

Engaging with Stakeholders to Deliver Value(Able) Outcomes

At the heart of the stakeholder engagement lies our commitment to walk the extra mile for understanding and meeting stakeholder expectations. Notwithstanding a challenging COVID impacted FY2021, we continued to align our business strategy to their aspirations, to deliver excellent outcomes across each stakeholder group. Stakeholders lie at the core of what we plan & do, as it determines the way we engage with them and implement initiatives to bring desired outcomes. We believe that productive and open stakeholder engagement is vital for long-term sustainability of the organization and for the values it tries to create for all its stakeholders.

At Hindustan Zinc, we have been proactively engaging our stakeholders as their participation is key to successful implementation of all our strategic interventions. These initiatives ranging from driving sustainable consumption patterns, efforts to reduce environmental impact, incorporating human rights principles, values and codes of conduct to uplifting communities, or contributing to the nation's growth and development, need participation of various stakeholders like customers, suppliers/vendors, business partners, local people, government and regulatory authorities etc. Therefore, delivering value to all stakeholders and being able to achieve full participation

is a fundamental prerequisite of mutually beneficial and long-lasting relationships.

To guide our approach to stakeholder engagement, we have established Stakeholder Engagement Standard. The process is cascaded down to all respective sites where each one needs to individually identify and conduct analysis of stakeholder engagement process. The appointment of respective stakeholder representatives enables this exercise to be conducted more efficiently as these representatives act as a channel to enable two-way engagement between the organization and stakeholders.

In addition, the respective teams at the organization level help in identifying individuals and groups who may be affected by our operations and may otherwise go unnoticed due to their disadvantaged position. The ways in which stakeholders may be affected, as well as the extent of both actual and perceived impacts, are identified and recorded for each group. Utilizing the information that is gathered, we liaise with the stakeholders to determine the level of communication and consultation that is appropriate. From this, Stakeholder Engagement Plans (SEPs) are derived, and periodically reviewed and updated as needed.

Our Stakeholder Ecosystem



CUSTOMERS

Understanding of their needs helps in determining product quality & pricing
Product innovation development is guided by customer requirements



SUPPLIERS

Critical to ensuring operational efficiency through timely supplies & logistical efficiency
Vital to our goals of sustainability and responsible source



COMMUNITIES

Community outreach is vital to national progress, which translates into a congenial macro environment for business growth
Positively touching lives of people and there by enhancing their quality of life & wellbeing.



GOVERNMENT

Contribution of our business to nation-building through our products, taxes & royalties
Support to Government's on-ground initiatives through CSR & contribution to local economy



SHAREHOLDERS

Shareholder support & feedback on operations provides continuous guidance for the management and governance




EMPLOYEES

Employees help meet business goals with their collective knowledge & experience, by initiating best-in-class people practices
Employee productivity is critical to driving performance & generating value

How We are Engaging with Our Stakeholders

Our engagement with each of our stakeholder groups is built on multiple stakeholder-specific platforms, driven by a collaborative approach. Cognizant of the importance of our stakeholders to our brand image and reputation, we remained wholly committed to strengthening and expanding these platforms during the year under review.

In order to monitor and measure progress, we have in place a well-formulated review mechanism that tracks stakeholder interactions and the outcomes achieved.

	CUSTOMERS 	SUPPLIERS 
Expectations & Concerns	<ul style="list-style-type: none"> > Product & service quality backed by price options > Robust complaint & grievance redressal mechanism > Transparency in sharing of information on products & services > Responsiveness to technical, pricing & other queries > Just-in-time inventory availability 	<ul style="list-style-type: none"> > Fair, transparent and long-term business relations > Transparent & effective information sharing > Regular technical know-how exchange > Contract terms & conditions, other collaborations
Engagement Platforms	<ul style="list-style-type: none"> > Intuitive CRM platform for continuous engagement & feedback > Periodic connects with key customers by top management > Biennial customer satisfaction survey > Forum for quick customer query resolution 	<ul style="list-style-type: none"> > Contract negotiations, supplier code of conduct, policies & standards > Regular supplier meetings and site-visits > Vendor due diligence and pre-qualification meetings > Supplier sustainability assessment > Helpdesk for speedy resolution of supplier query
Engagement During FY2021	<ul style="list-style-type: none"> > Virtual interaction with all contractual customers > Virtual executive committee meetings with key customers > E-commerce and vendor-managed inventory for key customers 	<ul style="list-style-type: none"> > Emergency meetings for invoking force majeure in all affected contracts > Supplier safety performance 'Sameeksha' platform chaired by CEO > Gemba Walks at contractor sites by senior management > Monitoring of COVID-19 impact on contractors, workforce and providing the necessary support
Outcomes	<ul style="list-style-type: none"> > Maintained market share of domestic primary zinc consumption > Over 70% 5-star rating for e-commerce experience out of over 1,200 orders > Increase in share of wallet of key accounts > Joint customized product development > Increase in market share over last year 	<ul style="list-style-type: none"> > Suppliers enabled quick ramp-up after the sudden shutdown in March 2020 > Lowest cash (C1) cost of production since fully underground operations started

