Priya Agarwal Hebbar

HINDUSTAN ZINC

Chairperson

COMPANY PROFILE

Primary listing	NSE
Headquarters	Udaipur, India
Market cap	US$33.5 billion
Regional focus	India
Commodity	Zinc, lead, silver
Production for calendar year 2023	Zinc: 812,000t Lead: 217,000t Silver: 23.9Moz

What targets have you set for carbon emissions and what progress have you made to date?

At Vedanta, we are looking at net zero before 2050. Hindustan Zinc (HZL), in particular, should get there before that.

We're (HZL) already committed to 450MW of renewable energy round the clock and we should be reducing our non-renewable energy requirement by about 50% by 2026, so we're well on our way to getting there very soon.

There are some more examples I can give beyond renewable energy. We've already deployed India's first underground battery electric vehicle and we've achieved three EVs in our SK mine. Along with that at surface we deployed 28 vehicles.

We've also deployed electric vehicles (10 EVs) and alternate fuel vehicles (180 LNG vehicles) for inter-unit transport and transport of finished goods. Our Pantnagar Metal Plant is sourcing 100% green power. We are also looking at hydrogen and other sources of energy as well beyond that.

What are the most important steps your company is currently taking to reduce carbon emissions?

In 2020, we set out eight goals. Four of those were environment-related goals, including the one on renewable energy. We're also looking at 100% electrification of our vehicles across all business units. We have SBTI [Science Based Targets Initiative] validated targets around Scope 1, 2 and 3 emissions so we're really looking at this in a very strategic way and in a very detailed manner.

What are the biggest obstacles to achieving net zero and how can these be overcome?

I don't see them as obstacles, but it's the change in management required across the board and across all employees. It's a mindset shift, and we need to ensure that we make that commitment at a leadership level so that each and every employee of Vedanta makes the commitment as well in their day-to-day lives in the ways they operate in the company.

Irrespective of capex requirements, we ensure a green outcome, and we are committed to getting to net zero by 2050. In the case of EVs, particularly for light motor vehicles (LMVs), it's simple to get EV light motor vehicles or forklifts with the advent of EV technology available for surface-level vehicles.

However, EV vehicles, especially for underground mine operations, do not exist or the right technology is not developed yet, but with the advancements happening in technology and innovation in the EV space and our work alongside startups that are developing the technology, we should be able to fill the gaps.

Other than these, transitioning to net zero requires substantial financial investment in new technologies, infrastructure, and processes. This includes the cost of renewable energy sources, electrification of equipment, carbon capture technologies, and other sustainability initiatives.

Some of the technologies required to achieve net zero either are still in the development phase or are not commercially viable for large-scale implementation in mining. Regulatory requirements related to environmental impact and sustainability are stringent and constantly evolving, making compliance challenging.

Does your company report Scope 3 emissions and what are the main obstacles to consistent Scope 3 reporting in the mining industry?

We do, and that's why, as I mentioned earlier, we have our SBTI targets, where we are committed to a 50% reduction in Scope 1 and Scope 2 and a 25% reduction in Scope 3 emissions by 2030. And of course, like I said, net zero by 2050. So that has been reported and that is something that we are very committed to and enthusiastic about and which we are looking at achieving very soon.

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Introducing LNG and EV vehicles is helping us reduce our Scope 3 emissions related to product transport and interunit logistics.

However, all Scope 3 emissions are not in our direct control. For upstream and downstream, more engagement with our business partners and customers is required to make them aligned to our ESG expectations. Finding matured business partners who are willing to align and participate with us by reducing their emissions is also a challenge.

It is also crucial to identify products with less carbon and integrate the same in procurement decisions.

Battery electric vehicle *Image: Hindustan Zinc*