries Ltd., but later a separate company – Aditya Birla Renewables Ltd. – was formed to give shape to the Group's vision for the sector. Today, the business has 575 MW operational plants and 250 MW project pipeline.



## 2. ENERGY EFFICIENCY AND CONSERVATION

This primarily involves reducing the quantity of energy used in our operations and conserve/recover energy through activities like recovering waste heat, waste gases with calorific value, among others. Towards this, UltraTech has installed Waste Heat Recovery System (WHRS) of 125 MW capacity, and is targeting to achieve 302 MW by FY24. Similarly, on energy productivity, UltraTech joined EP100 in 2018 and committed to double its energy productivity from the base year of 2010 to the target year of 2035. It surpassed this goal in 2020, well ahead of its target timeline.



### USING WASTE HEAT TO POWER OPERATIONS | UltraTech Cement Ltd., Kotputli, India

The Kotputli Cement Works Unit of UltraTech Cement Ltd. (UTCL) operates a dedicated single line cement plant having a 10,000 TPD clinker capacity at Kotputli, Rajasthan. While the plant was optimised for the cement burning process, there were still significant heat losses, mainly due to the heat released along with waste gases. The heat balance report of a kiln plant revealed that pre-heater waste gases and cooler exhaust air accounted for more than 35.5% of heat loss. The productive capture of this waste heat offered a significant opportunity to improve energy efficiency and reduce emissions.

A waste heat recovery-based power plant was installed at the facility. The heat values of pre-heater exhaust gases and clinker cooler exhaust gases were utilised in the waste heat recovery boilers to generate steam. The superheated steam was then introduced to the steam-driven turbine generator to produce power which in turn was utilised for the cement plant operations. Reduction in usage of grid and/or captive thermal power plant as it was substituted with green power from Waste Heat Recovery System led to both energy savings as well as reduction in GHG emissions.



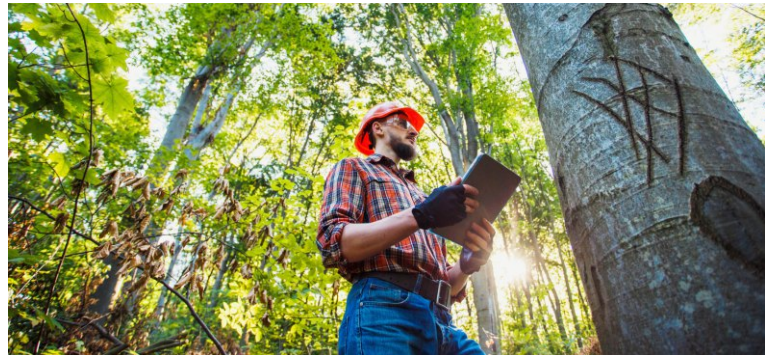
### 3. MITIGATION & SEQUESTRATION

ABG businesses are also working with different expert organisations to evaluate opportunities for natural and artificial sequestration through: 1. Reforestation opportunities | 2. New/emerging technologies for Carbon Capture Utilisation & Storage (CCUS)



#### CARBON NEUTRALITY THROUGH SEQUESTRATION | Birla Cellulose, Canada

Birla Cellulose, Grasim's Pulp and Fibre Business, based on the 3rd party evaluation, is **the first company in the Manmade Cellulosic Fibre (MMCF) industry to be carbon neutral** with respect to Scope 1 & 2 emissions and sequestration of carbon in its directly managed forests. This is a result of years of focussed efforts in making the process energy-efficient, renewable energy utilisation at the Pulp and Fibre sites along with ensuring net positive growth of forests that it manages in Canada.



### 4. LOW CARBON GROWTH AND PRODUCT STEWARDSHIP

The routes being:

- Moving towards low carbon products offerings;
- Achieving circularity through use of waste materials post-consumer use e.g. scrap as source of aluminium; construction and demolition waste as aggregate in concrete; fibre created from used garments; and
- Development of products that lead to a reduction in the carbon footprint of users, e.g. aluminium bulkers and wagons for the transportation sector.



#### CLOSED-LOOP RECYCLING FOR AUTOMOTIVE INDUSTRY | Novelis, USA

As the leading producer of flat-rolled aluminium products and the largest recycler of aluminium in the world, Novelis works alongside their customers to create innovative, sustainable solutions and processes to help realise the full potential of aluminium as an infinitely recyclable material that contributes to lower carbon emissions.

In a traditional automotive manufacturing environment, an estimated 30-40 percent of the aluminium sheet is left over after the parts are stamped out. The challenge was to preserve the value of this surplus material, by



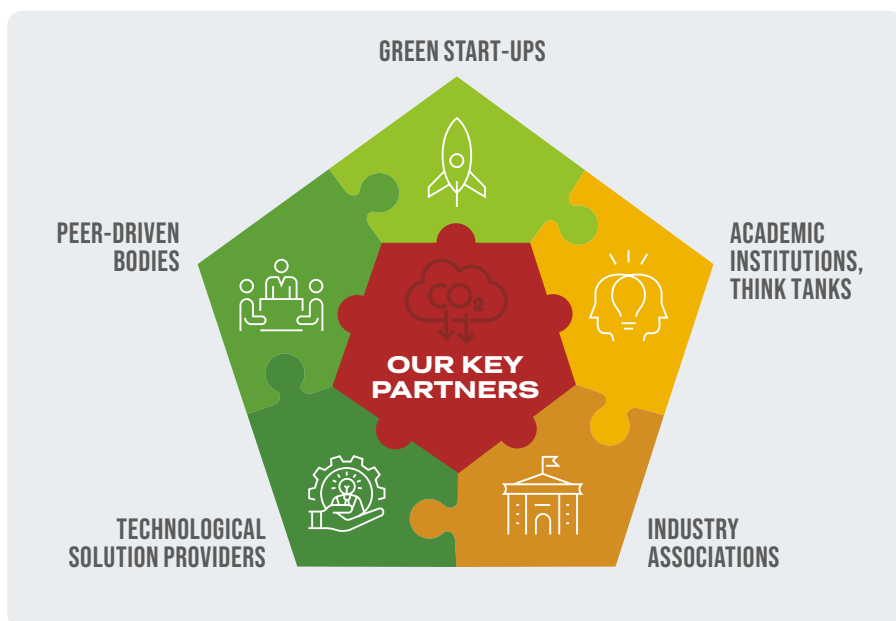
recycling it into the same grade as newly mined aluminium that is used for manufacturing. This would reduce the demand pressure on virgin aluminium, plus cut down the total carbon footprint of the automotive production cycle.

Novelis has pioneered a Closed-Loop Recycling (CLR) system that takes aluminium scrap generated via auto

makers' manufacturing steps, reforms it into the same grade of metal and inserts it back into the supply chain for customers. This innovative process recycles aluminium on a large scale, saving over 90 per cent of the energy that would otherwise be consumed in creating virgin raw material. For example, Novelis' Advanz™ s5754 RC aluminium alloy contains at least 75% recycled content and was developed in cooperation with Jaguar for use in its XE model. Ford, in partnership with Novelis, recycles and reuses 90% of aluminium scrap - enough to produce 30,000 F-150 truck bodies each month.

