



HINDUSTAN ZINC
Zinc & Silver of India

Sustainability Framework

Guidance Note GN 12

Grievance Mechanism

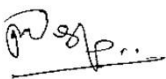
Hindustan Zinc Limited





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Confidentiality

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1 INTRODUCTION

1.1 WHO IS THIS GUIDANCE NOTE AIMED AT?

This Guidance Note (GN) is aimed at all HZL operations and managed sites, including new acquisitions. This GN is applicable to the entire operation lifecycle.

1.2 WHAT IS THE AIM OF THIS GUIDANCE NOTE?

An effective grievance mechanism is essential to build strong and trusting relationships with stakeholders, recognising that the engagement of external stakeholders is key to long term relationships that can support our businesses and provide the social license to operate. Without this, any business may be at very high risk of suspension or even closure without warning.

This aim of this Guidance Note is to provide the tools needed to support the implementation of the HZL Grievance Mechanism Performance Standard.

1.3 WHAT ISSUES DOES THIS GUIDANCE NOTE ADDRESS?

Core implementation elements and guidance required by the Grievance Mechanism Performance Standard.

1.4 HOW SHOULD THIS GUIDANCE NOTE BE USED?

The Community Grievance Mechanism (GM) defines the process that must be followed when written or verbal complaints/grievances are received relating to the operations of HZL and/or its Contractors. The process is to ensure that complaints/grievances are managed in a culturally sensitive, respectful, timely and consistent manner. This is to promote confidence and positive relationships between HZL and local stakeholders. Complaints management will serve as an early warning indicator for risk management as well as serve as a useful tool to determine and manage project impacts.

2 SCOPE

This Standard Operating Procedure (SOP) applies to feedback related to all:

- HZL activities
- Behaviour and policies of contractors working for HZL

The following issues and impacts are not included in the scope of the Grievance Mechanism. They can be entered through the GM but will be deferred to the appropriate channels:

Complaints related to	Deferral
Impacts not related to company activity	Deferred to appropriate channels where possible
Commercial disputes	Deferred to commercial dispute resolution mechanisms
Labour disputes	Deferred to the Human Resources Grievance Procedures of the company
Road and Environmental Incidents	Deferred to the incident reporting procedure
Ethics and Corruption related cases	Deferred to the HZL hotline

The grievance mechanism is initially open to grievances both of an *individual* as well as of a *collective* nature. As formal and scheduled stakeholder engagement meetings will increase, it is expected that collective grievances increasingly will be dealt with through regular engagement meetings. Ideally, over time the Grievance Mechanism will largely be used for individual cases.



3 DEFINITIONS

Term	Definition
Complainant	Person making a complaint or grievance against HZL. May be used interchangeably with the term “aggrieved person.”
Complaint/ Grievance	A problem raised by an individual or which needs to be addressed. Complaints can result from either real or perceived impacts of the company’s operations. The terms “complaint” and “grievance” will be used interchangeably.
Issue	A request for information or concern that a person wants to bring to the attention of the company. An issue is dealt with through engagement, not through the Grievance Mechanism.
Rapid Response	A first response by the CLO after receiving the complaint or grievance to verify if a complaint can be resolved immediately. A rapid response occurs within 48 hours after receiving the complaint.
First Order Mechanism	Processes for handling complaints that may be resolved directly between the company and the complainant.
Second Order Mechanism	Processes for handling complaints that could not be resolved directly by the company and the complainant. At that point, the complaint may require referral to an independent party but excluding the statutory legal system.
Third Order Mechanism	Process for handling complaints that could not be resolved and are referred to judicial processes.
Grievance Response Committee	A committee consisting of the General Manager (or his appointed replacement), the Social Performance Manager (SPM) and the head of the department associated with the complaint.

4 RESPONSIBILITIES/ACCOUNTABILITIES

Role	Responsibility / Accountability
General Manager	<ul style="list-style-type: none"> - Ensure that all HZL personnel follows the feedback investigation and reporting requirements as covered in this procedure. - Ensure that sufficient focus and importance is placed in thorough investigation and corrective action.
Social Performance Manager (SPM)	<ul style="list-style-type: none"> - Responsible for overall management and integrity of the grievance/complaint system (i.e. receipt, recording, tracking, resolving, reporting and analysis). - Provide adequate resources (People, Systems, Procedures, Budget) to effectively manage feedback for the scope of the operation/project. - Defines levels of authority for the CLO to resolve easy to resolve complaints and before a complaint needs to be escalated. - Ensures that the mechanisms are transparent, culturally appropriate, and clearly communicated with stakeholders. - Chairs the internal Grievance Committee and serves as a liaison between committee and senior managers if complaints require management attention. - Accountable for the overall performance in managing community feed back. - Ensure sufficient Grievance Mechanism awareness training is provided as part of Inductions for all Employees and Contractors



