business responsibility report

SECTION A: GENERAL INFORMATION

1. Corporate Identity Number (CIN) of the Company L27204RJ1966PLC001208
2. Name of the Company Hindustan Zinc Limited
3. Registered address Yashad Bhawan, Udaipur – 313004 (Rajasthan) India
4. Website www.hzlindia.com
5. E-mail id hzl.cosecy@vedanta.co.in
6. Financial Year reported April 01, 2018 - March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
   - Mining and Smelting of Non Ferrous metals
     - National Industrial Classification Code: Zinc - 27204 Lead - 27209
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
   - Zinc, Lead and Silver
9. Total number of locations where business activity is undertaken by the Company
   - i. Number of International Locations Nil
   - ii. Number of National Locations 9 operating units (excluding wind farms, captive power plants and administrative offices)
10. Markets served by the Company - Local/State/National/International
    - Our products are sold almost in all the states in India. We also export, primarily to Asia and Middle East

SECTION B: FINANCIAL DETAILS

1. Paid up Capital ₹ 845 Crore
2. Total Turnover ₹ 21,118 Crore
3. Total profit after taxes ₹ 7,956 Crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)
   - ₹ 130.20 Crore, equivalent to 1.64% of the profit after tax
5. List of activities in which expenditure in 4 above has been incurred
   - Education; Sustainable Livelihoods; Women’s Empowerment; Health, Water & Sanitation; Sports & Culture; Environment; and Community Development

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? No
2. Do the subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes then indicate the number of such subsidiary Company(s)
   - NA
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   - No

SECTION D: BR INFORMATION

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR
   a) Details of the Director/Director(s) responsible for implementation of the BR Policy/policies

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>DIN Number (if applicable)</td>
<td>07291685</td>
</tr>
<tr>
<td>2.</td>
<td>Name</td>
<td>Mr. Sunil Duggal</td>
</tr>
<tr>
<td>3.</td>
<td>Designation</td>
<td>Chief Executive Officer &amp; Whole-time Director</td>
</tr>
<tr>
<td>4.</td>
<td>Telephone number</td>
<td>0294 6604000</td>
</tr>
<tr>
<td>5.</td>
<td>e-mail id</td>
<td><a href="mailto:hzl.cosecy@vedanta.co.in">hzl.cosecy@vedanta.co.in</a></td>
</tr>
</tbody>
</table>

   b) Details of the BR head

   same as above
2. **PRINCIPLES OF BUSINESS RESPONSIBILITY (BR) POLICY AS PER NATIONAL VOLUNTARY GUIDELINES (NVG)**

Principle 1 (P1): Conduct, Governance, Ethics, Transparency and Accountability
Principle 3 (P3): Employee Well-being
Principle 4 (P4): Engaging Stakeholders
Principle 5 (P5): Respecting and Promoting Human Rights
Principle 6 (P6): Nurturing the Environment
Principle 7 (P7): Responsible Policy Advocacy
Principle 8 (P8): Supporting Inclusive Development
Principle 9 (P9): Providing Customer Value

**Principle-wise (as per NVGs) BR Policy/policies**

<table>
<thead>
<tr>
<th>Questions</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
<th>P7</th>
<th>P8</th>
<th>P9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you have a policy/policies* for....</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>2. Has the policy been formulated in consultation with the relevant stakeholders?</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>3. Does the policy conform to any national /international standards? If yes, specify? (50 words) Please refer footnote* below</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>4. Has the policy been approved by the Board**? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>5. Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>6. Indicate the link for the policy to be viewed online?</td>
<td><a href="https://www.hzlindia.com/about-hzl/code-of-conduct/">https://www.hzlindia.com/about-hzl/code-of-conduct/</a></td>
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</tr>
<tr>
<td>7. Has the policy been formally communicated to all relevant internal and external stakeholders?</td>
<td>The policies have been communicated to the key internal stakeholders and are in the Company website.</td>
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<td></td>
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<tr>
<td>8. Does the Company have in-house structure to implement the policy/policies?</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders’ grievances related to the policy/policies?</td>
<td>Yes, any grievances or the feed-back relevant to the policies can be sent to <a href="mailto:hzl.cosecy@vedanta.co.in">hzl.cosecy@vedanta.co.in</a> or <a href="mailto:hzl.whistleblower@vedanta.co.in">hzl.whistleblower@vedanta.co.in</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?</td>
<td>The policies have been evaluated internally. Several of the policies are also included in third party audits.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*All the policies of the Company emanate from Vedanta Sustainability Governance Standards, which are aligned with International Finance Corporation and meet the requirement of IMS Standards. Most of these policies are enshrined in the Company’s Business Ethics and Code of Conduct, which has been approved by the Board.

