



HINDUSTAN ZINC
Zinc & Silver of India

Sustainability Framework

TECHNICAL STANDARD

Land and Resettlement Management

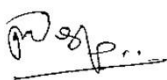
Hindustan Zinc Limited





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Authorised	Pradeep Singh
Signature	
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1. INTRODUCTION

The purpose of this Technical Standard is to establish specific requirements related to land and resettlement management for the different business units of HZL and the process to be followed whilst handling land, resettlement and related issues. The requirements are in conformity with the HZL Social Policy and international standard requirements.

2. SCOPE

This Technical Standard is mandatory and applies to all HZL subsidiaries, operations and managed sites, including new acquisitions, corporate offices and research facilities and to all new and existing employees. This Standard is applicable to the entire operational lifecycle (including exploration and planning, evaluation, operation and closure). This Technical Standard should be considered with reference to the *HZL Social Policy*.

3. DEFINITIONS

Definitions of key terms used in this document are shown in the following table.

Term	Definition
ESIA	Environmental and Social Impact Assessment – a formalised process designed to identify, assess and document environmental and social impacts associated with a project, along with the mitigation measures and management arrangements for ensuring such measures are implemented.
Environmental and Social Management System	The structured framework that provides the arrangements for managing the environmental and social aspects throughout the lifetime of the project.
Full Replacement Cost	The replacement cost is the market value of the assets plus transaction costs e.g. for agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. Full replacement cost applies to land, buildings and other assets displaced by project activities.
Grievance	A concern or complaint raised by any stakeholder either affected by or interested in company operations. Both concerns and complaints can result from either real or perceived impacts of a company's operations.
ICMM (International Council on Mining and Metals)	The International Council on Mining and Metals (ICMM) was established in 2001 and seeks to drive performance improvement through its members which comprise mining and metals companies as well as national and regional mining associations and global commodity associations.
IFC (International Finance Corporation)	Member of the World Bank that finances and provides advice to private sector ventures and projects in developing countries.



Term	Definition
Impact Assessment	The stage in the ESIA development process in which the potential positive and negative impacts on the various environmental and social receptors identified during the baseline data collection phase are assessed to determine their significance.
Involuntary Resettlement	Resettlement is involuntary when it occurs without the informed consent of the displaced persons or if they give their consent without having the power to refuse resettlement.
Land Expropriation	Process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that it occupies or otherwise uses.
Livelihoods Restoration Plan	In cases of economic displacement only, a livelihood restoration plan (LRP) will be designed to compensate affected persons and/or communities and offer other assistance. The LRP will establish the entitlements of affected persons and/or communities.
Operation(s)	A location or activity that is operated by a HZL Company and its subsidiaries. Locations could include exploration activities, mines, smelters, refineries, wind farms, offices including corporate head offices and research and development facilities.
Project Affected Household	All members of a household, whether related or not, operating as a single economic unit, who are affected by a project.
Project Affected Person	Any person who, as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, or pasture), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
Resettlement Action Plan	In the case of physical displacement, this document specifies the procedures the resettlement should follow, and the actions that will be taken to compensate affected people and communities. The plan will include measures to mitigate the negative impacts of the displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of all types of affected persons (including host communities). If economic displacement also occurs (resulting in loss of income or means of livelihood from project activities), the RAP will include a livelihoods restoration plan (LRP).
Stakeholder	Persons or groups that are directly or indirectly affected by a project as well as those that may have interests in a project and/or the ability to influence its outcome, either positively or negatively. This can refer to shareholders, lenders, employees, communities, industry, governments and international third parties.

Term	Definition
Stakeholder Engagement	<p>An umbrella term encompassing a range of activities and interactions between HZL and its stakeholders over the life of a project that are designated to promote transparent, accountable, positive, and mutually beneficial working relationships.</p> <p>Stakeholder engagement includes stakeholder identification and analysis, information disclosure, problem/conflict anticipation and prevention, ongoing consultation, formation of partnerships, construction of grievance resolution mechanisms, negotiated problem solving, employee involvement in project monitoring, regular reporting forums and procedures, and other related management activities.</p>
Vulnerable Groups	<p>Individuals or groups within the project area of influence who could experience adverse impacts more severely than others based on their vulnerable or disadvantaged status. This vulnerability may be due to an individual's or group's race, sex, language, religion, political, or other opinion, national or social origin, property, birth or other status. In addition other factors should be considered such as gender, ethnicity, culture, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.</p>

4. PROGRAMME REQUIREMENTS

The requirements described below shall be followed by all HZL operations with regards to land and resettlement management.