Community Liaison Officer (CLO) or personnel designated to receive complaints	<ul style="list-style-type: none"> - Explain the complaint resolution process to community members. - Receive and Investigate (rapid response) according to the process. - Serve as the liaison between the complainant and the Investigating officer to coordinate responses to complaints. - Register all Community Complaints into the Community Complaints Tracker. - Generate reports from the Community Complaints Tracker.
Role	Responsibility / Accountability
Department Manager	<ul style="list-style-type: none"> - Ensure that all complaints are coordinated through the SP Manager. - Assign an investigating officer for complaints associated with the department. - Ensure that investigations are completed within the designated timeframe.
Employees & Contractors	- Report all complaints as per Grievance Mechanism awareness training provided during Inductions and other training

5 CONFIDENTIALITY

The issue of confidentiality is essential for building community trust in the procedure. Users need to be confident that sensitive information is not disclosed without their knowledge and approval. Training of case investigators will highlight the need to share information only with those directly involved in addressing the case.

Anonymous grievances shall be accepted and will be dealt with on a case-by-case basis depending on the amount of information available to the company.

6 THE PROCESS

Effectiveness Criteria

A site-level grievance mechanism for affected communities is a process for receiving, evaluating, and addressing project-related grievances from affected communities at the site level.

The site's grievance mechanism is designed to focus on the local communities affected by the project/operation. The mechanism has been developed with consideration of the following effectiveness criteria, which constitute international best practice:

1. **Legitimacy:** In essence, legitimacy implies that local stakeholders should trust the procedure. Trust is often linked with local participation in the procedure's design, independence in how the procedure is governed, and/or the presence of a credible oversight mechanism.
2. **Accessibility:** Potential users should be aware that the mechanism exists. The procedure should be easy for potential users to understand and use without fear or obstacles related to such things as language, literacy, money, mobility, culture, traditions, gender or religion.
3. **Predictability:** Potential users ought to know what steps are followed when they lodge a grievance; when they can expect feedback; what type of outcomes they can expect; how they can monitor solutions, etc.
4. **Equitability:** The users of the procedure need to have sufficient access to information and expertise so that they feel they can discuss and negotiate with the company on an equal footing.
5. **Rights-Compatible:** The procedure's design and implementation needs to be consistent with the rights of its users while being careful not to undermine the rights of others or to put anyone at risk of reprisal.
6. **Transparency:** Information about the procedure and its outcomes should flow as openly as possible to meet the public's interests, but without compromising the privacy or well-being of users.



7. **Dialogue and Engagement:** Dialogue about the procedure's design should involve potential users. Once implemented, dialogue with those directly affected should be the basis for finding mutually agreeable solutions rather than the company simply offering a unilateral response.
8. **Continuous Learning:** Beyond seeking the resolution of each complaint, the procedure should be structured to help the company capture and integrate potential lessons for operating more efficiently and responsibly in the local context and for avoiding repeat grievances.

The Grievance Mechanism will be communicated to communities via the Community Liaison Officer and through ongoing stakeholder engagement through venues such as community meetings, local radio and other culturally appropriate forums.

Community participation in Feedback System Design and Development

In order to ensure the legitimacy and buy-in of the community stakeholder, a draft version of the procedure will be shared with community members (end users) for their participation to ensure that the procedure is seen as credible and legitimate by its users.