**2A. IF ANSWER TO S. NO. 1 AGAINST ANY PRINCIPLE, IS ‘NO’, PLEASE EXPLAIN WHY**

Not Applicable

3. **Governance related to BR**

I. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.** Within 3 months, 3-6 months, Annually, More than 1 year.

CEO & Whole-time Director and Senior Management assess the BR performance on an on-going basis, at least annually.

II. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Separate Sustainability report was published in FY 2018 and same is hosted on the Company website. Same is being finalized for FY 2019 and will also be hosted on the Company website.
SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: CONDUCT, GOVERNANCE, ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No. The Business Ethics and Code of Conduct serves as the guiding philosophy for all employees, suppliers, customers, NGOs and others who have dealings with the Company. All stakeholders are expected to comply with the Business Ethics and Code of Conduct. A separate Vendor’s Code of Conduct specifically covers our vendors and partners. Both the codes are available on the Company’s website.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

31 investor complaints were received during FY 2019 and all were resolved. Other complaints are received by different functionaries in the Company and are suitably addressed. In addition, customer complaints and whistle blower complaints are monitored separately and all have been satisfactorily resolved.

PRINCIPLE 2: SAFETY AND OPTIMAL RESOURCE UTILISATION ACROSS PRODUCT LIFECYCLE

1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Our three major products are zinc, lead and silver metal. We make all efforts to ensure that we produce in a safe and environmentally responsible manner. Over the year, we have constantly improved our recoveries, reduced hazardous waste generation, improved energy consumption and adopted new technologies to optimally use available natural resources to improve our environment footprint. Below are three illustrations:

- Zinc in Jumbo shape helps in lesser zinc wastage, ease of handling, cost efficiency and better safety in customer’s operations. The smaller surface area to weight ratio of zinc jumbos compared to small ingot means less turbulence during galvanizing bath and therefore less ash is produced.

- Continuous Galvanizing Grade (CGG) zinc alloy as per customer requirement removes the need to alloy at customer’s premises and thus saves energy, cost and improves bath management during galvanizing.

- PW zinc is a pre-alloyed zinc lead combination and with its use there is no need to add lead separately in zinc galvanizing bath reducing occupational hazards of operators in dealing with lead in galvanizing plant.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Energy Conservation: Energy consumption is constantly monitored at the mines, smelters and refineries with a view to achieve overall reduction. In order to conserve energy, the Company has taken many initiatives like replacement of old high pressure burner with low pressure burner, duct modifications, process optimization, VFDs, replacement of motors with energy efficient motors and LED lights in place of conventional lights. To reduce our dependency on non-renewable energy sources we are optimizing renewable energy through solar power and wind power plant. The Company has 273.5 MW wind farms in five states across India which are registered under Clean Development Mechanism (CDM) program by United Nations Framework Convention on Climate Change (UNFCCC) and Verified Carbon Standard program by VERRA. For its captive use, the Company have solar power capacity of 38.9 MW out of this 22 MW has been commissioned in current year. All the Solar Power Projects have been installed on waste land/dump yard at Dariba mine, Debari Zinc smelter and Agucha mine. After completion of Fumer project we are going to enhance waste management and it will generate 21 MW through waste heat recovery boiler, out of which 11 MW will be used in running the Fumer project and rest will be utilized for another operations or will be available for state grid.

Water use efficiency: Used water is reclaimed and re-used to conserve water. All units are maintaining zero discharge via effluent treatment plants. The processes are also reviewed and modified to reduce the requirement of fresh water. With the success of 20 million litres per day (MLD) Sewage Treatment Plant (STP), Phase-2 of 40 MLD STP is being planned out of which 25 MLD STP is commissioned and treated water will be utilised in Dariba and this will bring the fresh water intake to minimum at our Rajpura Dariba complex.