## DECARBONISATION EFFORTS OF ABG BUSINESSES

With an aim to achieve our decarbonisation targets, we are building capacities of our businesses through various engagement programmes on energy and climate change. This includes ABG's Annual Sustainability Conference, online training modules, and frequent expert talks. Additionally, ABG Stride Awards, instituted in 2016, recognise, reward, and share best practices in the area of energy efficiency and decarbonisation. These programmes are an opportunity for businesses to understand emerging scenarios, evolving expectations, new technologies, and proven solutions from across the globe. We also actively collaborate with industry associations, think tanks and academia to identify solutions that help scale energy efficiency and cut our carbon footprint.



Here is how some of ABG businesses are putting these learnings to use towards decarbonising their operations:

**Hindalco** is developing a climate change mitigation strategy based on three emission reduction pathways identified by IAI, namely electricity decarbonisation, direct emissions reduction and recycling & resource efficiency.

**Novelis** is the largest, most technologically advanced aluminium recycler in the world and aims to be the world's leading provider of low-carbon, sustainable aluminium solutions that advance company's business, industry and society toward the benefits of a circular economy. The high-level outline of Novelis' overall strategy to reduce 30% carbon emissions includes: growing high recycled content products, making investments to add recycling capacity, increasing recycling rates (deposit legislation, closed-loop systems, end-of-life), reducing prime use across products, applying sustainable sourcing strategies, implementing renewable energy projects, and decreasing energy use.

**Birla Cellulose** plans to achieve its target by increasing the use of renewable energy along with improving energy efficiency and reduction in usage of power and steam. Sequestration of carbon in its directly managed forests is also a key part of the plan to reduce their net emissions. They are engaging with their value chain partners to reduce the Scope 3 emissions.

**UltraTech**, the leading cement producer in India, has a three-pronged strategy to transition to a low-carbon growth trajectory – (i) **product diversification** including low-clinker based cement, blended cement, and allocating significant R&D resources in developing low carbon products; (ii) **accelerating investments in low carbon technologies** like waste heat recovery, renewable energy and alternate fuels; and (iii) enhance **resource efficiency** to scale up utilisation of industrial waste material both in the form of raw materials with as well as alternate fuels.

In September 2020, GCCA, on behalf of its member companies, announced the Climate Ambition 2050 in which the members commit to driving down the CO<sub>2</sub> footprint of their operations and products by 2050.

**Aditya Birla Fashion and Retail Ltd. (ABFRL)** has set its 2025 sustainability goals based on the learnings from various stakeholder consultations and results from ESG assessments in FY20. It used the SBTi approach for formulating its climate strategy. In order to align with the approach, in FY21, it developed completeness of GHG inventory for its Scope 1 and Scope 2 emissions.

It has also developed GHG emission baseline for Scope 3 based on the primary data available in its value chain.

**Birla Carbon** has been consciously investing in advanced technologies to upgrade its sites. These sites will target carbon capture and conversion, increasing use of bio-based feedstocks, and advancing the production of more circular products.

The Company will maintain its focus on lowering its direct and indirect emissions linked to its carbon conversion from feedstock and energy procurement processes.

Birla Carbon's decarbonisation next steps are centred in achieving circularity with the introduction of Continua™ Sustainable Carbonaceous Materials (SCM), along with its emphasis towards a culture of innovation and the overarching aspiration of achieving net zero carbon emissions.



## PERFORMANCE OF ABG BUSINESSES

### Energy Management, GHG Reduction

A key component of the overall approach at the Group level is the tracking of performance data. The performance gaps are being used to develop and drive action plans to better manage and reduce specific energy consumption and GHG emissions.

#### Energy Consumption by Businesses

Total Energy Consumption in Tonne of Oil Equivalent

Group Businesses	FY19	FY20	FY21
ABFRL	8,710	8,641 ▼	4,895 ▼
Birla Carbon*	NA	NA	612,497 ▶
Birla Cellulose	1,550,033	1,639,803 ▲	1,461,260 ▼
Chemicals	640,555	650,055 ▲	634,580 ▼
Essel Mining	49,154	53,018 ▲	59,666 ▲
Fertilizers	601,005	594,851 ▼	594,480 ▼
Hindalco	6,610,777	6,534,289 ▼	6,086,017 ▼
Insulators	17,280	12,259 ▼	10,103 ▼
Novelis	722,629	728,551 ▲	748,924 ▲
Textiles/Acrylic/Fibre/Overseas Spinning	154,443	147,399 ▼	131,364 ▼
UltraTech Cement	5,063,533	5,254,610 ▲	6,194,492 ▲

\*In FY19 and FY20, Birla Carbon only reported energy intensity figures. These were FY19: 11.61 GJ/t<sub>carbon black</sub> | FY20: 12.02 GJ/t<sub>carbon black</sub> | FY21: 12.31 GJ/t<sub>carbon black</sub>

#### Total GHG Emissions (Scope 1 + Scope 2) by Businesses

in tCO<sub>2</sub>

Group Businesses	FY19	FY20	FY21
ABFRL	59,467	60,038 ▲	27,308 ▼
Birla Carbon	3,795,311	3,490,829 ▼	3,432,770 ▼
Birla Cellulose	3,242,156	3,326,286 ▲	3,219,339 ▼
Chemicals	3,522,602	3,458,097 ▼	3,270,701 ▼
Essel Mining	170,126	184,687 ▲	199,894 ▲
Fertilizers	537,495	543,583 ▲	553,375 ▲
Hindalco	27,770,000	27,635,606 ▼	25,587,964 ▼
Insulators	65,005	48,230 ▼	39,369 ▼
Novelis	2,008,305	2,039,322 ▲	2,606,581 ▲
Textiles/Acrylic/Fibre/Overseas Spinning	718,335	689,706 ▼	616,801 ▼
UltraTech Cement	52,476,560	49,266,763 ▼	57,950,000 ▲

Hindalco has been able to reduce its carbon emission by implementing various energy efficient initiatives across its locations which has led to energy saving of 0.68 million GJ. At the same time, Birla Cellulose is deploying multiple strategies to reduce its carbon footprint – ranging from reduction in energy intensity, and increase in the use of renewable energy, to use of non-fossil fuel based sources as energy source at all fibres sites, implementation of low-carbon technology. Amongst other businesses, Birla Carbon has been able to reduce its overall carbon footprint by taking a holistic approach, resulting in greater efficiency by converting carbon into carbon black; optimising energy performance and increasing the proportion of feedstock that is sourced locally. On the other hand, the absolute emission of UltraTech Cement has increased due to an increase in production by 4% compared to previous years.



# WATER RESILIENCE



Total Water Harvested in FY21

**70 million m<sup>3</sup>**

**85%**

of Water from Surface Sources

**12.26%**

YoY increase in quantum of Water Recycled by ABG compared to FY20

Aditya Birla Group is aware of the importance water has on the health of the community and business continuity. At our site locations and in offices, we are using water in the production processes, for cooling, steam and power generation and for drinking, sanitation and hygiene (WASH) purposes. Across our locations, the water sources are diverse e.g. directly from surface water sources like rivers, dams, lakes; supply from municipal, industrial zone authorities. **For most of our businesses water demands are largely met through surface water.** Some of our locations have also developed harvesting structures to harness rainwater. This is then used for their various processes and to supply to nearby villages.

