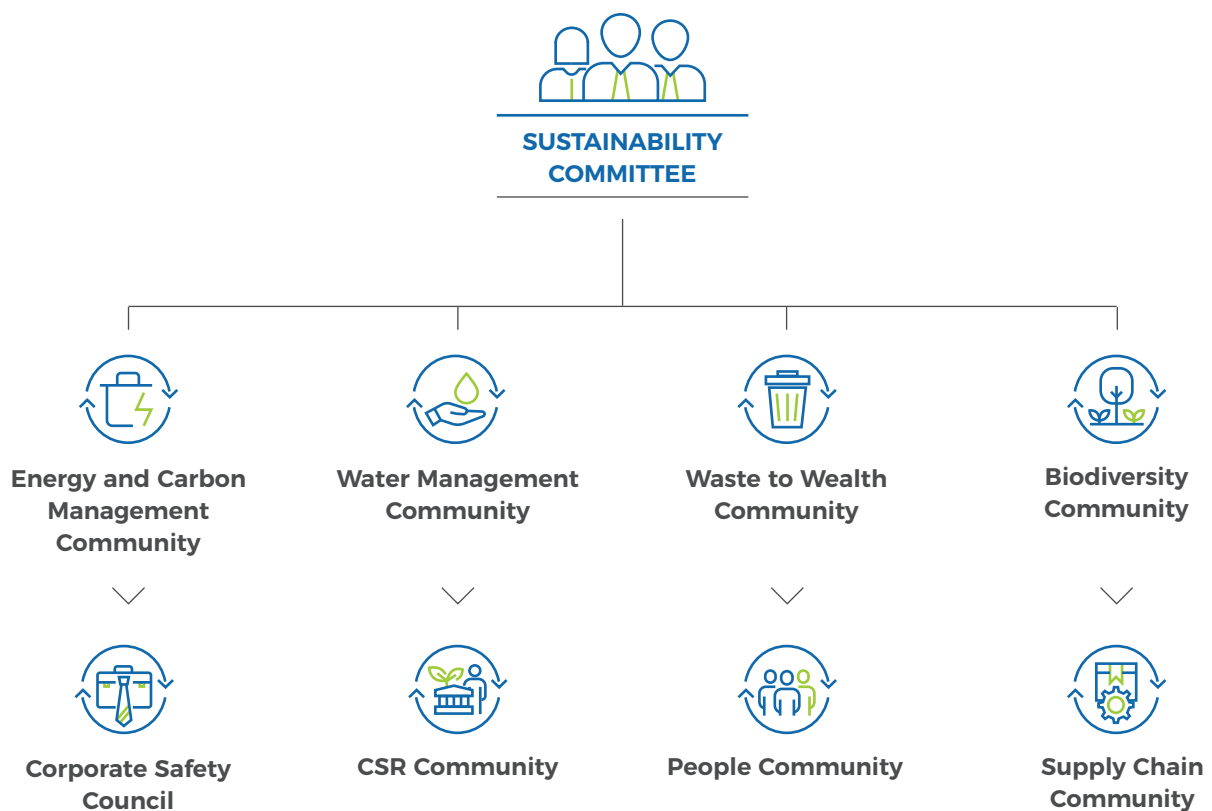


Sustainability Governance Framework

Sustainability Communities

We have set up eight sustainability communities to drive our eight Sustainability Goals 2025. Comprising champions from all units, the communities review the progress against their respective goals. They meet on monthly basis.