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

<table>
<thead>
<tr>
<th></th>
<th>Sp. Energy Consumption</th>
<th>Sp. Water Consumption*</th>
</tr>
</thead>
<tbody>
<tr>
<td>HZL 2017-18</td>
<td>20.52</td>
<td>15.08</td>
</tr>
<tr>
<td>HZL 2018-19</td>
<td>20.47</td>
<td>15.73</td>
</tr>
</tbody>
</table>

Energy (GJ/MT of Metal)
Water (m3/MT of Metal)
* Including Udaipur STP treated water
There is reduction in energy consumption by 0.24% and 4% increase in water consumption due to inconstancy in operation.

Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Our increased focus on value added products has improved energy consumption at the consumer’s end. As an illustration of Jumbo zinc, with innovative design and customization of products, better zinc galvanizing bath management is achieved since melting of uniform bigger blocks is less energy consuming than smaller ingots due to lesser surface area, better transmission of heat and no energy wastage due to lesser splashing in zinc bath. Substantial amount of energy cost saving has been realized by zinc consumers. Customers get benefit of less dross generation and less recycling cost. Also with CGG, Pre aluminum alloyed Zinc etc., the customer gets benefit of avoiding the alloying energy cost.

Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably?

The Company sources its primary raw-material from captive mines. Beneficiation is generally carried on within the mine premises to minimise transportation. For the past several years, the Company has added more to its mining reserves and resources than it has depleted, through systematic exploration efforts.

The Company has now developed in conjunction with transporters and third parties, mechanised shutter vehicles for movement of concentrate. This will be proliferated during the coming years and will reduce spillage, pilferage and dust pollution on the roads. We are increasing transportation of raw material and finished goods through Rail which will help in reduction in carbon emission. The company also encourages Vendors to set up local manufacturing units in vicinity of our operations to reduce transportation.

Please also refer to our Environment section of this Annual Report for details about our water, waste and energy conservation initiatives.

Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company sources its major inputs from OEMs and large national and international manufacturers. There is limited industrial activity around our operations. We are actively promoting “Make in India” concept and based on our request some of our major suppliers had set up manufacturing facility in proximity of our operations which had led to local employment and technology development in India. Our direct and indirect employment as also our CSR activities are largely focused on the communities surrounding our operations.

Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.

Our production process is based on principles of optimal use of the material and natural resources. Our primary activities are in the extraction, processing and smelting of various minerals as well as power generation using well-established processes and technologies. Our focus on best available technology helps us to produce these products using efficient energy consumption and maximum mineral recovery. We have in place a Resource Use and Waste Management Technical Standard and the supporting guidance notes which augment us to mitigate the environmental impacts of our products and process.

We have been constantly enhancing technical capabilities for better recoveries of main products and by-products. We have commenced construction of a Fumer plant in our existing leaching circuit of Hydrometallurgical process. This will eliminate generation of hazardous waste and help us to eliminate the use of land for storing this waste. We have also commissioned Paste Fill Plants at Sindesar Khurd Mine and Rampura Agucha mine as an environmentally sustainable global practice. Central R&D Laboratory (CRDL) of Hindustan Zinc has worked with wastes generated from Pyro-smelting, Hydro-smelting and Captive Power Plant respectively and established a suitable raw mix design to cast paver blocks using these waste materials.

Our Waste to Wealth committee exploring the challenging initiative of generating wealth from waste and working on to achieve primary objective of Reduction of waste generation, Conversion of residue material to saleable product and Reduction of waste to SLFs. The business continued to improve its performance in conservation and recycling. During the reporting year, the water recycling rate was 35.95% (FY 2018: 35%) and 64% of the waste generated during the year recycled. (FY 2018: 42%)

WE ARE ACTIVELY ENGAGED WITH REGULATORY AUTHORITIES’ STREAM LINING APPROVALS FOR UTILIZING JAROSITE / JAROFIX / SLAG IN ROAD CONSTRUCTION AND IN MANUFACTURING OF CEMENT. SO AS AN INITIATIVE PRESENTLY 3,14,776 MT OF WASTE FROM SMelters UTILIZED IN ROAD CONSTRUCTION AND 77,608 MT UTILIZED IN CEMENT INDUSTRY.
PRINCIPLE 3: EMPLOYEE WELL-BEING

1. Please indicate the total number of employees.
   4,199 executives and non-executives as at March 31, 2019

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.
   17,384 under our contractors as at March 31, 2019

3. Please indicate the number of permanent women employees.
   376 as at March 31, 2019

4. Please indicate the number of permanent employees with disabilities
   Not tracked

5. Do you have an employee association that is recognized by the management?
   Yes, there are recognised trade unions

6. What percentage of your permanent employees are members of this recognized employee association?
   100% of all non-executives