**With changing climate, water resource is being impacted drastically. Developing our thinking on conservation, efficiency, reuse, capture and storage techniques is critical for us to sustain the changing trends in water management.**

Towards building water resilience, ABG businesses have taken a comprehensive stepwise approach both inside the location boundaries as well as in the watersheds of our operation. This approach has been enshrined in ABG's Water Stewardship Policy and associated Water Risk Management Standard. The Policy aims at protection and conservation of water resources through excellent water management practices and governance systems. The Policy is implemented by setting targets and roadmaps across ABG sites. The actions include assessing water risks, developing strategies and then implementing the mitigation measures.

Inside the plant, businesses have been undertaking initiatives such as water usage monitoring and audits; measures to reduce, reuse, and recycle wastewater; plan for water emergencies; water harvesting and product innovation. These water management initiatives are aimed towards optimising the use of freshwater, maximising its reuse and recycle, and deploying state-of-the-art wastewater treatment options. With the changes in rainfall patterns across our site locations, we have initiated the process of reviewing and revising the storm water management plans at our locations. Outside the plant boundary, sites again monitor water quality and practice rainwater harvesting and artificial aquifer recharge methods through collaborative projects at watershed level.

## WATER MANAGEMENT AMBITION

**Aditya Birla Group has taken an audacious target to reduce the specific freshwater consumption per ton of product by 50% by 2025 from 2015 levels.**

In addition, some of the businesses have targets on becoming water positive at their mining locations and also becoming Zero Liquid Discharge facilities. Businesses are also looking into alternate sources of water to reduce the impact on surface and ground water. For example, UltraTech has converted most of its mine pits into reservoirs and is looking at reusing sewage water from municipalities for its white cement plant. This has led to the use of more than 9 million m<sup>3</sup> of harvested rainwater in their manufacturing process for FY21. Hindalco has adopted a similar approach of harvesting rainwater in its mining areas which is helping in substituting freshwater

required for their process. Birla Cellulose has harvested large amounts of water by building reservoirs and dams and is also looking at utilising sewage water.

The water harvested is not only utilised by the site for reducing its freshwater consumption but also supporting the nearby communities and industries in securing their water supply.

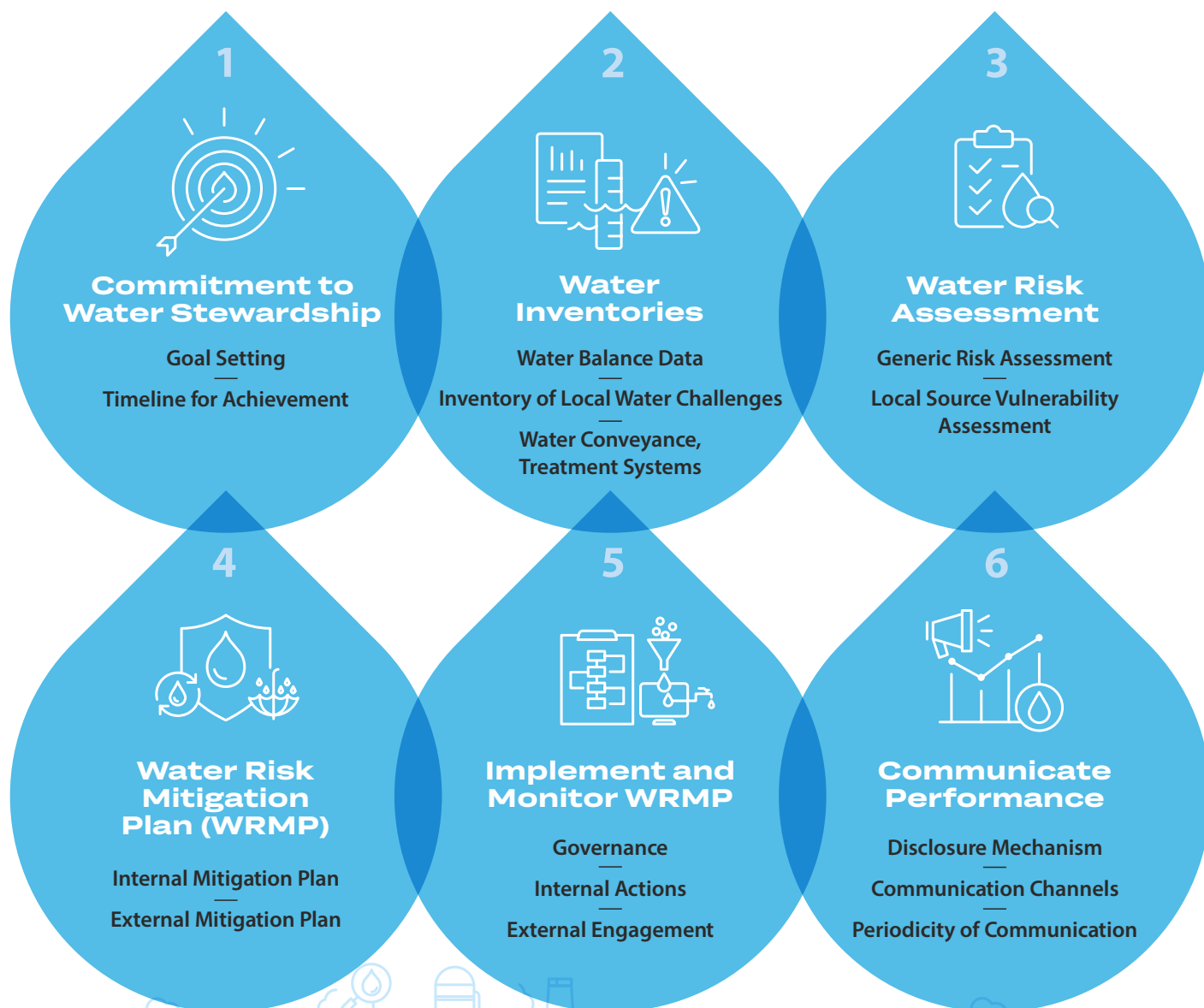




# WATER MANAGEMENT APPROACH

Aditya Birla Group follows six key steps for water management that forms the requirements of the Group's framework documents – Water Stewardship Policy, Technical Standard and Guidance Notes. It shows the actions, criteria and indicators that are required to manage water at the site level and how water management should be stewarded beyond the boundaries of a site.

## SIX STAGES OF WATER MANAGEMENT AND ITS CRITERIA



Implementation of the Water Technical Standard has been supported through the phased launch of Self-Assessment Questionnaires (SAQs). The water and wastewater SAQ are based on the respective standards.

This has helped ABG sites in water footprint mapping, identifying dependency on sources for freshwater and its related challenges, target setting, tracking performance through meters, establishing the process of

water risk mapping and identifying mitigation opportunities.