4.1. Avoidance or minimising involuntary resettlement by exploring alternatives

HZL recognises that resettlement is associated with a range of adverse impacts for people and communities. Emphasis shall therefore be given to fulfilling HZL's commitment towards avoiding where possible and minimising where not, the negative impact of land take and resettlement. This is by adopting such project designs and location alternatives that reduce the number of people potentially affected, and also minimises the severity of potential impacts.

4.2. Preference for negotiated settlement over expropriation

To obtain land for their projects, all HZL's operations shall first explore the option of land purchase through negotiated settlement over land expropriation through Government agencies to considerably reduce the risks of significant adverse impacts and increased vulnerabilities.

Negotiated settlement shall be based on 'willing buyer – willing seller' approaches and negotiated amount would be equivalent to, or more than, the 'full replacement cost' of the acquired land, properties etc.

4.3. Regulatory and other requirements

HZL operations shall adhere to the local regulatory requirements of the countries wherein the project is developed and also meet the requirements of applicable international standards & guidelines regarding land and resettlement management aspects. HZL will identify the gaps between local laws and IFC standards and set out project-specific mechanisms to address any conflicts.

Where land acquisition and resettlement are the responsibility of the government, HZL will liaise with the government to achieve outcomes that are consistent with the IFC performance



standards. Gaps identified between local laws, IFC and HZL's Technical Standard can be addressed in a supplemental action plan.

4.4. Impact Assessment Studies and Resettlement Action Plans

HZL's operations shall undertake project specific social impact assessment studies for projects categorised as Category 'A' or 'B' under the *IFC Performance Standard 1* and prepare a Resettlement Action Plan aligned with applicable national regulatory and policy framework as well as international standards. The IFC categorisation levels are as follows:

- **Category A project:** A project is classified as Category A if it is likely to have significant adverse impacts that are sensitive, diverse or unprecedented.
- **Category B project:** A project is classified as Category B if its potential impacts are less adverse than those of Category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for Category A projects.
- **Category C project:** A project is classified as Category C if it is likely to have minimal or no adverse impacts.
- **Category FI project:** A project is classified as Category FI if it involves investment of IFC funds, through a financial intermediary, in subprojects that may have adverse impacts. In some capital markets projects where IFC funds are not targeted to specific subprojects, but the financial institution has operations, which may have adverse impacts, the project may also be classified as Category FI.

The scope of the assessment shall be commensurate with the magnitude of risks and impact of the project. The assessment shall also meet the requirements of the *TS-8 Conducting ESIs to International Standards Requirements Technical Standard*.

4.5. Compensation Measures

All persons losing assets or use of resources as a direct result of a project are considered Project Affected People, and are entitled to compensation and other forms of assistance. This includes people losing land they have held under customary or traditional law, people using common property resources, squatters residing on public lands, and encroachers deprived of established access to resources, as well as those with formally recognised property rights. It also includes tenants, artisans, and wage earners whose livelihoods or living standards would be adversely affected as a direct result of the project. It does not include persons opportunistically invading a site after disclosure of project plans for the purpose of obtaining assistance. Land and assets, when acquired, shall be replaced like-for-like, wherever feasible, and especially in relation to Indigenous Peoples and Vulnerable Communities. Where it is demonstrated that such replacement land options are not available, or not preferred by the Project Affected Households, HZL operations shall ensure that compensation against acquired land and other assets are provided at full replacement cost. All transaction costs involved in purchasing replacement land/assets will be borne by the Operation.

4.6. Resettlement Support

Where households need to be physically displaced, Operations shall ensure that such households are provided with alternate housing which is culturally appropriate, in resettlement sites in suitable locations chosen in consultation with the households to be resettled. Support will be provided to all categories of affected persons, such as tenants, property owners, squatters and host communities. A lack of legal title to land does not disqualify people from resettlement assistance, the housing and access to infrastructure and amenities will be of an improved



standard than that of their pre-displacement standard. To the extent possible, households will be given options for resettlement.