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
   Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

<table>
<thead>
<tr>
<th>Category</th>
<th>Safety Training</th>
<th>Total (as on March 31, 2019)</th>
<th>%</th>
<th>Skill Upgradation Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Executives*</td>
<td>3,061</td>
<td>4,199</td>
<td>NA</td>
<td>3,448</td>
</tr>
<tr>
<td>Permanent Women Employees</td>
<td>70</td>
<td>330</td>
<td>NA</td>
<td>300</td>
</tr>
<tr>
<td>Contractual Employees</td>
<td>94,887</td>
<td>17,384</td>
<td>NA</td>
<td>3,600</td>
</tr>
<tr>
<td>Employees with Disability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   * Includes executives and non-executives

PRINCIPLE 4: ENGAGING STAKEHOLDERS - SUSTAINING VALUE

1. Has the Company mapped its internal and external stakeholders? Yes/No
   Yes. Our primary stakeholders are our employees, vendors, customers, governments, shareholders and the communities around our operations. We continuously engage with each of our stakeholder groups on a pro-active basis and have different grievance redressal mechanisms and stakeholder engagement methodologies in place.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
   Identification of the disadvantaged, vulnerable and marginalized stakeholders is an on-going process. In particular, for any new proposed project or expansion, we map and engage with all such stakeholders on a proactive basis, particularly through our CSR activities. Further, we have stakeholder management and grievance mechanism in place at all our locations.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.
   Yes, we engage with the disadvantaged, vulnerable and marginalized stakeholders. Under our project “Jeevan Tarang Zinc Ke Sang” our vision is to create a more equal world for Persons with Disabilities (PwDs). We have joined hands with the institutions working with them near our locations in Ajmer, Bhiwara and Udaipur district and reached about 800 PwDs. We have also engaged Noida Deaf Society through which we have been able to carry out following major activities in these institutions for deaf.
- Indian Sign Language training has been integrated for hearing impaired students and their teachers
- Pre vocational training in computer and English for the differently abled students for senior classes.

Our intervention for the visually impaired (VI) involves technology-based learning for students by giving Android smart phones to access books through Bookshare, world’s largest online library for visually impaired.

Social gatherings were arranged where disability is not a barrier for being social and entertainment. Two such campaigns were Audio described format of the movie ‘Hichki’ was screened for visually impaired at Ajmer, Bhilwara and Udaipur. Please refer to the CSR section of this annual report for more details.

**PRINCIPLE 5: RESPECTING AND PROMOTING HUMAN RIGHTS**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Our Human Rights policy is aligned to the United Nations Guiding Principles on Business and Human Rights. The policy also covers all its suppliers, contractors and NGOs. The clauses of the Code of Conduct and SA 8000 standards extend to all business partners.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

There have been no stakeholder complaints related to human rights. Please also refer to principle 1, point 2.

**PRINCIPLE 6: NURTURING THE ENVIRONMENT**

1. **Does the policy cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others?**

All our Sustainability policies (HSE, Biodiversity, Energy and Climate change, Water Management, HIV/AIDS, Human Rights and Supplier & Contractor Sustainability Management and CSR Policy) is applicable and extended to Suppliers/Contractors/NGOs/others. We aim to propagate the principles of Sustainability throughout our Value chain and to all stakeholders. The Policy on ‘Supplier & Contractor Sustainability Management’ encourages resource efficiency in the supply chain which together with the ‘Code of Conduct for Vendors and Service Providers’ provide guidance to supply chain members and partners to adopt sustainable practices. Also, induction and refresher trainings are imparted to our contract employees and others to raise awareness on sustainability policies and standards. During the year Rolled out Tailing Management Policy to manage tailings and waste facilities in a manner that protects the health of our employees, community and the natural environment.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give details.**

Majority of the manufacturing locations of HZL are certified as per ISO: 14001 Environment Management System and OSHAS 18001. Our Sindesar Khurd Mines, Pantnagar Metal plant and Rajpura Dariba mines have been certified as per ISO: 50001 Energy Management System and we are targeting ISO: 50001 Energy Management System certification for all units. There are several innovative technologies which have been implemented to reduce the energy consumption, to reduce our dependency on non-renewable energy sources we are optimizing renewable energy through solar power and wind power plant (38.9 MW of Solar power for captive use). We are also conducting energy audits and taking the measures to improve the energy efficiency continuously.