Depending on their sector and geographies, our businesses are in various stages of readiness. While some businesses are implementing ZLD to reduce their freshwater consumption and minimise wastewater discharge impact others are working towards improving water positivity and developing innovative solutions to reduce product water footprint.

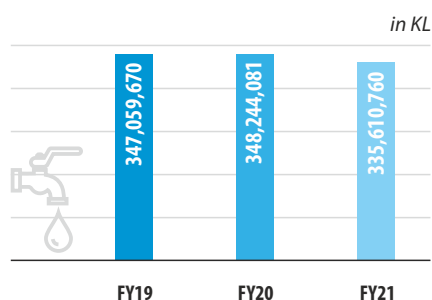
To share knowledge and practices, there is an ABG-wide water working group, comprising cross-functional, cross-business members and subject matter experts. The discussions in the group range from identifying efficient and innovative technologies for water and wastewater treatment, capacity building programmes and implementing wide-ranging, long-term initiatives and programmes for water and wastewater management.



## PERFORMANCE ON WATER MANAGEMENT

We measure our performance on water risk management on two dimensions - having all processes in place to measure and monitor risk and then to also measure our water consumption and wastewater generation. The upgradation in process of water risk management like having detailed site level water inventory to identify reuse, recycle opportunities, assessment of site level water risks are tracked through the SAQs. The SAQ scores and findings are used to track the robustness of water risk mitigation plans at site level.

Towards tracking water usage, all ABG businesses have robust measuring and

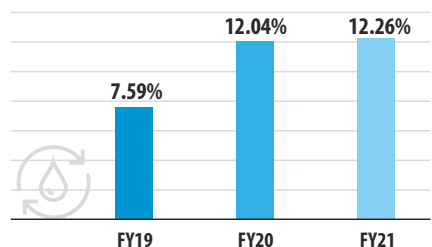


monitoring mechanism implemented to measure their water performance, with flow meters installed at the source of withdrawal and consumption points. This water related data, at the Group level, is captured in Enablon. Some of the key performance indicators (KPIs) that we track are:

- Amount of water withdrawal by source
- Percentage and total volume of water recycled and reused
- Wastewater generation
- Wastewater discharged

### Change in Quantum of Water Recycled

(compared to the previous year)



### Water Withdrawal by Businesses

in KL

Business	FY19	FY20	FY21
ABFRL	151,403	124,084 ▼	118,796 ▼
Birla Carbon	18,556,262	18,313,157 ▼	16,151,490 ▼
Birla Cellulose	177,141,908	173,967,715 ▼	162,731,970 ▼
Chemicals	17,505,658	23,301,657 ▲	19,571,066 ▼
Essel Mining	995,628	1,156,037 ▲	827,083 ▼
Fertilizers	6,554,610	6,549,650 ▼	6,677,890 ▲
Hindalco	88,116,429	88,445,973 ▲	87,012,643 ▼
Insulators	481,631	408,436 ▼	342,899 ▼
Novelis	8,857,427	9,463,993 ▲	12,214,840 ▲
UltraTech Cement	20,748,096	19,015,645 ▼	23,305,623 ▲
Textiles/Acrylic Fibre/Overseas Spinning	7,950,618	7,497,733 ▼	6,656,460 ▼
<b>Total</b>	<b>347,059,670</b>	<b>348,244,081 ▲</b>	<b>335,610,760 ▼</b>

For most of the businesses water withdrawal has decreased due to the various initiatives implemented across sites. This includes implementation of ZLD in Chemicals; development and deployment of water technologies in core viscose processes of Birla Cellulose; and recycling and harvesting initiatives implemented at Hindalco. While for UltraTech the water withdrawal increased due to an increase in their annual production.

### Quantum of Wastewater Recycled

as % of water withdrawn

Business	FY19	FY20	FY21
ABFRL	56%	80% ▲	75% ▼
Birla Carbon	18%	19% ▲	16% ▼
Birla Cellulose	0%	8% ▲	10% ▲
Chemicals	6%	7% ▲	7% ►
Fertilizers	10%	9% ▼	11% ▲
Hindalco	20%	21% ▲	19% ▼
Insulators	26%	36% ▲	47% ▲
Novelis	2%	2% ►	2% ►
UltraTech Cement	13%	14% ▲	12% ▼
Textiles/Acrylic Fibre/Overseas Spinning	4%	6% ▲	7% ▲

These KPIs are useful in benchmarking both internally across site locations and externally with relevant peers to identify areas of improvement, implement innovative solutions. Over time, our approach to wastewater management has moved from 'end of pipe' to 'source segregation and treatment' to maximise reuse and recycle.

Most of the ABG businesses are also reporting their water performance publicly in accordance with the GRI standards. In FY21, the Group businesses have harvested a total of 70 million m<sup>3</sup> water (including inside and outside plant boundary). Businesses are replacing their freshwater consumption with recycled water in their operational activities wherever feasible. The use of recycled water is expected to increase as many of the business sites are implementing ZLD systems.

## WATER MANAGEMENT INITIATIVES

Moving from a conventional conservation practice to implementing innovative solutions, ABG businesses are progressing well on their water stewardship journey. We understand that to be water resilient we not only need to regenerate water but holistically look towards securing water for all and upgrade to accommodate the future requirements of business and community. This can be demonstrated from some of the select best practices presented below:

### UTILISING TSE WATER AND RECHARGING GROUND WELLS

#### Star Cement Co L.L.C, Ras al Khaimah, UAE

Ras al Khaimah (RAK) is one of the 7 emirates that make up the United Arab Emirate. It is characterised by a desert climate with hot and arid summers and scant rainfall in winters. With the increased productivity at the Star Cement plant at RAK, there was increase in water consumption and to purchase water from UTICO - one of the largest utility providers, was not economically viable.

In search of an alternative solution, the team at Star Cements got in touch with RAKWA (a Government agency) to explore the possibility of using Treated Sewage Effluent (TSE) water for process requirement. The team tested and shortlisted TSE water from a plant situated 33 km away from its base of operation and negotiations were done to transport adequate water to replace the freshwater consumption, at least partially.

**The plant is taking an average of 275 m<sup>3</sup> TSE water per day - water that would have otherwise gone into the sea.** Additionally, to solve the problem of groundwater wells going defunct, arrangement were made for the recharging of the well water bed by pumping of the accumulated rain water from the various area of the plant. **Post rehabilitation work, the plant has achieved an average output of 180-200m<sup>3</sup>/Day from these wells.**





## REDUCING FRESHWATER USE THROUGH REUSE

### Hindalco, Belagavi, Karnataka

Hindalco's world-class aluminium refinery at Belagavi, Karnataka relied solely on water supply from the local municipal corporation to meet its water demand for both process and domestic use. The average water consumption at the unit was in the range of 110 million litres per month. The only other source of water was via rainwater harvesting in the catchment area. This dependence on the water was identified as a key business risk. With freshwater becoming dearer, a price hike too was anticipated.

To reduce freshwater consumption, a dedicated team at the unit implemented an innovative project to send the recycled and ETP-treated effluents back into the refinery process, thereby promoting zero liquid discharge. A dedicated freshwater line was installed to meet the freshwater requirement of the filter press.