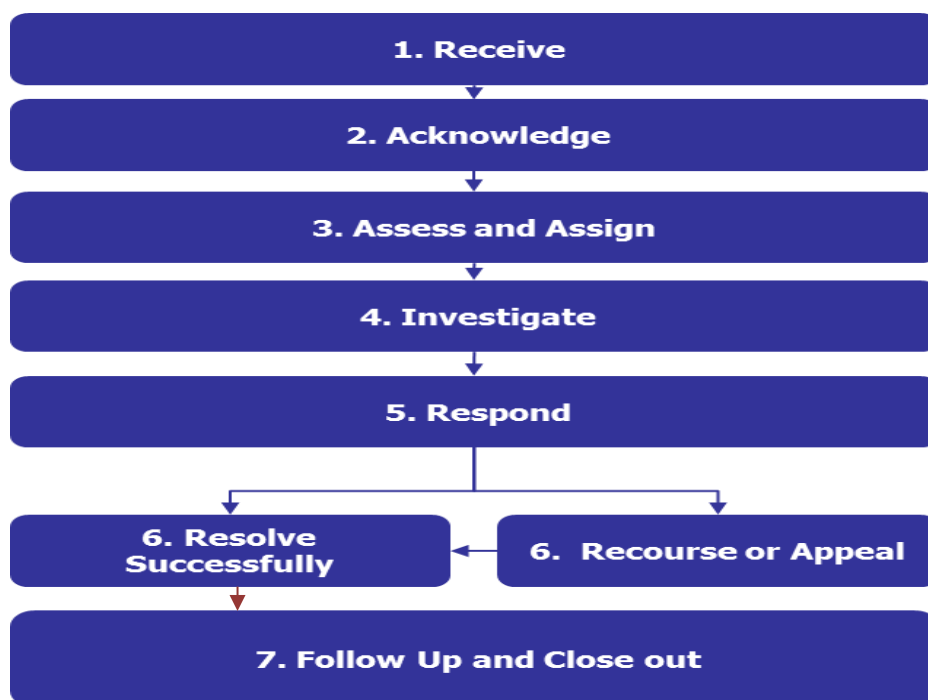
Complaint and Grievance Criteria

All grievances should be documented and the complainants treated with respect. In the event that the complaint is of a sensitive nature (for example a complaint that can disrupt operations or of material nature), the SP Manager must be informed immediately. Generally, complaint and grievance resolution usually follows the following processes:

- First Order Mechanism - Grievances that can be resolved between HZL and the complainant.
- Second Order Mechanism – Grievances that were not resolved within the first order mechanism and are therefore assigned to agreed third parties or Alternative Dispute Resolution (ADR) for action.
- Third Order Mechanism - Grievances that are not resolved within the first or second order mechanisms and which are escalated to the court system.

Steps in the community feedback procedure

The feedback procedure follows a seven-step model:





6.1 RECEIVE

All reported complaints and grievances within the 1st order mechanism shall be formally acknowledged within 2 business days and an update is provided at least every 15 days. Where resolution cannot be completed within the 15 days due to the complexity of the case, HZL will engage the complainant to explain the need for an extension and document, at least verbally, the extended period of resolution.

6.2.1. Community Complaints may be received by the CLO at any of the following three access points:

- **Face to face** (e.g. during public meetings)
- **By phone.** The designated phone number for the feedback line is XXX. The feedback line shall be manned by the CLO during office hours. The info line shall be diverted to a voice mail outside office hours.
- **By letter.** All complaint letters to the company (including those to the General Manager) will be channeled to the CLO to be processed through the Grievance Mechanism. Letters need to be sent to the following address: XXX

6.2.2. All company and contractor staff shall advise community members to use one of the above mentioned three access points.

6.2.3. Access points will be widely communicated to potential users of the mechanism.

6.2 REGISTER AND ACKNOWLEDGE

For registration in person

6.2.1 The Community Liaison Officer (CLO) will assist the complainant with the completion of a feedback form. Especially in cases where the complainant is not able to read and write, the CLO will fill in the feedback form and seek conformation from the complainant that they have documented the complaint information appropriately by reading the information captured on the feedback form back to the complainant. Once the feedback form is completed, the CLO shall attach any supporting documents or information.

6.2.2 The Community Liaison Officer will enter the feedback information into the complaints register (initially in Excel).

6.2.3 To ensure that the aggrieved person knows the grievances is formally accepted, the Community Liaison Officer provides the aggrieved person with a tracking slip (a tear-off slip at the bottom of the feedback form) that includes the following detail

- The case number
- Date of formal lodging of the complaint
- Name of the aggrieved person
- Name of the HZL officer who received the complaint
- Phone number that can be called if the aggrieved person has any questions
- A commitment from HZL to respond to the complainant within 15 days from the day of lodging the grievance

For registration by mail, email or by phone

6.2.4 The CLO will respond to complaints received by email or voice mail message within 24 hours of receipt. Where possible, the CLO will use a text message to confirm receipt of the complaint.

6.2.5 In the case of feedback by phone, the CLO will start registering the complaints using the Feedback form and determine a time to meet face to face with the complainant to provide the acknowledgement slip.

6.2.6 For feedback received by email, an acknowledgement email is sent within 24 hours and a time is determined to meet face to face with the complainant for the rapid assessment.