Energy and Climate Change Management policy and HSE policy guides the organization to proactively address the impact of climate change and other global environment issues through adopting and maintaining global best practices in Energy and Climate Change management, Water Management and to minimize greenhouse gas emissions. We are publically disclosing our Scope 1, Scope 2 and Scope 3 GHG emissions through climate change CDP disclosure.

We become signatory to Science Based Target initiative (SBTi) and committed to reduce absolute Scopes 1 and 2 GHG emissions 14% by 2026 from 2016 base year and committed to reduce absolute Scope 3 GHG emissions 20% by 2026 from a base year 2016.

Most of our operations are in state of Rajasthan which is water scare region and we see a climate change as a material concern for our business and stakeholders. Our focus is on both climate mitigation and adaption measures. This includes the diversifying water and energy resources, securing alternative water source for the business, public private partnership for municipal water reuse / recycling, sustainable agriculture, energy use optimization, efficiency improvement, alternative source of energy use etc. We planted 1.5 Lacs saplings during the year to increase flora density in the surrounding areas of our operations.

The Company has undertaken several water conservation and harvesting initiatives for reduction in fresh water intake. These include continual improvement in specific water consumption; adoption of best practices to achieve zero discharge in the Company’s operating units and the establishment of rainwater harvesting structures both within the Company’s premises and in the catchment areas of its operations. These initiatives not only lower fresh water consumption but also maximize groundwater recharge. With the success of 20 million litres per day (MLD) Sewage Treatment Plant (STP), Phase-2 of 40 MLD STP is being planned, out of which 25 MLD commissioned during the year and treated water will be utilised in Dariba and this will bring the fresh water intake to minimum at our Rajpura Dariba complex.
We continuously monitor our greenhouse gas emission intensity for reduction and endeavor to minimize our carbon footprint and voluntarily participate in Carbon Disclosure Project program since 2011. We are also signatory of UNGC and FIMI and submit the communication of progress every year. We have also initiated the process of reporting our sustainability performance as per the GRI Standard in our Sustainability report. The Company is also computing its Greenhouse Gas inventory in line with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, which is being assured as per the ISAE 3000 standard, by a third-party assurance provider.

This year was significant with recognition at Global level as ranked 5th globally in Dow Jones Sustainability Index in metal and mining industries for our Sustainability Performance and ranked 1st globally in Environment dimension.

3. **Does the company identify and assess potential environmental risks? Y/N**

Yes, Environmental risks are regularly identified and assessed through the following:

- Environment and Social Impact Assessment (ESIA) studies carried out by recognized and approved third parties to identify risks and based on that mitigation plan is prepared in the form of Environmental and Social Management Plan, which is integral part of ESIA document.
- Environmental risks are being identified and assessed as part of Integrate Management system ISO: 14001.
- Risk register is maintained by all units under the guidance of Risk Management policy and major risks are reviewed periodically at corporate level.
- Hazard Identification and Risk assessment are also conducted as part of safety management system to identify potential environmental hazards and risks.
- Environment incidents are being captured through online module. Root cause analysis is being done through why-why analysis and learnings are being shared to all units to avoid the reoccurrence.

To effectively manage each of environmental risks, we have a set of Sustainability policies and management and technical standards. An integrated sustainability database management system implemented across the Company ensures monitoring and reviewing of sustainability performance through defined key performance indicators. We have Sustainability Assurance process in place for ensuring accuracy and verifiability of sustainability performance against the four pillars of our Sustainability Framework.

Hindustan Zinc received ICICI Lombard and CNBC TV 18 - India Risk Management Award 2019 for its Best Sustainability Risk Management System

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company has 273.5 MW wind farms in five states across India which are registered under Clean Development Mechanism (CDM) program by United Nations Framework Convention on Climate Change (UNFCCC) and Verified Carbon Standard program by VEERA. These project also under registration at Gold Standard, the most rigorous certification standard globally for carbon offset projects supported by WWF.

For its captive use, the Company have solar power projects of 38.9 MW out of this 22 MW has been commissioned in current year. All the Solar Power Projects have been installed on waste land/dump yard at Dariba mine, Debari Zinc smelter and Agucha mine. The green power generated from it has reduced carbon footprint by 66,049 MT of CO2 emission per annum. In addition, there is 34.4 MW of power capacity through waste heat recovery from roasters and steam turbo generator out of which 9.4 MW Waste Heat Recovery Boiler project is registered under CDM along with 21 TPH Low Calorific Value boilers for steam generation project. The Company is planning to further enhance its solar energy footprint in the coming year.