**40%**  
reduction in freshwater  
intake bringing it down to  
60-65 million litres per month

**INR 24  
million**  
cost saving  
per annum

The initiative resulted in a reduction of freshwater intake by approximately 40% bringing it down to 60-65 million litre per month, resulting in a corresponding cost saving of INR 24 million per annum.

## REDUCING FRESHWATER USE THROUGH CONSERVATION

### Aditya Birla Fashion and Retail, Bengaluru, Karnataka

Bengaluru is one of the most water-stress susceptible cities in India, as per NITI Aayog's Composite Water Management Index (CWMI). WRI's Aqueduct tool also mentions Bengaluru as an extremely high-risk area. Aditya Birla Fashion and Retail (ABFRL), India's largest manufacturing & retail branded-fashion apparel company, operates units in such water-stressed regions. At ABFRL's unit - Europa Garments Ltd., in Bengaluru, the freshwater source was borewell water purchased from outside the plant boundary and the cost associated was high.

ABFRL installed a rainwater harvesting system and artificial aquifer recharge system which helped reduce the cost of freshwater by more than 65% during the rainy season. More than 6.35 million litre of rainwater was recharged artificially into two injection wells through the dual intensity rainwater harvesting filter and 'V' wire technology.



**65%**  
reduction in cost  
of freshwater  
during monsoon

**48.2 million**  
litres of rainwater harvested  
and artificial recharging across  
our major manufacturing units

Based on the success at the Bengaluru unit, ABFRL extended rainwater harvesting systems and artificial aquifer recharge systems across all major facilities in FY21 leading to more than 48.2 million litres of rainwater harvesting and artificial recharging across our major manufacturing units.



# BIODIVERSITY MANAGEMENT



Target of managing  
biodiversity based on a  
**NO NET  
LOSS**  
using mitigation  
hierarchy

Businesses rely on ecosystem services as critical inputs in the production processes through services like availability of water, mineable resources and forest/agricultural produces. In parallel, healthy ecosystems also lend to the treatment and final dissipation of air emissions and residual wastes, while maintaining soil and water quality, and helping control the air composition. Biodiversity is key to ecosystem services and it makes it a material issue for our businesses for activities like availability of nature based raw materials such as minerals, and water both at our manufacturing locations as well as in our supply chain.

Besides climate change, the loss of biodiversity is seen as the second greatest danger for the world's human population<sup>1</sup>. Almost all businesses rely on resources, provided by nature. These resources are based on an intact functioning system of biodiversity. The loss of natural species therefore directly endangers the resources and also disrupts the supply chain that businesses rely on.

**At Aditya Birla Group, we recognise both, our dependence on various ecosystem services and our business' impact on local ecology.**

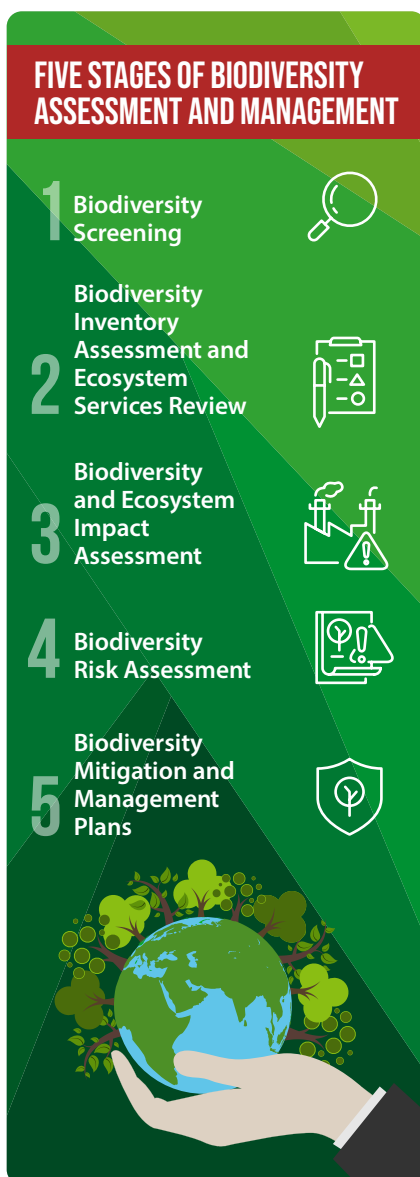
<sup>1</sup>Biodiversity loss has been identified as one of the top risks as per the Global Risk Report 2021 by World Economic Forum.

Towards this, our Group level partnership with the International Union for Conservation of Nature (IUCN), a global conservation organisation, has led to multiple actions. First and foremost being the development of our Group-wide Biodiversity Policy, Technical Standard and Guidance Notes. These are geared to help us achieve our target of managing biodiversity based on a No Net Loss (NNL) approach. NNL calls for potential negative biodiversity impacts caused by projects to be balanced by applying a recognised mitigation hierarchy involving avoidance, minimisation, rehabilitation/ restoration and offsetting the residual impact. This target is aligned with provisions of the Convention on Biological Diversity (CBD).



## APPROACH AND INITIATIVES

The ABG biodiversity standard is built on a habitat-based approach and includes criteria whose applications allow ABG businesses to determine the overall nature of their operational impacts, identify specific sources of impact relative to sensitive receptors, and prioritise their management actions. They provide guidance on biodiversity assessment and management through five stages.



Further, to implement the ABG biodiversity policy, we have been working with IUCN and its partner organisations to strive forward in identifying and implementing appropriate actions. We are committed to appraise our Group Business operations to identify impacts on biodiversity. Understanding the implications of impact on ecosystem services is necessary for sustainable operations. Here is how select ABG businesses are taking this commitment forward:

### Screening of Biodiversity Risk through Use of Geographical Information-based Tools

UltraTech and Hindalco are currently using the proximity analysis feature of Integrated Biodiversity Assessment Tool<sup>2</sup> (IBAT) of IUCN to assess the potential biodiversity risks arising out of their operations and use the information to develop a list of priority sites. These sites are the one which due to their nature of operations and their proximity to different habitats make them high risk on biodiversity.

### Primary Biodiversity Assessment at Priority Sites

UltraTech and Hindalco are conducting assessments using information from Environmental Impact Assessments as well as by working with expert organisations.

### Developing Biodiversity Management Plans at Priority Sites

Based on these assessments, the sites have been working to develop Biodiversity Action or Management Plans (BAP/BMP) as deemed appropriate. These plans include a suite of measures designed to avoid, minimise, rectify, and/or compensate for impacts to biodiversity resulting from the development and operations of the cement unit and mines area.

- UltraTech is implementing the BMP at Sewagram Cement Works (Gujarat) and plans to implement them next at Aditya Cement Works (Rajasthan), Kotputli Cement Works (Rajasthan), Rajashree Cement Works (Karnataka) and Balaji Cement Works (Andhra Pradesh).
- Hindalco, on the other hand, has implemented BMP in 15 out of its 48 locations and is aiming to equip all priority sites with BMP by 2030. To identify high priority sites, in addition to IBAT, Hindalco uses globally recognised tools such as WRI's Corporate Ecosystem Services Review (ESR) and WBCSD's Business Ecosystems Training (BET) which also helps them at the implementation stage.