4.7. Rehabilitation for livelihood restoration

In addition to the compensation of assets, all impacted households will be provided long term rehabilitation assistance and programmatic support to help them restore their livelihoods and overall quality of lives to at least pre-project levels, and preferably better.

4.8. Support to Vulnerable Groups

Vulnerable Groups shall be defined and identified for each project/operation during the impact assessment stage and special attention will be given to such groups. Where such vulnerable groups are provided special provisions under national law, HZL will facilitate similar provisions in its own operations. Where there are internationally recognised rights for some of these vulnerable groups, HZL will try and meet these requirements wherever applicable.

4.9. Community engagement

Effective community engagement processes for the resettlement programme shall be developed and implemented. HZL operations shall develop a project specific consultation procedure that will be transparent, inclusive, culturally appropriate and mutually acceptable to the stakeholders. All operations will ensure informed consultation and participation of the affected community and stakeholders. Community engagement will also include disclosure of relevant information throughout all phases of the project, (planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement). It is important to note that all engagement and consultation should include women and other vulnerable groups.

4.10. Grievance mechanisms

As per the scale and need of the project, HZL operations shall establish a suitable grievance redress mechanism to deal with land and resettlement issues. Adequate mechanisms in compliance with the local law and the international standards will be put in place to deal with the complaints and concerns of the stakeholders. The grievance mechanism shall meet the requirements of the *Grievance Mechanism Technical Standard-4*.

4.11. Institutional arrangement

HZL's operations shall put in place an institutional structure with defined roles and responsibilities for the management of land and resettlement programmes. The team size, skill requirements and allocation of resources will be in accordance with the magnitude of the impact and may also include external agencies such as NGOs for proper implementation of the resettlement program.

4.12. Monitoring and evaluation

HZL's operations shall ensure adequate monitoring and evaluation processes are in place to assess implementation of the Resettlement Action Plan. The cost of monitoring and evaluation will be inclusive in total resettlement & rehabilitation budgets. Monitoring will include internal as well as external third party monitoring to assure that the Resettlement Action Plan objectives and processes are being met.

5. ROLES AND RESPONSIBILITIES

HZL operations and sites shall ensure that roles and responsibilities for implementing and complying with this Standard are allocated. Key responsibilities shall be included in job descriptions, procedures and/or other appropriate documentation.

6. COMPLIANCE AND PERFORMANCE

Each HZL operation shall ensure they comply with the requirements of this standard. Performance against meeting the requirements of this Standard shall be assessed periodically, documented and, where required, reported to HZL. The assessment of performance shall include setting and reporting on key performance indicators (KPIs) where these have been established at HZL or local level. The evaluation of performance shall include, as a minimum, confirmation that:

- Project designs and alternatives have been considered to minimise negative impact of land take and resettlement.
- Land purchase options through negotiated settlements have been considered.
- A formal and documented Resettlement Action Plan, prepared to comply with national laws and policies as well as international standards, has been prepared and implemented when Category A or B projects are identified in the impact assessment process.
- Compensation against acquired land and other assets are provided at full replacement cost.
- Alternative housing has been provided when households have been displaced and is of a standard superior to the displaced location.
- A programme for long term support for impacted households is in place to restore livelihoods and overall quality of life.
- An effective community/stakeholder engagement process is in place and it is transparent, inclusive and culturally appropriate.

7. SUPPORTING INFORMATION

Reference	Description
ICMM (International Council of Mining and Metals)	The ICMM has produced and published good practice guidance on a range of health, safety, environment and community issues relating to mining. http://www.icmm.com/library
International Finance Corporation Performance Standards Guidance Notes	The IFC has published Guidance Notes to guide the implementation of the full range of performance standards. These are available on the website. The guidance is currently being updated and draft versions are available however these have not yet been finalised and formally published. http://www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards

8. REVIEW

This Technical Standard shall be periodically audited and reviewed to determine its accuracy and relevance with regard to legislation, education, training and technological changes. In all other circumstances, it shall be reviewed no later than 3 years since the previous review.



9. RELATED DOCUMENTATION

A summary of the references and supporting documents relevant to this document is provided in the following table.

Doc. Ref.	Document name
TS 05	Stakeholder Engagement
TS 08	Conducting ESIAs to International Standards
TS 04	Grievance Mechanisms
	HZL Code of Conduct
POL 01	Social Policy