During the year, the Company produced solar power of 49.5 million units, waste heat energy of 114 million units and wind power of 465 million units.

**Projects in pipeline:**

- 30 MW solar power project at Dariba.
- 1 MW floating solar power project at Gosunda captive dam near Chanderia for utilization of available water surfaces
- 3 MW roof top solar power project
- Additional 50 MW wind power plant

The 10 UNFCCC registered projects have the potential to reduce the Company’s carbon footprint by 583,685 MT of CO2 emission per annum while unregistered projects provide reduction of 147,270 tons CO2 emissions per annum. The new solar projects in pipeline will further reduce carbon footprint by 77,736 MT of CO2 emission per annum.

- Renewable energy received Project Development Innovation of the year award at the 9th Annual edition of RE – Assets India 2019 conference EXPO award for 22 MW Agucha Solar projects.
5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give details.

HZL has been working on climate change issues by improving its process efficiency and taking initiatives in energy efficiency, developing green zones at units and water conservation etc. We have installed 273.5 MW of wind power and 34.4 MW of waste heat recovery power plants to give an impetus to green energy. We have 38.9 MW of captive solar plants on waste lands of RAM, DSC and DZS. Wherever feasible we have introduced the solar or energy efficient lights. We focus on energy consumption reduction through various in-process innovations and adoption of best practices like machine productivity and improving throughput to reduce specific energy consumption.

The Corporate Office in Udaipur is a certified Green Building. Several green features are implemented to enhance the building performance.

6. Is the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, we are well within the prescribed limits by the relevant pollution control authorities. The Company continues to invest in reducing air emission levels through adoption of cleaner technologies/fuels, monitoring of combustion efficiencies and investments in state-of-the-art pollution control equipment, such as bag filters, electrostatic precipitators, etc. Regular monitoring of significant air emission parameters, such as Particulate Matter, Nitrogen Oxide and Sulphur Dioxide to ensure compliance with regulatory requirement. Majority of the units have online ambient air quality monitoring station and meet the National Ambient Air Quality standards. We also have online monitoring systems in place for monitoring of emission and effluent to transmit data from field instrument directly to CPCB/SPCB servers.

All wastes are being stored at earmarked places and timely disposed through the approved registered recyclers as per the Hazardous Waste Rule. The Company has laid down comprehensive guidelines on waste management for all its units, which cover hazardous as well as non-hazardous waste and monitoring of performance for each unit is carried out on a regular basis. The Company has measures across units to ensure waste minimization, segregation at source and recycling.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

PRINCIPLE 7: RESPONSIBLE POLICY ADVOCACY

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, the Company is a member of the following organisations:

a) Federation of Indian Mineral Industries
b) Confederation of Indian Industry
c) Federation of Indian Chambers of Commerce and Industry
d) Indian Chamber of Commerce
e) Associated Chambers of Commerce and Industry of India
f) India Lead Zinc Development Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, for economic and mining reforms.

PRINCIPLE 8: SUPPORTING INCLUSIVE DEVELOPMENT

1. Does the Company have specified programmes/initiatives/projects in pursuit of this policy? If yes details thereof

As a responsible corporate citizen, the Company focuses on community development through its CSR activities. Please refer to the CSR section of this annual report for more details.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structures/any other organization?

We undertake our CSR activities through all of the above routes.

3. Have you done any impact assessment of your initiative?

Yes, the same is done internally and also at times with external agencies once in 3 years. During the current year external impact assessment was done by Taru Leading Edge.

4. What is your Company’s direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The total amount spent on all CSR activities and projects during the FY 2019 was ₹ 130.20 Crore. Please refer to the CSR section of this annual report for more details.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
Please refer to the CSR section of this annual report for details.

PRINCIPLE 9: PROVIDING CUSTOMER VALUE

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?
Out of 29 complaints received during FY 2019, 5 complaints were pending as on March 31, 2019 for closure.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)
Yes, the Company displays the product name, batch number, grade, purity, date of production on the product label, as per industry practice.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.
No.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?
Yes, the Company carries out customer satisfaction survey periodically. The last survey conducted was in FY 2018. In FY 2018, the Company scored 82 on the total Customer Satisfaction Index as against 75 in FY 2015, with substantial improvement seen on the experience front.