Energy and Carbon Management	Water Management	Waste to Wealth	Biodiversity
<ul style="list-style-type: none"> Work on 'Energy and Carbon Management' Conserve energy emissions, including Scope 1 and 2 emissions, and meet GHG emission targets Carry out audits, energy & carbon risk assessments, and implement mitigation measures Track performance of energy conservation & Clean Development Mechanism (CDM) projects Assist in estimation of carbon pricing and its integration in strategic planning 	<ul style="list-style-type: none"> Conserve water at source and plan water management Devise innovative ways to reduce specific water consumption from processes Conduct water audits and risk assessment Track performance against water conservation projects and promote water positive culture 	<ul style="list-style-type: none"> Track and utilize all waste generated from operations Conduct research & development to find innovative ways to reduce and reuse waste Outline initiatives, develop strategies, and track performance against targets for waste minimization 	<ul style="list-style-type: none"> Update biodiversity management plans and work towards biodiversity conservation Work towards increasing the green cover across Hindustan Zinc Follow-up on biodiversity conservation projects

Corporate Safety Council	Corporate Social Responsibility (CSR)	People	Supply Chain
<ul style="list-style-type: none"> Develop policies, deploy resources, and establish various standards to implement safety systems in organization Lay out organization's strategic roadmap Establish various safety systems, standards, rules, procedures, and help the organization achieve its Zero Harm goal seamlessly 	<ul style="list-style-type: none"> Create opportunities to positively touch 1 million+ lives Conduct baseline assessments to understand needs of communities and enhance effectiveness of social programs Align various international and national sustainable development agendas, including UN Guiding Principles for Business and Human Rights (UNGP); UN Sustainable Development Goals; National Guidelines on Responsible Business Conduct, and the national priorities 	<ul style="list-style-type: none"> Build a diverse and inclusive workplace, and prepare workforce for leadership roles Benchmark, review & reframe policies to promote equal opportunity culture Sensitize and raise awareness, while also communicating with external stakeholders Conduct internal surveys to gauge engagement levels within the workforce 	<ul style="list-style-type: none"> Review and update the supply chain sourcing policy, code, framework & practices, and track their implementation Screen and classify suppliers into different categories based on their impact, and develop mitigation plans Conduct responsible procurement and due diligence system for supplier and business partners Develop sustainable supply chain with the help of local sourcing to reduce carbon footprint

Inclusion of Sustainability Criteria in Employee Incentive and Performance

Sustainability is an integral part of the way we do business. We follow Vedanta Sustainability framework and implement its requirements across units. This framework contains the management and technical standards and policies to guide us to drive our efforts towards the material issues. All the sites every year undergo Vedanta Sustainability Assurance Programme to ensure the implementation of Vedanta Sustainability framework that provides site-wise scores against the 13 pillars of Sustainability.

We use the scores to understand our relative performance and to determine the performance bonus of each individual including the CEO and Executive Committee members. The safety performance at Hindustan Zinc and Vedanta Sustainability Assurance Programme (VSAP) scores are key part of everyone's KPIs and performance of both is linked with performance bonus of the senior leadership and all employees.

CEO and Other Senior Leadership

Our CEO's performance-based compensation is determined through a combination of the Company's financial results, such as revenue and operating profit, besides non-financial indicators such as leadership, progress on strategic goals, and contribution to sustainability performance.

CEO's KRA – Make Hindustan Zinc a zero-harm organization by establishing and inculcating the safety culture and implementing efforts towards achievement of Sustainability Goals

2025 and Vedanta Sustainability framework. [In leaders score card, there is 20% weightage to the VSAP score and Zero Fatality]

ExCO KRA – Make Hindustan Zinc a zero-harm organization by fostering a safe and risk-free work environment through elimination of incidents/injuries and implementing Vedanta Sustainability framework. [KPI – VSAP score and Zero fatality]

All Executives

Performance-based compensation is determined by the VSAP Scores along with business performance. To give an enhanced focus, the weightage on VSAP Scores has been assigned as 17.5% for senior management and 15% for others. Further, in case of any fatality the overall pay-out under performance-based compensation will be reduced by 10%, 20% & 25% for 1, 2 and more than 2 fatalities respectively. Consequence management is based on responsibility matrix, provision for penalizing in the form of withdrawal of last increment or demotion, or even nil/partial payment of Performance pay Scheme.

Contractors

Expanding our safety ethos to cover business partners too, we are increasingly linking payments / incentive & penalty with safety performance. For majority, monthly safety scorecards are already in place for performance evaluation, and more will be progressively brought into the ambit of payment linkage with compliance to safety metrics.