

Message from the Chairman



Even as we were all working together towards higher efficiencies and sustained growth, through our dedicated focus on our business goals, we did not lose sight of our corporate responsibility towards the community at large. Nor did we, for a moment, shift our focus away from the Sustainability Goals that we have identified as a key strategic priority to guide our future journey.



Dear Stakeholders,

The past year has been one of the most difficult in human memory. It has challenged businesses like never before, pushing them to the edge of their resilience and capabilities. Around this time last year, the world was barely coming to terms with the COVID-19 crisis. We were trying hard to understand the unprecedented threat it posed, and harder still to fight back. And yet, amidst the chaos and the uncertainty triggered by the pandemic, at Hindustan Zinc, we were confident that we would successfully overcome the short-term challenges to emerge stronger, and continue to deliver value consistently to all our stakeholders.

Today, a year on, I am happy to say that our confidence stands validated by an excellent performance. Despite the challenging operating environment, I am proud to share that we have delivered record production volumes, translating into value creation for all our stakeholders. I am pleased to

share that during this period, Hindustan Zinc has performed well on all operational, financial and non-financial aspects, despite the operational shutdown, restrictions and disruptions in 2020 to combat the spread of infections.

Needless to say, this performance would not have been possible without the stupendous efforts and hard work of our people, and the exemplary guidance of the leadership team at Hindustan Zinc. I would like to take this opportunity to thank all of them for their unwavering commitment to the organization's growth and the realization of its long-term goals and vision. Each one rose to the occasion to contribute to the Company's sustainable growth and value creation through these tough times. Our COVID war room, which we set up soon after the pandemic broke out, enabled us to resume operations in a safe and seamless manner after the lockdown period. Extensive protocols were put in place to safeguard all our employees, including our contractors at the workplace as well as in residential

colonies. I am happy to report that we succeeded in ramping up our operations to normal levels by May 2020.

It has been our consistent and resolute effort to strengthen the foundation of our core operations and our delivery on volumes, while bringing down the cost through various initiatives. We successfully achieved this on the back of our streamlined operating processes and an organization-wide culture of detailed planning and efficient execution. Our structural cost reduction initiatives have helped bring down costs to sustainably low levels, while our firm focus on free cashflow generation through working capital optimization has enabled us to deliver industry-leading shareholder returns.

Even as we were all working together towards higher efficiencies and sustained growth, through our dedicated focus on our business goals, we did not lose sight of our corporate responsibility towards the community at large. Nor did we, for a moment, shift our focus

away from the Sustainability Goals that we have identified as a key strategic priority to guide our future journey. In fact, with the pandemic impacting the vulnerable sections of society the hardest, we sharpened our focus on ensuring livelihood, health and safety of the communities whom we are supporting through our CSR initiatives.

Our CSR team worked on the ground to support both life and livelihood through extensive focus on ensuring availability of food, sanitation and much-needed health services. It gives me immense satisfaction that we could extend our support to the nation by supplying medical grade oxygen amid the desperate phase of shortage during the menacing second wave of the pandemic.

Our COVID-19 mitigation efforts, which are still ongoing, were widely acknowledged and recognized, and we are humbled to receive the CSR Health Impact Award by the 'Integrated Health and Wellbeing Council', as a mark of appreciation for our exceptional response to the pandemic.

At the same time, we continued to remain firmly focused on the safety and sustainability of our operations, in line with the organizational culture that is deeply ingrained in all our systems and processes. This is a vital aspect of our business, which we pursued actively even amid the complexities of operating during the COVID-19 crisis. The acknowledgment of our efforts on this front found endorsement in the form of various recognitions we received during the year, most notable being Hindustan Zinc's inclusion in the list of A-rated companies for climate change carbon disclosure project. What is really

exciting about this feat is that we are the only two companies in the metal and mining sector across the globe which scored A-rating for this project.

I am also glad to inform you that Hindustan Zinc has maintained its first position in the Asia-Pacific region in the metal and mining sector for the third consecutive year and has been ranked 7th globally in the metal and mining sector in the Dow Jones Sustainability Index. I also feel humbled to share that Hindustan Zinc is a part of the business leaders group - COP26, which is actively engaged in shaping the agenda for the 26th meeting of countries that signed the United Nations' Framework Convention on Climate Change, to be held at Glasgow, UK, in November 2021. Another inspirational achievement that I am pleased to share is that the Company has won the CII Environmental Best Practice Award 2020 under the 'Most Innovative Environmental Projects' category.

Further, it gives me great pride and satisfaction to inform that our 22-megawatt solar power project at Rampura Agucha, 12-megawatt at Debari and 4-megawatt at Dariba are all registered under the Gold Standard - the most rigorous certification given globally for carbon offset projects. It is evaluated based on net positive contribution towards economic development, employment opportunities, environmental and social welfare of the local population that hosts the project. Moreover, we have utilized wasteland at all locations for solar panel installation. With this, our complete portfolio of renewable power is registered under the Gold Standard. Coupled with our 2.41x water positivity, this is indeed a matter

of pride and a strong motivation for us to continue to invest in sustainable growth practices for the collective good of all.

At Hindustan Zinc, we hold the welfare of the communities surrounding our operations very close to our heart and always strive to make a difference to the lives of people in the villages in our vicinity. During the pandemic, we scaled up our engagement with the community by reaching out to the most vulnerable sections with food rations/ready meals, healthcare and online education support, among others. In this endeavor, we were actively supported by our employees, who volunteered to help out in large numbers. I am also proud to share that Hindustan Zinc has been identified as a responsible business of the year for its outstanding work in community development and awarded with Grant Thornton SABERA 2020.

Before I conclude, I would like to extend my gratitude to all members of the Board, the leadership team and all our stakeholders for steering our vision and commitment towards collective sustainable and sustained growth. With your cooperation, we shall continue to accelerate towards the fulfillment of our goals, while supporting the Government in the realization of its vision of an 'Atmanirbhar Bharat'. I am confident that with your continued trust and support, we shall stay on course to deliver many more excellent results in the future.

Sincerely,

Kiran Agarwal