

Governance Focused on Governance and Ethics



Good governance, backed by ethical business conduct, stands out as a vital engine of our strategic approach. It is our constant endeavor to create and deliver holistic value across our stakeholder network. We remain committed to ensuring positive business outcomes in the most transparent, fair and honest manner.



Delivering with Transparency

Our Corporate Governance (CG) philosophy is driven by the overarching purpose of building an environment of trust, accountability, responsibility and transparency. It is designed to promote long-term investment and value delivery by ensuring a culture of ethics and integrity, backed by financial stability and sustainability, to enable stronger and more inclusive growth.

Robust Corporate Governance Structure

Hindustan Zinc has in place a robust corporate governance framework, centered around the tenets of ethics, transparency, accountability, inclusiveness, equity, and strict adherence to legal principles.

Our three-tier framework promotes corporate citizenship, backed by the highest standards of governance. It is pillared on the tiers of:



4

Cases of sexual harassment grievances were reported and closed

ZERO

Complaints relating to child labor, forced labor and involuntary labor

Strategic Supervision

Our Board of Directors has set up various committees to ensure strategic supervision. The committees, namely Risk Committee, Audit Committee and Stakeholder Relationship Committee, drive the organization's long-term strategic goals. They are tasked with specific responsibilities, with climate change incorporated into their agenda. The decisions of the committees steer the Company's overall management approach.

Management and Control

Seamless communication between the Company and its Board is ensured through our Executive Committee. The Executive Committee consists of the Company's functional heads and plant heads, including the Chief Executive Officer, the Chief Financial Officer and the SBU Directors. The Executive Committee oversees the management and control functions at Hindustan Zinc, and is the key to implementing the Company's strategies, coordinating the various business transactions, and focusing on process improvements at mines and smelters.

Execution

The Company follows a decentralized decision-making process, with the responsibility of overall execution and empowerment resting with the Strategic Business Units (SBUs). In fulfilling this role, the SBUs follow a well-defined strategic approach, with elements

of sustainability embedded in our business decisions, and overseen at the Board level.

In line with this approach, we seek guidance from our CEO/Board on matters related to climate risks, opportunities and investments, which have direct implications for our business and require the Vedanta Group Sustainability Committee to provide overall guidance on sustainability.

At Hindustan Zinc, we have implemented a three-tiered sustainability governance framework to organise our thoughts and ideas, undertake informed planning, evaluate activities and ensure accountability on all aspects of environmental, social and governance issues. The framework also enables us to set short- and long-term goals and monitor performance systematically in alignment with the sustainability priorities at every level of the organization.

Sustainability Committee at Group Level (Tier 1)

This committee advises the organization on sustainability policies and framework, clearly setting out the Group's commitments to manage matters of sustainable development effectively. Besides reviewing and approving targets for sustainability performance, it also recommends initiatives required to institutionalize our organization-wide sustainability culture. Transparency and efficiency of the sustainability measures are ensured through the Group Management Assurance System.



Sustainability Committee at Company Level (Tier 2)

During the year, we have established the Executive Sustainability committee, chaired by CEO and involving all the 8 sub community chairman and other Executive committee members. Committee meets quarterly and review the progress against all the 8 Sustainability Goals 2025.

This Committee is responsible for formulating the sustainability strategy as well as the long-term goals and targets of the Company. It plays a strategic role in all business decisions for ensuring workplace safety. The focus is on eliminating any potential damage to the environment, in line with the Company's stakeholder commitment and for maintaining its reputation. The committee meets once every quarter.

At Hindustan Zinc, we continuously identify, assess and mitigate risks arising out of internal and external factors. Through a formal monitoring process at the Company level, new risks are identified, categorized as per impact and likelihood, mapped to key responsibilities of certain managers. The risks are then managed with an appropriate mitigation plan.

Sustainability Communities (Tier 3)

To drive the eight Sustainability Goals 2025, we have established the following 8 sustainability communities which reviews the progress against their respective goal and comprising of champions of all the units. These communities meets on monthly basis.

- > Energy and Carbon Community
- > Waste to Wealth Community
- > Biodiversity Community
- > Water Community
- > Corporate Safety Council
- > People Community
- > CSR Community
- > Supply Chain Community

Ethical Business Conduct

Ethical conduct of business, at Hindustan Zinc, encompasses all its stakeholders, right from our top Management and Employees, to our partners, contractors, shareholders and others. The Code of Conduct is pillared on the ethos of trust, mutual respect, professionalism, responsibility, accountability and transparency in communication. It is aligned with the Foreign Corrupt Practices Act and UK Bribery Act, 2010. The Code guides our behavior, while helping us in the promotion of honest and ethical conduct, along with ethical handling of any conflicts of interest, complete and timely disclosures, among others.

Accountability for Adherence to This Code

All the Board members, executives and new employees annually affirm compliance with the Code. An Ethics Committee has been constituted to orient and address the principles and standards contained in the Code.

Whistle-Blower Policy

We have in place a clearly defined Whistle-Blower Policy to encourage and empower our employees to raise concerns about any unfair business dealing in the organization. The Group Head – Management Assurance is responsible for addressing all complaints raised. An innovative three-click process for registration of a complaint via mobile application has been put in place. All such complaints are investigated in-depth, and the report for complaint resolution is then shared with the Audit Committee for review. A special 'whistle-blower portal for safety' has also been established to encourage compliance with safety practices.

Anti-Bribery and Anti-Corruption

To ensure fair and transparent conduct of all business transactions, we strictly follow anti-bribery anti-corruption policies at Hindustan Zinc. Training is provided to all employees and business partners with regard to the principles and core tenets of the Code of Conduct, which they are required to comply with at all times. This ensures that no undue monetary or facilitation payment is made at any stage along the value chain to any person or persons, including public officials, customers, or to any other organization.

During FY 2020-21, there were no known reported legal cases on anti-competitive behavior, anti-trust and monopoly practices. There were also no reported fines/non-compliance issues with regards to the applicable laws and statutes.



HUMAN RIGHTS

Our Approach to Human Rights

With human rights protection central to our business approach, we have formulated a Human Rights Policy, which is aligned with the UN's Guiding Principles on Business and Human Rights. The Policy provides for strict prohibition of child or forced labor either directly, or through contract labor. We strictly pursue this policy across our supply chain, with the labor rights of our employees protected at every stage. In addition, we have incorporated the protection of the fundamental rights of all our direct and indirect employees, communities and immediate supply chain in our business ethics and Code of Conduct. Both the code and the policy clearly communicate our expectations to our business partners with respect to compliance with all relevant legislation and follow our policies in the process of execution of any work for, or on behalf of Hindustan Zinc.



Slavery and Human Trafficking

In line with the disclosure obligations under the UK Modern Slavery Act 2015, we ensure that modern day slavery does not prevail in our business and supply chain. We monitor all functions stringently to ensure that our contractors, suppliers and business partners do not use any child, forced or trafficked labor.