COMMUNITIES



GOVERNMENT

Expectations & Concerns

- Better living standards and economic progress in surrounding villages
- Water conservation and clean water availability for communities
- Local employment and local sourcing
- Community engagement & development initiatives

- Regulatory compliances
- Employment generation & skill development support to local government
- Participation in industry and government-collaborative projects
- Self-sufficiency for nation in metals through import replacement

Engagement Platforms

- CSR initiatives & interventions
- Robust grievance mechanism
- Leadership community connect
- Community Impact Assessment survey conducted once in 3 years (last in FY 2018-19)

- Advocacy through trade and industry bodies
- Regular engagement with regulators, local administration, inspection bodies
- Partnerships in government's social programs
- Regulatory and legal compliances

Engagement During FY2021

- 'Koi Bacha Rahe Na Bhookha' campaign
- Anganwadi Sustenance committee meetings
- Virtual mediums for education programs
- Animal Health camps
- Market linked skilling centers
- Unit Head visits to core villages
- Leadership Community Connect
- Ratri Chaupals
- Grassroot institutions like Farmers Interest Groups, Federations, Khushi Committees etc.

- Silver industry focused webinar organized by Vedanta
- MSME focused webinar organized by Vedanta
- Board meetings with government appointed directors



Outcomes

- Over 7 lacs people benefited by our CSR initiatives apart from 4.20 lacs beneficiaries covered through COVID-19 support
- 13 RO Hub plants, 39 standalone ATMs are running in 52 villages
- Over 1,80,000 children supported through education initiatives
- 2,248 SHGs with a membership of about 27,517 with total savings of ₹ 11.62 crore

- ₹ 15,008 crore contribution to the exchequer
- Generated net foreign exchange worth ₹ 5,595 crore through exports

Stakeholder Grievance Redressal Mechanism

Hindustan Zinc with engages its stakeholders on a regular basis to ensure that their voice is heard. If a stakeholder still has a grievance, we have a well-defined redressal process in place. We have a Grievance Committee, chaired by the respective unit heads, to address the stakeholder grievances on a periodic basis. An apex committee, chaired by the location head, meets every quarter and the unit level committee meets every month and are apprised on the grievance received and action taken by the respective committees.

	 SHAREHOLDERS	 EMPLOYEES
Expectations & Concerns	<ul style="list-style-type: none"> > Industry leading returns via dividends and long-term capital appreciation > Timely, fair and proper disclosures > Reflection of shareholder viewpoints in corporate strategy and long-term plans 	<ul style="list-style-type: none"> > Right Management in place > Career progression > Talent development interventions > Learning & growth potential > Remuneration & benefits > Equal opportunities for equitable growth > On-the-job training of freshers > Occupational health & safety assurance & promotion
Engagement Platforms	<ul style="list-style-type: none"> > Annual General Shareholders Meetings; Financial results declaration (quarterly) > Investor Relations events, one-on-one meetings > Disclosure tools, including Annual Reports, Sustainability Reports and Tax Transparency Reports > Complaints and grievance management 	<ul style="list-style-type: none"> > Intranet and in-house newsletters > Management effectiveness program > Training, mentorship & coaching programs > Management-employee Town Hall meets > Annual employee surveys > Suggestion scheme > Performance dialogue & appraisals > Automation of the HR processes for the ease of employees
Engagement During FY2021	<ul style="list-style-type: none"> > Senior management Q&A round in quarterly earnings calls > Annual General Meeting (AGM) for FY2020 organized > Annual Report released for FY2020 performance 	<ul style="list-style-type: none"> > Roll-out of diversity & inclusion policy > Training need identification of all employees > Sampark, a monthly Town Hall, conducted at head office and at sites with Senior Management > CEO connects & employee connects at units > Focused group discussions & diversity connects > Mentorship for freshers & identified talent groups > Learning & development workshops > Work Integrated learning program (partnered with IIM Udaipur & BITS Pilani) to offer MBA to selected employees > Launch of IDP (Individual Development Plan) for talent pool identified through ACT UP, V Reach, V Build, V Lead, etc.
Outcomes	<ul style="list-style-type: none"> > Interim dividend of ₹ 21.3 per share in FY2021 	<ul style="list-style-type: none"> > Employee benefits: ₹ 760 crore (Including Compensation) > 4.6% attrition rate of employees > 15% female diversity in executive workforce > 24% diversity in ExCO > Productivity enhancement > GMA Best Manager Award > Great Place to Work Certification > People First HR Excellence Award for Leading practices in technology deployment in HR

We believe that our sustained focus on maintaining close stakeholder engagement will help us in delivering excellent business outcomes and value in the long term.