<sup>2</sup><https://www.ibat-alliance.org/>



## RESPONSIBLE MINING

Mining, being a key source of raw material, is a core focus area for Aditya Birla Group companies from the point of view of resource optimisation. We ensure careful and optimal extraction, aimed at minimising waste and prolonging the mineral life of the mines.

**Hindalco** created the sustainable mining approach for responsible sourcing of bauxite and coal from their captive mines and through sustained efforts, developed the Sustainable Mining Charter<sup>3</sup>. This Charter is helping mining teams appreciate the impact of mining operations on environmental and socio-economic aspects through a detailed system-thinking approach. While the frameworks prescribed in this Charter document are for use across different mines of Hindalco (available in public domain and could be used by any other entity engaged in extractive mining), we consider the Charter as Group's overall guiding document for sustainable mining practices.

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<sup>3</sup><http://www.hindalco.com/upload/pdf/sustainability-mining-charter.pdf>

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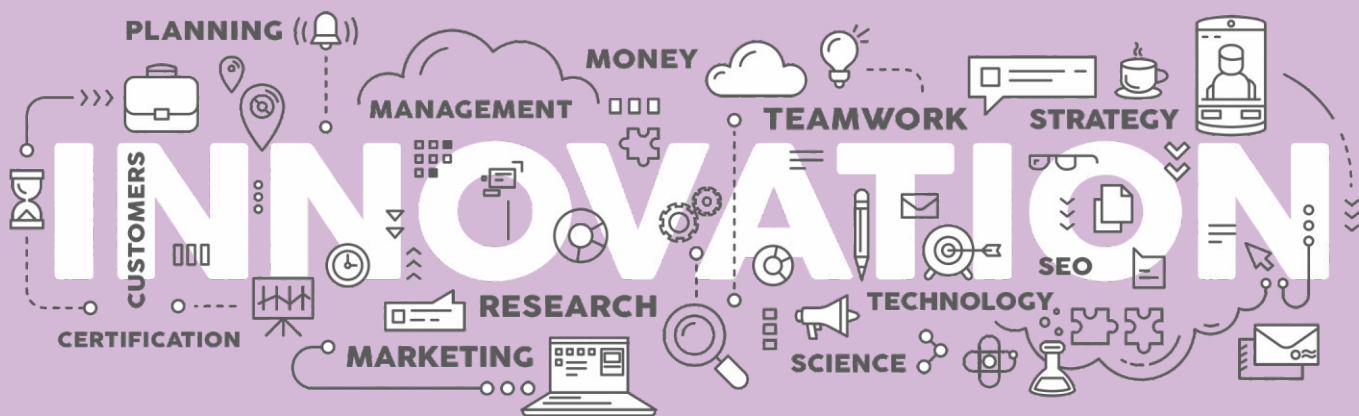
**Essel Mining Industries Ltd. (EMIL)**'s inhouse 'Plan for Mine Reclamation' has been designed by the Essel Management to include best management practices for surface mine reclamation. EMIL has been successfully implementing reclamation plans for their recently closed open cast mines in Jilling Langalota Iron & Manganese Mines and Kasia Iron Mines. Similarly, the mine reclamation and afforestation process are also implemented in a continuous, methodical and progressive manner in existing mining operations in Koira Iron Mines, Bhubaneswari Coal Mining Limited (BCML) in Odisha and Rajmahal Coal Mining Limited (RCML) in Jharkhand.

At **UltraTech (UTCL)**, the priority is to mitigate their mining impact on biodiversity and support simultaneous ecological development. They conduct extensive biodiversity assessments as part of their EIA at the mining sites, led by a team of experts in collaboration with the local forest department. Based on the findings, UTCL prepare a baseline of existing biodiversity and plan requisite steps for maintaining the same in collaboration with local NGOs and communities.





# INNOVATION FOR SUSTAIN-ABILITY



**Group Innovation leveraging outside-in partners in solving environmental and safety challenges**



**ABSTC is a central R&D hub of ABG with state-of-art laboratories, multi-purpose pilot scale facilities, process scale-up with CFD modelling expertise and digital simulation capabilities**

In an uncertain, complex, and highly competitive business environment, innovation has been a key driver of growth at Aditya Birla Group. Several ABG businesses have attained global leadership in their sector of operations due to their ability to augment their business strategy with innovation. These innovations have also supported the businesses in accelerating their ESG-bility and strengthening the Group's sustainability.

## **Keeping customer excellence as a core priority, we identify the internal requirements and external partnerships for innovation, and then develop solutions to serve the need.**

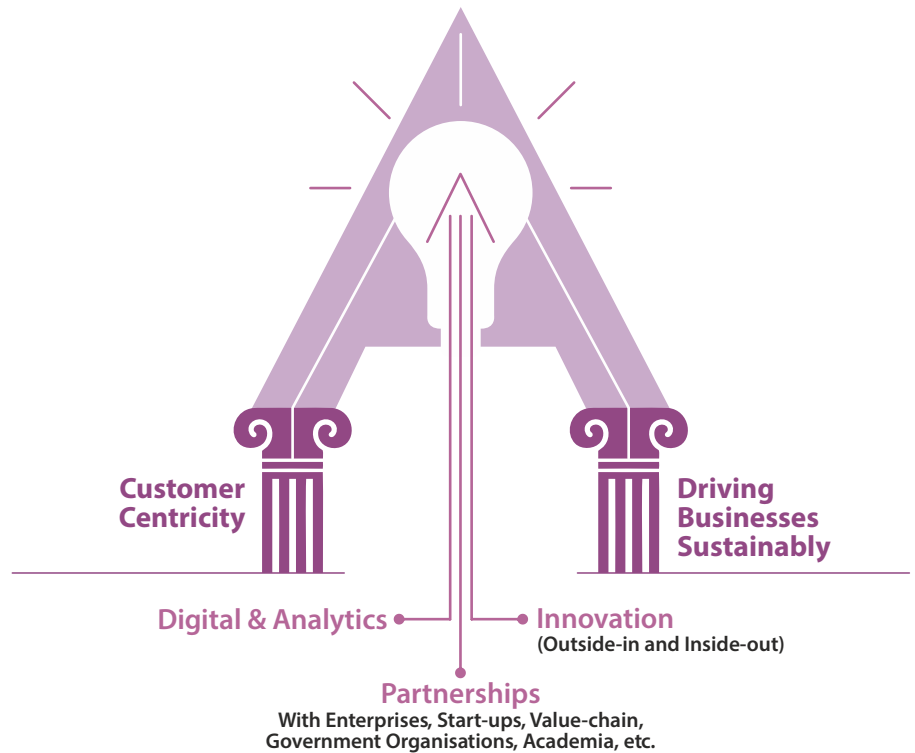
We leverage two models for incubating and scaling up innovation:

- **Outside-in Model** It leverages and augments core business strengths, fast-tracks innovation, identifies disruptive trends, and gains early access to emerging opportunities. This Model also involves partnerships with external entities like industry bodies, start-ups and academia, to co-innovate and implement solutions to fast-track innovation.
- **Inside-out Model** This model enables ABG businesses to externalise the internal knowledge and capabilities, and build innovation as a way with to contributing ideas and innovative products.

