

## Drivers of Our Efficiency Outcomes

The excellent outcomes we reported during FY 2020-21 were the result of some exceptional measures that we took amid the pandemic. They were the outcome of our proactive efforts to optimize operational and cost efficiencies, while staying true to our commitment on our sustainability goals.

Despite the COVID-19 crisis, Hindustan Zinc delivered one of its best years in terms of operational and cost efficiencies. These outcomes were the result of the various targeted initiatives we took through the year.

### Optimizing to Control Costs

Driving our efforts through the year was our unwavering commitment to continued and consistent value creation and delivery for our stakeholders. While markets around the world struggled to cope with the demand crisis, which triggered cost escalations for many mining companies, we were able to successfully manage our costs at low levels. We also succeeded in keeping our cash cost of production at the lowest levels since we transitioned to underground mining operations in March 2018.

This was, in large measure, the result of our continued efforts to strengthen the foundation of our core operation and our delivery on volumes, while structurally bringing down the cost through various initiatives.

These initiatives included efforts on all the major counts, including consumption, contracting, procurement and fixed cost optimization.



### Long-term Value vis-à-vis Shareholder Returns

The fact that we were able to keep costs in control despite higher mine development expenditure underscores the excellence of our strategic focus, which is a delicate balance between generating long-term value and distributing returns to our shareholders.

We remain consistently focused on the resilience of our assets so as to deliver consistent shareholder value throughout the economic lifecycles. In these uncertain times, our strength lies in delivering strong free cash flow from operations, which enable us to invest in the growth of our business and consider new projects, while also giving consistent returns to our shareholders.





## Focus on Sustainable Growth

In line with our commitment to sustainable growth, we embarked on the development of several processes that incorporate both financial and sustainable aspects in our day-to-day business decision-making. We also kept our guidance on CAPEX intact, with our focused approach of exercising prudence in an uncertain business environment and striking a delicate balance between investing in growth, while conserving cash.

## Harnessing the Power of Technology

In our endeavor to boost operational and cost efficiencies, we continued to make extensive use of technology throughout the year. Besides continued investments in technological upgradations and digitalization at our mines, smelters, refinery and other facilities, we strengthened our EVOLVE e-commerce platform to effectively reach out to MSME customers with live, exchange benchmarked prices and as low as one ton delivery for zinc and lead metals.

As we surge forward towards increased efficiencies and even better outcomes, backed by excellent returns and value delivery for our stakeholders, we shall remain dedicatedly focused on pushing the bar of technology and cost control, across our business value chain.

