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**Independent Limited Assurance Statement to Hindustan Zinc Limited on the Greenhouse Gas (GHG) Inventory for Financial Year 2016-17**

To the Management of Hindustan Zinc Limited,  
Yashad Bhawan, Udaipur,  
Rajasthan, India – 313 004

**Introduction**

KPMG in India ("KPMG" or "We") have been engaged for the purpose of providing limited assurance on Green House Gas (GHG) emissions of Hindustan Zinc Limited ("HZL" or "the Company") for FY 2016-17. The GHG emissions have been quantified and reported by Hindustan Zinc Limited according to the requirements of World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard – Revised edition).

Hindustan Zinc Limited is responsible for evaluating the GHG inventory. Our responsibility was to provide limited assurance on GHG emissions reported as described in the scope of assurance.

**Scope, Boundary and Limitations for Assurance**

The scope of assurance covers direct GHG emissions (Scope 1), indirect GHG emissions (Scope 2), and select other indirect GHG emissions (Scope 3) of Hindustan Zinc Limited for the period 01 April 2016 to 31 March 2017. The review of information and data on a sample basis was carried out at the following sites:

Mines	Rampura Agucha Mine, Rajpura Dariba Mine, Sindesar Khurd Mine
Smelters	Chanderiya Smelting Complex, Dariba Smelting Complex
Corporate office	Hindustan Zinc Limited- Head Office, Udaipur

The assurance of Scope 3 emissions was restricted to the following categories, as defined by the World Resources Institute (WRI)/WBCSD GHG Protocol:

- Category 1: Purchased Goods and Services (limited to cement, lime, and soda ash)
- Category 3: Fuel- and Energy-Related Activities not included in Scope 1 or Scope 2
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel (limited to air travel)
- Category 7: Employee Commuting
- Category 8: Upstream Leased Assets
- Category 9: Downstream Transportation and Distribution
- Category 12: End-of-Life Treatment of Sold Products



- The assurance scope excludes data and information outside the defined reporting period and boundary.
- The assurance of Scope 3 emissions was limited to the review of documentary evidences provided by the Corporate Office of Hindustan Zinc Limited.

### **Assurance Procedures**

We have conducted our work in accordance with requirements of 'Limited Assurance' procedures as per International Federation of Accountants' (IFAC) International Standard for Assurance Engagements (ISAE 3410- Assurance Engagements on Greenhouse Gas Statements).

A limited assurance engagement in accordance with ISAE 3410 involves assessing the risks of material misstatement of the elements of the Information that are within scope, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement and evaluating the overall presentation of those elements. The nature, timing and extent of procedures selected depend on our understanding of the Information and other engagement circumstances, and our consideration of areas where material misstatements of the elements of the Information that are in scope are likely to arise. In developing our understanding of the Information, we have developed an understanding of internal control over the preparation and presentation of the Information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Hindustan Zinc Limited's internal control over the preparation and presentation of the Information.

The assurance procedures also included a range of evidence-gathering procedures including:

- Assessment of Hindustan Zinc Limited's reporting procedures for GHG emissions with regard to their consistency with the WRI/WBCSD Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard)
- Reliability of greenhouse gas emissions from electricity use, stationary combustion (LPG, Coal, Propane, Diesel, etc.), mobile combustion (Diesel etc.).
- Evaluating the appropriateness of the qualification methods, models used in the preparation of GHG Statement
- Discussions with individuals responsible for evaluation of the GHG emissions.
- Verification of systems and procedures used for emission quantification, collation and analysis.
- Testing on a sample basis, the evidence supporting the data and information.
- Understanding the reasonableness of the various assumptions, estimations, and materiality thresholds used by Hindustan Zinc Limited for data analysis.
- Assessment of data reliability and accuracy.

### **Conclusions**

Based on our assurance procedures and in line with the scope and limitations, there is no evidence for us not to believe that

- Evaluation of GHG emissions is in accordance with World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard).
- The reported GHG emissions (01 April 2016- 31 March 2017) are equal to:
  - Scope 1: 4,288,645 metric tonnes of CO<sub>2</sub> equivalent
  - Scope 2: 114,246 metric tonnes of CO<sub>2</sub> equivalent
  - Scope 3: 2,776,912 metric tonnes of CO<sub>2</sub> equivalent



## **Independence**

Assurance procedures were conducted with a multidisciplinary team including specialists in ISAE 3410 and GHG assurance engagements. Our work was performed in compliance with the requirements of IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

## **Responsibilities**

Hindustan Zinc Limited is responsible for evaluating the GHG inventory, establishing and maintaining appropriate internal control systems and derivation of performance data reported. This report is made solely to the Management of Hindustan Zinc Limited in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to Hindustan Zinc Limited those matters for which we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hindustan Zinc Limited for our work, for this report, or for the conclusions expressed in this independent assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

A handwritten signature in black ink, appearing to read 'Santhosh Jayaram', with a long horizontal stroke extending to the right.

**Santhosh Jayaram**

Partner

KPMG India

11 July 2017