## 'A' FRAMEWORK

Being a global conglomerate with diverse businesses in various geographies, ABG follows a decentralised approach for innovation. However, standards, governance and capacities are all centralised.

In our 'A' Framework, Customer Centricity and Driving Businesses Sustainably are the two pillars on which our Group innovation philosophy stands, while Digital & Analytics, Innovation, and Partnerships are the enablers of our future growth.



## KEY CAPABILITY BUILDING INITIATIVES

The Group's Corporate Innovation Cell builds internal capabilities across businesses and crafts solutions to meet cross-business needs, identifies future business prospects and creates more stakeholder value. It strengthens the Group's innovation capability by developing a culture of learning. We have also moved from linear to a more interactive form of innovation considering the market needs.

### BizLabs

BizLabs is a unique open innovation platform that enables innovative start-ups with the ability to solve real business challenges at commercial-scale, gain market access by leveraging Aditya Birla Group's reach and platform.

### BizLabs NXT Digital & AI Conclave

BizLabs NXT is a virtual conclave series curated across multiple themes with a view towards generating business value and showcasing ABG's willingness to partner, irrespective of the size of the partner, true to its innovation-led ethos.

The ABG Digital & AI Conference 2021, a Group-level virtual conclave was held in January 2021. In its three tracks - Inspire, Integrate & Innovate, covering over 40 sessions, participants got an opportunity to listen to eminent marquee speakers from big tech firms, government institutions, academia, and tech unicorns. Interactions with start-ups on possible solutions eventually led to 5 start-ups being signed up.



### Incubating Innovations with StartUp India

StartUp India, a Government of India initiative, is India's largest online entrepreneurship platform. It enables start-ups to network, access free tools and resources, and participate in programmes and challenges.

ABG is partnering with StartUp India and hosting the 'Aditya Birla Group Innovation Challenge'. There are three programmes in this challenge: **Transforming Logistics | Reduce, Reuse and Replace Plastic Packaging | BizLabs: The Accelerator**

Start-ups across India are invited to send in their solutions under the first two programmes, while the third programme will support, incubate and accelerate the shortlisted innovations.

# DIGITALISATION

In addition to partnerships, digitalisation is also an enabler of innovation. The Group has adopted digital transformation by modernising the core system and architecting businesses for change by tapping into data, artificial intelligence and digital analytics. Digital analytics is supporting ABG businesses in two ways: pursuing new business models based on AI-driven insights; and making core business more data-driven with innovative solutions around price forecasting, sales forecasting, etc.

## Future Factory

ABG's vision for a Future Factory is to drive customer-centric, intelligent and agile manufacturing operations by connecting Man, machine and material to achieve efficiency, consistency and reliability with highest sustainable and safety standards. This project is a confluence of sustainability, technology and innovation, and is currently being piloted across some of our textiles and metals plants.



### CONNECTED SUPPLY CHAIN

- Agile
- Demand Driven
- Raw Material to Finished Product

### SAFE PRODUCTION

- Improved Safety
- Fewer Incidents
- More User-friendly

### ENERGY EFFICIENCY

- Lower Emissions
- Less Energy Consumption
- Green Manufacturing

### OPTIMISATION

- Asset Liability/ Zero Downtime
- Quality/Zero Defects
- Reliable Results

### SUSTAINABLE PRODUCTION

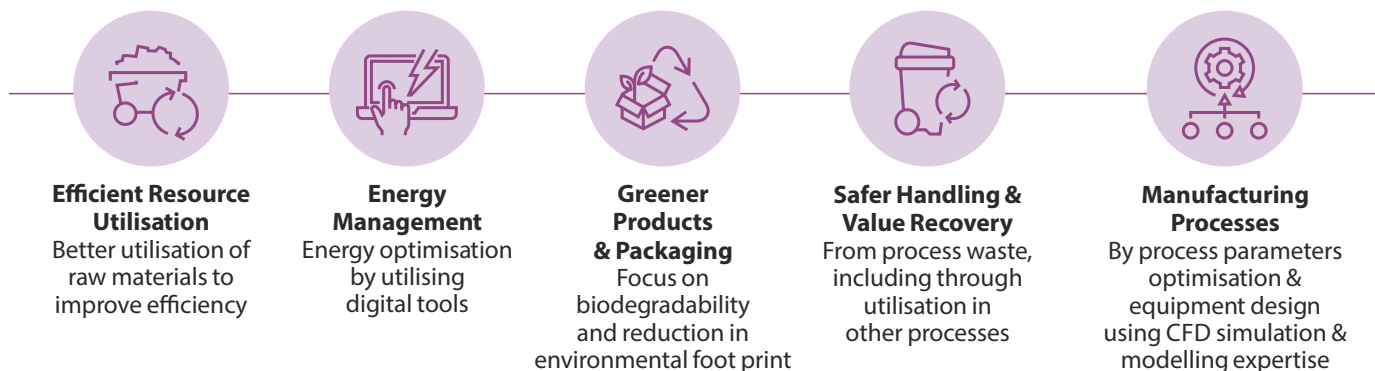
- Higher Value Products
- Data for Decision Making
- Product Lifecycle Management



# PROCESS AND PRODUCT INNOVATIONS

## Aditya Birla Science & Technology Company Pvt. Ltd. (ABSTC)

Aditya Birla Group's corporate Research and Development (R&D) centre, ABSTC works with ABG businesses on technological advancements in select areas of interest to businesses. This is done through chartered R&D projects. ABSTC scientists, supported by computational and scientific infrastructure, works on complex problems and provide solutions to assist group companies improving their processes and developing new products. ABSTC is also a recognised R&D Centre by the Department of Scientific and Industrial Research (DSIR), Government of India. ABSTC's sustainability initiatives with the Group businesses encompass aspects across the business value chains and broadly cover the following areas:



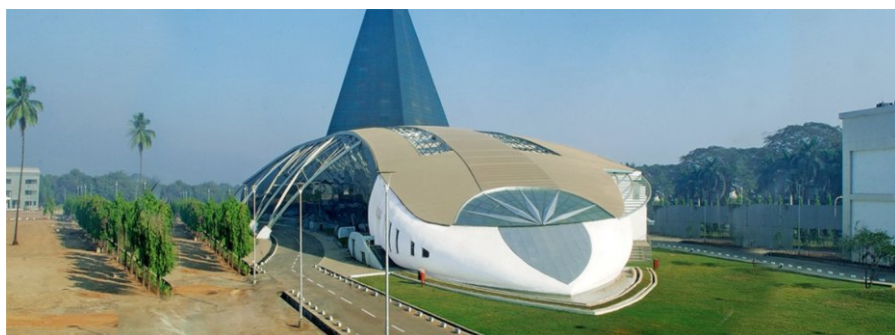
Some of the collaborative initiatives that have been rolled-out by businesses or are under advanced stages of implementation in these areas are:

### Reduction in Specific Energy Consumption at Hindalco

In an ongoing comprehensive research programme, ABSTC is working on reducing specific energy consumption at Hindalco's aluminium smelters. The initiatives include process optimisation innovations on carbon anodes, cathode collector bars, and use of digital technologies. The learnings from implementation at a particular smelter are also being adopted and deployed across other smelters of Hindalco. These technology solutions will help Hindalco smelters become more energy efficient and lower the CO<sub>2</sub> emissions

### Reduction in Energy Consumption in the Viscose Staple Fibre Manufacturing

Fibre dryers and Multi-stage effect evaporators are the major consumers of steam in the fibre process. ABSTC through the fundamental understanding of the involved process and equipment, coupled with the data modelling and plant's operational know-how, has developed and deployed solutions to reduce steam consumption and improve product quality. The developed platform could be utilised to apply such solutions in other suitable equipments and processes across the businesses.