6.2.7 If letters contain a phone number that can be contacted, the CLO will reach the complainant by phone and determine the time for a face to face meeting to provide the acknowledgement slip. If no phone number is provided, the CLO makes a concerted effort to visit the complainant within



2 business days after receiving the letter to provide the acknowledgement slip and conduct the rapid assessment.

6.2.8 The Community Liaison Officer will enter the complaint information into the complaint register (initially in Excel).

6.2.9 In the case of complaints lodged anonymously the CLO shall register the complaint. The SP Manager shall determine how and whether to undertake an investigation.

6.3 ASSESS AND ASSIGN

6.3.1 Rapid response; within two (2) business days following receipt and registration of the complaint, the Community Liaison Officer will conduct a first investigation to address complaints or grievances that can be resolved quickly or easily by providing information or by addressing the issue otherwise. In case the rapid assessment is the first face to face contact, an acknowledgement slip will be provided (in case the complaint requires follow up investigation).

6.3.2 If the issue can be addressed during the rapid response, the case will be closed out immediately through the Resolution Form. The complainant will sign the Form.

6.3.3 If the Community Liaison Officer is not able to provide a quick resolution or if investigation of the grievance requires expertise beyond the mandate of the Community Liaison Officer, he will forward the case to SP Manager. The SP Manager will assign responsibility for further investigation to the Department Manager associated with the complaint.

6.3.4 The head of the SP department provides the investigating department with a timeline for investigation (10 business days/14 calendar days - this is yet to be decided).

6.4 INVESTIGATE

6.4.1 Investigations shall be undertaken to verify the validity of the complaint, determine the causes of the complaint and develop corrective actions to eliminate or minimize recurrence.

6.4.2 The assigned Department shall be allowed up to 10 business days (14 calendar days) to complete the investigation. The Department Manager shall appoint a person in his team to complete the investigation (the "Investigating Officer").

6.4.3. The Investigator shall conduct the investigation in a respectful manner, involving the complainant, possible witnesses and others who can provide insight into the root causes of the complaint.

6.4.4 When needed, the CLO shall facilitate contact between the Investigator and the complainant. However, the Investigator leads the investigation.

6.4.5 If the investigation is not completed within 14 calendar days, the SP Manager shall send a reminder to the Department Manager with the request to complete the investigation within three days.

6.4.6 If the investigation is not completed within 17 calendar days since the case was assigned, the SP Manager shall request the General Manager to remind the Department Manager associated with the complaint to finalize the investigation.

6.4.8 Records of all meetings, investigations and resulting decisions shall be entered on the Investigation Form.

6.4.9 In some cases, third party technical experts may be required to investigate the factual accuracy of complaints. Should independent third-party technical experts be required for complaints of a significant risk level, HZL could consider paying for such experts on a case by case basis to investigate the grievance.

6.4.10 The CLO will keep the complainant informed about the status of the investigation every 15 days through a phone call. He documents the date of the phone call(s) in the Feedback Register.

6.4.11 The findings of the investigation must be documented by the Investigating Officer on the Investigation form. The Investigating Officer can make a recommendation for resolution and forwards the Investigation Form to the SP Manager.



6.5 RESPOND

- 6.5.1 Where the requirements for resolution exceed the authority level of the CLO, the SP Manager together with the General Manager and the Department Manager associated with the complaint (the three make up the Grievance Response Committee) determine a company response.
- 6.5.2 The Grievance Response Committee shall take decision on the matter no later than 5 days after receiving the investigation findings.
- 6.5.3 The SP Manager will inform the Community Liaison Officer on the company response and for subsequent discussion with the complainant, both verbally as well as in writing. It is important that the proposed company resolution is discussed based on a dialogue rather than simply announced.
- 6.5.4 Where the complainant agrees with the proposed resolution, he/she shall be asked to sign off on the Resolution Form which outlines the agreed actions/activities to be completed and the timeframe for completion.
- 6.5.5 The Community Liaison Officer shall ensure that all records, agreements and associated materials are documented and uploaded into the site grievance register in chronological order.
- 6.5.6 In the event that the first order mechanism failed to produce an amicable resolution, the Community Liaison Officer points out the option to use the second order mechanism.

