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Independent Limited Assurance Statement to Hindustan Zinc Limited on Water Disclosure for Financial Year 2019-20

To
The Management of Hindustan Zinc Limited,
Yashad Bhawan, Udaipur,
Rajasthan, India - 313 004

Introduction

We ('KPMG Assurance and Consulting Services LLP', or 'KPMG') have been engaged for the purpose of providing limited assurance on water disclosures of Hindustan Zinc Limited ("HZL" or "the Company") for Financial Year 2019-20.

HZL is responsible for accounting water disclosures. Our responsibility was to provide limited assurance on water disclosures reported as described in the scope, boundary and limitations for assurance.

Reporting Criteria

The water disclosures have been quantified and reported by HZL according to the requirements of Global Reporting Initiative (GRI) Standards (2016) and HZL's internal Sustainability Performance Criteria respectively.

Assurance Standards

We conducted our assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information.
 - Under this standard, we have reviewed the information presented in the assurance statement against the characteristics of relevance, completeness, reliability, neutrality and understandability.
 - Limited assurance consists primarily of enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement.

Scope, Boundary and Limitations for Assurance

The scope of assurance covers water disclosures (water withdrawal, water consumption and water effluent discharged) of HZL for the period 01 April 2019 to 31 March 2020. The boundary of reporting covered all the sites within India, and the review was done at the following sites on a sample basis:

- Chanderiya Lead and Zinc Smelters, Rajasthan
- Rampura Agucha Mines, Rajasthan
- Dariba Smelting Complex, Rajasthan
- Sindesar Khurd Mines, Rajasthan
- Udaipur Corporate Office, Rajasthan



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Scope Limitations for Assurance:

The assurance scope excludes the following:

- ❖ Data and information outside the defined reporting period and boundary;
- ❖ Data related to Company's financial information;
- ❖ Strategy and other related linkages;
- ❖ The assurance on water effluent discharge is based on the review of submissions made by HZL to respective State Pollution Control Boards

Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the selected water disclosures whether due to fraud or error. In responding to the assessed risks, we have considered internal controls relevant to the preparation of the information in order to design assurance procedures that are appropriate in the circumstances.

Our limited assurance procedures also included:

- Assessment of HZL's reporting procedures for water disclosures regarding their consistency with the application of GRI Standards
- Review of systems and procedures used for quantification, collation, and analysis of water withdrawal and water consumption disclosures included in the assurance statement
- Assessment of appropriateness of various assumptions, estimations and materiality thresholds used by the Company for data analysis.
- Discussions with individuals responsible for evaluation of Water disclosures
- Assessment of data reliability, comparability and accuracy
- Review of submissions made by HZL to respective State Pollution Control Boards
- Review of water related data for the duration from 1st April 2019 to 31st March 2020 was carried out remotely through virtual interactions and screen sharing tools

Appropriate documentary evidences were obtained to support our conclusions on the information and data reviewed. Where such documentary evidence could not be collected due to sensitive nature of the information, our team reviewed the same with HZL representatives through virtual interactions.

Conclusions

We have reviewed selected water disclosures of Hindustan Zinc Limited for the reporting period from 01st April 2019 to 31st March 2020. Based on our assurance procedures and in line with the scope, boundary and limitations as described above, nothing has come to our attention that causes us not to believe that the water disclosure data is fairly represented and is in line with the reporting principles of GRI Standards.

The reported figures are:

Water Aspect	(in m ³)
Total Water Withdrawal	26,729,700
Total Fresh Water Consumption	18,278,279
Waste-Water Withdrawal from another organization	6,751,440

Also, based on review of submissions made by HZL to respective State Pollution Control Boards, nothing has come to our attention that causes us not to believe that all the sites are maintaining zero water effluent discharge.



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Data representation and calculation related errors were observed but the same were resolved during the assurance process. We have provided our observations to the Company in a separate management letter. These, do not, however, affect our conclusions.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in as per requirements of ISAE 3000 (Revised) standard.

Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. 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

HZL is responsible for evaluating the water disclosures, establishing and maintaining appropriate internal control systems and derivation of performance data reported. This statement is made solely to the Management of HZL 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 the Company those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. Our assurance statement is released to Hindustan Zinc Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Santhosh Jayaram

Partner

KPMG Assurance and Consulting Services LLP

26 August 2020