### Recovery of Water and Zinc from the Viscose Fibre Effluents

Scientists at ABSTC have developed two in-house technologies to recover water and the valuable chemicals from waste stream. These technologies, under commercialisation, would help significant reduction in net usage of chemicals and water. The team has also developed a patented advanced oxidation technology of hydrodynamic cavitation that is currently evaluated to reduce the Chemical Oxygen Demand (COD) of different streams.

### Use of Waste Material from One Business as an Alternative Raw Material for Other Businesses

A great example of this is the joint collaborative effort by ABSTC, Group Sustainability Cell, Hindalco, Birla Copper and UltraTech-RMC that has

established commercial utilisation of Copper slag as replacement for sand in concrete making. Based on successful demonstration at lab & pilot scale, the slag is now being regularly used by UltraTech at their various locations for concrete applications.

### Sustainable Packaging

Another platform research pursued by ABSTC that cuts across the Group businesses and aligned to the Group's preparedness towards the single use plastics is Green packaging. ABSTC and Group Innovation team have evaluated several biodegradable materials including cellulosic fibres and is working with value chain partners to develop a sustainable packaging solution with focus on use of recycled polymers.



ADITYA BIRLA GROUP

# SUSTAIN-ABILITY CONFERENCE

Powered by Bizlab



## ABG's Flagship Outreach Programme

One of the biggest ways in which we interact with subject matter experts both within and beyond ABG, and understand macro-trends, is with the ABG Sustainability Conference.

The Annual Sustainability Conference hosted by Aditya Birla Group Sustainability Cell (AB GSC) and attended by senior managers from the Group Businesses, industry experts and leading minds from around the world, is designed to serve two core purposes:

- **Develop the leadership cadre to steer businesses to 2030, 2050 and beyond**
- **Help ABG businesses evaluate risks and opportunities, and understand external macro-trends**

In the first three conferences (2015 to 2017), we made a conscious effort to think beyond the outdated 'do sustainability' triple bottom line approach. These conferences focussed on megatrends that affect businesses in the medium to long-term and scenarios that businesses are likely to face in the future. In the 2018 and 2019 editions, we shifted focus towards the necessary strategies required to transform existing businesses into those that will still be sustainable in 2030 and 2050.

The 6th edition of the ABG Sustain-ability Conference with the theme 'ESG Road to Resilience' was held from 28-30 September 2021. The Conference provided actionable insights and scalable solutions to help ABG businesses on their path to greater sustain-ability. We also explored how ABG companies can more effectively mainstream ESG in executive and operational decision-making. The three-day transformative Group level virtual conference was designed through an extensive collaborative approach with six ABMCPL Group Functions and ABG Business-led Working Groups.

**Day 1** had the theme of 'Inspire' and provided the 'Big Picture' through common plenary sessions comprising Chairman's address, ABG leadership remarks on ESGbilty, keynote conversation, CEO panel, and a fireside chat

**Day 2** with the theme 'Interact' highlighted the 'Big Push' built around issues to be tackled, i.e. ABG's four material ESG topics: Decarbonisation, Circularity, Water and Wastewater management, and Safety/Zero Harm, running in parallel tracks across four dimensions: 1) Centrestage issue 2) Plant-level (design & operation stage) interventions 3) Value chain management and 4) External and internal collaborations

**Day 3** called 'Innovate' aimed to usher in the 'Big Pursuit' across topics and explored the role of innovative processes and digital solutions that ABG could adapt to stay ahead of the curve

**INSPIRE** **INTERACT** **INNOVATE**

**160 SPEAKERS, SUBJECT MATTER EXPERTS & JURY MEMBERS**

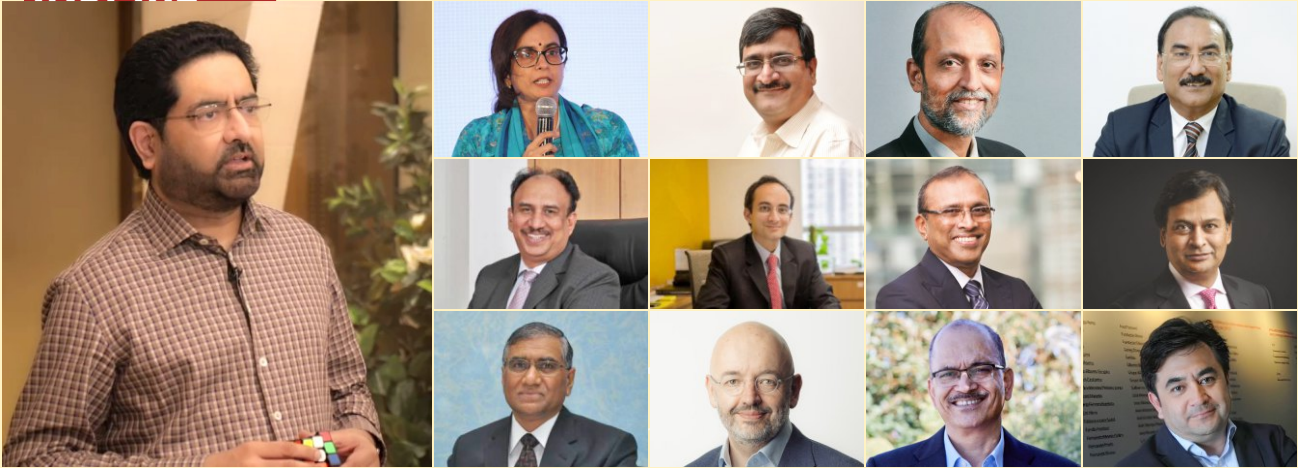
CURATED BY AROUND **40 EXPERTS**  
ACROSS MULTIPLE CROSS-BUSINESS AND CROSS-FUNCTIONAL GROUPS

**The Sustainability Conference 2021 was attended by almost 3,000 delegates spread across three days.**

## SUSTAIN-ABILITY CONFERENCE - A FEW GLIMPSES

DAY 1

### INSPIRE



DAY 2

### INTERACT



DAY 3

### INNOVATE



...And many more...





**ADITYA BIRLA GROUP**

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