6.6 RECOURSE OR APPEAL

Second order Mechanism

Where the complainant disagrees with the first order resolution outcome, either HZL or the Complainant could escalate the complaint to the Second Order mechanism by following the processes below:

- 6.6.1 The Community Liaison Officer shall first explain the possibility of using the second order process. The complainant has seven (7) days within which to declare their intention to HZL regarding escalation of the complaint to the 2nd order mechanism. If after seven (7) days, the complainant has failed to declare his/her intent to escalate to the second order mechanism, the CLO closes the complaint after consultation with the legal department or the Grievance Committee.
- 6.6.2 In general, the second order mechanism will constitute of mediation rather than arbitration. Upon agreement of a mediation platform, HZL, the complainant and the third party mediator shall work to develop and agree on a framework for resolution. Through dialogue, HZL and community representatives will select a of individuals and third parties who have credibility in the eyes of both company and local stakeholders.
- 6.6.3 In the event that the first and second order mechanisms failed to produce an amicable outcome and the complainant decides to pursue the third order mechanism, HZL will respect the right of the complainant and comply with all processes in the legal dispute resolution system.

Third order Mechanism

Where the complainant disagrees with the 2nd order resolution outcome, either HZL or the complainant shall escalate the complaint to the 3rd order mechanism by following the processes below:

- 6.6.4 if the 2nd order mechanism does not yield resolution, either party may decide to pursue through the court system. In such cases, the complaint will be handed over to the legal department. The Community Liaison Officer shall provide the legal department with a memorandum summarizing the case background and include copies of supporting documentation.
- 6.6.5 The legal department will be responsible for leading and managing the resolution of all 3rd order mechanisms. As the stewards for all 3rd order complaints and grievances, the legal department shall provide updates to Senior Management on the status and outcome of proceedings within the 3rd order mechanism.
- 6.6.6 Complaints and grievances escalated to the 3rd order mechanism fall outside of the control of HZL and shall have no time limit due to lack of HZL control over the resolution process. However, all efforts will be made to advance the third order resolution in a timely manner.
- 6.6.7 For the purposes of tracking complaints and grievances, any complaints which are escalated to 3rd order mechanisms shall be noted as such in the Grievance Register. The legal department



shall be responsible for maintaining a status summary report for the Management Team detailing progress and activities associated with all complaints escalated to 3rd order mechanisms.

6.7 FOLLOW UP AND CLOSE OUT

There is a difference between resolved complaints and closed complaints.

6.7.1 Complaints are categorized as resolved when the following applies:

- Reported complaint has been acknowledged and HZL and the complainant have met to address and understand the reported complaints for investigation and the complainant have met to discuss and agree on proposed resolution and scheduling of remedial actions to respond to the complaint.
- Remedial actions are in progress but not fully completed.

6.7.2 Complaints are categorized as closed when one of the following apply:

- Agreed actions have been completed by HZL and the complainant signs-off on the outcome of the resolution.
- Escalated complaints are settled via the 2nd order or 3rd order mechanism.
- Efforts are made to trace the complainant, but he/she could not be located within one (1) month of reporting of the complaint (Abandoned complaint)
- Complainant expresses intention not to pursue the complaint through written or verbal means (applicable to 1st, 2nd or 3rd order mechanism).

6.7.3 All abandoned complaints need to be formally classified as abandoned by the Grievance Committee (which should include the Legal Rep) to verify that the company has made reasonable attempts to resolve the case. Abandoned cases that have been signed-off for closure by the Grievance Committee shall be marked as “Abandoned” in the outcome column of the Grievance Register.

7 MONITORING AND EVALUATION

7.1 The CLO shall compile and distribute a report of performance metrics each month. KPIs could include:

- Number of new complaints
- Nature/category of complaints
- Number of complaints closed
- Departments/Contractors associated with the complaint
- Average resolution time
- Complaint resolution trend (% of complaints resolved within 30 days over a 12-month period)
- Number of complaints escalated to the 2nd and 3rd order mechanisms
- Division between genuine and non-genuine claims
- Percentage of cases where people indicate they are not satisfied with outcome (they did not get what they want) but still are satisfied with the process by which their case was handled.

7.2 The SP manager will present the complaints data on a monthly basis to the HZL HSE & Sustainability corporate team.

7.3 The Managing SP will review all complaints and feedback once per month to assess the nature of the complaints, consider options for improvement and provides recommendations to the General Manager.

7.4 The statistics (overall figures, no case-specific details) shall be distributed to key external stakeholders at least annually or more frequent if appropriate (e.g. at the end of every quarter).

7.5 The CLO shall be responsible for maintaining a monthly summary report for the Grievance Committee and SP manager detailing progress and activities associated with all complaints escalated to 2nd order mechanisms.

8 SUPPORTING TOOLS



Grievance
Register.xlsm